

Pension Funds

Financial Update

April 25, 2016

FY15 Financial Statement Presentation

- **New reporting requirement**

Effective FY15 for Employee Pension Fund

Effective FY16 for Police and Fire Pension Funds

Year ends December 31

Effective FY16 for EPWU

Year ends February 28

GASB Standard 68 - Net Pension Obligation

- What is this obligation??

- Arises from the employment relationship
- Applies to all state and municipal governments
- Includes current retirees and prospective retirees
- Use of actuarial methods and assumptions regarding entry age, return on investments, discount rate
- Measurement date is August 31, 2014
- Generally does not include a funding plan
 - Amortization period: CEPF 20 Years
 - Police/Fire 30 Years
- Requires a restatement of beginning fund balance/retained earnings

Recording the Obligation – CEPF Allocation Based on Pension Fund Contributions

| CEPF FUND | Allocation | Total Pension Liability | Fiduciary Net Position | Net Pension Obligation |
|--------------|----------------|-------------------------|------------------------|------------------------|
| General Fund | 50.50% | 434,188,729 | 369,941,742 | 64,246,987 |
| Airport | 5.08% | 43,667,692 | 37,206,176 | 6,461,516 |
| Env Services | 7.62% | 65,486,183 | 55,796,180 | 9,690,003 |
| Fleet Mtnce | 1.71% | 14,674,697 | 12,503,279 | 2,171,418 |
| Intl Bridges | 0.94% | 8,113,524 | 6,912,964 | 1,200,560 |
| Self Ins | 0.50% | 4,266,773 | 3,635,418 | 631,355 |
| Sun Metro | 13.76% | 118,258,095 | 100,759,422 | 17,498,673 |
| EPWU | <u>19.90%</u> | <u>171,089,242</u> | <u>145,773,135</u> | <u>25,316,107</u> |
| TOTAL | 100.00% | 859,744,935 | 732,528,317 | 127,216,618 |

Recording the Obligation Police and Fire Pension Funds

| Pension Fund | Total Pension Liability | Fiduciary Net Position | Net Pension Obligation |
|--------------|-------------------------|------------------------|------------------------|
| POLICE | 938,652,154 | 753,637,428 | 185,014,726 |
| | | | |
| FIRE | 622,998,216 | 517,224,488 | 105,773,728 |

Change from Net Pension Asset to Net Pension Obligation

| | CAFR FY14 | CAFR FY15 |
|-------------------|--------------------|------------------------|
| | Net Pension Asset | Net Pension Obligation |
| General Fund | 419,208,645 | 357,838,216 |
| Enterprise Funds* | <u>69,623,332</u> | <u>34,850,752</u> |
| Total | 488,831,977 | 392,688,968 |

*Includes Airport, Environmental Services, International Bridges, and Sun Metro

