

Experience the Eide Bailly Difference

2014 City Council Presentation

Presented by Kimberley K. Higgins



Financial Position

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$244,692,809 (total net position) for the calendar year reported. [MD&A – Pg. 4]
- Overall fund balances at end of 2014 increased by \$75,553,586 from 2013. This increase primarily relates to the issuance of \$73,455,000 of general obligation debt [MD&A – Pg. 4]
- At the end of the current calendar year, the unassigned fund balance for the General Fund was \$5,689,832 or 11.3% of total General Fund expenditures. [MD&A – Pg. 4]
- General Fund – Fund Balance increased by \$13,146,670. [MD&A – Pg. 10]



Management's Discussion & Analysis

Management's Discussion and Analysis – Summarizes the City's finances in layman's terms:

- **Net Position** [MD&A – Pgs. 4 & 8]
 - Total Net Position increased \$3.5M over 2013
 - Governmental Activities Net Position increased \$5M
 - Business Type Activities Net Position decreased \$1.5M
 - Investment in Capital Assets is 64% of Net Position
 - Positive Net Position balance for Governmental Type Activities
 - Negative Net Position balance for Business Type Activities



Management's Discussion & Analysis

- **Changes in Net Position** [MD&A Pg. 8]
 - Total Revenues increased \$20.5M over 2013 [\$87.2M vs. \$66.7M]
 - Most significant increase was from sales taxes
 - Total Expenses decreased slightly from the prior year [\$83.7M vs. \$83.9M]
 - Overall Net Position increased by \$3.5M.
 - City continues to maintain a strong financial position



Auditor's Reports to Council

- Independent Auditor's Report
- Single Audit Reports
 - *Government Auditing Standards* Report
 - A-133 Opinion
- Letter to Governance (AU-C 260 communication)



Independent Auditor's Report (page 1 of CAFR)

- Clean “unmodified” opinion
 - The best you can receive
- First page of the opinion
 - Indicates what was audited
 - Management's responsibilities
 - Auditor's responsibilities



Independent Auditor's Report (page 2 of CAFR)

- Second page of the opinion
 - Opinion
 - Correction of Errors
- Other Matters
 - Required Supplementary Information (unaudited)
 - Management's Discussion & Analysis
 - Budget to Actual Schedules (general fund and major special revenue funds)
 - OPEB schedule
 - Other Information (in-relation to opinion)
 - Combining and individual nonmajor fund statements
 - Local highway finance report



Independent Auditor's Report (page 3 of CAFR)

- Third page of the opinion
 - Other Matters (continued)
 - Other Information (unaudited)
 - Introductory information and statistical information
- Other Reporting Required by Government Auditing Standards
 - References to another report is issued in conjunction with the audit
 - Takes the place of a management letter



Single Audit Reports (separately bound document)

Government Auditing Standards Report (page 1)

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Material Weaknesses:
 - 2014-A: Material Audit Adjustments
 - 2014-B: Restatement of Previously Issued Financial Statements
- Significant Deficiency:
 - 2014-C: Review of Account Reconciliations and Journal Entries



Single Audit Reports (separately bound document)

A-133 Opinion (page 3)

- Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
 - One Major Program: FEMA
 - No findings
 - Clean "unmodified" opinion

Schedule of Expenditures of Federal Awards (SEFA) (page 5)

- Federal Assistance of \$882,414



Letter to Governance

- A communication required by Professional Standards
 - Estimates are used in the financial statement process
 - Key disclosures in the notes to the financial statements
 - No disagreements with management
 - Corrected and uncorrected misstatements

