



# December 31, 2016 AUDIT RESULTS

# SUMMARY OF AUDIT RESULTS

<b>Opinion on Financial Statements</b>	The audit of the financial statements for the year ended December 31, 2016 resulted in unmodified, or “clean” opinions on the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information.
<b>Other Information Included in the Financial Statements</b>	Required Supplementary Information (RSI): Management's Discussion and Analysis and individual budgetary comparison schedules.  Other Supplementary Information (OSI): Introductory and statistical section
<b>Report on Internal Control Over Financial Reporting and Compliance</b>	No material weaknesses in internal control over financial reporting and compliance were identified as a result of our audit.

# SUMMARY OF AUDIT RESULTS

<b>Compliance Reporting required under the Single Audit</b>	<p>The following program was determined to be a major program:</p> <ul style="list-style-type: none"><li>➤ CFDA 20.205 - US Department of Transportation – Federal Aid Highway Program</li></ul> <p>No reportable findings or questioned costs were noted as a result of our audit.</p> <p>Federal funds expended for the year ended December 31, 2016 - \$840,387</p> <p>Major Programs:</p> <ul style="list-style-type: none"><li>• Highway Planning and Construction Cluster - \$691,282</li></ul>
<b>Audit Adjustments / Uncorrected Misstatements</b>	<p>There were no uncorrected misstatements as a result of our audit.</p> <p>There were no material proposed audit adjustments noted.</p>

# SUMMARY OF AUDIT RESULTS

<b>Accounting Policies and Practices</b>	<p>The policies are neutral, consistent, and clear.</p> <p>All transactions are recorded in the proper period.</p> <p>We noted no transactions during 2016 for which there is a lack of authoritative guidance.</p> <p>No significant policies adopted in 2016.</p>
<b>Accounting Estimates</b>	<p>Accounting estimates and disclosures appear reasonable and complete.</p>

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# SUMMARY OF AUDIT RESULTS

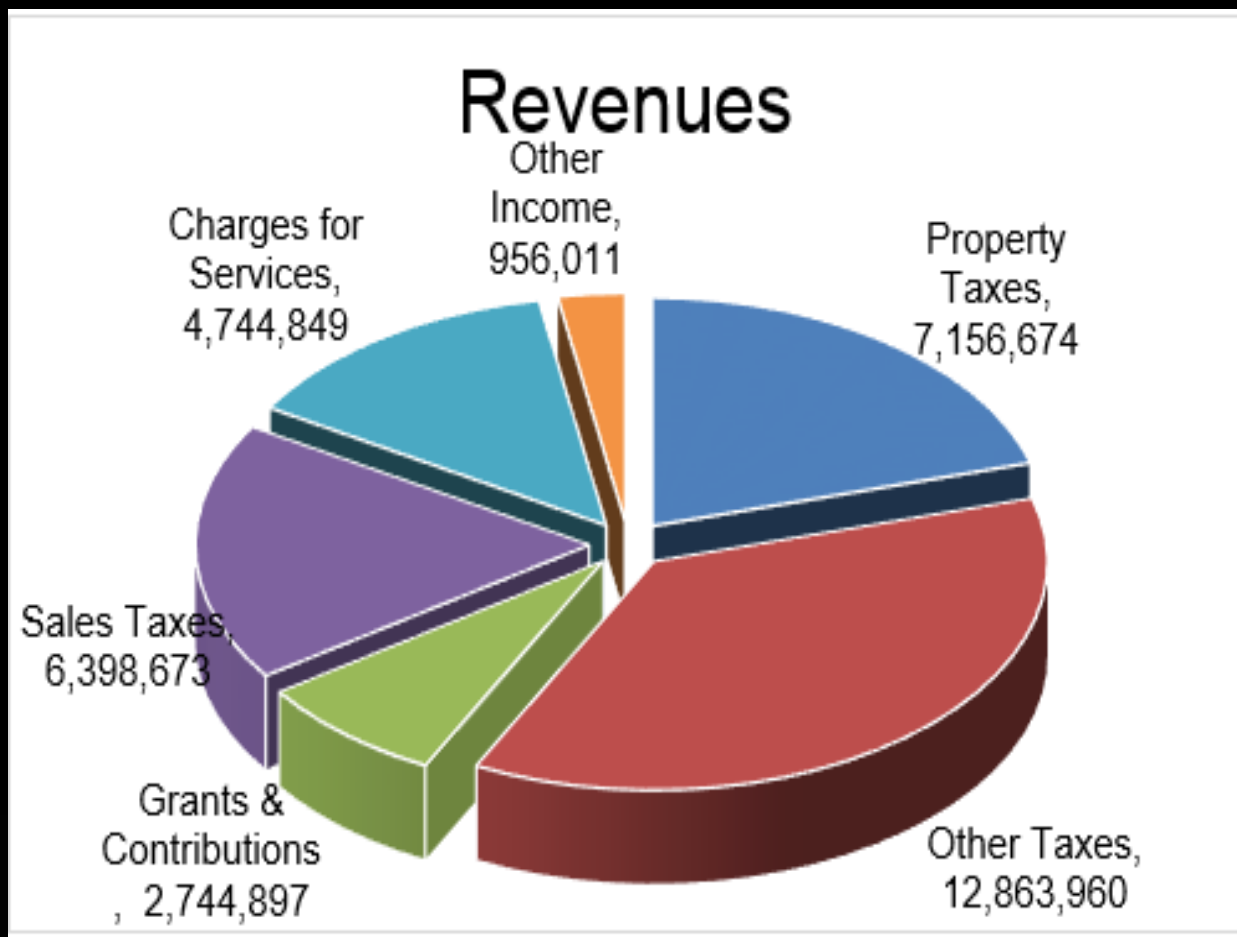
<b>Disagreements with Management</b>	We are pleased to report that no such disagreements arose during the course of our audit.
<b>Management Consultations with Other Independent Accountants</b>	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’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 the relevant facts.</p> <p>To our knowledge, there were no such consultations with other accountants.</p>
<b>Difficulties Encountered in Performing the Audit</b>	<p>No difficulties encountered during audit.</p> <p>Management did a commendable job in preparing for the audit.</p>
<b>Management Representations</b>	Management will provides us with a representation letter related to the financial statements prior to issuance of the financial statements.
<b>Other Items</b>	We are required to communicate any fraud or illegal acts that we became aware of during the audit, and we have no such items to report.

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# FINANCIAL HIGHLIGHTS

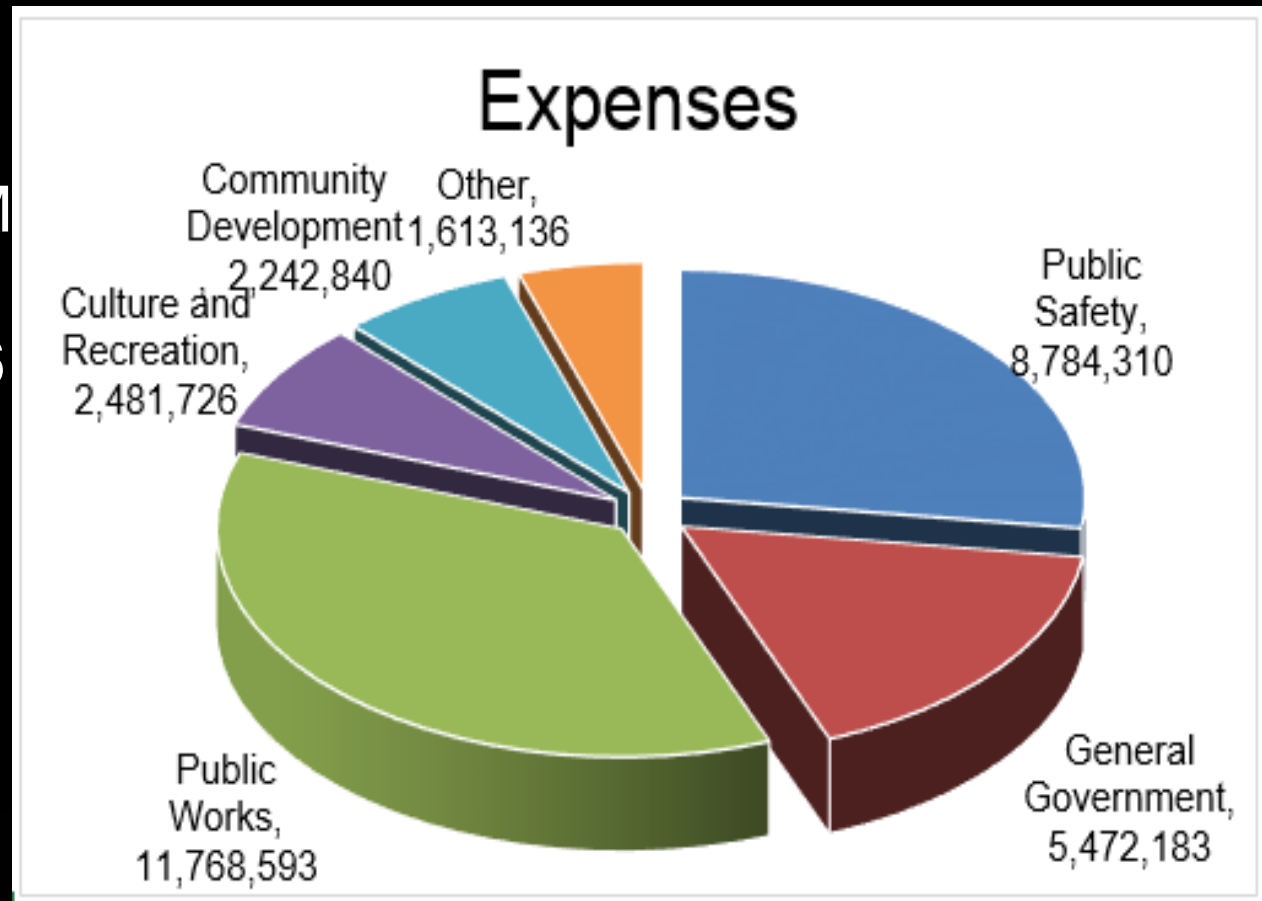
Total Government Wide Revenue of approximately \$35M for year the ended December 31, 2016

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# FINANCIAL HIGHLIGHTS

Total Government Wide Expenses of approximately \$32M for the year ended December 31, 2016



# FINANCIAL HIGHLIGHTS

Total Government Wide Fund Balance of approximately \$115M as of December 31, 2016

	2016	2015
<b>Governmental activities:</b>		
Net investment in capital assets	\$ 72,367,890	\$ 72,022,101
Restricted for HOST capital projects	4,276,217	5,074,377
Restricted for parks operation	473,356	473,356
Restricted for public safety	319,040	302,185
Restricted for E911 operations	-	60,184
Restricted for grant programs	-	-
Restricted for capital projects	4,436,388	3,668,989
Unrestricted	30,223,377	27,992,800
<b>Total governmental activities net position</b>	<b>\$ 112,096,268</b>	<b>\$ 109,593,992</b>
<b>Business-type activities:</b>		
Net investment in capital assets	\$ 1,266,024	\$ 1,362,655
Unrestricted	1,971,689	2,041,090
<b>Total business-type activities net position</b>	<b>\$ 3,237,713</b>	<b>\$ 3,403,745</b>
<b>Primary government:</b>		
Net investment in capital assets	\$ 73,633,914	\$ 73,384,756
Restricted for HOST capital projects	4,276,217	5,074,377
Restricted for parks operation	473,356	473,356
Restricted for public safety	319,040	302,185
Restricted for E911 operations	-	60,184
Restricted for grant programs	-	-
Restricted for capital projects	4,436,388	3,668,989
Unrestricted	32,195,066	30,033,890
<b>Total primary government net position</b>	<b>\$ 115,333,981</b>	<b>\$ 112,997,737</b>



# FINANCIAL HIGHLIGHTS

## Governmental funds to government wide statement of activities reconciliation

Net change in fund balances - total governmental funds	\$ 2,722,483
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	9,001,287
Contributed capital assets reported in government-wide statements.	476,892
In the statement of activities, only the gain on the sale of land for resale is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net effect of the cost of land purchased and proceeds from land sold.	(596,077)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	81,159
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.	(9,097,656)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(85,812)
Change in net position - governmental activities	<u>\$ 2,502,276</u>