

	<h1>Policy</h1>	Version #: 1.2 Original effective date: 10/29/2015 Next review date: 04/01/2028
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**Purpose:**

Accounting standard GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) was adopted by Platte River Power Authority in 2015. GASB 68's primary objective is to improve accounting and financial reporting by state and local governments for pensions. Under GASB 68 pension expense is determined by the actuary using a specific prescribed method. However, recording pension expense calculated by the actuary creates a timing issue for budget and rate setting for Platte River because the calculation is made after the start of the year for which pension expense is calculated. Therefore, Platte River will use GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, Regulated Operations*, paragraph 476-500 (GASB 62), as outlined in the "Policy" section below to record pension expense and meet the requirements under GASB 68. GASB 62 allows certain expenses or revenues to be recognized when included in wholesale rates charged to the owner communities rather than when normally expensed.

**Policy:**

This policy allows Platte River to perform the following under GASB 62.

1. Record pension contributions as pension expense in-lieu of the pension expense calculated by the actuary as determined by GASB 68 due to the timing of the actuarial report. Pension contributions are known at the time of budget preparation and rate setting.
2. Amortize any difference between pension contributions and the actuary calculated pension expense over a ten-year period beginning the following year. The amortization amount will be included in pension expense along with the pension contribution for each year calculated.

All amounts are calculated by the actuary and reported in the annual Actuarial Valuation Report.

**Implementing parties and assigned responsibilities:**

Accounting management, director of finance and chief financial officer review this policy. Staff will bring necessary revisions before the Platte River Board of Directors for approval.

**Associated items (if applicable):**

Pension Accounting Procedure  
Board Resolutions No. 10-15, No. 37-85

**Definitions (if applicable):**

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<b>Reviews:</b> <sup>DS</sup> <i>SKN</i> <sup>DS</sup> <i>DS</i>	

Version	Date	Action	Author	Change tracking (new, review, revision)
1.0	10/29/2015	Policy by Board Resolution 10-15	Shelley Nywall	New
1.1	04/03/2018	Reviewed by Shelly Nywall, migrated to new form	Tracy Thompson	New form
1.2	04/24/2023	Reviewed by Jason Harris, Shelley Nywall and Dave Smalley; minor updates to terminology and clarifications	Jason Harris	Review