



City of Grand Island

Tuesday, April 10, 2018

Council Session

Item C-1

Presentation by Almquist, Maltzahn, Galloway, & Luth for Fiscal Year Ended 9-30-17 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 9-30-17 City Single Audit and General Purpose Financial Statements and Electric and Water Audit Reports

Staff Contact: William Clingman, Interim Finance Director

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, 2017, 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

Outstanding Debt

City of Grand Island's Outstanding Debt

	Year Ended September 30, 2017			Year Ended September 30, 2016		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
General Obligation						
Bonds	\$ 6,343,000	\$ -	\$ 6,343,000	\$ 2,816,000	\$ -	\$ 2,816,000
Revenue Bonds	-	109,240,055	109,240,055	-	104,713,961	104,713,961
Note Payable	50,001	-	50,001	-	-	-
Capital Lease	4,109,654	-	4,109,654	4,437,766	-	4,437,766
Total	<u>\$ 10,502,655</u>	<u>\$ 109,240,055</u>	<u>\$ 119,742,710</u>	<u>\$ 7,253,766</u>	<u>\$ 104,713,961</u>	<u>\$ 111,967,727</u>

The City of Grand Island's total debt increased by \$7,774,983 (6.9 percent) during the current fiscal year due primarily to the issuance of \$4,094,163 of Sewer DEQ notes, the issuance of \$7,435,000 water refunding bonds, and the issuance of \$4,435,000 public safety tax anticipation bonds.

Audit Report Page

15

Statement of Net Position

CITY OF GRAND ISLAND, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2017

	Primary Government		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
NET POSITION			
Net investment in capital assets	\$ 340,505,840	\$ 221,715,087	\$ 562,220,927
Restricted for:			
Debt service	114,410	8,967,593	9,082,003
Landfill closure/post-closure costs	-	5,536,437	5,536,437
Perpetual care - permanent	763,063	-	763,063
Street improvements	1,970,556	-	1,970,556
Capital projects	3,469,062	3,570,708	7,039,770
Economic development	1,693,451	-	1,693,451
Community improvements	3,024,569	-	3,024,569
Other purposes	1,594,213	-	1,594,213
Unrestricted	20,050,503	81,619,682	101,670,185
Total net position	<u>\$ 373,185,667</u>	<u>\$ 321,409,507</u>	<u>\$ 694,595,174</u>

Audit Report Page

Statement of Net Position - Fiduciary Funds

CITY OF GRAND ISLAND, NEBRASKA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
September 30, 2017

	<u>Employee Reserve Fund</u>
ASSETS	
Cash	\$ 25,211
Investments	4,429,713
Special assessments receivable	-
Total assets	<u>4,454,924</u>
LIABILITIES	
Agency liabilities	-
Pension liability	<u>1,942,109</u>
Total liabilities	<u>1,942,109</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 2,512,815</u></u>

Audit Report Page

Budgetary Comparison Schedule - General Fund

CITY OF GRAND ISLAND, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended September 30, 2017

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Total resources	\$ 36,672,081	\$ 37,239,292	\$ 567,211
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total general government	4,450,603	3,905,485	(545,118)
Total public safety	23,777,547	24,227,006	449,459

Audit Report Page

Budgetary Comparison Schedule - General Fund, Continued

CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND, Continued
Year ended September 30, 2017

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS), continued			
Total public works	1,469,591	1,037,502	(432,089)
Total environment and leisure	6,337,342	6,278,478	(58,864)
Non-departmental	<u>1,952,642</u>	<u>1,892,449</u>	<u>(60,193)</u>
Total charges to appropriations	<u>37,987,725</u>	<u>37,340,920</u>	<u>(646,805)</u>
Resources over (under) charges to appropriations	(1,315,644)	(101,628)	1,214,016

Audit Report Page

Budgetary Comparison Schedule - General Fund, Continued

CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND, Continued
Year ended September 30, 2017

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
OTHER FINANCING SOURCES (USES)			
Net transfers	<u>(1,870,000)</u>	<u>(2,371,480)</u>	<u>(501,480)</u>
 RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u><u>\$ (3,185,644)</u></u>	<u><u>\$ (2,473,108)</u></u>	<u><u>\$ 712,536</u></u>

Audit Report Page

Budgetary Comparison Schedule - Capital Projects Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
CAPITAL PROJECTS FUND
Year ended September 30, 2017**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Intergovernmental	\$ -	\$ 18,000	\$ 18,000
Other revenue	7,307	5,570	(1,737)
Total resources	7,307	23,570	16,263
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total charges to appropriations	4,993,870	1,122,392	(3,871,478)
Resources over (under) charges to appropriations	(4,986,563)	(1,098,822)	3,887,741
OTHER FINANCING SOURCES (USES)			
Net transfers	3,800,000	3,366,210	(433,790)
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	\$ (1,186,563)	\$2,267,388	\$3,453,951

Audit Report Page

Budgetary Comparison Schedule - Debt Service Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
Year ended September 30, 2017**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Total resources	\$4,237,442	\$4,224,327	\$ (13,115)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total charges to appropriations	<u>1,138,239</u>	<u>1,094,878</u>	<u>(43,361)</u>
Resources over charges to appropriations	3,099,203	3,129,449	30,246
OTHER FINANCING SOURCES (USES)			
Net transfers	<u>(3,198,886)</u>	<u>(3,267,266)</u>	<u>(68,380)</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u>\$ (99,683)</u>	<u>\$ (137,817)</u>	<u>\$ (38,134)</u>

Audit Report Page

Budgetary Comparison Schedule - Gas Tax Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GAS TAX FUND**

Year ended September 30, 2017

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Total resources	\$ 9,956,711	\$ 11,254,116	\$ 1,297,405
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total charges to appropriations	<u>11,754,714</u>	<u>11,578,313</u>	<u>(176,401)</u>
Resources over (under) charges to appropriations	(1,798,003)	(324,197)	1,473,806
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>600,000</u>	<u>800,190</u>	<u>200,190</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER)			
CHARGES TO APPROPRIATIONS	<u>\$ (1,198,003)</u>	<u>\$ 475,993</u>	<u>\$ 1,673,996</u>

Audit Report Page

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
1) Unrestricted Net Position/Total Net Position							
Government Wide	Page 19	20%	14.64%	14.63%	13.63%	13.55%	12.18%
Governmental Activities	Page 19	20%	5.37%	5.64%	6.34%	6.02%	5.52%
Business-Type Activities	Page 19	25%	25.39%	25.05%	22.05%	22.27%	20.02%

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
2) Top 5 Sources of Revenues - Governmental Activities							
Sales Tax	Page 10	\$350 per Capita \$	337 \$	337 \$	334 \$	325 \$	311
Property Taxes		\$230 per Capita	192	185	178	172	168
Grants and Contributions		\$150 per Capita	114	227	134	190	135
State Allocation		\$120 per Capita	119	116	112	112	99
Charges for Services		\$185 per Capita	222	215	211	196	191

City of Grand Island

September 30, 2017

	Peer Group	2017	2016	2015	2014	2013
3) State Allocations						
Highway Allocation	\$100 Per Capita \$	102 \$	96 \$	95 \$	93 \$	85
Municipal Equalization	\$15 Per Capita	9	12	9	12	7

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
4) Governmental Expenses							
General Government	Pages 93-94	\$100 Per Capita	\$ 80	\$ 90	\$ 91	\$ 87	\$ 80
Public Safety		\$410 Per Capita	498	460	411	401	368
Public Works		\$105 Per Capita	21*	162	123	132	125
Environment and Leisure		\$155 Per Capita	129	130	120	119	107

* Street expenditures were moved to the Gas Tax Fund in 2017.

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
5) Outstanding GO Debt/Valuation	Page 15	< 3%-Excellent	0.36%	0.26%	0.43%	0.60%	0.65%

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
6) Unassigned Fund Balance/General Fund Expenditures	Pages 21 & 23	30%	32.52%	25.12%	27.81%	32.22%	27.95%

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
7) Months Expense in Street Cash Reserve	Pages 21 & 23	12.0	2.0	3.9	1.5	6.1	7.4

City of Grand Island Summary of Property Tax Levy

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
8) Total Valuation	2,989,226,938	2,933,977,196	2,831,663,760	2,658,635,505	2,574,553,789	2,517,067,460
Percent of increase	1.88%	3.61%	6.51%	3.27%	2.28%	
City of Grand Island Levy						
General Fund	0.299991	0.249200	0.253456	0.256297	0.231089	0.232663
Debt Service	0.025759	0.024900	0.028817	0.027525	0.047867	0.048667
Interlocal Agreements	0.050000	0.050000	0.041827	0.040278	0.045144	0.042770
Total City of Grand Island Levy	0.375750	0.324100	0.324100	0.324100	0.324100	0.324100
Community Redevelopment Authority Levy	0.022422	0.026000	0.026000	0.026000	0.026000	0.026000

Budget Book 2017-18

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
9) Net Depreciable Capital Assets/Original Cost							
Governmental Activities (Construction in progress = \$20,234,961)	Page 57	> 50%	51.74%	53.60%	56.21%	58.72%	61.19%
Business-type Activities (Construction in progress = \$9,988,599)	Page 59	> 50%	50.15%	46.13%	40.95%	41.47%	42.93%
Current Year Capital Outlay to Depreciation Expense							
Governmental Activities	Page 57	1.0	2.9	2.5	2.9	2.5	2.6
Business-type Activities	Page 59	1.0	1.2	1.9	2.9	4.2	2.2

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
10) Operating Income/Total Operating Revenue							
Electric Fund	Page 26	15.00%	7.70%	12.63%	16.76%	19.08%	19.77%
Water Fund		15.00%	19.82%	13.96%	8.16%	12.89%	47.72%
Sewer Fund		15.00%	28.35%	27.06%	28.05%	20.00%	8.42%
Landfill Fund		15.00%	5.59%	6.46%	10.99%	11.84%	3.25%
Golf Fund		5.00%	-13.32%	-26.00%	-18.81%	-4.75%	-3.00%

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
11) Debt Service Coverage Ratio							
Electric	Pages 26-27	1.50	1.80	1.87	3.29	2.21	2.68
Water		1.50	8.22	6.19	4.80	5.46	16.53
Sewer		1.50	2.47	6.63	2.94	3.47	1.12

City of Grand Island

September 30, 2017

	Audit Report Reference	Peer Group	2017	2016	2015	2014	2013
12) Cash, Investments & County 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		10,340,000					
Replacement		-					
		<u>10,340,000</u>	13,444,190	11,110,101	11,382,657	12,729,404	11,878,627
Business-type Activities (Excluding Depreciation/Amortization)	Page 25/26/59						
Operating		19,615,000					
Replacement		-					
Restricted		22,815,000					
		<u>42,430,000</u>	88,944,985	81,273,879	78,322,363	89,895,987	86,792,083



QUESTIONS