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# 2015 CAFR City Council Presentation

Presented by Eide Bailly, LLP



# Overall Financial Position

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$248,416,354 (total net position) for the calendar year reported.
- Overall fund balances at the end of 2015 decreased by \$14,186,806. This decrease primarily relates to the capital outlay spend down of general obligation debt issued in 2014
- At the end of the current calendar year, the unassigned fund balance for the General Fund was \$17,392,956 or 33.2% of total General Fund expenditures.
- General Fund – Fund Balance increased by \$8,084,095.



# Management's Discussion & Analysis

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

- **Net Position**

- Total Net Position increased \$3.1M over 2014
- Governmental Activities Net Position increased \$3M
- Business Type Activities Net Position decreased \$132k
- Investment in Capital Assets is 64.8% 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**

- Total Revenues decreased \$346k over 2014 [\$87.4M vs. \$87.8M]
  - Revenues were relatively flat in 2015
- Total Expenses increased from the prior year actual amounts by \$612k [\$84.3M vs. \$83.7M]
- Overall Net Position increased by \$3.1M.
- City continues to maintain a strong financial position



# Auditor's Reports to Council

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- Independent Auditor's Report
- Management Letter
- Letter to Governance



# Independent Auditor's Report (page 1 of CAFR)

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- Clean “unmodified” opinion
  - The best you can receive
- First page of the opinion
  - Indicates what was audited
  - Management's responsibilities
  - Auditor's responsibilities
  - Opinion
  - Correction of an Error in the Water Rights Acquisition Fund



# Independent Auditor's Report (page 2 of CAFR)

- Second page of the opinion
  - 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
      - Budgetary schedules
      - Local Highway Finance Report
    - Other Information (unaudited)
      - Introductory information and statistical information

# Management Letter (separately bound document)

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## Material Weaknesses:

- Water Rights Accounting and Restatement of Previously Issued Financial Statements
- Financial Statement Preparation and Review and Material Audit Adjustments





# Letter to Governance

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- 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



# How did the Audit Go in 2015

- Excellent and competent Finance Staff
  - Much improved internal control processes over previous years
  - Continuing to improve processes with new staff and competencies
  - Communications among departments and top management is key to accurate financial reporting
  - Upper Management Restructuring is new in 2016
  - Continued financial strength will result from continuous improvement processes implemented with transparency and excellent people

