

Report to

Audit Committee

June 6, 2014

GASB 68 PENSIONS IMPACT ON FINANCIALS

standard effective for fiscal year 2015: Governmental Accounting Standards Board (GASB) Standard Number 68: *Accounting and Financial Reporting for Pensions An Amendment of GASB Statement No. 27*. The standard will require participating employers of cost sharing pension plans to record their portion of the net pension liability. As the University is a

Retirement System (TRS), we expect to record a significant liability in our audited financial statements for these plans. The _____ has notified us (and all participating employers) of our share of the respective liability, which has been estimated at \$660 M.

The recording of a net pension liability is *not* outflow. In other words, the university will continue to make its PERS and TRS employer contributions based on the rates provided in state statute, regardless of the new accounting

STATUS UPDATES ON ONGOING ISSUES

PRO-CARD

Reductions in Credit Exposure

	<u>9/13/2013</u>	<u>5/6/2014</u>	<u>Absolute Change</u>	<u>% Change</u>
UAF	\$ 22.7 M	\$ 10.1 M	\$ 12.6 M	-56 %
UAA	\$ 15.1 M	\$ 6.0 M	\$ 9.2 M	-61 %
UAS	\$ 1.4 M	\$ 0.6 M	\$ 0.8 M	-56 %
SW	\$ 1.4 M	\$ 0.8 M	\$ 0.6 M	-43 %
Totals	\$ 40.7 M	\$ 17.4 M	\$ 23.3 M	-57 %

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Sponsored Programs Information Network: