



# City of Grand Island

Tuesday, March 14, 2017

Council Session

## Item C-2

### **Presentation by Almquist, Maltzahn, Galloway, & Luth for Fiscal Year Ended 9-30-16 City Single Audit and General Purpose Financial Statements and Electric and Water Audit Reports**

*Terry Galloway from Almquist, Maltzahn, Galloway, & Luth will present the fiscal year ended 9-30-16 City Single Audit and General Purpose Financial Statements and Electric and Water Audit Reports*

Staff Contact: Renae Griffiths

# City of Grand Island

## Financial statements and supplementary information

Almquist, Maltzahn,  
Galloway & Luth, P.C.

# Independent Auditor's Report

## Opinions:

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of the City of Grand Island, Nebraska, as of September 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Audit Report  
Page  
4

# Outstanding Debt

## City of Grand Island's Outstanding Debt

|                    | Year Ended September 30, 2016      |                                     |                       | Year Ended September 30, 2015      |                                     |                       |
|--------------------|------------------------------------|-------------------------------------|-----------------------|------------------------------------|-------------------------------------|-----------------------|
|                    | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
| General Obligation |                                    |                                     |                       |                                    |                                     |                       |
| Bonds              | \$ 2,816,000                       | \$ -                                | \$ 2,816,000          | \$ 4,570,000                       | \$ -                                | \$ 4,570,000          |
| Revenue Bonds      | -                                  | 104,713,961                         | 104,713,961           | -                                  | 94,220,138                          | 94,220,138            |
| Capital Lease      | 4,437,766                          | -                                   | 4,437,766             | 6,923,380                          | -                                   | 6,923,380             |
| Total              | <u>\$ 7,253,766</u>                | <u>\$ 104,713,961</u>               | <u>\$ 111,967,727</u> | <u>\$ 11,493,380</u>               | <u>\$ 94,220,138</u>                | <u>\$ 105,713,518</u> |

The City of Grand Island's total debt increased by \$6,254,209 (5.9 percent) during the current fiscal year due primarily to the issuance of \$14,548,823 of Sewer DEQ notes.

Audit Report

Page

16

# Statement of Net Position

## CITY OF GRAND ISLAND, NEBRASKA STATEMENT OF NET POSITION September 30, 2016

|                                     | Primary Government                |                                    | <u>Total</u>          |
|-------------------------------------|-----------------------------------|------------------------------------|-----------------------|
|                                     | Governmental<br><u>Activities</u> | Business-type<br><u>Activities</u> |                       |
| <b>NET POSITION</b>                 |                                   |                                    |                       |
| Net investment in capital assets    | 337,137,050                       | 223,925,828                        | 561,062,878           |
| Restricted for:                     |                                   |                                    |                       |
| Debt service                        | 285,172                           | 8,841,721                          | 9,126,893             |
| Landfill closure/post-closure costs | -                                 | 4,366,895                          | 4,366,895             |
| Perpetual care - permanent          | 719,187                           | -                                  | 719,187               |
| Street improvements                 | 2,171,239                         | -                                  | 2,171,239             |
| Capital projects                    | 1,703,440                         | -                                  | 1,703,440             |
| Economic development                | 1,417,015                         | -                                  | 1,417,015             |
| Other purposes                      | 2,456,595                         | -                                  | 2,456,595             |
| Unrestricted                        | 20,683,010                        | 79,251,392                         | 99,934,402            |
| <b>Total net position</b>           | <u>\$ 366,572,708</u>             | <u>\$ 316,385,836</u>              | <u>\$ 682,958,544</u> |

Audit Report  
Page  
19

# Statement of Net Position - Fiduciary Funds

**CITY OF GRAND ISLAND, NEBRASKA**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**September 30, 2016**

|                                    | <u>Employee<br/>Reserve Fund</u> |
|------------------------------------|----------------------------------|
| <b>ASSETS</b>                      |                                  |
| Cash                               | \$ 81,546                        |
| Investments                        | 4,068,051                        |
| Special assessments receivable     | -                                |
| Total assets                       | <u>4,149,597</u>                 |
| <b>LIABILITIES</b>                 |                                  |
| Agency liabilities                 | -                                |
| Pension liability                  | <u>2,031,549</u>                 |
| Total liabilities                  | <u>2,031,549</u>                 |
| <b>NET POSITION</b>                |                                  |
| Held in trust for pension benefits | <u>\$ 2,118,048</u>              |

Audit Report

Page

20

# Budgetary Comparison Schedule - General Fund

## CITY OF GRAND ISLAND, NEBRASKA BUDGETARY COMPARISON SCHEDULE - GENERAL FUND Year ended September 30, 2016

|   | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u> | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|---|---|---------------|--|
| <b>RESOURCES (INFLOWS)</b>                  |   |               |  |
| Total resources                             | 40,338,568                                | 41,833,236    | 1,494,668  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b> |   |               |  |
| Total general government                    | 4,813,006                                 | 4,391,280     | (421,726)  |
| Total public safety                         | 22,662,606                                | 22,389,561    | (273,045)  |

Audit Report  
Page  
20

# Budgetary Comparison Schedule - General Fund, Continued

**CITY OF GRAND ISLAND, NEBRASKA  
BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND  
Year ended September 30, 2016**

|  | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u>     | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|---|-------------------|--|
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS), continued</b> |   |                   |  |
| Total public works                                     | 8,655,812                                 | 7,857,480         | (798,332)  |
| Total environment and leisure                          | 6,471,621                                 | 6,311,156         | (160,465)  |
| Non-departmental                                       | <u>3,175,891</u>                          | <u>3,815,839</u>  | <u>639,948</u>   |
| Total charges to appropriations                        | <u>45,778,936</u>                         | <u>44,765,316</u> | <u>(1,013,620)</u>   |

Audit Report  
Page  
on



# Budgetary Comparison Schedule - General Fund, Continued

## CITY OF GRAND ISLAND, NEBRASKA BUDGETARY COMPARISON SCHEDULE -

### GENERAL FUND

Year ended September 30, 2016

|  | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u>         | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|---|-----------------------|--|
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS), continued</b>   |   |                       |  |
| <hr/> <b>OTHER FINANCING SOURCES (USES)</b> <hr/>  |   |                       |  |
| Net transfers  | <u>2,925,000</u>                          | <u>1,232,094</u>      | <u>(1,692,906)</u>   |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES (USES) OVER (UNDER)<br/>CHARGES TO APPROPRIATIONS</b> | <u>\$ (2,515,368)</u>                     | <u>\$ (1,699,986)</u> | <u>\$ 815,382</u>  |

Audit Report  
Page  
on

# Budgetary Comparison Schedule - Capital Projects Fund

**CITY OF GRAND ISLAND, NEBRASKA  
BUDGETARY COMPARISON SCHEDULE -  
CAPITAL PROJECTS FUND  
Year ended September 30, 2016**

|  | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u>       | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|---|---------------------|--|
| <b>RESOURCES (INFLOWS)</b>   |   |                     |  |
| Intergovernmental  | \$ 2,109,713                              | \$ 1,019,804        | \$ (1,089,909)   |
| Other revenue  | <u>-</u>                                  | <u>7,307</u>        | <u>7,307</u>   |
| Total resources  | 2,109,713                                 | 1,027,111           | (1,082,602)  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>  |   |                     |  |
| Total charges to appropriations  | <u>9,370,536</u>                          | <u>2,526,989</u>    | <u>(6,843,547)</u>   |
| Resources over (under) charges to<br>appropriations  | (7,260,823)                               | (1,499,878)         | 5,760,945  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |   |                     |  |
| Transfers in   | <u>8,320,000</u>                          | <u>3,450,002</u>    | <u>(4,869,998)</u>   |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES (USES) OVER (UNDER)<br/>CHARGES TO APPROPRIATIONS</b> | <u>\$ 1,059,177</u>                       | <u>\$ 1,950,124</u> | <u>\$ 890,947</u>  |

Audit Report

Page

01

# Budgetary Comparison Schedule - Debt Service Fund

**CITY OF GRAND ISLAND, NEBRASKA  
BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND  
Year ended September 30, 2016**

|  | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u>      | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|---|--------------------|--|
| <b>RESOURCES (INFLOWS)</b>   |   |                    |  |
| Total resources  | 4,222,882                                 | 2,038,795          | (2,184,087)  |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b>  |   |                    |  |
| Total charges to appropriations  | <u>3,322,935</u>                          | <u>3,068,761</u>   | <u>(254,174)</u>   |
| Resources over (under) charges to<br>appropriations  | 899,947                                   | (1,029,966)        | (1,929,913)  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |   |                    |  |
| Net transfers  | <u>(879,000)</u>                          | <u>1,013,291</u>   | <u>1,892,291</u>   |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES (USES) OVER (UNDER)<br/>CHARGES TO APPROPRIATIONS</b> | <u>\$ 20,947</u>                          | <u>\$ (16,675)</u> | <u>\$ (37,622)</u>   |

Audit Report

Page

# City of Grand Island

## September 30, 2016

|   | <b>Audit Report<br/>Reference</b> | <b>Peer Group</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|---|-----------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| 1) Unrestricted Net Position/Total Net Position |                                   |                   |             |             |             |             |             |
| Government Wide                                 | Page 19                           | 20%               | 14.63%      | 13.63%      | 13.55%      | 12.18%      | 12.63%      |
| Governmental Activities                         | Page 19                           | 20%               | 5.64%       | 6.34%       | 6.02%       | 5.52%       | 5.12%       |
| Business-Type Activities                        | Page 19                           | 25%               | 25.05%      | 22.05%      | 22.27%      | 20.02%      | 21.59%      |

# City of Grand Island

## September 30, 2016

|  | <b>Audit Report<br/>Reference</b> | <b>Peer Group</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|--|-----------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| 2) Top 5 Sources of Revenues - Governmental Activities |                                   |                   |             |             |             |             |             |
| Sales Tax  | Page 10                           | \$325 per Capita  | \$ 337      | \$ 334      | \$ 325      | \$ 311      | \$ 300      |
| Property Taxes   |                                   | \$225 per Capita  | 185         | 178         | 172         | 168         | 161         |
| Grants and Contributions                               |                                   | \$125 per Capita  | 227         | 134         | 190         | 135         | 131         |
| State Allocation                                       |                                   | \$100 per Capita  | 116         | 112         | 112         | 99          | 89          |
| Charges for Services                                   |                                   | \$210 per Capita  | 215         | 211         | 196         | 191         | 181         |

# City of Grand Island

## September 30, 2016

|                        | Peer Group      | 2016  | 2015  | 2014  | 2013  | 2012  |
|------------------------|-----------------|-------|-------|-------|-------|-------|
| 3) State Allocations   |                 |       |       |       |       |       |
| Highway Allocation     | \$95 Per Capita | \$ 96 | \$ 95 | \$ 93 | \$ 85 | \$ 81 |
| Municipal Equalization | \$10 Per Capita | 12    | 9     | 12    | 7     | 1     |

# City of Grand Island

## September 30, 2016

|                          | Audit Report<br>Reference | Peer Group       | 2016  | 2015  | 2014  | 2013  | 2012  |
|--------------------------|---------------------------|------------------|-------|-------|-------|-------|-------|
| 4) Governmental Expenses |                           |                  |       |       |       |       |       |
| General Government       | Page 89/90                | \$125 Per Capita | \$ 90 | \$ 91 | \$ 87 | \$ 80 | \$ 75 |
| Public Safety            |                           | \$420 Per Capita | 460   | 411   | 401   | 368   | 347   |
| Public Works             |                           | \$200 Per Capita | 162   | 123   | 132   | 125   | 116   |
| Environment and leisure  |                           | \$145 Per Capita | 130   | 120   | 119   | 107   | 107   |

# City of Grand Island

## September 30, 2016

### Audit Report

|                                  | Reference | Peer Group     | 2016  | 2015  | 2014  | 2013  | 2012  |
|----------------------------------|-----------|----------------|-------|-------|-------|-------|-------|
| 5) Outstanding GA Debt/Valuation | Page 15   | < 3%-Excellent | 0.26% | 0.43% | 0.60% | 0.65% | 0.76% |



# City of Grand Island

## September 30, 2016

### Audit Report

|  | Reference  | Peer Group | 2016   | 2015   | 2014   | 2013   | 2012   |
|--|------------|------------|--------|--------|--------|--------|--------|
| 6) Unassigned Fund Balance/General Fund Expenditures | Page 21/23 | 25%        | 25.12% | 27.81% | 32.22% | 27.95% | 30.69% |

# City of Grand Island

## September 30, 2016

### Audit Report

|  | Reference       | Peer Group | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------------|------------|------|------|------|------|------|
| 7) Months Expense in Street Cash Reserve | Pages 107 & 109 | 12.0       | 3.9  | 1.5  | 6.1  | 7.4  | 9.2  |

# City of Grand Island Summary of Property Tax Levy

|   | <u>FY2017</u> | <u>FY2016</u> | <u>FY2015</u> | <u>FY2014</u> | <u>FY2013</u> | <u>FY2012</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>8) Total Valuation</b>                 | 2,933,977,196 | 2,831,663,760 | 2,658,635,505 | 2,574,553,789 | 2,517,067,460 | 2,459,250,522 |
|   |               |               |               |               |               |               |
| City of Grand Island Levy                 |               |               |               |               |               |               |
| General Fund                              | 0.249200      | 0.253456      | 0.256297      | 0.231089      | 0.232663      | 0.228009      |
| Debt Service                              | 0.024900      | 0.028817      | 0.027525      | 0.047867      | 0.048667      | 0.052351      |
| Interlocal Agreements                     | 0.050000      | 0.041827      | 0.040278      | 0.045144      | 0.042770      | 0.043740      |
| Total City of Grand Island Levy           | 0.324100      | 0.324100      | 0.324100      | 0.324100      | 0.324100      | 0.324100      |
|   |               |               |               |               |               |               |
| Community Redevelopment<br>Authority Levy |               |               |               |               |               |               |
| Requested Levy                            | 0.019283      | 0.019006      | 0.018495      | 0.018426      | 0.017742      | 0.017742      |
| Lincoln Pool Levy                         | 0.006717      | 0.006994      | 0.007505      | 0.007574      | 0.008258      | 0.008258      |
|   | 0.026000      | 0.026000      | 0.026000      | 0.026000      | 0.026000      | 0.026000      |

Budget Book 2016-17

Page 12

# City of Grand Island

## September 30, 2016

|    |  | Audit Report |            |        |        |        |        |        |
|----|--|--------------|------------|--------|--------|--------|--------|--------|
|    |  | Reference    | Peer Group | 2016   | 2015   | 2014   | 2013   | 2012   |
| 9) | Net Depreciable Capital Assets/Original Cost |              |            |        |        |        |        |        |
|    | Governmental Activities                      | Page 57      | > 50%      | 53.60% | 56.21% | 58.72% | 61.19% | 62.33% |
|    | (Construction in progress = \$21,373,562)    |              |            |        |        |        |        |        |
|    | Business-type Activities                     | Page 59      | > 50%      | 46.13% | 40.95% | 41.47% | 42.93% | 43.47% |
|    | (Construction in progress = \$68,682,600)    |              |            |        |        |        |        |        |

# City of Grand Island

## September 30, 2016

|  |         | Audit Report |            |         |        |        |        |      |
|--|---------|--------------|------------|---------|--------|--------|--------|------|
|  |         | Reference    | Peer Group | 2016    | 2015   | 2014   | 2013   | 2012 |
| 10) Operating Income/Total Operating Revenue |         |              |            |         |        |        |        |      |
| Electric Fund                                | Page 26 | 15.00%       | 12.63%     | 16.76%  | 19.08% | 19.77% | 21.58% |      |
| Water Fund                                   |         | 15.00%       | 13.96%     | 8.16%   | 12.89% | 47.72% | 47.49% |      |
| Sewer Fund                                   |         | 15.00%       | 27.06%     | 28.05%  | 20.00% | 8.42%  | 10.75% |      |
| Landfill Fund                                |         | 15.00%       | 6.46%      | 10.99%  | 11.84% | 3.25%  | 41.00% |      |
| Golf Fund                                    |         | 5.00%        | -26.00%    | -18.81% | -4.75% | -3.00% | 9.80%  |      |

# City of Grand Island

## September 30, 2016

|                                 |             | Audit Report |            |      |      |      |      |      |
|---------------------------------|-------------|--------------|------------|------|------|------|------|------|
|                                 |             | Reference    | Peer Group | 2016 | 2015 | 2014 | 2013 | 2012 |
| 11) Debt Service Coverage Ratio |             |              |            |      |      |      |      |      |
| Electric                        | Pages 26-27 | 0            | 1.5        | 7    | 1.8  | 3.2  | 2.2  | 2.6  |
| Water                           |             | 0            | 1.5        | 9    | 6.1  | 4.8  | 5.4  | 16.5 |
| Sewer                           |             | 0            | 1.5        | 3    | 6.6  | 2.9  | 3.4  | 1.1  |

# City of Grand Island

## September 30, 2016

|  |               | Audit Report |            |               |               |               |               |               |
|--|---------------|--------------|------------|---------------|---------------|---------------|---------------|---------------|
|  |               | Reference    | Peer Group | 2016          | 2015          | 2014          | 2013          | 2012          |
| 12) Cash, Investments & Treasurer Cash                         |               |              |            | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> |
| General Fund (Unassigned):                                     | Page 21/23/57 |              |            |               |               |               |               |               |
| Operating  |               |              | 11,060,000 |               |               |               |               |               |
| Replacement  |               |              | -          |               |               |               |               |               |
| (Budgetary stabilization = \$1,666,308)                        |               |              | 11,060,000 | 11,110,101    | 11,382,657    | 12,729,404    | 10,830,933    | 10,679,717    |
| Business-type Activities (Excluding Depreciation/Amortization) | Page 25/26/59 |              |            |               |               |               |               |               |
| Operating  |               |              | 14,715,000 |               |               |               |               |               |
| Replacement  |               |              | 21,420,000 |               |               |               |               |               |
| Restricted   |               |              | 17,095,000 |               |               |               |               |               |
|  |               |              | 53,230,000 | 81,273,879    | 78,322,363    | 89,895,987    | 86,792,083    | 56,073,069    |

# QUESTIONS