

# 2015 CAFR & GASB 68

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# 2015 CAFR



- Management's Discussion & Analysis (MD&A)
- Basic Financial Statements
  - Government-wide financial statements
  - Major funds financial statements
    - General Fund
    - Utilities, PACE
    - MHS
    - Component Units (BIDs, CSHF, DDA, PPRCN, etc.)
  - Consolidated non-major funds
- Notes to the financial statements
- Required Supplementary Information
- Combining and Individual Statements and Schedules
  - Details of Consolidated non-major funds
- Statistical Section

# Major Features of the City's Government-wide and Fund Financial Statements

	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses; the utilities system, airport, and parking system	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

# 2015 MD&A Highlights



- Government-wide financial statements
  - Total net position \$2.9 billion
  - Total net position decreased by \$194.4 million or 6.2%
    - Governmental activities net position decreased \$147.9 million or 11%
    - Business type activities net position decreased \$46.5 million or 2.6%
    - Current year activity
    - Restatement of beginning net position required as a result of the implementation of GASB 68
  - Total unrestricted net position (\$142.8) million
    - Decreased \$371.3 million primarily as a result of GASB 68

# 2015 MD&A Highlights



- **Governmental funds**
  - Combined ending fund balances \$117.9 million
  - Increased \$1.6 million
    - Increase in PSST fund balance of \$3.4 million

# 2015 MD&A Highlights



- **General Fund**
  - Ending fund balance \$50.4 million, 19.3% of 2015 expenditures
  - Unrestricted fund balance of \$42.5 million, 16.3% of 2015 expenditures
    - Decrease of \$0.8 million or 0.3% of 2015 expenditures
  - Restricted fund balance of \$7.5 million
    - Decrease of \$2.1 million due to 2D - voter approved TABOR revenue retention
    - Bond reserve used toward final payment of SCIP revenue bond

# GASB 68

## New Pension Accounting



- City's Defined Benefit Pension Plans
  - PERA
    - Civilians including enterprises (i.e. Utilities)
  - FPPA
    - Old Hire Pension Plans
    - New Hire Pension Plans
    - Statewide Defined Benefit Pension Plan

# Current Plans



- Fire & Police Pension Association of Colorado (FPPA)
  - Old Hire – Sworn Police & Fire
    - Hired on or before 4/7/1978
  - New Hire – Sworn Police & Fire
    - Hired between 4/8/1978 and 9/30/2006,
    - Hired after 1/1/1997 must pay for D&D
  - Statewide DB – Sworn Police & Fire
    - Hired on or after 10/1/2006
    - Those who voluntarily transferred from Old or New Hire plans during two windows of opportunity
- Colorado PERA
  - All civilians, except those who report directly to Mayor may waive out of PERA.
- ICMA 401A
  - All elected officials and civilians who report directly to Mayor and elected to waive PERA.



# 2016 Employee Data & Contributions



Plan	Active Members	Drop* Members	Total % of Salary (Pension & D&D)
FPPA Old Hire	0	0	10%
FPPA New Hire	132	75	Police – 8% Fire – 10%
FPPA New Hire 97	314	3	Police – 9.3% Fire – 11.3%
FPPA Statewide	549	1	10.3%
PERA	1,332		8%
IMCA	9		8%

\*Drop – The employee retires with FPPA, but still works for the City for up to 5 years, the City does not pay employer contributions during this period.

\*\*1.30% - Since it is included in total assume the same rate as FPPA New Hire 97 & Statewide.

Statistics as of 3/31/2016.

# 2016 Employer Contributions



Plan	Active Members	Drop* Members	Total % of Salary	Lump Sum Payment
FPPA Old Hire	0	0	8.0%	\$1.64M
FPPA New Hire	446	78	Police –22.11% Fire – 19.75%	\$3.1M
FPPA Statewide	549	1	8.0%	-
PERA**	1,332		13.7%	-
ICMA ***	4		13.7%	-

\*Drop – The employee retires with FPPA, but still works for the City for up to 5 years, the City does not pay employer contributions during this period.

\*\*1.02% of the 13.7% contribution to PERA if for the Health Trust fund for retired employee health and not to fund pension benefits.

\*\*\* 13.7% - 10% to ICMA and 3.7% to PERA

Membership data as of 3/31/2016

# GASB 68

## New Pension Accounting



- City's Defined Benefit Pension Plans
  - PERA
    - Civilians including enterprises (i.e. Utilities)
  - FPPA
    - Old Hire Pension Plans
    - New Hire Pension Plans
    - Statewide Defined Benefit Pension Plan

# GASB 68

## New Pension Accounting



- Which financial statement are impacted?
  - Government-wide financial statements
  - Proprietary fund financial statements
- Does it impact the General Fund financial statement or other governmental funds (PSST, CTF)?
  - No, these funds measurement focus is near-term liquidity, so do not report long-term liabilities including net pension liability

# GASB 68

## New Pension Accounting



- How does GASB 68 change reporting for pension plans?
  - Changes the amount the City reports as a liability
  - Changes the amount the City reports as pension expense
  - Changes/prescribes how pension plans calculate the pension liability

# GASB 68

## New Pension Accounting



- Government-wide financial statement impact comparison
- Across both Governmental and Business-Type Activities

	2014	2015
Impact to Net position	\$ -	-\$355.5 million

# GASB 68

## New Pension Accounting



- **CAFR Exhibits and Notes**
  - Exhibits 1 and 2 impacted – difficult to discern
  - Notes – most useful
    - Note H
    - Pages 128-157
    - Detailed summary by plan
    - Descriptions and impacts of each plan
  - Exhibits 15 – 18 (Required Supplementary Information)
    - Duplicate some of the information in the Notes in GASB prescribed tables
    - Will grow to provide 10 years of information for comparison