



Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2016
Regular Meeting Packet**

Board Members:

Tom Gdowski

Glen Murray

Sue Pirnie

Barry Sandstrom

Glenn Wilson

4:00 PM

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.

DIRECTOR COMMUNICATION

This is an opportunity for the Director to comment on current events, activities, and issues of interest to the commission.



Community Redevelopment Authority (CRA)

Wednesday, January 13, 2016
Regular Meeting

Item A1

Agenda

Staff Contact: Chad N

AGENDA
Wednesday, January 13, 2016
4:00 p.m.
Grand Island City Hall

Open Meetings Notifications

1. Call to Order.
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.

The CRA may vote to go into Closed Session on any Agenda Item as allowed by State Law.

2. Approval of Minutes of December 9, 2015 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Audit.
7. Approve Resolution to Purchase/Sell Real Estate.
8. Directors Report.
9. Adjournment

Next Meeting February 10, 2016

The CRA may go into closed session for any agenda item as allowed by state law.



Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2016
Regular Meeting**

Item B1

Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF December 9, 2015

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on December 9, 2015 at City Hall 100 E First Street. Notice of the meeting was given in the December 2, 2015 Grand Island Independent.

1. CALL TO ORDER. Glen Murray called the meeting to order at 4:00 p.m. The following members were present: Glenn Wilson and Sue Pirnie. Also present were; Director, Chad Nabity; Secretary Rose Rhoads; Sr. Accountant, Billy Clingman.

Murray stated this was a public meeting subject to the open meeting laws of the State of Nebraska. He noted that the requirements for an open meeting were posted on the wall easily accessible to anyone who would like to read through them.

2. APPROVAL OF MINUTES. A motion for approval of Minutes for the November 18, 2015 meeting was made by Wilson and seconded by Pirnie. Upon roll call vote all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Clingman reviewed the financial reports for the period of November 1, 2015 through November 30, 2015. Motion was made by Pirnie and seconded by Wilson to approve the financial reports. Upon roll call vote all present voted aye. Motion carried unanimously.
4. APPROVAL OF BILLS. The bills were reviewed. A motion was made by Pirnie and seconded by Wilson to approve the bills in the amount of \$76,877.03. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$76,877.03.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects.
6. DIRECTORS REPORT.
7. ADJOURNMENT. Murray adjourned the meeting at 4:20 p.m.

The next meeting is scheduled for January 13, 2016.

Respectfully submitted

Chad Nabity

Director



Community Redevelopment Authority (CRA)

Wednesday, January 13, 2016
Regular Meeting

Item C1

Financial Reports

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	MONTH ENDED December-15	2015-2016 YEAR TO DATE	2016 BUDGET	REMAINING BALANCE	% OF BUDGET USED
CONSOLIDATED					
Beginning Cash	727,560		841,354		
REVENUE:					
Property Taxes - CRA	-	44,249	534,000	489,751	8.29%
Property Taxes - Lincoln Pool	-	15,675	198,050	182,375	7.91%
Property Taxes -TIF's	-	30,380	2,041,892	2,011,512	1.49%
Interest Income - CRA	19	54	300	246	18.08%
Interest Income - TIF'S	2	5	-	-	
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue - CRA	6,406	11,680	130,000	118,320	8.98%
Other Revenue - TIF's	-	-	-	-	
TOTAL REVENUE	6,427	102,043	3,004,242	2,902,204	3.40%
TOTAL RESOURCES	733,987	102,043	3,845,596	2,902,204	
EXPENSES					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	150	480	3,000	2,520	16.00%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	2,530	20,726	65,000	44,274	31.89%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	3,668	16,000	12,332	22.93%
General Liability Insurance	-	-	250	250	0.00%
Postage	-	8	350	342	2.28%
Life Safety	-	-	285,000	285,000	
Legal Notices	16	48	2,000	1,952	2.40%
Licenses & Fees	-	-	-	-	
Travel & Training	-	-	1,000	1,000	0.00%
Other Expenditures	-	-	-	-	
Office Supplies	-	870	400	-	217.50%
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool	-	-	-	-	#DIV/0!
Bond Interest	-	-	-	-	
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	-	-	368,972	368,972	0.00%
Blank Project	-	-	-	-	
Other Projects	525	186,831	450,000	263,169	41.52%
Bond Principal-TIF's	61,696	61,696	1,290,022	1,230,125	4.78%
Bond Interest-TIF's	11,960	11,960	31,070	19,412	
Interest Expense	-	-	-	-	
TOTAL EXPENSES	76,877	286,287	3,074,364	2,790,648	9.31%
INCREASE(DECREASE) IN CASH	(70,451)	(184,244)	(70,122)		
ENDING CASH	657,110	(184,244)	771,232	-	
CRA CASH	389,968				
Lincoln Pool Tax Income Balance	264,708				
TIF CASH	2,434				
Total Cash	657,110				

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	<u>MONTH ENDED</u> <u>December-15</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
CRA					
GENERAL OPERATIONS:					
Property Taxes - CRA	-	44,249	534,000	489,751	8.29%
Property Taxes - Lincoln Pool	-	15,675	198,050	182,375	7.91%
Interest Income	19	54	300	246	18.08%
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue & Motor Vehicle Tax	6,406	11,680	130,000	118,320	8.98%
TOTAL	6,424	71,658	962,350	890,692	7.45%
GENTLE DENTAL					
Property Taxes	-	-	-	-	
Interest Income	0	1	-	-	
TOTAL	0	1	-	-	
PROCON TIF					
Property Taxes	-	8,150	19,162	11,012	42.53%
Interest Income	1	2	-	-	
TOTAL	1	8,152	19,162	11,012	42.54%
WALNUT HOUSING PROJECT					
Property Taxes	-	-	74,472	74,472	0.00%
Interest Income	1	2	-	-	
Other Revenue	-	-	-	-	
TOTAL	1	2	74,472	74,472	0.00%
BRUNS PET GROOMING					
Property Taxes	-	6,738	13,500	6,762	49.91%
TOTAL	-	6,738	13,500	6,762	49.91%
GIRARD VET CLINIC					
Property Taxes	-	-	14,500	14,500	0.00%
TOTAL	-	-	14,500	14,500	0.00%
GEDDES ST APTS-PROCON					
Property Taxes	-	13,825	30,000	16,175	46.08%
TOTAL	-	13,825	30,000	16,175	46.08%
SOUTHEAST CROSSING					
Property Taxes	-	-	15,000	15,000	0.00%
TOTAL	-	-	15,000	15,000	0.00%
POPLAR STREET WATER					
Property Taxes	-	-	6,000	6,000	0.00%
TOTAL	-	-	6,000	6,000	0.00%
CASEY'S @ FIVE POINTS					
Property Taxes	-	-	10,000	10,000	0.00%
TOTAL	-	-	10,000	10,000	0.00%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	<u>MONTH ENDED</u> <u>December-15</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
SOUTH POINTE HOTEL PROJECT					
Property Taxes	-	-	90,000	90,000	0.00%
TOTAL	-	-	90,000	90,000	0.00%
TODD ENCK PROJECT					
Property Taxes	-	-	6,000	6,000	0.00%
TOTAL	-	-	6,000	6,000	0.00%
SKAGWAY					
Property Taxes	-	-	750,000	750,000	0.00%
Interest Income	-	-	-	-	
Other Revenue	-	-	-	-	
TOTAL	-	-	750,000	750,000	0.00%
JOHN SCHULTE CONSTRUCTION					
Property Taxes	-	-	6,000	6,000	0.00%
TOTAL	-	-	6,000	6,000	0.00%
PHARMACY PROPERTIES INC					
Property Taxes	-	-	11,000	11,000	0.00%
TOTAL	-	-	11,000	11,000	0.00%
KEN-RAY LLC					
Property Taxes	-	-	34,000	34,000	0.00%
TOTAL	-	-	34,000	34,000	0.00%
COUNTY FUND 8598					
Property Taxes	-	-	1,458	1,458	0.00%
TOTAL	-	-	1,458	1,458	0.00%
GORDMAN GRAND ISLAND					
Property Taxes	-	-	40,000	40,000	0.00%
TOTAL	-	-	40,000	40,000	0.00%
BAKER DEVELOPMENT INC					
Property Taxes	-	1,667	3,000	1,333	0.00%
TOTAL	-	1,667	3,000	1,333	0.00%
STRATFORD PLAZA INC					
Property Taxes	-	-	35,000	35,000	0.00%
TOTAL	-	-	35,000	35,000	0.00%
COPPER CREEK					
Property Taxes	-	-	-	-	0.00%
TOTAL	-	-	-	-	0.00%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	<u>MONTH ENDED</u> <u>December-15</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
FUTURE TIF'S					
Property Taxes	-	-	882,800	882,800	0.00%
TOTAL	-	-	882,800	882,800	
CHIEF INDUSTRIES AURORA COOP					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
TOKEN PROPERTIES KIMBALL ST					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
GI HABITAT OF HUMANITY					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
AUTO ONE INC					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
EIG GRAND ISLAND					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
TOKEN PROPERTIES CARY ST					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
WENN HOUSING PROJECT					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
COPPER CREEK PHASE II					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
TC ENCK BUILDERS					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
SUPER MARKET DEVELOPERS					
Property Taxes	-	-	-	-	
TOTAL	-	-	-	-	
TOTAL REVENUE	6,427	102,043	3,004,242	2,867,204	3.40%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

EXPENSES	MONTH ENDED <u>December-15</u>	2015-2016 <u>YEAR TO DATE</u>	2016 <u>BUDGET</u>	REMAINING <u>BALANCE</u>	% OF BUDGET <u>USED</u>
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	150	480	3,000	2,520	16.00%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	2,530	20,726	65,000	44,274	31.89%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	3,668	16,000	12,332	22.93%
General Liability Insurance	-	-	250	250	0.00%
Postage	-	8	350	342	2.28%
Lifesafety Grant	-	-	285,000	285,000	0.00%
Legal Notices	16	48	2,000	1,952	2.40%
Travel & Training	-	-	1,000	1,000	0.00%
Office Supplies	-	870	400	-	-
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
PROJECTS					
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	-	-	368,972	368,972	0.00%
Other Projects	525	186,831	450,000	263,169	41.52%
TOTAL CRA EXPENSES	3,221	212,631	1,753,272	1,541,111	12.13%
GENTLE DENTAL					
Bond Principal	1,799	1,799	-	-	-
Bond Interest	302	302	-	-	-
TOTAL GENTLE DENTAL	2,101	2,101	-	-	-
PROCON TIF					
Bond Principal	7,531	7,531	13,355	5,824	56.39%
Bond Interest	2,050	2,050	5,807	3,757	35.31%
TOTAL PROCON TIF	9,581	9,581	19,162	9,581	50.00%
WALNUT HOUSING PROJECT					
Bond Principal	27,628	27,628	49,209	21,581	56.14%
Bond Interest	9,608	9,608	25,263	15,655	38.03%
TOTAL WALNUT HOUSING	37,236	37,236	74,472	37,236	50.00%
BRUNS PET GROOMING					
Bond Principal	6,738	6,738	13,500	6,762	49.91%
TOTAL BRUNS PET GROOMING	6,738	6,738	13,500	6,762	49.91%
GIRARD VET CLINIC					
Bond Principal	-	-	14,500	14,500	0.00%
TOTAL GIRARD VET CLINIC	-	-	14,500	14,500	0.00%
GEDDES ST APTS - PROCON					
Bond Principal	13,825	13,825	30,000	16,175	46.08%
TOTAL GEDDES ST APTS - PROCON	13,825	13,825	30,000	16,175	46.08%
SOUTHEAST CROSSINGS					
Bond Principal	-	-	15,000	15,000	0.00%
TOTAL SOUTHEAST CROSSINGS	-	-	15,000	15,000	0.00%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	<u>MONTH ENDED</u> <u>December-15</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
POPLAR STREET WATER					
Bond Principal	-	-	6,000	6,000	0.00%
TOTAL POPLAR STREET WATER	-	-	6,000	6,000	0.00%
CASEY'S @ FIVE POINTS					
Bond Principal	-	-	10,000	10,000	0.00%
TOTAL CASEY'S @ FIVE POINTS	-	-	10,000	10,000	0.00%
SOUTH POINTE HOTEL PROJECT					
Bond Principal	-	-	90,000	90,000	0.00%
TOTAL SOUTH POINTE HOTEL PROJECT	-	-	90,000	90,000	0.00%
TODD ENCK PROJECT					
Bond Principal	-	-	6,000	6,000	0.00%
TOTAL TODD ENCK PROJECT	-	-	6,000	6,000	0.00%
SKAGWAY					
Bond Principal	-	-	750,000	750,000	0.00%
TOTAL SKAGWAY	-	-	750,000	750,000	0.00%
JOHN SCHULTE CONSTRUCTION					
Bond Principal	2,508	2,508	6,000	3,492	41.80%
TOTAL JOHN SCHULTE CONSTRUCTION	2,508	2,508	6,000	3,492	41.80%
PHARMACY PROPERTIES INC					
Bond Principal	-	-	11,000	11,000	0.00%
TOTAL PHARMACH PROPERTIES INC	-	-	11,000	11,000	0.00%
KEN-RAY LLC					
Bond Principal	-	-	34,000	34,000	0.00%
TOTAL KEN-RAY LLC	-	-	34,000	34,000	0.00%
COUNTY FUND #8598					
Bond Principal	-	-	1,458	1,458	
TOTAL COUNTY FUND #8598	-	-	1,458	1,458	
GORDMAN GRAND ISLAND					
Bond Principal	-	-	40,000	40,000	
TOTAL GORDMAN GRAND ISLAND	-	-	40,000	40,000	
BAKER DEVELOPMENT INC					
Bond Principal	1,667	1,667	3,000	1,333	
TOTAL BAKER DEVELOPMENT INC	1,667	1,667	3,000	1,333	
STRATFORD PLAZA LLC					
Bond Principal	-	-	35,000	35,000	
TOTAL STRATFORD PLAZA LLC	-	-	35,000	35,000	
COPPER CREEK					
Bond Principal	-	-	-	-	
TOTAL COPPER CREEK	-	-	-	-	
CHIEF INDUSTRIES AURORA COOP					
Bond Principal	-	-	-	-	
TOTAL CHIEF IND AURORA COOP	-	-	-	-	

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF DECEMBER 2015

	<u>MONTH ENDED</u> <u>December-15</u>	<u>2015-2016</u> <u>YEAR TO DATE</u>	<u>2016</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
TOKEN PROPERTIES KIMBALL STREET					
Bond Principal	-	-	-	-	
TOTAL TOKEN PROPERTIES KIMBALL ST	-	-	-	-	
GI HABITAT FOR HUMANITY					
Bond Principal	-	-	-	-	
TOTAL BLANK	-	-	-	-	
AUTO ONE INC					
Bond Principal	-	-	-	-	
TOTAL AUTO ONE INC	-	-	-	-	
EIG GRAND ISLAND					
Bond Principal	-	-	-	-	
TOTAL BLANK	-	-	-	-	
TOKEN PROPERTIES CARY STREET					
Bond Principal	-	-	-	-	
TOTAL TOKEN PROPERTIES CARY ST	-	-	-	-	
WENN HOUSING PROJECT					
Bond Principal	-	-	-	-	
TOTAL WENN HOUSING PROJECT	-	-	-	-	
COPPER CREEK PHASE II					
Bond Principal	-	-	-	-	
TOTAL COPPER CREEK PHASE II	-	-	-	-	
TC ENCK BUILDERS					
Bond Principal	-	-	-	-	
TOTAL TC ENCK BUILDERS	-	-	-	-	
SUPER MARKET DEVELOPERS					
Bond Principal	-	-	-	-	
TOTAL SUPER MARKET DEVELOPERS	-	-	-	-	
FUTURE TIF'S					
Bond Principal	-	-	162,000	162,000	
Bond Interest	-	-	-	-	
Auditing & Accounting	-	-	-	-	
TOTAL FUTURE TIF'S	-	-	162,000	162,000	
TOTAL EXPENSES	<u>76,877</u>	<u>286,287</u>	<u>3,074,364</u>	<u>2,790,648</u>	



Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2016
Regular Meeting**

Item C2

Balance Sheet

Staff Contact: Chad Nabity

01/05/2016 13:26
briansc

CITY OF GRAND ISLAND
BALANCE SHEET FOR 2016 3

P 1
glbalsht

FUND: 900 COMMUNITY REDEVELOPMENT AUTHOR			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
900	11110	OPERATING CASH	-70,450.52	657,108.90
900	11120	COUNTY TREASURER CASH	.00	87,328.23
900	11305	PROPERTY TAXES RECEIVABLE	.00	74,663.00
900	14100	NOTES RECEIVABLE	.00	449,518.20
900	14700	LAND	.00	575,369.33
TOTAL ASSETS			-70,450.52	1,843,987.66
LIABILITIES				
900	22100	LONG TERM DEBT	.00	-356,842.00
900	22200	ACCOUNTS PAYABLE	.00	-9,225.31
900	22400	OTHER LONG TERM DEBT	.00	-1,455,000.00
900	22900	ACCRUED INTEREST PAYABLE	.00	-6,289.06
900	25315	DEFERRED REVENUE-PROPERTY TAX	.00	-80,687.00
900	25316	DEFERRED REVENUE-YR END ADJ	.00	58,671.86
TOTAL LIABILITIES			.00	-1,849,371.51
FUND BALANCE				
900	39110	INVESTMENT IN FIXED ASSETS	.00	-575,369.33
900	39112	FUND BALANCE-BONDS	.00	1,425,994.94
900	39120	UNRESTRICTED FUND BALANCE	.00	-1,029,485.90
900	39500	REVENUE CONTROL	-6,426.51	-102,043.24
900	39600	EXPENDITURE CONTROL	76,877.03	286,287.38
TOTAL FUND BALANCE			70,450.52	5,383.85
TOTAL LIABILITIES + FUND BALANCE			70,450.52	-1,843,987.66

** END OF REPORT - Generated by Brian Schultz **



Community Redevelopment Authority (CRA)

**Wednesday, January 13, 2016
Regular Meeting**

Item D1

Bills

Staff Contact: Chad Nabity

13-Jan-16

TO: Community Redevelopment Authority Board Members
FROM: Chad Nabity, Planning Department Director
RE: Bills Submitted for Payment

The following bills have been submitted to the Community Redevelopment Authority Treasurer for preparation of payment.

City of Grand Island

Administration Fees	Nov & Dec	\$ 7,096.59
Accounting	Jan, Feb, March	\$ 450.00
Officenet Inc.		
Postage		

Lawnscape

Grand Island Independent	\$ 16.01
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Hall Co Treasurer	3235 S Locust Property taxes	\$4,897.94
	3235 S Locust Property taxes	\$131.24

Tower 217	Lif Safety Grant - Home Federal	\$94,888.27
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Bacon & Vinton LLC

Mayer, Burns, Koenig & Janulewicz Legal Services

Total:

\$ 107,480.05



Community Redevelopment Authority (CRA)

Wednesday, January 13, 2016
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	TOTAL GRANT AMOUNT	2016 FISCAL YR	2017 FISCAL YR	2018 FISCAL YR	ESTIMATED COMP
Gene McCloud - 2603 S Locust	\$ 94,490.00	\$ 94,490.00			2016
Federation of Labor - Ziller	\$ 60,000.00	\$ 60,000.00			2016
MMY Hospitality, LLC - 2311 S Locust St	\$ 56,900.00	\$ 56,900.00			2016
RIGI Hospitality, LLC - 3021 S Locust St	\$ 107,000.00	\$ 107,000.00			2016
Wing Properties - 116 E 3rd St	\$ 68,132.00	\$ 68,132.00			2016
Wing Properties - 110-114 E 3rd St	\$ 167,016.00		\$ 167,016.00		2017
Bosselman Real Estate	\$ 300,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	2018
Zoul Properties - 1201 S Locust Street	\$ 90,000.00	\$ 90,000.00			2016
Tower 217 (Amos Investment & Development)	\$ 198,964.00	\$ 99,482.00	\$ 99,482.00		2017
Total Committed	\$ 1,142,502.00	\$ 676,004.00	\$ 366,498.00	\$ 100,000.00	
FIRE & LIFE SAFETY GRANT	TOTAL AMOUNT	2016 FISCAL YR	ESTIMATED COMP		
Federation of Labor - Tom Ziller	\$115,000	\$ 115,000.00			2016
Total Committed F&L Safety Grant	\$ 230,000.00	\$ 115,000.00	\$ 115,000.00		

Life Safety Budget \$ Remaining	\$ 285,000.00	
Façade Budget \$ Remaining	\$ 350,000.00	
Other Projects	\$ 632,140.75	
Land - Budget \$ Remaining	\$ 200,000.00	
Land Sales	(\$100,000.00)	
subtotal	\$1,367,140.75	\$ -
Less committed	(\$676,004.00)	(\$366,498.00)
Balance remaining	\$ 691,136.75	\$ (366,498.00)

CRA PROPERTIES

Address	Purchase Price	Purchase Date	Demo Cost	Status
408 E 2 nd St	\$4,869	11/11/2005	\$7,500	Surplus
3235 S Locust	\$450,000	4/2/2010	\$39,764	Surplus
604-612 W 3rd	\$80,000	6/10/2015		Surplus

December 31, 2015



Community Redevelopment Authority (CRA)

Wednesday, January 13, 2016
Regular Meeting

Item X1

Audit

Staff Contact: Chad Nabity

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Redevelopment Authority
of Grand Island, Nebraska
Grand Island, Nebraska

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Community Redevelopment Authority of Grand Island, Nebraska, a component unit of the City of Grand Island, Nebraska, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Community Redevelopment Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

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Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C.
and offers wealth management and investment advisory services.

A PROFESSIONAL
CORPORATION

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of September 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements present only the Community Redevelopment Authority of Grand Island, Nebraska component unit and do not purport to, and do not, present fairly the financial position of the City of Grand Island, Nebraska, as of September 30, 2015, and the change in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–10 and 38–39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The schedule of expenditures for the General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures for the General Fund is the responsibility of management and was

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures for the General Fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and compliance.

*Almgvist Malthalm,
Gallaway & Luth, P.C.*

Grand Island, Nebraska
December 18, 2015

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Community Redevelopment Authority of Grand Island, Nebraska, we offer readers of the Community Redevelopment Authority of Grand Island, Nebraska financial statements this narrative overview and analysis of the financial activities of the Community Redevelopment Authority of Grand Island, Nebraska, for the fiscal year ended September 30, 2015.

Financial Highlights

- The assets of the Community Redevelopment Authority of Grand Island, Nebraska, exceeded its liabilities at the close of the most recent fiscal year by \$73,455 (*net position*). Of this amount, there was a deficit balance of (\$660,586) in *unrestricted net position*, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a deficit balance of \$(382,093).

Program Highlights

- The CRA will continue to emphasize the acquisition and demolition of substandard properties. The CRA and City Council are encouraging developers to look for areas of "Micro-Blight" that could be significantly improved by the acquisition, demolition and construction of a new residential unit or units.
- The CRA will continue to direct attention toward business/industry developments that result in economic development and the creation of new jobs. These efforts may include tax increment financing, infrastructure development, land acquisition, or other types of allowable assistance. The City of Grand Island and the CRA also approved by TIF to support the development of a business at the Platte Valley Industrial Park East between Schimmer and Wildwood west of Blaine. The project would create almost 50 new jobs at that site and additional employment around the region while expanding the diversity of the agricultural base. Other projects approved include the redevelopment of the Skagway north site for a new Super Saver grocery store and the Skagway South site as the new corporate headquarters for Bosselman Companies.
- The CRA will continue to look for areas ripe for redevelopment and encourages private individuals and developers to submit blighted and substandard studies to the Grand Island City Council for consideration. During 2014 the CRA contracted to have a Blighted and Substandard Study conducted for the Veteran's Home Property. The Study was completed and presented to the CRA in November 2014. On December 1, 2015 the Governor announced plans to return the Veteran's Home Property to the City of Grand Island. As that transaction occurs and the property is annexed into the city it is anticipated that the blight study will also be forwarded for approval. Blighted and Substandard Areas 17 and 18 were approved by Council this year. It is hoped that area 17 will spur development along the 281

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2015

corridor south toward the Interstate. Area 18 is located along the Union Pacific rail road tracks between Custer and Webb.

- The CRA has developed strategies to limit the exposure of the CRA and the City when a TIF project is approved. Primarily this is done with the contract for TIF. The Developer receives a grant for the TIF from the CRA and then purchases a bond from the CRA to be repaid from the TIF revenues. This bond can be used as security by the developer for financing or held by the developer. The only source of repayment of this bond is the TIF revenue generated by the project. The bond is limited to 15 years from the time it is issued or amended and capped at the limit of the TIF eligible expenses or the expected revenue from the TIF over the 15 year period. This reduces the CRA's exposure on new TIF projects.
- The CRA will continue to work with Housing Providers, including Habitat for Humanity and the Housing Development Corporation. The CRA actively seeks out opportunities to partner with these types of organizations to provide quality and affordable housing in Grand Island. The second phase of the Copper Creek subdivision included 76 new houses during the 2015 year.
- The CRA continues to work with Downtown, and is supportive of continued efforts to redevelop buildings, especially on the upper floors. During the 2015 year the CRA approved a grant of \$115,000 under the upper story life safety program and an additional \$60,000 toward the same project from the other grant funds program to convert the Labor Temple building from commercial to 11 apartments (seven upper story and four garden level). The CRA also approved TIF for the redevelopment of Kaufman building for additional office space and forwarded a redevelopment plan regarding the Chocolate Bar to City Council. The 2016 budget includes \$285,000 (\$100,000 each from the City and the CRA and \$85,000 of carryover funds from 2015) for life safety infrastructure grants in the downtown area for projects that include upper story residential development. The CRA purchased two lots at the corner of third and elm during the last year. This was the location of Ron's Transmission and the building was destroyed in a fire. The CRA purchased the lots for \$80,000 and will make the property available for redevelopment. The CRA has approved a process for receiving development proposals on the site.
- The CRA approved Tax Increment Financing projects along South Locust for Bosselman's Corporate office and for a new duplex project just west of the Bosselman project on south Eddy, by TC Enck Builders. One project was approved in the downtown for development of additional office space in the Kaufman Building, another project on the Chocolate Bar for expansion of that business has been proposed but not moved to council at the request of the developer. Projects were also approved at 5 Points for additional redevelopment at the Skagway location (this is the project that fell through at the end of 2014) and the final contracts for the Veteran's housing project at the Veteran's Hospital by Pridon, LLC. The first project at the Platte Valley Industrial Park East was approved for Hatchery Holdings, LLC.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2015**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Community Redevelopment Authority of Grand Island, Nebraska's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Community Redevelopment Authority of Grand Island, Nebraska, is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include only the CRA itself (known as the *primary government*).

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Community Redevelopment Authority of Grand Island, Nebraska, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2015**

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Community Redevelopment Authority of Grand Island, Nebraska, maintains one individual governmental fund, the General Fund.

The Community Redevelopment Authority of Grand Island, Nebraska, adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-37 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Community Redevelopment Authority of Grand Island, Nebraska's budgetary comparison schedule. Required supplementary information can be found on pages 38 and 39 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Community Redevelopment Authority of Grand Island, Nebraska, assets exceeded liabilities by \$73,455 at the close of the most recent fiscal year.

Summary Statements of Net Position

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Current and Other Assets	\$ 1,384,486	\$ 1,364,571	\$ 19,915
Capital Assets	<u>575,369</u>	<u>495,354</u>	<u>80,015</u>
Total Assets	<u>1,959,855</u>	<u>1,859,925</u>	<u>99,930</u>
Long-term Liabilities	1,561,669	1,811,842	(250,173)
Other Liabilities	<u>324,731</u>	<u>309,839</u>	<u>14,892</u>
Total Liabilities	<u>1,886,400</u>	<u>2,121,681</u>	<u>(235,281)</u>
Net Position:			
Net investment in capital assets	575,369	495,354	80,015
Restricted	158,672	12,323	146,349
Unrestricted	<u>(660,586)</u>	<u>(769,433)</u>	<u>108,847</u>
Total Net Position	<u><u>\$ 73,455</u></u>	<u><u>\$ (261,756)</u></u>	<u><u>\$ 335,211</u></u>

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2015**

A significant portion of the Community Redevelopment Authority of Grand Island, Nebraska's net position (\$575,369) reflects its investment in capital assets (land held for redevelopment). These assets are *not* available for future spending.

Net position of \$158,672 is restricted for redevelopers and for life safety grants. The remaining balance of *unrestricted net position* is a deficit balance of (\$660,586). Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Net position increased \$335,211 for the year ended September 30, 2015.

Expenses and Program Revenues

	<u>Year Ended September 30, 2015</u>		<u>Year Ended September 30, 2014</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General government	\$ -	\$ 77,524	\$ -	\$ 75,192
Community development	1,242,099	1,494,177	372,282	379,412
Interest expense	-	50,541	-	56,231
Total	<u>\$ 1,242,099</u>	<u>\$ 1,622,242</u>	<u>\$ 372,282</u>	<u>\$ 510,835</u>

Revenues by Source

SOURCES OF REVENUE

	<u>Year Ended September 30, 2015</u>		<u>Year Ended September 30, 2014</u>	
Operating grants and contributions	\$ 1,242,099	63.46 %	\$ 372,282	35.02 %
Property taxes	687,932	35.14	667,728	62.81
Interest	159	0.01	142	0.01
Other income	27,263	1.39	22,973	2.16
Total	<u>\$ 1,957,453</u>	<u>100.00 %</u>	<u>\$ 1,063,125</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

As noted earlier, the Community Redevelopment Authority of Grand Island, Nebraska, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund. The focus of the Community Redevelopment Authority of Grand Island, Nebraska's *governmental* fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Community Redevelopment Authority of Grand Island, Nebraska's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska's governmental fund reported an ending fund balance of \$919,081. The *unassigned fund balance*, which is available for spending at the government's discretion, was a

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2015**

deficit of \$(382,093). The remainder of the fund balance is not available for new spending because it has already been 1) committed for future grant projects (\$1,142,502), 2) restricted for developers (\$58,672), or 3) restricted for life safety grants (\$100,000).

The General Fund is the only fund of the Community Redevelopment Authority of Grand Island, Nebraska. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 47.2 percent of General Fund expenditures.

The fund balance of the Community Redevelopment Authority of Grand Island, Nebraska's General Fund increased by \$75,196 during the current fiscal year.

General Fund Budgetary Highlights

There was no difference between the original budget and the final adopted budget.

Capital Asset and Debt Administration

Capital Assets. The Community Redevelopment Authority of Grand Island, Nebraska's investment in capital assets (land held for redevelopment) as of September 30, 2015, amounts to \$575,369. The Authority purchased land for \$80,015 during the year ended September 30, 2015.

Long-term debt. During the year ended September 30, 2013, the Community Redevelopment Authority of Grand Island, Nebraska issued \$1,800,000 of limited tax obligation bonds payable to finance the Lincoln Pool project. Bond principal of \$175,000 was paid during the year ended September 30, 2015, leaving an outstanding balance of \$1,455,000. At the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska, had notes payable of \$356,842. The notes payable decreased by \$70,309 (16.5 percent) during the current fiscal year.

Economic Factors and Next Year's Budget

- Grants of \$676,004 are committed to be paid during the next 12 months, with an additional \$466,498 committed to be paid through 2018.

These factors were considered in preparing the Community Redevelopment Authority of Grand Island, Nebraska's budget for the year ending September 30, 2016.

Request for Information

This financial report is designed to provide a general overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Community Redevelopment Authority of Grand Island, Nebraska, P.O. Box 1968, Grand Island, NE 68802.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

STATEMENT OF NET POSITION

September 30, 2015

ASSETS

Current assets:

Cash	\$ 682,681
County treasurer cash	87,328
Property taxes receivable	64,958
Current portion of TIF receivables	25,769
Total current assets	<u>860,736</u>

Noncurrent assets:

Restricted cash	158,672
Noncurrent portion of TIF receivables	365,078
Land held for redevelopment	575,369
Total noncurrent assets	<u>1,099,119</u>

Total assets	1,959,855
---------------------	------------------

LIABILITIES

Current liabilities:

Accounts payable	9,225
Unavailable property taxes	59,044
Accrued interest payable	6,289
Current portion of notes payable	75,173
Current portion of bonds payable	175,000
Total current liabilities	<u>324,731</u>

Noncurrent liabilities:

Noncurrent portion of notes payable	281,669
Noncurrent portion of bonds payable	1,280,000
Total noncurrent liabilities	<u>1,561,669</u>

Total liabilities	1,886,400
--------------------------	------------------

NET POSITION

Net investment in capital assets	575,369
Restricted for developers	58,672
Restricted for life safety grants	100,000
Unrestricted	(660,586)
Total net position	<u><u>\$ 73,455</u></u>

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

STATEMENT OF ACTIVITIES

For the year ended September 30, 2015

		<u>Program Revenues</u>			Net (Expenses)
			Operating	Capital	Revenues and
			Grants and	Grants and	Changes
	<u>Expenses</u>	<u>Charges for</u>	<u>Contributions</u>	<u>Contributions</u>	<u>in Net Position</u>
		<u>Services</u>			<u>Governmental</u>
					<u>Activities</u>
FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	\$ 77,524	\$ -	\$ -	\$ -	\$ (77,524)
Community development	1,494,177	-	1,242,099	-	(252,078)
Interest on long-term debt	50,541	-	-	-	(50,541)
Total governmental activities	<u>\$ 1,622,242</u>	<u>\$ -</u>	<u>\$ 1,242,099</u>	<u>\$ -</u>	<u>(380,143)</u>
General revenues:					
Taxes:					
Property taxes					687,932
Interest income					159
Other income					27,263
Total general revenues					<u>715,354</u>
Change in net position					335,211
Net position - beginning of year					<u>(261,756)</u>
Net position - end of year					<u>\$ 73,455</u>

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

BALANCE SHEET - GOVERNMENTAL FUND

September 30, 2015

ASSETS

Cash	\$ 841,353
County treasurer cash	87,328
Property taxes receivable	<u>64,958</u>
Total assets	<u>\$ 993,639</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 9,225
Unavailable property taxes	59,044
Accrued interest payable	<u>6,289</u>
Total liabilities	74,558

Fund balance:

Restricted for developers	58,672
Restricted for life safety grant	100,000
Committed for projects	1,142,502
Unassigned	<u>(382,093)</u>
Total fund balance	<u>919,081</u>

Total liabilities and fund balance	<u>\$ 993,639</u>
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See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUND TO THE
STATEMENT OF NET POSITION**

September 30, 2015

Total fund balance - governmental funds	\$	919,081
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.		575,369
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TIF receivables are noncurrent assets that are not available to pay for current-period expenditures and therefore are not reported in the fund statements.		390,847
--	--	---------

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the fund statements.

Notes payable	\$ (356,842)		
Bonds payable	<u>(1,455,000)</u>		<u>(1,811,842)</u>

Total net position - governmental activities	\$	<u><u>73,455</u></u>
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See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND**

For the year ended September 30, 2015

REVENUES

Property taxes	\$ 687,932
TIF receipts	1,207,408
Grant revenue	100,000
Interest income	158
Other income	<u>27,263</u>
Total revenues	2,022,761

EXPENDITURES

Contract services	62,422
Matching grant funds	405,637
Professional services	14,204
Other	898
Capital outlay	80,015
Conduit debt payments	1,088,540
Debt service:	
Principal payments	245,308
Interest	50,016
Bond fees	<u>525</u>
Total expenditures	<u>1,947,565</u>

Net change in fund balance	75,196
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Fund balance - September 30, 2014	<u>843,885</u>
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Fund balance - September 30, 2015	<u><u>\$ 919,081</u></u>
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See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2015

Total net change in fund balance - governmental funds	\$ 75,196
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Amounts reported for *governmental activities* in the statement of activities are different because:

TIF proceeds were received, decreasing the TIF receivable balance on the statement of net position. These proceeds are recorded as revenue on the fund statement.	(65,309)
---	----------

Purchase of land is recorded as an expense in the fund statement, but is recorded as an increase to capital assets on the statement of net position.	80,015
--	--------

Principal payments on long-term debt are recorded as expenditures in the fund statement, but are recorded as a reduction in liabilities on the statement of net position.

Notes payable	\$ 70,309	
Bonds payable	<u>175,000</u>	<u>245,309</u>

Change in net position of governmental activities	<u><u>\$ 335,211</u></u>
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See notes to financial statements.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS

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COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Community Redevelopment Authority of Grand Island, Nebraska (Authority) are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The Community Redevelopment Authority of Grand Island, Nebraska, was created by the Grand Island City Council on June 27, 1994, pursuant to Nebraska State Statutes. The purpose of the Authority is to prevent and eliminate blighted areas in the City of Grand Island, Nebraska. The Authority is reported as a component unit of the City of Grand Island, Nebraska.

The Authority's financial reporting entity comprises the following:

Primary Government:	Community Redevelopment Authority of Grand Island, Nebraska
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In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable, and, as such, should be included within the Authority's financial statements. The Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority Board or the component unit provides services entirely to the Authority. These component units' funds are blended into those of the Authority by appropriate activity type to compose the primary government presentation. Currently, the Authority has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Authority currently has no discretely presented component units.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The major fund of the financial reporting entity is described below:

Governmental Fund

General Fund

The General Fund is the primary operating fund of the Authority and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Cash and Certificates of Deposit

For the purpose of the Statement of Net Position, “cash” includes all demand accounts and savings accounts. The County Treasurer’s cash represents revenues collected not yet remitted to the Authority.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and certificate of deposit disclosures are presented in Notes B1, C1, and D1.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Property Taxes Receivable and Unavailable Property Taxes

In both the government-wide statements and fund financial statements, property taxes receivable represents levied but uncollected taxes. The unavailable property taxes represent the portion of property taxes receivable expected to be collected more than 60 days after September 30, 2015.

TIF Receivables

In the government-wide statements, TIF receivables consist of all estimated future amounts to be received under the TIF agreements. Estimated receivables are adjusted annually. There is no allowance for uncollectible TIF receivables.

In the fund financial statements, the TIF receivables are not reported as assets. Revenue is recognized as TIF payments are received by the CRA.

Land Held for Redevelopment

Land held for redevelopment is carried at historical cost in the government-wide statements. It is not reported in the fund financial statements, which use the current financial resources measurement focus.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Bonds and Notes Payable

The accounting treatment of bonds and notes payable depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds and notes payable.

Fund Financial Statements

Bonds and notes payable for governmental funds are not reported as liabilities in the fund financial statements. The payment of these liabilities is reported as an expenditure.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The land held for redevelopment is included in this category of net position.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements

Governmental fund equity is classified as fund balance. Effective October 1, 2010, the CRA adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements.

Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the CRA Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by CRA Board ordinance or resolution.

Assigned—Amounts that are designated by the Executive Director for a specific purpose but are not spendable until a budget ordinance is passed by the CRA Board.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the CRA Board or the Assignment has been changed by the Executive Director. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Property Taxes

The Authority has the power to levy taxes through the City of Grand Island each year sufficient to pay any judgment existing against the Authority, the interest on bonded debt, and the principal on bonded debt, as well as taxes authorized by state law.

On or before August 1, the Authority submits a request for property taxes to the City of Grand Island, who is responsible for levying such taxes for operational costs.

The tax levies for all political subdivisions in Hall County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2014-2015 are recorded as revenue when levied by the County. The CRA also records deferred revenue for property taxes expected to be received more than 60 days after year end.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function for governmental activities.

In the fund financial statements, governmental funds report expenditures of financial resources, classified by character and function.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the Authority is subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows:

1. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Authority's cash deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the Authority's name.

2. Budgetary Data

The Authority is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Budgetary Data, continued

The Authority follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the Authority prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the Board adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the Authority which levied property taxes in the county the previous year based on the combined valuation and amount required for the Authority the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before November 1. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Budgetary Data, continued

- h. The Community Redevelopment Authority of Grand Island, Nebraska, adopts a budget by resolution for all funds.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for the Authority's various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash and Certificates of Deposit

Deposits

The Authority's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2015. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Authority (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority's name; or collateralized with no written or approved collateral agreement.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Certificates of Deposit, continued

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 958,880	\$ 250,000	\$ 708,880	\$ -	\$ <u>841,353</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash \$ 682,681

Restricted cash 158,672

\$ 841,353

2. TIF Receivables

The Community Redevelopment Authority of Grand Island, Nebraska, has undertaken a program for the redevelopment of blighted areas in the City. Under the program, various projects agree to create a minimum taxable valuation for real estate tax assessment purposes. The CRA receives the incremental real estate taxes paid by the projects and then uses the tax incremental financing (TIF) funds to make debt service payments on the related notes payable. Estimated future receivables under TIF agreements were as follows as of September 30, 2015:

Poplar Street	\$ 92,677
RSF Limited	1,639
PROCON Development Company, LLC	38,685
Walnut Housing, Ltd.	<u>257,846</u>
	\$ <u>390,847</u>
Current portion of TIF receivables	\$ 25,769
Noncurrent portion of TIF receivables	<u>365,078</u>
	\$ <u>390,847</u>

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Land Held for Redevelopment

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Balance at</u> <u>October 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2015</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land held for redevelopment	\$ <u>495,354</u>	\$ <u>80,015</u>	\$ <u> -</u>	\$ <u>575,369</u>

4. Long-term Debt

The following is a summary of the changes to long-term debt for the year ended September 30, 2015:

	<u>Balance</u> <u>9/30/14</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>9/30/15</u>	<u>Due Within</u> <u>One Year</u>
Limited Tax Obligation Bonds	\$ 1,630,000	\$ -	\$ (175,000)	\$ 1,455,000	\$ 175,000
Note payable – Wells Fargo Bank	12,537	-	(3,420)	9,117	3,660
Note payable – Home Federal Savings & Loan	70,855	-	(14,306)	56,549	15,325
Note payable – Lincoln Federal Savings	<u>343,759</u>	<u>-</u>	<u>(52,583)</u>	<u>291,176</u>	<u>56,188</u>
Total	\$ <u>2,057,151</u>	\$ <u>-</u>	\$ <u>(245,309)</u>	\$ <u>1,811,842</u>	\$ <u>250,173</u>

Long-term debt at September 30, 2015, consists of the following:

- a. The Authority issued \$1,800,000 of limited tax obligation bonds on October 30, 2012. The funds were used to finance the Lincoln Pool project. The bonds bear interest ranging from 0.40 to 2.40 percent. Principal payments are due annually commencing December 15, 2013 through December 15, 2022. Interest payments are due semi-annually on June 15th and December 15th.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt, continued

- b. The Authority borrowed \$37,000 from Wells Fargo Bank on September 3, 2002. The funds were used to finance the RSF Limited redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.90 percent and payments are due semi-annually through December 15, 2017. The unpaid principal balance at September 30, 2015, was \$9,117.
- c. The Authority borrowed \$169,267 from Home Federal Savings and Loan on September 1, 2003. The funds were used to finance the PROCON Development Company, LLC, redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 7.0 percent and payments are due semi-annually beginning June 15, 2005, through December 15, 2018. The unpaid principal balance at September 30, 2015, was \$56,549.
- d. The Authority borrowed \$668,000 from Lincoln Federal Savings Bank on December 15, 2005. The funds were used to finance the Walnut Housing, Ltd., redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.74 percent and payments are due semi-annually beginning June 15, 2006, through December 15, 2019. The unpaid principal balance at September 30, 2015, was \$291,176.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt, continued

Scheduled debt service payments are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 250,173	\$ 44,751	\$ 294,924
2017	255,374	38,325	293,699
2018	258,283	31,175	289,458
2019	255,780	23,304	279,084
2020	222,232	15,444	237,676
2021-2025	<u>570,000</u>	<u>19,963</u>	<u>589,963</u>
	<u>\$ 1,811,842</u>	<u>\$ 172,962</u>	<u>\$ 1,984,804</u>

NOTE D – OTHER NOTES

1. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance to minimize the effect of possible exposure to these risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three years.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The CRA did not have any investments nor certificates of deposit held at banks in the name of the CRA at year end.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE D – OTHER NOTES, continued

1. Risk Management, continued

Deposits and Investments, continued

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. There were no certificates of deposit at September 30, 2015.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investments consist of certificates of deposit and money market funds, minimizing credit risk associated with the Authority's investment portfolio.

Concentration of Credit Risk. The Authority's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2015, the Authority's cash balances consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Wells Fargo	\$ <u>841,353</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Authority's investments had no exposure to foreign currency risk and the Authority held no investments denominated in foreign currency at September 30, 2015.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE D – OTHER NOTES, continued

2. Commitments and Contingencies

Grant Commitments

The Authority has made commitments to fund the following projects:

<u>Committed Projects</u>	<u>Amount</u>	<u>Estimated Due Date</u>
Gene McCloud - 2603 S Locust	\$ 94,490	2016
Federation of Labor – Ziller	60,000	2016
MMY Hospitality, LLC – 2311 S Locust	56,900	2016
RIGI Hospitality, LLC – 3021 S Locust	107,000	2016
Wing Properties – 116 E Third St	68,132	2016
Wing Properties – 110-114 E Third St	167,016	2017
Bosselman Real Estate	300,000	1/3 2016 – 2018
Zoul Properties – 1201 S Locust	90,000	2016
Tower 217 – Amos Investment	<u>198,964</u>	½ 2016 & 2017
	<u>\$ 1,142,502</u>	

3. Interlocal Agreement

The Authority is a participant in an Interlocal Agreement within the City of Grand Island. The purpose of the Agreement is to provide for reimbursement by the Authority to the City for certain services provided by whomever the City Administrator shall designate as Director of the Authority. The Authority shall reimburse to the City approximately \$2,100 per month to reimburse 20 percent of the Director's total annual salary and benefits and 20 percent of the Planning Secretary's total annual salary and benefits. The Agreement is in effect for the period October 1, 2013, through September 30, 2014. Thereafter, it will automatically renew for successive one-year terms until terminated.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE D – OTHER NOTES, continued

4. Conduit Debt

The Authority collects TIF proceeds and pays the proceeds to financial institutions under several conduit debt arrangements. The Authority has no obligation to make principal and interest payments on the conduit debt except to the extent of the TIF proceeds that are collected.

<u>Redeveloper</u>	<u>Remaining Life</u>	<u>Estimated Amount to be Remitted</u>
Bruns Pet Grooming	5	\$ 35,885
Girard Vet Clinic	5	50,345
PROCON - Geddes Street	7	196,000
Southeast Crossing	6	78,530
Casey's	8	73,288
South Pointe	8	709,430
Todd Enck	7	23,683
Pharmacy Properties	9	68,913
John Schulte	9	38,288
Ken-Ray, LLC	8	186,926
Token Properties	11	32,076
Gordman of GI	12	98,336
Baker Development	12	23,495
Stratford Plaza	12	294,104
Copper Creek	14	344,048
Chief Industries	13	75,856
Token Properties-Kimball St	13	3,991
Habitat for Humanity	13	37,853
Auto One	13	102,399
EIG	12	335,627
Token Properties-Cary St	12	70,723
Wenn	12	20,571
		<u>\$ 2,900,367</u>

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE D – OTHER NOTES, continued

5. Additional TIF Agreements

On July 16, 2013, the Authority entered into a redevelopment contract with The Guarantee Group, LLC (Redeveloper). The Redeveloper intends to purchase and develop property for a subdivision and install all of the necessary public infrastructure to build 200+ single family dwellings in the first phase of the project over the course of approximately 10 years from the date of the contract. The initial sales price of the houses is limited to between \$139,900 and \$145,900. The sales price may be modified over the course of the contract to accommodate changes in prices for materials and labor. A second phase of this project, subject to a second TIF contract, is anticipated for the remainder of the property with approximately 300 additional dwelling units. A \$4,000,000 TIF bond bearing interest of 8.0 percent was issued by the Authority with an expiration date of December 31, 2039. The developer is responsible for providing to the Authority by July 1 of each year the legal description of all lots with new homes and the sales price of each house to that a “Notice of Intent to Divide Tax for Development Project” form can be filed on the improvements with the Hall County Assessors office by August 1 of each year. TIF financing will be made available and paid toward the bond until either the bond is paid off, the bond expires, or the allowable tax increment is no longer available.

On April 16, 2014, the Authority entered into a redevelopment contract with Tower 217 – Amos Anson (Redeveloper). The Redeveloper intends to create additional taxable real property valuation on the project of between \$466,000 and \$715,000 no later than January 1, 2016. The Redeveloper shall pay all project costs related to the construction of the improvements. Under terms of the agreement, the Authority will grant the Redeveloper \$236,000.

On October 30, 2014, the Authority entered into a redevelopment contract with Grand Island Joint Ventures LLC. (Redeveloper). The Redeveloper intends to rehabilitate the Grand Island Mall on Webb Road, and add additional outlets on both the Webb Road and 281 sides of the building. The estimated value upon completion is \$21,570,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$5,600,000 related to the TIF and \$4,000,000 related to enhance employment area bond.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2015

NOTE D – OTHER NOTES, continued

5. Additional TIF Agreements, continued

On May 7, 2015, the Authority entered into a redevelopment contract with Pridon LLC. (Redeveloper). The Redeveloper intends to extend utilities and build between 26 and 78 apartments for veterans on the Veteran's Hospital Property at Capital Avenue and Broadwell Street. The estimated value upon completion is \$2,400,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$330,000.

On June 5, 2015, the Authority entered into a redevelopment contract with Super Market Developers (Redeveloper). The Redeveloper intends to build a new grocery store and additional strip retail at 720 State Street. The estimated value upon completion is \$7,858,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$1,600,000.

On June 10, 2015, the Authority entered into a redevelopment contract with TC Enck Builders, Inc. (Redeveloper). The Redeveloper intends to extend utilities and build a duplex at 1616 S. Eddy Street. The estimated value upon completion is \$160,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$38,000.

In July of 2015 the Authority approved a redevelopment contract with T&S Development (Redeveloper). The contract was execute on November 2, 2015. The Redeveloper intends finish office space on the second floor of their building at 312 W 3rd Street. The estimated value upon completion is \$1,136,841. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$272,788.

On September 29, 2015, the Authority entered into a redevelopment contract with Bosselman Real Estate LLC. (Redeveloper). The Redeveloper intends to redevelop a commercial property at 1616 S. Locust as corporate office space, retail space and build a hotel on site. The estimated value upon completion is \$21,570,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$6,552,000.

6. Subsequent Events

Management has evaluated subsequent events through December 18, 2015, the date on which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

BUDGETARY COMPARISON SCHEDULE

Year ended September 30, 2015

	Budget (Original and Final)	Actual	Variance - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property taxes	\$ 853,245	\$ 685,727	\$ (167,518)
TIF receipts	1,159,092	1,207,408	48,316
Grant income	-	100,000	100,000
Interest income	1,000	158	(842)
Land sales	100,000	-	(100,000)
Other	128,000	27,263	(100,737)
Total resources	<u>2,241,337</u>	<u>2,020,556</u>	<u>(220,781)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Contract services	76,000	62,422	(13,578)
Capital outlay	200,000	80,015	(119,985)
Matching grant funds	953,000	405,637	(547,363)
Professional services	24,000	4,979	(19,021)
Printing and publishing	1,000	-	(1,000)
Travel and training	1,000	-	(1,000)
Other	3,550	898	(2,652)
Conduit debt payments	1,059,458	1,088,540	29,082
Debt service:			
Principal payments	237,564	245,308	7,744
Interest expense	54,120	49,454	(4,666)
Bond fees	-	525	525
Total charges to appropriations	<u>2,609,692</u>	<u>1,937,778</u>	<u>(671,914)</u>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (368,355)</u>	<u>\$ 82,778</u>	<u>\$ 451,133</u>

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

**BUDGETARY COMPARISON SCHEDULE -
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

Year ended September 30, 2015

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
Accrual Basis Revenue and Expenditures**

	<u>General Fund</u>
Sources/inflows of resources:	
Actual amounts of resources (budgetary basis) from the budgetary comparison schedule	\$ 2,020,556
Differences - budget to accrual:	
Cash to accrual adjustments	<u>2,205</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 2,022,761</u></u>
Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,937,778
Differences - budget to accrual:	
Cash to accrual adjustments	<u>9,787</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,947,565</u></u>

SUPPLEMENTARY INFORMATION

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

SCHEDULE OF EXPENDITURES - GENERAL FUND

For the Year Ended September 30, 2015

	General Services	Facade Improvement & Other Projects	Walnut Housing Project	Skagway Project	PROCON Debt Service	RSF Limited Debt Service
Accounting and auditing	\$ 4,275	\$ -	\$ -	\$ -	\$ -	\$ -
Legal/other professional services	9,929	-	-	-	-	-
Contract services	62,422	-	-	-	-	-
Miscellaneous	898	-	-	-	-	-
Grant funds	-	405,637	-	-	-	-
Capital outlay	80,015	-	-	-	-	-
Conduit debts payments	-	-	-	760,258	-	-
Principal payments	175,000	-	52,583	-	14,306	3,419
Interest expense	22,489	-	21,889	-	4,856	782
Bond fees	525	-	-	-	-	-
	<u>\$ 355,553</u>	<u>\$ 405,637</u>	<u>\$ 74,472</u>	<u>\$ 760,258</u>	<u>\$ 19,162</u>	<u>\$ 4,201</u>

<u>Bruns Pet Grooming</u>	<u>Wile E. Investment Properties, LLC</u>	<u>PROCON - Geddes St Apartments</u>	<u>Southeast Crossing</u>	<u>Casey's</u>	<u>South Pointe Hotel</u>	<u>Todd Enck Project</u>	<u>John Schulte Construction</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,177	10,062	14,726	13,088	9,161	88,677	6,280	2,671
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 7,177</u>	<u>\$ 10,062</u>	<u>\$ 14,726</u>	<u>\$ 13,088</u>	<u>\$ 9,161</u>	<u>\$ 88,677</u>	<u>\$ 6,280</u>	<u>\$ 2,671</u>

**COMMUNITY REDEVELOPMENT AUTHORITY
OF GRAND ISLAND, NEBRASKA
(A Component Unit of the City of Grand Island, Nebraska)**

SCHEDULE OF EXPENDITURES - GENERAL FUND, Continued

For the Year Ended September 30, 2015

	Pharmacy Properties	Poplar Street	Ken-Ray Project	County Fund #8598	Gordman	Baker Development, Inc.	Stratford Plaza, LLC
Accounting and auditing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal/other professional services	-	-	-	-	-	-	-
Contract services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Grant funds	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Conduit debts payments	10,741	12,237	37,418	2,916	8,195	1,958	24,509
Principal payments	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Bond fees	-	-	-	-	-	-	-
	<u>\$ 10,741</u>	<u>\$ 12,237</u>	<u>\$ 37,418</u>	<u>\$ 2,916</u>	<u>\$ 8,195</u>	<u>\$ 1,958</u>	<u>\$ 24,509</u>

Copper Creek	Chief Industries Aurora Coop	Token Properties Kimball Street	Habitat for Humanity	Auto One, Inc.	EIG Grand Island	Token Properties Cary Street	Wenn Housing Project	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,275
-	-	-	-	-	-	-	-	9,929
-	-	-	-	-	-	-	-	62,422
-	-	-	-	-	-	-	-	898
-	-	-	-	-	-	-	-	405,637
-	-	-	-	-	-	-	-	80,015
24,575	5,835	307	2,912	7,877	27,969	7,277	1,714	1,088,540
-	-	-	-	-	-	-	-	245,308
-	-	-	-	-	-	-	-	50,016
-	-	-	-	-	-	-	-	525
<u>\$ 24,575</u>	<u>\$ 5,835</u>	<u>\$ 307</u>	<u>\$ 2,912</u>	<u>\$ 7,877</u>	<u>\$ 27,969</u>	<u>\$ 7,277</u>	<u>\$ 1,714</u>	<u>\$ 1,947,565</u>



**INDEPENDENT AUDITORS' 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**

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump

To the Board of Directors
Community Redevelopment Authority of Grand Island, Nebraska
Grand Island, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C.
and offers wealth management and investment advisory services.

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A PROFESSIONAL
CORPORATION

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Redevelopment Authority of Grand Island, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Community Redevelopment Authority of Grand Island, Nebraska's Response to Findings

The Community Redevelopment Authority of Grand Island, Nebraska's response to the findings identified in our audit is that due to the small size of the Authority, it is impractical to further segregate duties. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Amquist, Mathyalm.
Galloway: Luth, D.C.

Grand Island, Nebraska
December 18, 2015