

*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<br/>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 %           |

### INFOED

Sponsored Programs Information Network: