

SamTrans Fiscal Year 2019-2020 Comprehensive Annual Financial Report

SamTrans Board of Directors – Audit Committee
November 16, 2020

Agenda

- Highlights from the CAFR for FY 2019-20
 - Auditor's Communication
 - Timing of the CAFR
 - Assessment of SamTrans Long-Term Fiscal Health
 - Retirement Liabilities
 - OPEB Liabilities
 - Internal Control over Financial Reporting and on Compliance

Auditor's Communication

- Eide Bailly issued an unmodified “clean” opinion on the financial statements and compliance with federal grants
- No adjustments were proposed to the financial statements
- No difficulties were encountered in the performance of the audit

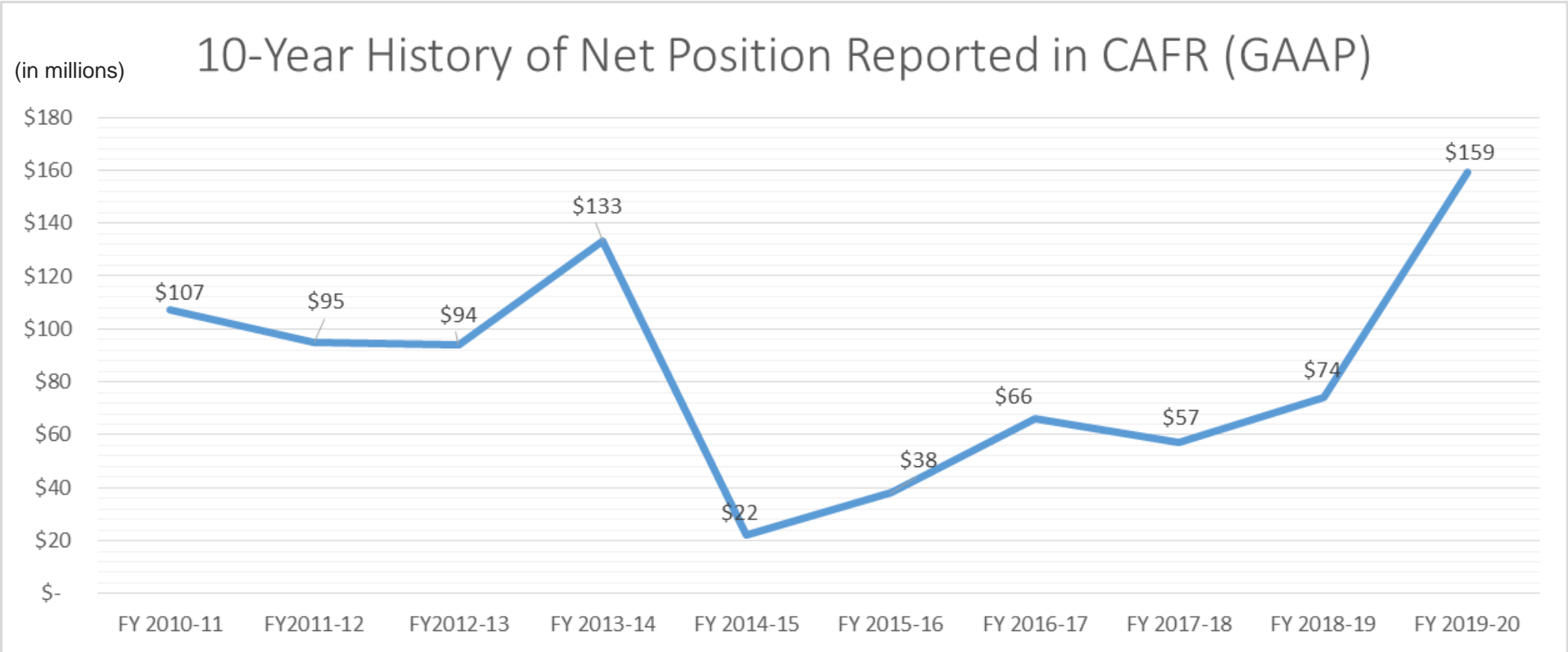
Timing of the CAFR

- The FY 2019-20 CAFR was published on October 26
- 54 days early compared to 2017
- 76 days early compared to 2016
- 81 days early compared to 2015

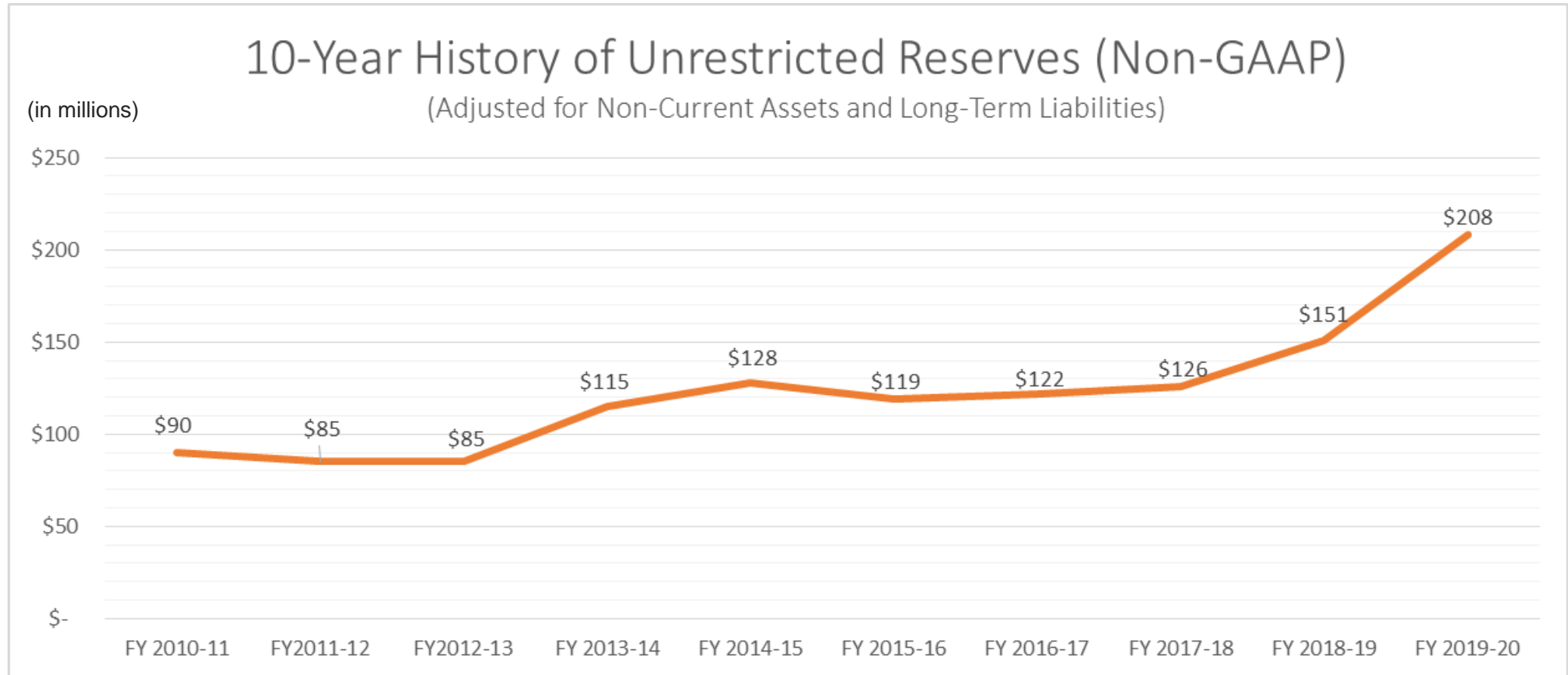
Benefits of timely reporting:

- Provides more timely information to investors, management, and community
- Allows time to focus on other projects

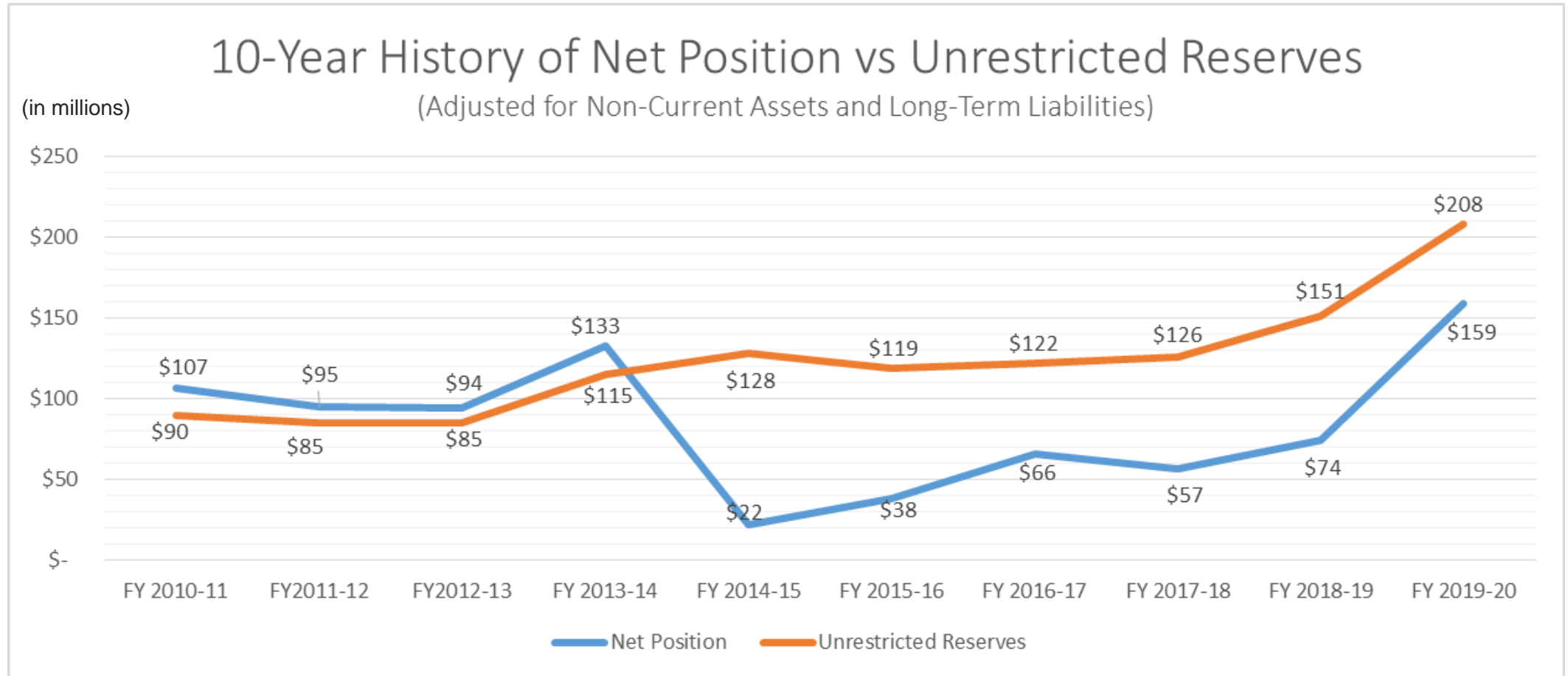
Assessment of SamTrans Long-Term Fiscal Health



Assessment of SamTrans Long-Term Fiscal Health (continued)



Assessment of SamTrans Long-Term Fiscal Health (continued)



Assessment of SamTrans Long-Term Fiscal Health (continued)

What Does This Mean?

GAAP

- GAAP accounting provides a partial view of the District's financial condition
- GAAP accounting can hide trends

Non-GAAP

- Focuses on short-term needs
- Ability to maintain services

What Should We Do?

- Focus on preventing or limiting “Financial Impairment” through cost-effective financial management in both short and long term.
- Continue to develop metrics to help the Board identify and address potential financial impairment issues.
- Address challenges associated with large unfunded liabilities.
- Develop appropriate reserve policies.

Retirement Liabilities

(in millions)

	Total Pension Liability	Plan Fiduciary Net	Net Pension Liability	Funded Ratio	CalPERS Investment Return
FY 15 CAFR	\$ 271	\$ 240	\$ 31	88.6%	7.50%
FY 16 CAFR	\$ 282	\$ 243	\$ 39	86.2%	7.65%
FY 17 CAFR	\$ 298	\$ 241	\$ 57	80.9%	7.65%
FY 18 CAFR	\$ 332	\$ 264	\$ 68	79.5%	7.15%
FY 19 CAFR	\$ 349	\$ 281	\$ 68	80.5%	7.15%
FY 20 CAFR	\$ 369	\$ 296	\$ 73	80.2%	7.15%

OPEB Liabilities

(in millions)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Funded Ratio	CERBT Investment Return
FY 18 CAFR	\$ 50	\$ 14	\$ 36	28.0%	6.75%
FY 19 CAFR	\$ 52	\$ 19	\$ 33	36.5%	6.75%
FY 20 CAFR	\$ 51	\$ 23	\$ 28	45.1%	6.75%

Internal Control Over Financial Reporting and Compliance

No audit findings reported