

WHAT THE HECK IS A CAFR?

A review of the Comprehensive
Annual Financial Report
For the year ending June 30, 2012



“This information is so exciting I feel obliged to tone it down a little with these boring slides.”

CAFR Structure

- Annual audits are required by law
- All CAFRs have a similar format (NCGA & GASB)
 - Introductory section
 - Financial section
 - Statistical section

Introductory Section

- Table of Contents
- Letter of Transmittal
- Organizational Chart
- Principal Officials
- GFOA award, if applied for and awarded

Financial Section

- Independent auditor's report
 - format and information proscribed
 - third paragraph is key
- Management's Discussion and Analysis (MD&A)
 - Highlights the past year
 - Summarizes the financials
 - Discusses types of funds
- Basic Financials (statements, notes & required supplementary information)

Statistical Section

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic & Economic Information
- Operating Information

How I read annual reports

- The notes tell the nitty gritty
- The transmittal letter & Management Discussion & Analysis (MD&A)
- The statements are the numbers
- The statistical section is the trending

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters and employee health insurance claims. The City participates in the following public entity risk pools.

A. *General Liability Insurance*

The City is a member of Bay Cities Joint Powers Insurance Authority. The Bay Cities Joint Powers Insurance Authority is a public agency created in 1986 by and among various municipalities in Northern California to provide a pooled approach to liability insurance pursuant to the California Government Code. The Bay Cities Joint Powers Insurance Authority is governed by a Board of Directors which is comprised of appointed officials from the member entities. The purpose of the pool is to provide certain levels of liability coverage, claims administration, and loss control support to member agencies. Annually, each member pays an actuarially determined premium based on a formula which takes into account the prior three years' loss experience, annual payroll, and population.

The City self-insures the first \$25,000 of each liability loss. The Bay Cities Joint Powers Insurance Authority pools the layer from \$25,001 to \$1,000,000 and purchases excess insurance from \$1 million to \$28 million per year.

What's in our Notes

- Starts on page 31
- Routine information in Notes 1,2, & 3
- Note 4 explains money moved between funds
- Note 5 is detail on Loans Receivable
- Note 6 is Capital Assets
- Note 7 is Net Pension Asset (prepaid PERS)
- Note 8 tells you all about Long Term Debt (bonds & leases)

What's in our Notes (cont'd)

- Note 9 is about Net Assets and Fund balance as required by GASB 54
- Note 10 is all about Retirement Benefits (PERS)
- Note 11 Other Post-Employment Benefits (OPEB)
- Note 12 insurance and worker's comp details
- Note 13 Commitments and Contingent Liabilities

What's in our Notes (cont'd)

- Note 14 breaks the Utility Fund financial statements down to its component units. This is needed for the State Controller's Reports
- Note 15 everything you always wanted to know about Redevelopment dissolution and where it went.
- Note 16 tells you about VWR leaving the City
- Note 17 is anything major after the audit

Transmittal Letter & MD&A

- Should be considered together to get a full picture of the City
- Should not duplicate information
- Aim is to easily read and understand

GASB 34

- Government-wide financial statements vs Fund financial statements (not quite the same)
- Governmental funds vs Proprietary funds

Government-wide financial statements vs Fund financial statements

Government-Wide

- Vision of single, integrated reporting unit
- Full accrual basis
- Provides operational accountability
- Presents data by activity (governmental & business)
- Capital Assets & Long Term Debt

Fund Financials

- Conglomerate of separate funds
- Modified accrual basis
- Provides detail of fiscal accountability
- Presents data by funds (major and everything else)
- Internal Service Funds

Fund Types

- Governmental
activities supported by taxes & grants
- Proprietary
activities supported by fees and charges
- Fiduciary
resources that government holds on behalf
of outside parties

CITY OF BRISBANE
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments available for operations (Note 3)	\$8,456,077	\$807,992	\$9,264,069
Accounts receivable	1,387,165	1,012,970	2,400,135
Taxes receivable	1,367,130	768	1,367,898
Internal balance	(595,416)	595,416	
Deferred charges	123,405		123,405
Accrued interest			
Other assets	3,290	59,926	63,216
Noncurrent assets:			
Restricted cash and investments with fiscal agents (Note 3)	3,608,171		3,608,171
Investment in Brisbane Redevelopment Agency 2001 tax allocation bonds (Note 3)	12,810,000		12,810,000
Loans receivable, net (Note 5)	12,825,950	525,150	13,351,100
Prepaid pension obligation bonds (Note 7)	3,561,622		3,561,622
Capital assets (Note 6):			
Non-depreciable	26,936,857	1,174,959	28,111,816
Depreciable, net	22,489,866	34,857,593	57,347,459
Total Assets	92,974,117	39,034,774	132,008,891
LIABILITIES			
Current liabilities:			
Accounts payable	223,431	241,446	464,877
Accrued payroll	366,543	88,420	454,963
Interest payable	450,944	59,557	510,501
Deposits	957,360	211,020	1,168,380
Unearned revenue	390,325		390,325
Claims payable - due within one year (Note 12)	263,881		263,881
Compensated absences - due within one year (Note 1G)	126,830	23,875	150,705
Capital leases - due within one year (Note 8)		22,651	22,651
Long-term debt - due within one year (Note 8)	2,410,846	115,000	2,525,846
Noncurrent liabilities:			
Claims payable - due in more than one year (Note 12)	670,223		670,223
Compensated absences - due in more than one year (Note 1G)	380,490	71,625	452,115
OPEB obligation (Note 11)	2,472,234	494,908	2,967,142
Capital leases - due in more than one year (Note 8)		45,303	45,303
Long-term debt - due in more than one year (Note 8)	32,346,607	3,545,000	35,891,607
Total Liabilities	41,059,714	4,918,805	45,978,519
NET ASSETS (Note 9)			
Invested in capital assets, net of related debt	38,064,270	32,304,598	70,368,868
Restricted for:			
Capital projects	529,348	847,589	1,376,937
Debt service	17,720,224		17,720,224
Specific projects and programs	756,478		756,478
Total Restricted Net Assets	19,006,050	847,589	19,853,639
Unrestricted	(5,155,917)	963,782	(4,192,135)
Total Net Assets	\$51,914,403	\$34,115,969	\$86,030,372

See accompanying notes to financial statements

CITY OF BRISBANE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$5,123,057	\$2,121,902	\$5,000		(\$2,996,155)		(\$2,996,155)
Public safety - police	2,930,641	107,056	126,784		(2,696,801)		(2,696,801)
Public safety - fire	2,756,391	112,927			(2,643,464)		(2,643,464)
Public works	1,900,695	2,928,195		\$489,754	1,517,254		1,517,254
Interest on long-term debt (unallocated)	2,878,876				(2,878,876)		(2,878,876)
Total Governmental Activities	15,589,660	5,270,080	131,784	489,754	(9,698,042)		(9,698,042)
Business-type Activities:							
Water	1,131,641	1,571,652		101,826		\$541,837	541,837
Sewer	1,340,397	1,162,408				(177,989)	(177,989)
Guadalupe Valley Municipal Improvement District	1,352,072	1,514,051				161,979	161,979
Parks and recreation	3,342,390	2,154,786				(1,187,604)	(1,187,604)
Total Business-type Activities	7,166,500	6,402,897		101,826		(661,777)	(661,777)
Total	\$22,756,160	\$11,672,977	\$131,784	\$591,580	(9,698,042)	(661,777)	(10,359,819)
General revenues:							
Taxes:							
Property taxes					4,949,777		4,949,777
Sales taxes					4,495,650		4,495,650
Unrestricted motor vehicle license fee taxes					2,141		2,141
Transient occupancy tax					1,560,033		1,560,033
Other taxes					493,892		493,892
Taxes and assessment						29,208	29,208
Intergovernmental						185,231	185,231
Investment earnings					1,586,856	3,171	1,590,027
Miscellaneous					74,651		74,651
Extraordinary item (Note 15):							
Assets transferred to/liabilities assumed by Successor Agency					16,063,548		16,063,548
Transfers (Note 4C)					(1,008,482)	1,008,482	
Total general revenues, transfers and extraordinary item					28,218,066	1,226,092	29,444,158
Change in Net Assets					18,520,024	564,315	19,084,339
Net Assets-Beginning					33,394,379	33,551,654	66,946,033
Net Assets-Ending					\$51,914,403	\$34,115,969	\$86,030,372

See accompanying notes to financial statements

CITY OF BRISBANE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012

	General Fund	Community Redevelopment Special Revenue Fund	Low/Mod Income Housing Asset Special Revenue Fund	Brisbane Public Financing Authority 2001 Revenue Bonds Series A Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 3)	\$4,440,355		\$8,882		\$2,610,505	\$7,059,742
Restricted cash and investments (Note 3)				2,064,995	1,543,176	3,608,171
Investment in Brisbane Redevelopment Agency 2001 tax allocation bonds (Note 3)				12,810,000		12,810,000
Accounts receivable, net	1,350,223				36,188	1,386,411
Taxes receivable	1,336,656				30,474	1,367,130
Due from other funds (Note 4A)	2,081,707					2,081,707
Loans receivable (Note 5)	2,090,272		8,439,682	2,295,996		12,825,950
Advances to other funds (Note 4B)	540,219				397,053	937,272
Other assets	3,290					3,290
Total Assets	\$11,842,722		\$8,448,564	\$17,170,991	\$4,617,396	\$42,079,673
LIABILITIES						
Accounts payable	\$176,349		\$1,005		\$12,474	\$189,828
Accrued payroll	254,051				21,615	275,666
Due to other funds (Note 4A)					1,318,399	1,318,399
Deposits	955,759				1,601	957,360
Deferred revenue	929,261		3,122,876			4,052,137
Advances from other funds (Note 4B)				\$2,295,996		2,295,996
Total Liabilities	2,315,420		3,123,881	2,295,996	1,354,089	9,089,386
FUND BALANCES (Note 9)						
Nonspendable	2,630,491					2,630,491
Restricted			5,324,683	14,874,995	3,627,607	23,827,285
Assigned	141,000				670,063	811,063
Unassigned	6,755,811				(1,034,363)	5,721,448
Total Fund Balances (Deficit)	9,527,302		5,324,683	14,874,995	3,263,307	32,990,287
Total Liabilities and Fund Balances	\$11,842,722		\$8,448,564	\$17,170,991	\$4,617,396	\$42,079,673

See accompanying notes to financial statements

CITY OF BRISBANE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Community Redevelopment Special Revenue Fund	Low/Mod Income Housing Asset Special Revenue Fund	Brisbane Public Financing Authority 2001 Revenue Bonds Series A Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$9,025,762	\$2,169,717	(\$460,723)		\$1,924,406	\$12,659,162
Intergovernmental	26,166					26,166
Licenses, permits and fees	930,731				270,726	1,201,457
Charges for services	352,947				45,200	398,147
Fines and forfeitures	79,211				717,415	796,626
Use of money and property	121,128	12,953	10,824	\$1,595,647		1,740,552
Other revenues	2,090,585				378,847	2,469,432
Total Revenues	12,626,530	2,182,670	(449,899)	1,595,647	3,336,594	19,291,542
EXPENDITURES						
Current:						
General government	3,491,843	453				3,492,296
Public safety - police	2,699,400					2,699,400
Public safety - fire	2,339,924				145,146	2,485,070
Public works	925,339	363,009	2,102			1,290,450
Library	26,305				952,440	978,745
Capital outlay	68,091	1,925,835			888,753	2,882,679
Debt service:						
Principal	10,986			865,000	1,448,350	2,324,336
Interest and fiscal charges	3,218	789,900		1,170,739	948,645	2,912,502
Total Expenditures	9,565,106	3,079,197	2,102	2,035,739	4,383,334	19,065,478
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,061,424	(896,527)	(452,001)	(440,092)	(1,046,740)	226,064
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 4C)	1,219,926	255,544		355,000	1,279,447	3,109,917
Transfers (out) (Note 4C)	(2,352,463)	(472,871)		(255,544)	(37)	(3,080,915)
Total Other Financing Sources (Uses)	(1,132,537)	(217,327)		99,456	1,279,410	29,002
NET CHANGES IN FUND BALANCES BEFORE BEFORE EXTRAORDINARY ITEM	1,928,887	(1,113,854)	(452,001)	(340,636)	232,670	255,066
EXTRAORDINARY ITEM						
Assets transferred to/liabilities assumed by Successor Agency (Note 15)		(2,747,487)	5,776,684		(124,916)	2,904,281
NET CHANGES IN FUND BALANCES	1,928,887	(3,861,341)	5,324,683	(340,636)	107,754	3,159,347
BEGINNING FUND BALANCES	7,598,415	3,861,341		15,215,631	3,155,553	29,830,940
ENDING FUND BALANCES	\$9,527,302		\$5,324,683	\$14,874,995	\$3,263,307	\$32,990,287

See accompanying notes to financial statements

Required Supplementary Information

- Budget to actual data
- Combining financial statements for non-major funds, internal service funds and fiduciary funds