



City of Grand Island

Tuesday, February 10, 2015

Council Session

Item C-1

Presentation by Almquist, Maltzahn, Galloway, & Luth for Fiscal Year 2014 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 2014 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 Auditors' 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, 2014, 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.

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Outstanding Debt

City of Grand Island's Outstanding Debt

	Year Ended September 30, 2014			Year Ended September 30, 2013		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Obligation						
Bonds	\$ 6,700,000	\$ -	\$ 6,700,000	\$ 5,535,000	\$ -	\$ 5,535,000
Revenue Bonds	-	86,875,000	86,875,000	-	54,870,000	54,870,000
Capital Lease	8,846,745	-	8,846,745	10,729,082	-	10,729,082
 Total	<u>\$ 15,546,745</u>	<u>\$ 86,875,000</u>	<u>\$ 102,421,745</u>	<u>\$ 16,264,082</u>	<u>\$ 54,870,000</u>	<u>\$ 71,134,082</u>

The City of Grand Island's total debt increased by \$31,287,663 (44.0 percent) during the current fiscal year due primarily to the issuance of \$36,915,000 of Electric Revenue Bonds.

Statement of Net Position

**CITY OF GRAND ISLAND, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2014**

	Primary Government		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
NET POSITION			
Net investment in capital assets	315,040,080	201,258,740	516,298,820
Restricted for:			
Debt service	1,242,936	11,622,652	12,865,588
Landfill closure/post-closure costs	-	3,951,795	3,951,795
Perpetual care - permanent	677,485	-	677,485
Street improvements	2,866,317	-	2,866,317
Capital projects	1,172,838	14,759,364	15,932,202
Economic development	693,978	-	693,978
Other purposes	2,299,221	-	2,299,221
Unrestricted	20,762,529	66,347,786	87,110,315
Total net position	<u>\$ 344,755,384</u>	<u>\$ 297,940,337</u>	<u>\$ 642,695,721</u>

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Statement of Net Position - Fiduciary Funds

CITY OF GRAND ISLAND, NEBRASKA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
September 30, 2014

	<u>Employee Reserve Funds</u>
ASSETS	
Cash	\$ -
Investments	4,788,625
Accounts receivable	-
Special assessments receivable	-
Total assets	<u>4,788,625</u>
LIABILITIES	
Agency liabilities	-
Due to other funds	6,408
Pension liability	<u>2,263,607</u>
Total liabilities	<u>2,270,015</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 2,518,610</u>

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Budgetary Comparison Schedule - General Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year ended September 30, 2014**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Total resources	36,678,525	37,469,909	791,384
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total general government	4,432,480	4,222,972	(209,508)
Total public safety	20,236,188	19,436,415	(799,773)

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Budgetary Comparison Schedule - General Fund, Continued

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year ended September 30, 2014**

	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	6,835,760	6,387,054	(448,706)
Total environment and leisure	5,911,197	5,757,467	(153,730)
Non-departmental	<u>2,277,116</u>	<u>2,344,586</u>	<u>67,470</u>
Total charges to appropriations	<u>39,692,741</u>	<u>38,148,494</u>	<u>(1,544,247)</u>

Budgetary Comparison Schedule - General Fund, Continued

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year ended September 30, 2014**

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS), continued			
<hr/>			
OTHER FINANCING SOURCES (USES)			
<hr/>			
Net transfers	1,365,462	1,786,985	421,523
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ (1,648,754)	\$ 1,108,400	\$ 2,757,154

Budgetary Comparison Schedule - Capital Projects Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
CAPITAL PROJECTS FUND
Year ended September 30, 2014**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Intergovernmental	\$ 1,519,600	\$ 321,469	\$ (1,198,131)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total charges to appropriations	<u>8,312,393</u>	<u>4,823,505</u>	<u>(3,488,888)</u>
Resources over (under) charges to appropriations	(6,792,793)	(4,502,036)	2,290,757
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>7,429,085</u>	<u>5,271,714</u>	<u>(2,157,371)</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ 636,292</u>	<u>\$ 769,678</u>	<u>\$ 133,386</u>

Budgetary Comparison Schedule - Debt Service Fund

**CITY OF GRAND ISLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
Year ended September 30, 2014**

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Total resources	2,939,256	3,456,759	517,503
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Total charges to appropriations	1,342,550	1,231,625	(110,925)
Resources over (under) charges to appropriations	1,596,706	2,225,134	628,428
OTHER FINANCING SOURCES (USES)			
Net transfers	(1,700,000)	(1,250,012)	449,988
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	\$ (103,294)	\$ 975,122	\$ 1,078,416

City of Grand Island

September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
1) Unrestricted Net Position/Total Net Position							
Government Wide	Page 19	20%	13.55%	12.18%	12.63%	12.77%	12.81%
Governmental Activities	Page 19	20%	6.02%	5.52%	5.12%	5.37%	5.92%
Business-Type Activities	Page 19	25%	22.27%	20.02%	21.59%	22.06%	21.56%

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September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
2) Unassigned Fund Balance/General Fund Expenditures	Page 21 / 23	30%	32.22%	27.95%	30.69%	17.96%	17.47%

City of Grand Island

September 30, 2014

	Audit Report		2014	2013	2012	2011	2010
	Reference	Best Practice					
3) Outstanding GA Debt/Valuation	Page 16	< 3%-Excellent	0.60%	0.65%	0.76%	0.93%	1.06%

City of Grand Island

September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
4) Debt Service Coverage Ratio							
Electric	Pages 26/27	1.50	2.21	2.68	2.70	3.32	2.78
Water		1.50	5.46	16.53	14.05	4.58	4.57
Sewer		1.50	3.47	1.12	2.09	1.90	1.95

City of Grand Island

September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
5) Top 5 Sources of Revenues - Governmental Activities							
Sales Tax	Page 10	\$275 per Capita	\$ 325	\$ 311	\$ 300	\$ 281	\$ 311
Property Taxes		\$210 per Capita	172	168	161	137	149
Grants and Contributions		\$100 per Capita	190	135	131	232	159
State Allocation		\$110 per Capita	112	99	89	86	89
Charges for Services		\$150 per Capita	196	191	181	173	188

* Per Capita based on 48,520 population
 Prior to 2011 – Per Capita based on population 42,961

City of Grand Island

September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
6) Cash, Investments & Treasurer Cash			<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
General Fund:	Page 21/23/57						
Operating (3 months)		9,880,000					
Replacement		-					
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		9,880,000	13,098,400	11,878,627	9,197,089	7,070,724	5,609,657
Business-type Activities (Excluding Depreciation/Amortization)	Page 25/26/59						
Operating (3 months)		13,720,000					
Replacement		40,705,000					
Restricted		33,890,000					
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		88,315,000	89,895,987	86,792,083	56,073,069	50,408,234	45,475,572

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September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
7) Net Depreciable Capital Assets/Original Cost							
Governmental Activities	Page 57	> 50%	58.72%	61.19%	62.33%	63.75%	64.82%
Business-type Activities	Page 59	> 50%	41.47%	42.93%	43.47%	45.44%	47.33%

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	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
8) Operating Income/Total Operating Revenue							
Electric Fund	Page 26	15.00%	19.08%	19.77%	21.58%	16.82%	10.80%
Water Fund		15.00%	12.89%	47.72%	47.49%	26.76%	27.63%
Sewer Fund		15.00%	20.00%	8.42%	10.75%	8.90%	8.67%
Landfill Fund		15.00%	11.84%	3.25%	41.00%	-2.62%	6.53%
Golf Fund		5.00%	-4.75%	-3.00%	9.80%	5.37%	0.26%

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September 30, 2014

	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
9) Months Expense in Street Cash Reserve	Pages 107 & 109	12.0	6.1	7.4	9.2	2.1	2.2

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	Best Practice	2014	2013	2012	2011	2010
10) Levy Rates						
General	.30	0.302233	0.275751	0.272074	0.205189	0.207553
	\$160/Capita	\$ 160	\$ 143	\$ 138	\$ 101	\$ 114
Debt Service	0.09	0.047867	0.048667	0.052351	0.067645	0.065287
	\$50/Capita	\$ 25	\$ 25	\$ 27	\$ 33	\$ 36
Total Levy	0.36	0.350100	0.324418	0.324425	0.272834	0.272840

* Per Capita based on 48,520 population
 Prior to 2011 – Per Capita based on population 42,961

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	Best Practice	2014	2013	2012	2011	2010
11) State Allocations						
Highway Allocation	\$85 Per Capita \$	93 \$	85 \$	81 \$	72 \$	76
Municipal Equalization	\$15 Per Capita	12	7	1	-	-

* Per Capita based on 48,520 population
 Prior to 2011 – Per Capita based on population 42,961

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	Audit Report Reference	Best Practice	2014	2013	2012	2011	2010
12) Governmental Expenses							
General Government	Page 100/101	\$110 Per Capita	\$ 87	\$ 80	\$ 75	\$ 79	\$ 87
Public Safety		\$400 Per Capita	401	368	347	367	434
Public Works		\$145 Per Capita	132	125	116	125	144
Environment and leisure		\$125 Per Capita	119	107	107	124	145

* Per Capita based on 48,520 population
 Prior to 2011 – Per Capita based on population 42,961



QUESTIONS