



# GASB 62

Board Meeting 9/17/18



# GASB 62 Use

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- GASB 62 is a governmental accounting standard that applies to regulated municipal utilities that allows them to defer costs until the revenue is captured through rates. The standard requires the municipal utility to receive approval by its regulatory authority of future recovery through rates of the cost which have been deferred.

# GASB 62-TMRS

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- Defer a one-time pension expense due to plan change to 2:1
- One time charge of \$6,881,135
- Actuarial valuation to bring active and inactive vested employees to the 2:1 match level for prior contributions
- Deferral period = 5 years beginning in FY 2018
- Will need City Council approval

# GASB 62-TMRS

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Additional Exp. Due to Changes in TMRS Benefits	\$ 6,881,135	
Amortization Period	5	years
FY 2018	\$ 1,376,227	
FY 2019	1,376,227	
FY 2020	1,376,227	
FY 2021	1,376,227	
FY 2022	1,376,227	
<b>Total Deferral</b>	<b>\$ 6,881,135</b>	

# GASB 62 Mid-Basin

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- Defer water lease payments for the Mid-Basin water purchase
- Lease payments begin in January of 2019
- Will not start receiving water until 2023
- Defer lease payments totaling \$2,240,000
- Deferral period = 10 years beginning in FY 2023
- Will need City Council approval

# GASB 62 Mid-Basin

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Total Acre Feet	8,000	
Lease Amount per Acre Foot	\$ 80.00	
FY 2019 (Starting in January)	\$ 320,000	
FY 2020	640,000	
FY 2021	640,000	
FY 2022	640,000	
<b>Total Deferral</b>	<b>\$ 2,240,000</b>	
Amortization Period	10	years
<b>Annual Expense Starting in FY 2023</b>	<b>\$ 224,000</b>	