

## Summary of the City's Audited Financial Statements For Fiscal Year 2015

The financial statements for the fiscal year ended June 30, 2015 were audited by the independent accounting firm, RSM US, LLP. The City received an unqualified opinion on the financial statements.

Overall, the financial position of the City improved over the prior fiscal year. The General Fund had a budgetary surplus of \$1.96 million. Most of the surplus came from property and income tax revenues, APG management fees, and savings in salaries and benefits.

The Water Fund posted net income of \$684 thousand before capital grants and transfers. The Sewer and Stadium Funds posted net losses of \$130 thousand and \$98 thousand, respectively. However, the Sewer Fund realized a profit of \$686 thousand with capital grants and transfer-in, and the Stadium Fund posted a profit of \$190 thousand with transfer-in.

The City's long-term liabilities decreased by \$2.9 million to \$26.6 million.

The City's net position increased by \$4.7 million to \$72.6 million. Net position is the difference between total assets and total liabilities. This increase is primarily due to tax revenues, charges for services, and capital grants.

The fund balance for the City's governmental funds (General, Capital Projects, and Special Funds) was \$10.6 million. Fund balance is the difference between the assets and liabilities of a governmental fund. About \$9.3 million of the \$10.6 million is unassigned and can be used to support the general government's operating needs.

In the governmental funds, revenues increased by \$500 thousand compared to prior year. Expenses decreased by \$1.5 million primarily due to the effect of recording the cumulative effect of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 to 2014 expenses in the amount of \$1.2 million. GASB Statement No. 68 is a new accounting and financial reporting requirement for Pensions. There were no other significant line item fluctuations compared to 2014.

In the enterprise funds, capital grants and contributions decreased by \$1.1 million from the prior year due to decreased state funding for the upgrades to the waste water treatment plant. Expenses increased by \$116 thousand mainly due to an increase of \$238 thousand of depreciation expense reported in the Sewer Fund.

Finally, it is worth noting that the City's Net Position has steadily increased since 2006. The trend in net position may be a useful indicator of whether the financial position or condition of the City is improving or weakening. The trend indicates that the City's financial position is strong and continues to improve.

**City of Aberdeen  
Net Position (000s)**

