

*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**

	<b><u>9/13/2013</u></b>	<b><u>5/6/2014</u></b>	<b><u>Absolute Change</u></b>	<b><u>% Change</u></b>
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 %

### **INFOED**

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