



Community Redevelopment Authority (CRA)

**Wednesday, April 11, 2018
Regular Meeting**

Item X1

**Presentation of CRA Audit for Fiscal Year Ending September 30,
2017**

Staff Contact:



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

We have audited the financial statements of the governmental activities of the Community Redevelopment Authority of Grand Island for the year ended September 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Community Redevelopment Authority of Grand Island are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2017. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the accruals for estimated TIF receivables and payables.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Four audit adjustments decreased the net position of the Authority by \$31,624. The following material misstatement detected as a result of audit procedures was corrected by management:

- 1) Accounts payable and redeveloper bond principal expenses were increased \$31,624 to record amounts due to redevelopers for TIF proceeds held as county treasurer cash.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 13, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the Community Redevelopment Authority of Grand Island, Nebraska as of September 30, 2017, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. The March 2017 TIF proceeds for two redevelopers were not remitted to the redevelopers, so \$3,891.98 is due to Copper Creek II and \$429.56 is due to the Poplar

Street Water Line project. Also, the \$214.81 of TIF proceeds collected on the TC Builder – Eddy Street project were not remitted during the year ended September 30, 2017 due to the small amount of the collection. We recommend paying all three of the redevelopers the unpaid amounts as soon as possible.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of General Fund expenditures, which accompany the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Community Redevelopment Authority of Grand Island and is not intended to be and should not be used by anyone other than these specified parties.

*August, Mathew,
Galloway & Lath, P.C.*

Grand Island, Nebraska
March 13, 2018



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

In planning and performing our audit of the financial statements of the Community Redevelopment Authority of Grand Island as of and for the year ended September 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in the Authority's internal control to be a significant deficiency:

The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions.

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

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

Amquist, Mathyahn
Galloway + Luth, P.C.

Grand Island, Nebraska
March 13, 2018

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the 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, 2017, 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.

Auditor's 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 auditor's 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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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, 2017, 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, 2017, 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 39–40 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 March 13, 2018, 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 solely 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 the effectiveness of the Community Redevelopment Authority of Grand Island, Nebraska's 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 the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and compliance.

*Angust. Malthalm,
Galloway & Luth, P.C.*

Grand Island, Nebraska
March 13, 2018

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

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, 2017.

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 \$426,616 (*net position*). Of this amount, there was a deficit balance of (\$254,228) 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 \$78,183, or 4.1 percent of current year General Fund expenditures.

Program Highlights

- The CRA will continue to emphasize the acquisition and demolition of substandard properties. The CRA and City Council will continue to encourage 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 (TIF), infrastructure development, land acquisition, or other types of allowable assistance. The City of Grand Island and the CRA also approved the use of TIF to support the development of several businesses in Grand Island, most notably the new hospital at the southwest corner of U.S. Highway 281 and Husker Highway. This proposed development is hoped to spur development toward Interstate 80. Several projects were approved for downtown buildings.
- 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 of 2014. On December 1, 2015, Governor Pete Ricketts announced plans to return the Veteran's Home Property to the City of Grand Island. A portion of that property has been deeded back to the City, with the remainder committed for return after the closure of the Grand Island Veterans Home. The City is moving forward with plans for redevelopment of the entire site. Those plans are likely to include declaration of the area as blighted and substandard with TIF being used to redevelop the property. This year the City Council also approved three Redevelopment Areas encompassing the entirety of the Cornhusker Army Ammunition Plant along with a

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

40 acre area at Seedling Mile and Highway 30 and two small areas ideal for microblight redevelopment. The Talon apartments have been built there.

- 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 TIF contract. The CRA issues a TIF bond that the developer funds through a private investor or financial institution. The bond is repaid from the TIF revenue generated from the project on its TIF-eligible expenses. The bond is limited to no more than 15 years from the time it is issued or amended. The bond amount is capped at either the TIF-eligible expenses or the amount of TIF generated by the project over its life.
- 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 final phase of the first part of the Copper Creek subdivision will be concluded during the 2018 year, resulting in more than 200 affordable new single family detached housing units.
- The CRA continues to work with Downtown, and is supportive of continued efforts to redevelop buildings, especially on the upper floors. During the 2017 year, the CRA approved two more grants under the upper-story Life Safety program and made the first payment for upper story residential. To date, the program has committed to more than 40 additional units in downtown. The CRA also approved TIF for the redevelopment of former Brown Hotel on 2nd Street. The 2018 budget includes \$200,000 (\$100,000 each from the City and the CRA) for life safety infrastructure grants in the downtown area for projects that include upper story residential development.
- The CRA approved tax increment financing for a project along South Locust for the Talon Apartments. Final build out is expected to be 288 units over a 4 to 8 year period, the first 4 buildings have been completed. A project was approved for an additional 88 apartments at the final phase of the Cherry Park Apartments on Stuhr Road north of Bismark Avenue. All of the units have been completed.
- The entirety of the Cornhusker Army Ammunition Plant has been declared blighted and substandard and two projects have been approved at the site. The City, through the CRA will participate in providing funding for infrastructure improvements at the Husker Harvest Days site in exchange for guarantees that the three day show with an estimated \$7.5 million impact on the local economy will continue for the next 20 years with state of the art facilities necessary to attract high quality national vendors. The second project will support the development of a locally operated construction and demolition landfill and recycling center. This will, ideally lower the cost of demolition to local contractors by reducing the transportation costs for demolition debris. Other projects at the formerly used military site are also contemplated and under review.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

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, 2017**

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 17-38 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 39 and 40 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 \$426,616 at the close of the most recent fiscal year.

Summary Statements of Net Position

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Current and Other Assets	\$ 1,368,135	\$ 1,336,462	\$ 31,673
Capital Assets	575,369	575,369	-
Total Assets	<u>1,943,504</u>	<u>1,911,831</u>	<u>31,673</u>
Long-term Liabilities	1,045,295	1,303,701	(258,406)
Other Liabilities	471,593	357,158	114,435
Total Liabilities	<u>1,516,888</u>	<u>1,660,859</u>	<u>(143,971)</u>
Net Position:			
Net investment in capital assets	575,369	575,369	-
Restricted	105,475	118,743	(13,268)
Unrestricted	(254,228)	(443,140)	188,912
Total Net Position	<u>\$ 426,616</u>	<u>\$ 250,972</u>	<u>\$ 175,644</u>

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

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 \$105,475 is restricted for redevelopers and for life safety grants. The remaining balance of *unrestricted net position* is a deficit balance of (\$254,228). Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Net position increased \$175,644 for the year ended September 30, 2017.

Expenses and Program Revenues

	Year Ended September 30, 2017		Year Ended September 30, 2016	
	Program Revenues	Program Expenses	Program Revenues	Program Expenses
General government	\$ -	\$ 60,296	\$ -	\$ 71,975
Community development	1,149,995	1,655,962	706,427	1,162,173
Interest expense	-	38,519	-	45,276
Total	\$ 1,149,995	\$ 1,754,777	\$ 706,427	\$ 1,279,421

Revenues by Source

SOURCES OF REVENUE

	Year Ended September 30, 2017		Year Ended September 30, 2016	
Operating grants and contributions	\$ 1,149,995	59.57 %	\$ 706,427	48.49 %
Property taxes	754,109	39.07	725,532	49.80
Interest	252	0.01	173	0.01
Other income	26,065	1.35	24,806	1.70
Total	\$ 1,930,421	100.00 %	\$ 1,456,938	100.00 %

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 \$925,835. The *unassigned fund balance*, which is available for spending at the government's discretion, was

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2017**

\$78,183. The remainder of the fund balance is not available for new spending because it has already been 1) committed for future grant projects (\$742,177), 2) restricted for developers (\$25,475), or 3) restricted for life safety grants (\$80,000).

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 48.0 percent of General Fund expenditures.

The fund balance of the Community Redevelopment Authority of Grand Island, Nebraska's General Fund increased by \$2,406 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, 2017, amounts to \$575,369.

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, 2017, leaving an outstanding balance of \$1,105,000. At the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska, had notes payable of \$198,779. The notes payable decreased by \$80,296 (28.8 percent) during the current fiscal year.

Economic Factors and Next Year's Budget

- Grants of \$505,216 are committed to be paid during the next 12 months, with an additional \$316,961 committed to be paid through 2019.

These factors were considered in preparing the Community Redevelopment Authority of Grand Island, Nebraska's budget for the year ending September 30, 2018.

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, 2017

ASSETS

Current assets:

Cash	\$ 756,528
County treasurer cash	130,440
Property taxes receivable	146,501
Current portion of TIF receivables	37,822
Total current assets	1,071,291

Noncurrent assets:

Restricted cash	105,475
Noncurrent portion of TIF receivables	191,369
Land held for redevelopment	575,369
Total noncurrent assets	872,213

Total assets	1,943,504
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LIABILITIES

Current liabilities:

Accounts payable	66,767
Unavailable property taxes	140,461
Accrued interest payable	5,881
Current portion of notes payable	83,484
Current portion of bonds payable	175,000
Total current liabilities	471,593

Noncurrent liabilities:

Noncurrent portion of notes payable	115,295
Noncurrent portion of bonds payable	930,000
Total noncurrent liabilities	1,045,295

Total liabilities	1,516,888
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NET POSITION

Net investment in capital assets	575,369
Restricted for developers	25,475
Restricted for life safety grants	80,000
Unrestricted	(254,228)
Total net position	\$ 426,616

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, 2017

		Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	Governmental Activities
FUNCTIONS/PROGRAMS						
Governmental activities:						
General government	\$ 60,296	\$ -	\$ -	\$ -	\$ (60,296)	
Community development	1,655,962	-	1,149,995	-	(505,967)	
Interest on long-term debt	38,519	-	-	-	(38,519)	
Total governmental activities	\$ 1,754,777	\$ -	\$ 1,149,995	\$ -	(604,782)	
General revenues:						
Taxes:						
Property taxes					754,109	
Interest income					252	
Other income					26,065	
Total general revenues					780,426	
Change in net position					175,644	
Net position - beginning of year					250,972	
Net position - end of year					\$ 426,616	

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, 2017

ASSETS

Cash	\$ 862,003
County treasurer cash	130,440
Property taxes receivable	<u>146,501</u>
Total assets	<u><u>\$ 1,138,944</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 66,767
Unavailable property taxes	140,461
Accrued interest payable	<u>5,881</u>
Total liabilities	213,109

Fund balance:

Restricted for developers	25,475
Restricted for life safety grant	80,000
Committed for projects	742,177
Unassigned	<u>78,183</u>
Total fund balance	<u><u>925,835</u></u>

Total liabilities and fund balance **\$ 1,138,944**

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, 2017

Total fund balance - governmental funds	\$	925,835
------------------------------------------------	----	---------

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
-----------------------------------------------------------------------------------------------------------------------------------	--	---------

TIF receivables are noncurrent assets that are not available to pay for current-period expenditures and therefore are not reported in the fund statements.		229,191
------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

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	\$ (198,779)	
Bonds payable	<u>(1,105,000)</u>	<u>(1,303,779)</u>

Total net position - governmental activities	\$	<u>426,616</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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND**

For the year ended September 30, 2017

REVENUES

Property taxes	\$ 754,109
TIF receipts	1,151,756
Interest income	252
Other income	26,065
Total revenues	1,932,182

EXPENDITURES

Contract services	49,535
Matching grant funds	500,303
Professional services	10,246
Other	514
Capital outlay	3,797
Conduit debt payments	1,071,566
Debt service:	
Principal payments	255,296
Interest	37,994
Bond fees	525
Total expenditures	1,929,776

Net change in fund balance 2,406

Fund balance - September 30, 2016 923,429

Fund balance - September 30, 2017 \$ 925,835

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, 2017

Total net change in fund balance - governmental funds	\$	2,406
Amounts reported for <i>governmental activities</i> 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.		(82,058)
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	\$ 80,296	
Bonds payable	<u>175,000</u>	<u>255,296</u>
Change in net position of governmental activities		<u><u>\$ 175,644</u></u>

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, 2017

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
---------------------	----------------------------------------------------------------

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017.

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, 2017

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, 2017

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, 2017

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 2016-2017 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, 2017

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, 2017

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, 2017

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, 2017. 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, 2017

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	\$ 861,525	\$ 250,000	\$ 611,525	\$ -	\$ <u>862,003</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash	\$ 756,528
Restricted cash	<u>105,475</u>
	<u>\$ 862,003</u>

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, 2017:

Poplar Street	\$ 87,695
RSF Limited	1,741
PROCON Development Company, LLC	(7,270)
Walnut Housing, Ltd.	<u>147,025</u>
	<u>\$ 229,191</u>
Current portion of TIF receivables	\$ 37,822
Noncurrent portion of TIF receivables	<u>191,369</u>
	<u>\$ 229,191</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, 2017

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

3. Land Held for Redevelopment

Capital asset activity for the year ended September 30, 2017, was as follows:

	<u>Balance at October 1, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at September 30, 2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land held for redevelopment	\$ <u>575,369</u>	\$ <u>-</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, 2017:

	<u>Balance 9/30/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 9/30/17</u>	<u>Due Within One Year</u>
Limited Tax Obligation Bonds	\$ 1,280,000	\$ -	\$ (175,000)	\$ 1,105,000	\$ 175,000
Note payable – Wells Fargo Bank	5,616	-	(3,875)	1,741	1,741
Note payable – Home Federal Savings & Loan	44,010	-	(16,396)	27,614	17,585
Note payable – Lincoln Federal Savings	<u>229,449</u>	<u>-</u>	<u>(60,025)</u>	<u>169,424</u>	<u>64,158</u>
Total	\$ <u>1,559,075</u>	\$ <u>-</u>	\$ <u>(255,296)</u>	\$ <u>1,303,779</u>	\$ <u>258,484</u>

Long-term debt at September 30, 2017, 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, 2017

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, 2017, was \$1,741.
- 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, 2017, was \$27,614.
- 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, 2017, was \$169,424.

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

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

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>
2018	\$ 258,484	\$ 31,254	\$ 289,738
2019	258,586	23,682	282,268
2020	216,709	15,444	232,153
2021	185,000	10,805	195,805
2022	190,000	6,818	196,818
2023-2027	<u>195,000</u>	<u>2,340</u>	<u>197,340</u>
	<u>\$ 1,303,779</u>	<u>\$ 90,343</u>	<u>\$ 1,394,122</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, 2017

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, 2017.

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, 2017, the Authority's cash balances consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Wells Fargo	\$ <u>862,003</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, 2017.

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

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

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>
South Locust BID	\$ 30,000	2018
Federation of Labor – Ziller	113,200	2017
Wing Properties – 110-114 E Third St	167,016	2017
Othy’s Place – 724 W Third St	26,961	2019
Auto America	80,000	2017
 <u>Fire & Life Safety Grants:</u>		
Anson – 201-203 West Third St	240,000	2018
Federation of Labor – Ziller	115,000	2017
Peaceful Root – 112 W Second St	<u>50,000</u>	2018
	<u>\$ 822,177</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 \$3,255 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, 2016, through September 30, 2017. 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, 2017

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	3	\$ 15,459
Girard Vet Clinic	3	32,152
PROCON - Geddes Street	5	141,225
Southeast Crossing	4	62,194
Casey's	6	85,387
South Pointe	6	508,527
Todd Enck	5	7,666
Pharmacy Properties	7	45,590
John Schulte	7	23,671
Ken-Ray, LLC	6	99,308
Token Properties	9	26,814
Gordman of GI	10	539,175
Baker Development	10	31,193
Stratford Plaza	10	334,002
Copper Creek	12	865,784
Chief Industries	11	403,265
Token Properties-Kimball St	11	29,052
Habitat for Humanity	11	45,819
Auto One	11	127,744
EIG	10	722,963
Token Properties-Cary St	10	54,795
Wenn	10	36,729
Copper Creek II	13	3,529,231
T. C. Enck	14	37,570
Super Market	14	1,600,000
Mainstay	13	390,256
Tower 217	13	220,903
Northwest Commons	14	1,984,265
Habitat (8 th & Superior)	14	118,588
Copper Creek III	15	3,274,798
Kaufman Building	15	193,367
Pridon Victory Village	15	330,000

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

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

4. Conduit Debt, continued

<u>Redeveloper</u>	<u>Remaining Life</u>	<u>Estimated Amount to be Remitted</u>
Bosselman – Webb Road	15	6,552,000
Talon Apartments	15	880,506
Middledon Properties II	15	247,561
Wing Properties	15	<u>110,485</u>
		<u>\$ 23,708,044</u>

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.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Peaceful Root, LLC (Redeveloper). The Redeveloper intends to redevelop the former Brown Hotel Building located at 112 W Second Street into apartments. The estimated value upon completion is \$1,014,538. 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 \$263,000.

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

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

5. Additional TIF Agreements, continued

During the year ended September 30, 2017, the Authority approved a redevelopment plan with Hedde Building, LLC (Redeveloper). The Redeveloper intends to redevelop 201 – 205 West Third Street. The estimated value upon completion is \$1,952,402. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority plans to grant the Redeveloper \$603,425.

In July of 2015 the Authority approved a redevelopment contract with T&S Development (Redeveloper). The contract was executed on November 2, 2015. The Redeveloper intends to 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.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Weinrich Developments, Inc. (Redeveloper). The Redeveloper intends to redevelop the property located at 523 East Division Street from a vacant single-family home into a four-unit apartment building. The estimated value upon completion is \$300,000. 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 \$52,768.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with Think Smart, LLC (Redeveloper). The Redeveloper intends to redevelop 204 North Carey. The estimated value upon completion is \$519,140. 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 \$48,150.

During the year ended September 30, 2017, the Authority entered into a redevelopment contract with O'Neill Wood Resources (Redeveloper). The Redeveloper intends to redevelop 7100 West Old Potash Highway. The estimated value upon completion is \$1,140,993. 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 \$209,000.

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

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2017

NOTE D – OTHER NOTES, continued

6. Related Party Transactions

T&S Development, one of the redevelopers the Authority has entered into a TIF agreement with, is owned by a board member of the Authority.

7. Subsequent Events

Management has evaluated subsequent events through March 13, 2018, the date on which the financial statements were available for issue.

On October 18, 2017, the Authority approved a \$90,000 life safety grant, a \$168,677 façade grant, and a \$15,000 other grant for Urban Island (Kinkaider); a \$106,500 façade grant to Staab Management for the Fonner Court project; and a \$300,000 façade grant (payable \$100,000 per year over three years) for the Hedde Building.

On November 8, 2017, the Authority approved a \$35,000 life safety grant for Take Flight. On December 13, 2017, the Authority approved a \$100,000 façade grant to Mendez Enterprises.

On December 13, 2017, the Authority approved a redevelopment contract for Husker Harvest Days. This contract will allow expenditure of \$2 million of public funds over the course of 10 years for improvements to the Husker Harvest Days show site. The City of Grand Island will fund \$200,000 a year for 10 years for the CRA to pay out to Farm Progress Companies, Inc. The CRA will forgive \$100,000 of that payment a year for every year Farm Progress has an outdoor farm show for up to 20 years. The first payment by the CRA will be November 1, 2018, per a period of 10 years.

On December 13, 2017, the Authority entered into a redevelopment contract with Urban Island, LLC (Redeveloper) toward the renovation of 320 – 322 North Pine. This contract will allow for \$156,000 in tax increment financing to provide \$115,000 toward the redevelopment project.

On December 13, 2017, the Authority entered into a redevelopment contract with Mendez Enterprises (Redeveloper) for phase 1 of redevelopment of the property along Old Lincoln Highway between Carey and Waldo Avenues. Phase 1 tax increment financing is for \$205,000.

On January 10, 2018, the Authority entered into a redevelopment contract with Take Flight, LLC (Redeveloper) for redevelopment of the building at 209 West Third Street. Approved tax increment financing is \$99,200.

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, 2017

	Budget (Original and Final)	<u>Actual</u>	Variance - Actual Over (Under) <u>Final Budget</u>
RESOURCES (INFLOWS)			
Property taxes	\$ 762,835	\$ 753,983	\$ (8,852)
TIF receipts	1,833,576	1,151,756	(681,820)
Interest income	300	252	(48)
Loan proceeds	8,000	-	(8,000)
Land sales	250,000	-	(250,000)
Other	130,000	26,065	(103,935)
Total resources	<u>2,984,711</u>	<u>1,932,056</u>	<u>(1,052,655)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Contract services	80,000	49,535	(30,465)
Capital outlay	50,000	3,797	(46,203)
Matching grant funds	1,350,148	500,303	(849,845)
Professional services	24,000	10,246	(13,754)
Printing and publishing	1,500	-	(1,500)
Travel and training	1,000	-	(1,000)
Other	1,750	514	(1,236)
Conduit debt payments	1,735,774	1,039,273	(696,501)
Debt service:			
Principal payments	255,000	255,296	296
Interest expense	38,326	38,402	76
Bond fees	-	525	525
Total charges to appropriations	<u>3,537,498</u>	<u>1,897,891</u>	<u>(1,639,607)</u>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u>\$ (552,787)</u>	<u>\$ 34,165</u>	<u>\$ 586,952</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, 2017

**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	\$ 1,932,056
Differences - budget to accrual:	
Cash to accrual adjustments	<u>126</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,932,182</u></u>
Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,897,891
Differences - budget to accrual:	
Cash to accrual adjustments	<u>31,885</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,929,776</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, 2017

	General Services	Facade Improvement & Other Projects	Walnut Housing Project	PROCON Debt Service	RSF Limited Debt Service	Bruns Pet Grooming	Wile E. Investment Properties, LLC
Legal/other professional services	\$ 10,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	48,535	1,000	-	-	-	-	-
Miscellaneous	514	-	-	-	-	-	-
Grant funds	-	500,303	-	-	-	-	-
Capital outlay	3,797	-	-	-	-	-	-
Conduit debts payments	-	-	-	-	-	14,227	10,582
Principal payments	175,000	-	60,024	16,396	3,876	-	-
Interest expense	20,454	-	14,448	2,766	326	-	-
Bond fees	525	-	-	-	-	-	-
	<u>\$ 259,071</u>	<u>\$ 501,303</u>	<u>\$ 74,472</u>	<u>\$ 19,162</u>	<u>\$ 4,202</u>	<u>\$ 14,227</u>	<u>\$ 10,582</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>	<u>Pharmacy Properties</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,888	15,352	14,051	83,682	6,434	7,060	11,824
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 27,888</u>	<u>\$ 15,352</u>	<u>\$ 14,051</u>	<u>\$ 83,682</u>	<u>\$ 6,434</u>	<u>\$ 7,060</u>	<u>\$ 11,824</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, 2017

	Poplar Street	Ken-Ray Project	County Fund #8598	Gordman	Baker Development, Inc.	Stratford Plaza, LLC	Copper Creek	Chief Industries Aurora Coop
Legal/other professional services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Grant funds	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Conduit debts payments	12,046	45,346	2,942	53,235	3,465	32,978	72,718	36,197
Principal payments	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Bond fees	-	-	-	-	-	-	-	-
	<u>\$ 12,046</u>	<u>\$ 45,346</u>	<u>\$ 2,942</u>	<u>\$ 53,235</u>	<u>\$ 3,465</u>	<u>\$ 32,978</u>	<u>\$ 72,718</u>	<u>\$ 36,197</u>

<u>Token Properties Kimball Street</u>	<u>Habitat for Humanity</u>	<u>Auto One, Inc.</u>	<u>EIG Grand Island</u>	<u>Token Properties Cary Street</u>	<u>Wenn Housing Project</u>	<u>Copper Creek II</u>	<u>TC Enck</u>	<u>Mainstay</u>	<u>Tower 217</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,607	4,113	11,866	71,016	8,333	4,326	254,406	413	63,881	14,471
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,607</u>	<u>\$ 4,113</u>	<u>\$ 11,866</u>	<u>\$ 71,016</u>	<u>\$ 8,333</u>	<u>\$ 4,326</u>	<u>\$ 254,406</u>	<u>\$ 413</u>	<u>\$ 63,881</u>	<u>\$ 14,471</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, 2017

	<u>Copper Creek III</u>	<u>Northwest Commons</u>	<u>Habitat 8th & Superior</u>	<u>Kaufman</u>	<u>Totals</u>
Legal/other professional services	\$ -	\$ -	\$ -	\$ -	\$ 10,246
Contract services	-	-	-	-	49,535
Miscellaneous	-	-	-	-	514
Grant funds	-	-	-	-	500,303
Capital outlay	-	-	-	-	3,797
Conduit debts payments	40,620	139,369	4,412	1,706	1,071,566
Principal payments	-	-	-	-	255,296
Interest expense	-	-	-	-	37,994
Bond fees	-	-	-	-	525
	<u>\$ 40,620</u>	<u>\$ 139,369</u>	<u>\$ 4,412</u>	<u>\$ 1,706</u>	<u>\$ 1,929,776</u>



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 13, 2018.

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.

SHAREHOLDERS

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Phillip D. Maltzahn
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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, Malthalm,
Galloway & Luth, PC*

Grand Island, Nebraska
March 13, 2018