

**CITY OF WAYNE, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Wayne, Nebraska

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wayne, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wayne's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Wayne, Nebraska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wayne, Nebraska's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

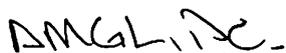
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-21 and 86-90 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Nebraska's basic financial statements. The combining nonmajor governmental funds financial statements, the combining component unit financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, the supplementary information described in the second sentence of this paragraph and the schedule of expenditures of federal awards are 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 January 6, 2023, on our consideration of the City of Wayne, 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 City of Wayne'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 City of Wayne, Nebraska's internal control over financial reporting and compliance.



Grand Island, Nebraska  
January 6, 2023

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For The Year Ended September 30, 2022**

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of the City of Wayne, we offer readers of the City of Wayne financial statements this narrative overview and analysis of the financial activities of the City of Wayne for the fiscal year ended September 30, 2022. For information on the Wayne Municipal Airport component unit included in these financial statements, please see the separate audit report for the Airport.

**Financial Highlights**

- The assets of the City of Wayne exceeded its liabilities at the close of the most recent fiscal year by \$58,567,656 (*net position*). Of this amount, \$19,332,623 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Wayne’s governmental funds reported combined ending net position of \$31,580,928. Approximately 11.5 percent of this total amount, \$3,627,448, is *unrestricted net position*.
- At the end of the current fiscal year, the General Fund had unassigned fund balance of \$375,802, while total fund balance was \$4,488,094.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Wayne’s basic financial statements. The City of Wayne’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 City of Wayne’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Wayne’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 City of Wayne 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 (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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Both of the government-wide financial statements distinguish functions of the City of Wayne that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Wayne include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the City of Wayne include the Water, Sewer, Electric, and Transfer Station Enterprise Funds.

The government-wide financial statements include not only the City of Wayne itself (known as the *primary government*), but also legally separate entities, the Municipal Airport Authority and the Community Redevelopment Authority, for which the City of Wayne is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22 and 23 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 City of Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wayne can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**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 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 City of Wayne maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the LB840 Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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The City of Wayne adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, LB840, and Debt Service Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

**Proprietary funds.** The City of Wayne maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Wayne uses enterprise funds to account for its Water, Sewer, Electric, and Transfer Station Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Wayne's various functions. The City of Wayne uses an internal service fund to account for its employee health insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Electric, and Transfer Station Funds, all of which are considered to be major funds of the City of Wayne.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Wayne's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 32 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 33-85 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 City of Wayne's budgetary comparison schedules. Required supplementary information can be found on pages 86-90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and the component units are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 91-94 of this report.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**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 City of Wayne, assets exceeded liabilities by \$58,567,656 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

|                          | September 30, 2022         |                             |                      | September 30, 2021         |                             |                      |
|--------------------------|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|----------------------|
|                          | Governmental<br>Activities | Business-type<br>Activities | Total                | Governmental<br>Activities | Business-type<br>Activities | Total                |
| Current and Other Assets | \$ 11,713,734              | \$ 17,230,088               | \$ 28,943,822        | \$ 11,381,587              | \$ 14,666,212               | \$ 26,047,799        |
| Capital Assets           | 23,669,574                 | 18,894,257                  | 42,563,831           | 23,803,245                 | 19,322,823                  | 43,126,068           |
| Total Assets             | <u>35,383,308</u>          | <u>36,124,345</u>           | <u>71,507,653</u>    | <u>35,184,832</u>          | <u>33,989,035</u>           | <u>69,173,867</u>    |
| Long-term Liabilities    | 2,793,608                  | 7,554,764                   | 10,348,372           | 3,297,653                  | 8,320,146                   | 11,617,799           |
| Other Liabilities        | 1,008,772                  | 1,582,853                   | 2,591,625            | 1,189,919                  | 1,516,056                   | 2,705,975            |
| Total Liabilities        | <u>3,802,380</u>           | <u>9,137,617</u>            | <u>12,939,997</u>    | <u>4,487,572</u>           | <u>9,836,202</u>            | <u>14,323,774</u>    |
| Net Position:            |                            |                             |                      |                            |                             |                      |
| Net Investment in        |                            |                             |                      |                            |                             |                      |
| Capital Assets           | 20,459,574                 | 10,707,017                  | 31,166,591           | 20,078,245                 | 10,370,485                  | 30,448,730           |
| Restricted               | 7,493,906                  | 574,536                     | 8,068,442            | 7,208,488                  | 574,536                     | 7,783,024            |
| Unrestricted             | 3,627,448                  | 15,705,175                  | 19,332,623           | 3,410,527                  | 13,207,812                  | 16,618,339           |
| Total Net Position       | <u>\$ 31,580,928</u>       | <u>\$ 26,986,728</u>        | <u>\$ 58,567,656</u> | <u>\$ 30,697,260</u>       | <u>\$ 24,152,833</u>        | <u>\$ 54,850,093</u> |

The largest portion of the City of Wayne’s net position (53.2 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Wayne uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Wayne’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Wayne’s net position (13.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$19,332,623) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wayne is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Expenses and Program Revenues - Governmental Activities**

| <u>Function</u>           | <u>Year Ended September 30, 2022</u> |                         | <u>Year Ended September 30, 2021</u> |                         |
|---------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
|                           | <u>Program Revenues</u>              | <u>Program Expenses</u> | <u>Program Revenues</u>              | <u>Program Expenses</u> |
| General Government        | \$ 221,594                           | \$ 257,574              | \$ 482,831                           | \$ 214,155              |
| Public Safety             | 450,421                              | 1,636,090               | 382,315                              | 1,495,530               |
| Public Works              | 599,565                              | 652,266                 | 1,677,198                            | 567,519                 |
| Public Buildings          | 33,084                               | 97,070                  | 39,105                               | 81,431                  |
| Recreation                | 137,806                              | 652,715                 | 1,495,507                            | 631,336                 |
| Community Activity Center | 174,361                              | 372,513                 | 132,177                              | 317,487                 |
| Library                   | 14,058                               | 315,751                 | 10,469                               | 278,349                 |
| Senior Citizens Services  | 238,805                              | 318,790                 | 255,785                              | 288,697                 |
| Interest                  | -                                    | 57,711                  | -                                    | 120,047                 |
| Depreciation              | -                                    | 1,845,599               | -                                    | 1,404,929               |
| Total                     | <u>\$ 1,869,694</u>                  | <u>\$ 6,206,079</u>     | <u>\$ 4,475,387</u>                  | <u>\$ 5,399,480</u>     |

**Revenues by Source - Governmental Activities**

**SOURCES OF REVENUE**

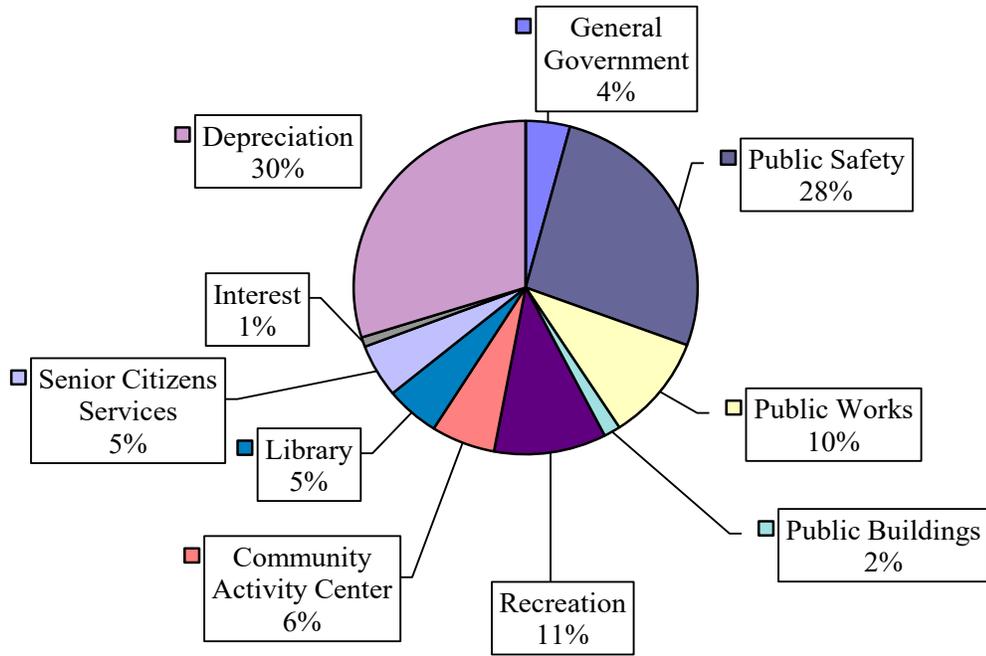
|                                    | <u>Year Ended September 30, 2022</u> |                 | <u>Year Ended September 30, 2021</u> |                 |
|------------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
| Charges for Services               | \$ 792,700                           | 11.18 %         | \$ 781,338                           | 7.95 %          |
| Operating Grants and Contributions | 457,336                              | 6.45            | 697,304                              | 7.10            |
| Capital Grants and Contributions   | 619,658                              | 8.74            | 2,996,745                            | 30.50           |
| Property Taxes                     | 1,099,336                            | 15.50           | 1,008,139                            | 10.26           |
| Motor Vehicle Taxes                | 102,704                              | 1.45            | 103,257                              | 1.05            |
| Payments in Lieu of Taxes          | 1,100,120                            | 15.52           | 1,036,899                            | 10.55           |
| Sales Tax                          | 1,468,398                            | 20.71           | 1,386,375                            | 14.11           |
| Franchise Taxes                    | 148,324                              | 2.09            | 166,288                              | 1.69            |
| State Allocation                   | 1,437,427                            | 20.27           | 1,391,684                            | 14.17           |
| Special Assessments                | 79,068                               | 1.11            | 41,272                               | 0.42            |
| Keno Proceeds                      | 24,612                               | 0.35            | 27,414                               | 0.28            |
| Other                              | 86,144                               | 1.22            | 68,361                               | 0.70            |
| Interest                           | 59,473                               | 0.84            | 50,989                               | 0.52            |
| Gain on Sale of Assets             | 123,064                              | 1.74            | 7,923                                | 0.08            |
| Interfund Transfers                | (508,617)                            | (7.17)          | 61,128                               | 0.62            |
| Total                              | <u>\$ 7,089,747</u>                  | <u>100.00 %</u> | <u>\$ 9,825,116</u>                  | <u>100.00 %</u> |

Net position increased \$883,668 in the governmental funds during the year ended September 30, 2022.

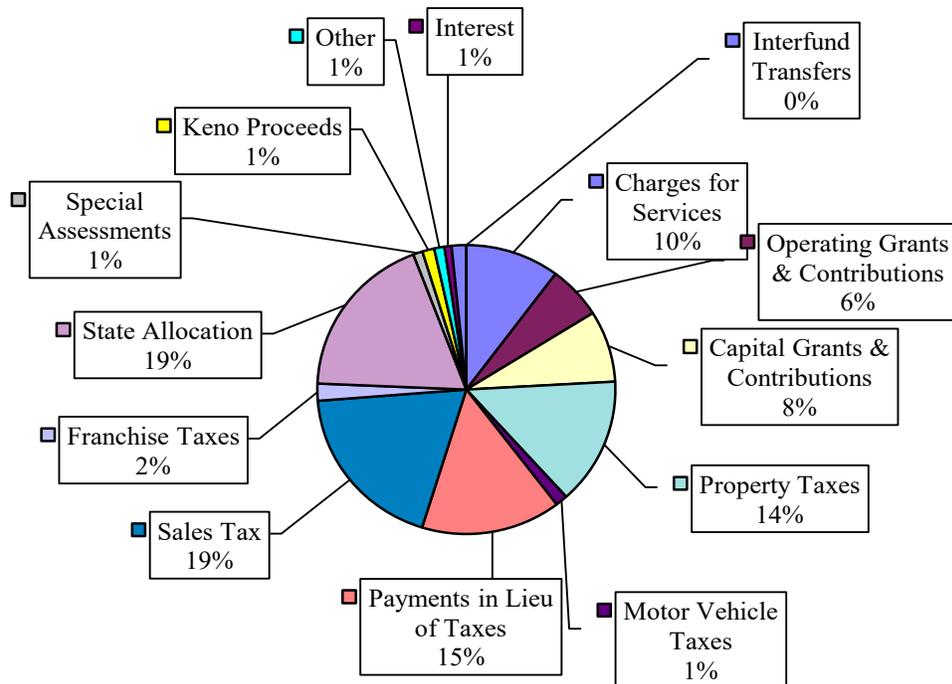
**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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Governmental Activities - 2022 Expenses



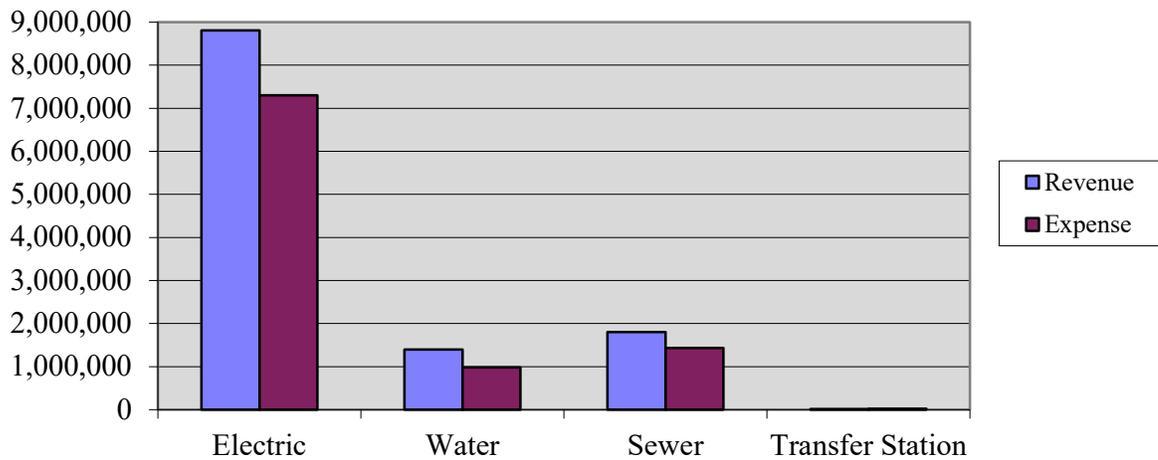
Governmental Activities - 2022 Revenue



**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Business-type activities.** Business-type activities increased the City of Wayne’s net position by \$2,833,895 for the year ended September 30, 2022. Key elements of this increase are as follows:

**2022 Expenses and Program Revenues - Business-type Activities**



**Expenses and Program Revenues - Business-type Activities**

| <u>Function</u>          | <u>Year Ended September 30, 2022</u> |                         | <u>Year Ended September 30, 2021</u> |                         |
|--------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
|                          | <u>Program Revenues</u>              | <u>Program Expenses</u> | <u>Program Revenues</u>              | <u>Program Expenses</u> |
| Electric                 | \$ 8,810,219                         | \$ 7,297,630            | \$ 8,781,252                         | \$ 7,810,674            |
| Water                    | 1,398,035                            | 980,116                 | 1,388,059                            | 944,683                 |
| Sewer                    | 1,798,519                            | 1,432,079               | 1,751,962                            | 1,507,196               |
| Transfer Station         | 12,400                               | 18,518                  | 12,400                               | 7,573                   |
| Total                    | 12,019,173                           | 9,728,343               | 11,933,673                           | 10,270,126              |
| Interfund & CDA Transfer | 508,617                              | 14,045                  | -                                    | 89,772                  |
|                          | <u>\$ 12,527,790</u>                 | <u>\$ 9,742,388</u>     | <u>\$ 11,933,673</u>                 | <u>\$ 10,359,898</u>    |

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Revenues by Source - Business-type Activities**

| <u>SOURCES OF REVENUE</u>        | <u>Year Ended September 30, 2022</u> |                 | <u>Year Ended September 30, 2021</u> |                 |
|----------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
| Charges for Services             | \$ 12,011,173                        | 95.61 %         | \$ 11,924,657                        | 100.13 %        |
| Capital Grants and Contributions | 8,000                                | 0.06            | 9,016                                | 0.08            |
| Interest                         | 48,493                               | 0.39            | 64,879                               | 0.54            |
| Interfund Transfers              | 494,572                              | 3.94            | (89,772)                             | (0.75)          |
| Total                            | <u>\$ 12,562,238</u>                 | <u>100.00 %</u> | <u>\$ 11,908,780</u>                 | <u>100.00 %</u> |

**Financial Analysis of the Government’s Funds**

As noted earlier, the City of Wayne used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Wayne’s *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Wayne’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 City of Wayne’s governmental funds reported combined ending fund balances of \$10,377,536. Of this amount, \$375,802 constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted to pay debt service (\$897,538), 2) restricted for Federal programs (\$607,974), 3) restricted for Community Activity Center expenditures (\$103,497), 4) restricted for economic development (\$2,529,325), 5) restricted for capital projects (\$1,294,309), 6) restricted for the swimming pool (\$430,607), 7) restricted for community betterment (\$101,403), 8) restricted for street improvements (\$1,529,253), 9) committed for capital projects (\$1,061,000), 10) assigned for budgetary stabilization (\$1,326,376), and 11) assigned for other purposes (\$120,452).

The General Fund is the chief operating fund of the City of Wayne. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$375,802, while total fund balance reached \$4,488,094. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.0 percent of total General Fund expenditures, while total fund balance represents 95.8 percent of that same amount.

The fund balance of the City of Wayne’s General Fund increased by \$379,342 during the current fiscal year.

**Proprietary funds.** The City of Wayne’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund - \$10,264,061, Water Fund - \$2,633,187, Sewer Fund - \$2,771,090, and Transfer Station – \$36,837. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$1,480,324, Water Fund – increase of \$427,167, Sewer Fund – increase of \$932,413, and Transfer Station – decrease of \$6,009. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Wayne's business-type activities.

### **Budgetary Highlights**

There was no difference between the original budget and the final adopted budget for the City of Wayne.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Wayne's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$42,563,831 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Construction in progress on 4<sup>th</sup> Street/Thorman project - \$57,671
- Construction in progress on Chicago Street/S Lincoln project - \$617,190
- Construction in progress on Prairie Park development - \$39,100
- Down payment on Spartan fire pumper truck - \$450,000
- Construction costs on Pine Heights project - \$285,246
- Auditorium bathroom and windows update project - \$32,262
- 2022 Toolcat - \$61,501
- Bobcat skid loader - \$39,209
- Police voice recorder - \$34,871
- Electric transformers and wire upgrades - \$64,001
- Chevy Silverado for Electric department - \$32,261
- Pine Heights sewer project - \$90,000
- Aquarius tank diffuser - \$434,680
- Golf course sewer extension - \$117,964
- 2022 water meters - \$45,982
- Pine Heights water project - \$65,000
- Well 6 turbine pump - \$38,706

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**City of Wayne's Capital Assets**  
**(net of depreciation)**

|                | <u>Year Ended September 30, 2022</u> |                      |                      | <u>Year Ended September 30, 2021</u> |                      |                      |
|----------------|--------------------------------------|----------------------|----------------------|--------------------------------------|----------------------|----------------------|
|                | <u>Governmental</u>                  | <u>Business-type</u> | <u>Total</u>         | <u>Governmental</u>                  | <u>Business-type</u> | <u>Total</u>         |
|                | <u>Activities</u>                    | <u>Activities</u>    |                      | <u>Activities</u>                    | <u>Activities</u>    |                      |
| Land           | \$ 800,375                           | \$ 426,695           | \$ 1,227,070         | \$ 800,375                           | \$ 426,695           | \$ 1,227,070         |
| Construction   |                                      |                      |                      |                                      |                      |                      |
| in progress    | 1,316,987                            | 135,410              | 1,452,397            | 3,823,664                            | 1,532,384            | 5,356,048            |
| Infrastructure | 7,864,875                            | -                    | 7,864,875            | 7,649,355                            | -                    | 7,649,355            |
| Improvements   | 7,642,115                            | -                    | 7,642,115            | 5,162,941                            | -                    | 5,162,941            |
| Buildings      | 4,873,823                            | 8,126,972            | 13,000,795           | 5,049,001                            | 8,734,982            | 13,783,983           |
| Equipment      | 1,171,399                            | 274,215              | 1,445,614            | 1,317,909                            | 263,429              | 1,581,338            |
| Distribution   |                                      |                      |                      |                                      |                      |                      |
| Systems        | -                                    | 9,930,965            | 9,930,965            | -                                    | 8,365,333            | 8,365,333            |
| Total          | <u>\$ 23,669,574</u>                 | <u>\$ 18,894,257</u> | <u>\$ 42,563,831</u> | <u>\$ 23,803,245</u>                 | <u>\$ 19,322,823</u> | <u>\$ 43,126,068</u> |

Additional information on the City of Wayne's capital assets can be found in Note C4 on pages 59-62 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Wayne had total long-term debt outstanding of \$11,397,240. Of this amount, \$2,090,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wayne's debt represents bonds and notes secured solely by specified revenue sources (i.e., sales tax bonds, revenue bonds and DEQ notes payable).

**City of Wayne's Outstanding Debt**

|                    | <u>Year Ended September 30, 2022</u> |                      |                      | <u>Year Ended September 30, 2021</u> |                      |                      |
|--------------------|--------------------------------------|----------------------|----------------------|--------------------------------------|----------------------|----------------------|
|                    | <u>Governmental</u>                  | <u>Business-type</u> | <u>Total</u>         | <u>Governmental</u>                  | <u>Business-type</u> | <u>Total</u>         |
|                    | <u>Activities</u>                    | <u>Activities</u>    |                      | <u>Activities</u>                    | <u>Activities</u>    |                      |
| General Obligation |                                      |                      |                      |                                      |                      |                      |
| Bonds              | \$ 450,000                           | \$ -                 | \$ 450,000           | \$ 530,000                           | \$ -                 | \$ 530,000           |
| Sales Tax Revenue  |                                      |                      |                      |                                      |                      |                      |
| Bonds              | 1,120,000                            | -                    | 1,120,000            | 1,305,000                            | -                    | 1,305,000            |
| Highway Allocation |                                      |                      |                      |                                      |                      |                      |
| Bonds              | 1,325,000                            | -                    | 1,325,000            | 1,535,000                            | -                    | 1,535,000            |
| Public Safety      |                                      |                      |                      |                                      |                      |                      |
| Bonds              | 315,000                              | -                    | 315,000              | 355,000                              | -                    | 355,000              |
| DEQ Notes          | -                                    | 6,202,240            | 6,202,240            | -                                    | 6,687,338            | 6,687,338            |
| Revenue Bonds      | -                                    | 1,985,000            | 1,985,000            | -                                    | 2,265,000            | 2,265,000            |
| Total              | <u>\$ 3,210,000</u>                  | <u>\$ 8,187,240</u>  | <u>\$ 11,397,240</u> | <u>\$ 3,725,000</u>                  | <u>\$ 8,952,338</u>  | <u>\$ 12,677,338</u> |

The City of Wayne's total debt decreased by \$1,280,098 (10.1 percent) during the current fiscal year, as the City made scheduled principal payments.

Additional information on the City of Wayne's long-term debt can be found in Note C6 on pages 63-71 of this report.

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2022**

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**Economic Factors and Next Year’s Budgets and Rates**

The City of Wayne has maintained a strong financial position again this year. The budget adopted for 2022-2023 continues the practice of conservative financial planning.

Each year, City Council holds a retreat where they discuss short and long-term goals for the City. The budget adopted complies with the financial management policies approved by the City Council and is structured to meet the Council’s priorities. Some of the goals below were completed in the 2021-2022 fiscal year and others are in the 2022-2023 budget year.

**COUNCIL GOALS CURRENT YEAR 2022**

- Victor Park improvements
- Install gravel parking lot on the East side of Hank Overin Field
- Old Pool House- Combine the Victor Park improvements with this public works grant
- Consider line of credit for the Community Redevelopment Authority
- Set town hall meeting for annexation discussion
- Discussion on Historic Buildings- what role, if any, should the City play in historic preservation
- Videotaping Council Meetings- start to invest in better equipment
- Juneteenth Holiday- amend personnel manual to include this as a holiday and close city offices
- Food Trucks- consider drafting ordinance to exempt Chicken Show, Bressler Fest, etc.
- Sidewalk Improvement Districts
  - Sidewalk on the north side of 7<sup>th</sup> Street to Bomgaars- staff was directed to come up with an estimate to extend that sidewalk
- 4<sup>th</sup> Street Development
- Lagoon Redevelopment Survey Updates/Recreational Development
- Alley Parking/New Construction/Owner Responsibility/Runoff
- Street/Parks & Recreation- forego street shop addition and build a park rec building; storage for senior center vehicles
- Library- building storage addition similar to Senior Center
- Community Activity Center: proceed with applying for the Civic and Community Center Financing Fund (CCCFF) to determine the possibilities of renovating the existing CAC (offices/weight room/cardio room/entryway) and adding on another gymnasium, with elevated walking track over the new gym, flex space, storage and restrooms.
- Local Option Sales Tax- prepare ballot language; have all four initiatives on the May ballot
- City Hall- repair front steps and reach out to other towns to see who or how many have built new city halls within the past few years

**FUTURE GOALS**

- Annex additional property into the City of Wayne
- Continue discussion on City Hall (stay and make improvements or build new...and if so, where?)
- Evaluate best locations for a future substation and begin discussions with possible land owner(s)

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2022**

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**PERSONNEL**

The Police Department has recently hired a new dispatcher and is working through the training process. We still need to hire at least one more dispatcher to fulfill staffing needs. With the two new officers that were hired in the previous year the officers are fully staffed and trained.

The Public Works Department continues to be managed by Joel Hansen, Street & Planning Director. Lowell Heggemeyer is serving as the Parks and Recreation Director and has Amber Schwarte serving as the Recreation Services Coordinator along with Brian Hanson as Park/Recreation Supervisor. The Senior Center continues to cook meals in-house and has hired additional part-time staff to assist. The Library and Senior Center have been successful in utilizing shared staff between their facilities.

The Electric Distribution Department is managed by Tim Sutton, Electric Distribution Superintendent. Jeff Triggs serves as the Chief of Electrical Production at the power plant. Future retirement of employees at the power plant are anticipated so a new employee has been hired in hopes to have training complete prior to retirement of veteran employees. We also continue to cross train at the electric power plant. This cross training is necessary as we may be required to start up the plant when the power provided to the City is interrupted.

**ECONOMY**

A shortage of qualified employees and workforce housing continue to be a problem for Northeast Nebraska. In our area industrial businesses, call centers, manufacturing businesses, medical facilities, construction businesses, and many small businesses have been advertising employment positions. They are having problems attracting personnel to fill the positions and many positions are now available to be worked remotely. Ameritas announced in July that they were closing their Wayne office and employees would have the option to move to a modern hybrid setting.

The City continues to provide assistance to Wayne Area Economic Development for promotion of the City and assistance with any economic development projects.

The Wayne City Council and Community Redevelopment Authority continue to support the housing efforts in the community. The Housing Down Payment Loan Program continues to assist new homeowners within the City of Wayne. R Perry Construction, Inc. has started construction on an apartment complex consisting of approximately 144 apartments in 4 apartment buildings. The complex will also contain clubhouses and a pool area.

The City valuation had \$4,602,828 of growth in the last year. The City recently had an updated housing study performed by Hanna:Keelan. This updated housing study has been a valuable tool to determine the housing needs for the City of Wayne and allows us to utilize Workforce Housing TIF. The downtown area of Wayne continues to grow and we have seen new businesses such as clothing boutiques, breweries, coffee shops, and restaurants add to our local economy. The Wayne Providence Medical Center continues to expand and remodel their facilities to provide healthcare services to the residents of Wayne and surrounding communities.

Wayne State College continues to be an important part of the Wayne community. Enrollment figures for the college continue to climb and are currently at 4,249. Enrollment has grown 24 percent since 2017. The City of Wayne maintains a strong relationship with Wayne State College and their president Marysz Rames.

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2022**

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**GRANTS**

The City of Wayne has received Community Development Block Grant funds in the amount of \$400,000 towards our Pine Heights project. The Pine Heights project includes replacement of pavement, curb and gutters, water, and sewer line, as well storm sewer improvements. This project will be complete in late fall of 2021.

The City of Wayne has been awarded a Community Development Block Grant up to \$303,000 to be used for repurposing a currently unused shower house into a four-season recreational facility for events such as picnics, Boy and Girl Scout meetings and family reunions, as well as to create an Americans with Disabilities Act accessible trailhead and connect the established trail system for Wayne. \$25,000 will be used for general administration and \$10,000 for construction management. The total project costs are estimated at \$383,400 and local matching funds of \$80,400 will be provided by the City. The project site is College Hill Park, formerly City Pool Park, located at the corner of West 13<sup>th</sup> and Lincoln streets.

We were awarded an Owner-Occupied Rehabilitation Grant up to the amount of \$315,000 to be used for owner-occupied rehabilitation benefiting low and moderate income persons. We have been working to market and advertise this grant in the community but unfortunately have not yet had an approved applicant. We continue to work with Northeast Nebraska Economic Development District and our Wayne Community Housing to find and encourage local residents to apply for this grant.

Our most recently awarded grant was a Community Development Block Grant up to \$433,000 to be used for park improvements- specifically, the continuation of the Wayne walking/biking trail. The City will provide matching funds in the amount of \$475,000 for a total project cost of \$908,000.

We continue to utilize the ARPA funds that the City received. ARPA projects for the City of Wayne include UV light system and Aquarius system for wastewater plant, Golf Course extension line, and possible repair/replacement of sewer mains.

The Senior Center continues with the Department of Transportation grant to operate the handi-van and the Area Agency on Aging grant to operate the meal program.

**CAPITAL PROJECTS**

Major projects completed and/or in progress in the City this year include the Pine Heights project, park improvements/plans to develop Prairie Park, Chicago Street/Lincoln Street project, parallel taxiway at the airport, fire truck purchase, updates/improvements to auditorium, and engineering of the Centennial Road/21<sup>st</sup> Street and 4<sup>th</sup> Street/Thorman Street projects.

**REVENUES**

The City has a significant decrease in the total property tax levy requested for city support at \$0.419001 per \$100 of valuation for the upcoming fiscal year. The 2022 combined tax rate for the City of Wayne is 1.851146 per \$100 of valuation.

Revenues from the city sales tax have continued to grow at a larger rate than estimated during the last year. The Citizens Advisory Committee has processed several requests for the LB840 plan projects.

Rates for the utility funds are set to cover operating costs and capital needs. We have received feedback from the Nebraska Municipal Power Pool on our electric rate study, and electric rates were updated

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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effective with the billing statement received June 1, 2019 per Resolution 2018-72. We received feedback from the Nebraska Rural Water Association and water/sewer rates were updated effective with the billing statement received February 1, 2020 per Resolutions 2018-58 and 2018-59. In February 2021 the City had additional power costs in excess of \$725,000 from Big Rivers (BREC) due to the extreme cold weather “Polar Vortex” event. The City contacted the Nebraska Municipal Power Pool to put together a proforma for Wayne for advisement on how to handle these additional costs. Based on the information received the Council voted to set a Production Cost Adjustment (PCA) at \$0.124 per kWh effective with the billing that went out June 1, 2021. This PCA charge was in effect for 12 months and the final charge was included on the May 1, 2022 utility billing.

**CAPITAL BUDGET 2022-2023**

- Police department
  - a. Car Replacement- replace 2006 Expedition with full size SUV or pickup
  - b. Carpet and ceiling repair/replacement in basement
  - c. Digital citations equipment
- Fire Department
  - a. Primary pumper truck set aside
  - b. New door openers and repairs to parking lot
- Parks Department
  - a. Community trail expansion project- partially grant funded
  - b. ¾ ton gas flatbed truck
  - c. Mowers
- Recreation/CAC/Pool
  - a. Annual maintenance to Hank Overin, Summer Sports Complex, and soccer field
  - b. Repair/replace fence at Hank Overin field
  - c. Build 3 car shed/garage at Summer Sports Complex
  - d. Repair/possible replacement pool boiler system
- The Country Clubhouse project is a City project that allows individuals to make tax exempt donations for the renovation/enhancements of the Clubhouse.
- Public Buildings
  - a. Improvements/repairs at City Hall
  - b. Auditorium window replacement
  - c. Auditorium AC/heat unit replacement
  - d. Sound system in council chambers
- Senior Center
  - a. Van purchase
  - b. New cabinets & cupboards
- Library
  - a. Repair/replace cupboards in staff workroom
  - b. Possible building addition
- City sales tax capital projects
  - a. Upgrades to the Library/Senior Center
  - b. Auditorium repairs
  - c. Police car replacement

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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- d. Fire truck replacement
- e. Fire department equipment
- f. Park improvements
- g. CAC/pool improvements
- h. City Hall/Chamber improvements
- i. Public art
- Street Fund
  - a. Heaters for shop
  - b. Loader (purchase in FY 23-24)
  - c. Street Projects are
    - i. Community trail expansion
    - ii. Chicago St/Lincoln St
    - iii. Downtown alleys
    - iv. 4<sup>th</sup> Street/Thorman
- Electric Production
  - a. Normal capital items
  - b. Potential diesel fuel cost
  - c. New pickup
- Electric Distribution
  - a. Normal distribution system upgrades
  - b. Continued district improvements projects
  - c. Ditchwitch vac and backhoe (cost share with water/sewer)
  - d. Potential land acquisition costs
  - e. Electric Energy Center
- CAD/GIS
  - a. Scanner/plotter
- Technology
  - a. Sound and video systems for the Council Chambers, servers and various computers
  - b. Phone system replacement City Hall/PD
- Water Fund
  - a. Safety chainsaw
  - b. Ditchwitch vac and backhoe (cost share with electric/sewer)
  - c. Water meters
  - d. Possible repairs/addition to well #7
  - e. Replacing lead service lines
  - f. Chicago St/Lincoln St
- Sewer Fund
  - a. Upgrade jetter
  - b. Ditchwitch vac and backhoe (cost share with electric/water)
  - c. Replace old lift station pumps
  - d. Manhole rehab and cleaning of sewer lines.
  - e. Sewer lagoon decommissioning
  - f. Chicago St/Lincoln St

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2022**

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**DEBT**

As we move forward with the Prairie Park and Electric Energy Center projects we will work with Andy Forney at DA Davidson on the bonding for these projects.

We continue to pay down the pool sales tax bond and are projected to pay this bond off ahead of schedule.

**AIRPORT**

There are currently long term contracts in place for the Airport Manager and the Fixed Base Operator (FBO). There are annual leases on the hangars.

The current Airport Authority strives to promote general aviation so they set their avgas price at a rate to cover the equipment costs and maintenance. This rate has been lower than most of the airports in the area and has increased traffic at the airport. The airport, in conjunction with Northeast Nebraska Aviators, again hosted MAYDAY STOL in May 2022. This event was a great promotion to bring people to the airport and the Wayne community. Plans are being made to hold a similar event in 2023.

There seems to be a growing demand for jet fuel and the board has recently purchased a jet fuel truck. They are still working out the logistics of operating this truck.

The second phase of the parallel taxiway project was completed in FY 21-22 and went smoothly.

**COMMUNITY REDEVELOPMENT AUTHORITY**

In 2013-14, the Council reorganized the Community Development Agency and appointed a Community Redevelopment Authority.

The Community Redevelopment Authority has taken an active role in the community to spur development for the City of Wayne. In the past year the CRA has purchased and worked to develop several dilapidated lots. At the 7<sup>th</sup> & Main location they purchased a lot that has sat vacant for numerous years and are working with a developer for a Jimmy Johns restaurant to fill the location. They also moved a house from this location to allow for development and still help fill the housing need our community has. Current projects include purchase and demolition of a lot at the 2<sup>nd</sup> & Logan/Nebraska location. They are currently working to obtain development proposals for this area.

The Community Redevelopment Authority also continues to support new housing construction with their \$10,000 down payment, 10-year, 0% interest assistance program.

**Request for Information**

This financial report is designed to provide a general overview of the City of Wayne’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Officer, City of Wayne, 306 Pearl Street, PO Box 8, Wayne, NE 68787.

**CITY OF WAYNE, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

|  | Primary Government         |                             |               | Component<br>Units |
|--|----------------------------|-----------------------------|---------------|--------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total         |                    |
| <b>ASSETS</b>                                    |                            |                             |               |                    |
| Current assets:                                  |                            |                             |               |                    |
| Cash and cash equivalents                        | \$ 1,723,017               | \$ 8,743,311                | \$ 10,466,328 | \$ 659,843         |
| Investments                                      | 1,919,496                  | 4,989,700                   | 6,909,196     | -                  |
| County treasurer cash                            | 48,776                     | -                           | 48,776        | 3,489              |
| Receivables:                                     |                            |                             |               |                    |
| Property tax                                     | 26,238                     | -                           | 26,238        | 2,278              |
| Special assessments                              | 185,105                    | 266,510                     | 451,615       | -                  |
| Accounts, net of allowance for doubtful accounts | 4,987                      | 993,425                     | 998,412       | 660                |
| Unbilled revenue                                 | -                          | 444,710                     | 444,710       | -                  |
| Grants   | 43,534                     | -                           | 43,534        | 94,038             |
| Interest   | 3,419                      | 5,779                       | 9,198         | -                  |
| Current portion of TIF receivable                | -                          | -                           | -             | 287,518            |
| Current portion of notes                         | 198,000                    | -                           | 198,000       | 3,935              |
| Due from other governments                       | 261,623                    | -                           | 261,623       | -                  |
| Due from component units                         | 370                        | 427,471                     | 427,841       | -                  |
| Prepaid insurance                                | -                          | -                           | -             | 10,356             |
| Inventory  | -                          | 575,831                     | 575,831       | 12,714             |
| Total current assets                             | 4,414,565                  | 16,446,737                  | 20,861,302    | 1,074,831          |
| Noncurrent assets:                               |                            |                             |               |                    |
| Restricted cash and cash equivalents             | 4,906,527                  | 299,949                     | 5,206,476     | -                  |
| Restricted investments                           | 632,696                    | 483,402                     | 1,116,098     | -                  |
| Noncurrent TIF receivable                        | -                          | -                           | -             | 1,951,058          |
| Noncurrent notes receivable                      | 1,759,946                  | -                           | 1,759,946     | 218,941            |
| Capital assets:                                  |                            |                             |               |                    |
| Land and construction in progress                | 2,117,362                  | 562,105                     | 2,679,467     | 5,796,270          |
| Other capital assets, net of depreciation        | 21,552,212                 | 18,332,152                  | 39,884,364    | 5,234,076          |
| Net capital assets                               | 23,669,574                 | 18,894,257                  | 42,563,831    | 11,030,346         |
| Total noncurrent assets                          | 30,968,743                 | 19,677,608                  | 50,646,351    | 13,200,345         |
| <b>Total assets</b>                              | 35,383,308                 | 36,124,345                  | 71,507,653    | 14,275,176         |
| <b>LIABILITIES</b>                               |                            |                             |               |                    |
| Current liabilities:                             |                            |                             |               |                    |
| Accounts payable                                 | 36,645                     | 360,790                     | 397,435       | 5,032              |
| Accrued expenses                                 | 243,950                    | 239,274                     | 483,224       | 244,502            |
| Customer deposits                                | 44,350                     | 208,815                     | 253,165       | -                  |
| Due to the City of Wayne                         | -                          | -                           | -             | 427,841            |
| Unavailable property tax                         | 173,827                    | -                           | 173,827       | 809                |
| Current portion of long-term obligations         | 510,000                    | 773,974                     | 1,283,974     | 613,386            |
| Total current liabilities                        | 1,008,772                  | 1,582,853                   | 2,591,625     | 1,291,570          |
| Noncurrent liabilities:                          |                            |                             |               |                    |
| Compensated absences - noncurrent                | 93,608                     | 141,498                     | 235,106       | -                  |
| Noncurrent portion of long-term obligations      | 2,700,000                  | 7,413,266                   | 10,113,266    | 1,792,586          |
| Total noncurrent liabilities                     | 2,793,608                  | 7,554,764                   | 10,348,372    | 1,792,586          |
| <b>Total liabilities</b>                         | 3,802,380                  | 9,137,617                   | 12,939,997    | 3,084,156          |
| <b>NET POSITION</b>                              |                            |                             |               |                    |
| Net investment in capital assets                 | 20,459,574                 | 10,707,017                  | 31,166,591    | 10,862,950         |
| Restricted for:                                  |                            |                             |               |                    |
| Debt service                                     | 897,538                    | 574,536                     | 1,472,074     | -                  |
| Economic development                             | 2,529,325                  | -                           | 2,529,325     | -                  |
| Federal loan programs                            | 607,974                    | -                           | 607,974       | -                  |
| Capital projects                                 | 1,294,309                  | -                           | 1,294,309     | -                  |
| Swimming pool                                    | 430,607                    | -                           | 430,607       | -                  |
| Community Activity Center                        | 103,497                    | -                           | 103,497       | -                  |
| Community betterment                             | 101,403                    | -                           | 101,403       | -                  |
| Street projects                                  | 1,529,253                  | -                           | 1,529,253     | -                  |
| Unrestricted                                     | 3,627,448                  | 15,705,175                  | 19,332,623    | 328,070            |
| <b>Total net position</b>                        | \$ 31,580,928              | \$ 26,986,728               | \$ 58,567,656 | \$ 11,191,020      |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

**STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2022**

| <u>Functions/Programs</u>         | <u>Expenses</u> | <u>Charges for<br/>Services</u> | <u>Program Revenues<br/>Operating<br/>Grants and<br/>Contributions</u> |
|-----------------------------------|-----------------|---------------------------------|--|
| <b>Primary government:</b>        |                 |                                 |  |
| <b>Governmental activities:</b>   |                 |                                 |  |
| General government                | \$ 257,574      | \$ 150,642                      | \$ 70,952  |
| Public buildings                  | 97,070          | 33,084                          | -  |
| Public safety                     | 1,636,090       | 234,485                         | 215,936  |
| Public works                      | 652,266         | 11,193                          | -  |
| Senior citizens services          | 318,790         | 74,857                          | 163,948  |
| Library                           | 315,751         | 7,558                           | 6,500  |
| Recreation                        | 652,715         | 106,520                         | -  |
| Community Activity Center         | 372,513         | 174,361                         | -  |
| Interest and related expenses     | 57,711          | -                               | -  |
| Depreciation - unallocated        | 1,845,599       | -                               | -  |
| Total governmental activities     | 6,206,079       | 792,700                         | 457,336  |
| <b>Business-type activities:</b>  |                 |                                 |  |
| Electric                          | 7,297,630       | 8,802,219                       | -  |
| Water                             | 980,116         | 1,398,035                       | -  |
| Sewer                             | 1,432,079       | 1,798,519                       | -  |
| Transfer Station                  | 18,518          | 12,400                          | -  |
| Total business-type activities    | 9,728,343       | 12,011,173                      | -  |
| <b>Total primary government</b>   | \$ 15,934,422   | \$ 12,803,873                   | \$ 457,336   |
| <b>Component units:</b>           |                 |                                 |  |
| Wayne Municipal Airport           | \$ 659,219      | \$ 172,595                      | \$ -   |
| Community Redevelopment Authority | 200,922         | 7,500                           | -  |
| <b>Total component units</b>      | \$ 860,141      | \$ 180,095                      | \$ -   |

See notes to financial statements.

| Capital<br>Grants and<br>Contributions | Net (Expenses) Revenues and Changes in Net Position |                             |                      | Component<br>Units   |
|--|---|-----------------------------|----------------------|----------------------|
|  | Governmental<br>Activities                          | Business-type<br>Activities | Total                |                      |
| \$ -                                   | \$ (35,980)   |                             | \$ (35,980)          |                      |
| -                                      | (63,986)  |                             | (63,986)             |                      |
| -                                      | (1,185,669)   |                             | (1,185,669)          |                      |
| 588,372                                | (52,701)  |                             | (52,701)             |                      |
| -                                      | (79,985)  |                             | (79,985)             |                      |
| -                                      | (301,693)   |                             | (301,693)            |                      |
| 31,286                                 | (514,909)   |                             | (514,909)            |                      |
| -                                      | (198,152)   |                             | (198,152)            |                      |
| -                                      | (57,711)  |                             | (57,711)             |                      |
| -                                      | (1,845,599)   |                             | (1,845,599)          |                      |
| <u>619,658</u>                         | <u>(4,336,385)</u>                                  | <u>\$ -</u>                 | <u>(4,336,385)</u>   |                      |
| 8,000                                  | -   | 1,512,589                   | 1,512,589            |                      |
| -                                      | -   | 417,919                     | 417,919              |                      |
| -                                      | -   | 366,440                     | 366,440              |                      |
| -                                      | -   | (6,118)                     | (6,118)              |                      |
| <u>8,000</u>                           | <u>-</u>  | <u>2,290,830</u>            | <u>2,290,830</u>     |                      |
| <u>\$ 627,658</u>                      | <u>(4,336,385)</u>                                  | <u>2,290,830</u>            | <u>(2,045,555)</u>   |                      |
| \$ 388,155                             |   |                             |                      | \$ (98,469)          |
| -                                      |   |                             |                      | (193,422)            |
| <u>\$ 388,155</u>                      |   |                             |                      | <u>(291,891)</u>     |
| General revenues:                      |   |                             |                      |                      |
| Taxes:                                 |   |                             |                      |                      |
| Property                               | 1,099,336   | -                           | 1,099,336            | 94,750               |
| Motor vehicle                          | 102,704   | -                           | 102,704              | -                    |
| Payments in lieu of taxes              | 1,100,120   | -                           | 1,100,120            | -                    |
| Sales tax                              | 1,468,398   | -                           | 1,468,398            | -                    |
| Franchise                              | 148,324   | -                           | 148,324              | -                    |
| TIF proceeds                           | -   | -                           | -                    | 98,265               |
| State allocation                       | 1,437,427   | -                           | 1,437,427            | -                    |
| Special assessments                    | 79,068  | -                           | 79,068               | -                    |
| Keno proceeds                          | 24,612  | -                           | 24,612               | -                    |
| Miscellaneous                          | 86,144  | -                           | 86,144               | 313                  |
| Interest income                        | 59,473  | 48,493                      | 107,966              | 3,529                |
| Gain on sale of assets                 | 123,064   | -                           | 123,064              | 35,603               |
| Transfer between City and CDA          | -   | (14,045)                    | (14,045)             | 14,045               |
| Interfund transfers                    | (508,617)   | 508,617                     | -                    | -                    |
| Total general revenues                 | <u>5,220,053</u>                                    | <u>543,065</u>              | <u>5,763,118</u>     | <u>246,505</u>       |
| Change in net position                 | 883,668   | 2,833,895                   | 3,717,563            | (45,386)             |
| Net position - September 30, 2021      | <u>30,697,260</u>                                   | <u>24,152,833</u>           | <u>54,850,093</u>    | <u>11,236,406</u>    |
| Net position - September 30, 2022      | <u>\$ 31,580,928</u>                                | <u>\$ 26,986,728</u>        | <u>\$ 58,567,656</u> | <u>\$ 11,191,020</u> |

**CITY OF WAYNE, NEBRASKA**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**September 30, 2022**

|   | <u>General</u>      | <u>Street</u>       | <u>LB840</u>        | <u>Debt<br/>Service</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Eliminations</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|---------------------|---------------------|-------------------------|---|---------------------|---|
| <b>ASSETS</b>                                       |                     |                     |                     |                         |   |                     |   |
| Cash and cash equivalents                           | \$ 1,290,394        | \$ -                | \$ -                | \$ -                    | \$ 90,070                               | \$ -                | \$ 1,380,464                            |
| Investments   | 1,338,976           | -                   | -                   | -                       | 76,282                                  | -                   | 1,415,258                               |
| County treasurer cash                               | 36,524              | 8,420               | -                   | 3,832                   | -                                       | -                   | 48,776                                  |
| Receivables:  |                     |                     |                     |                         |   |                     |   |
| Special assessments                                 | -                   | -                   | -                   | 185,105                 | -                                       | -                   | 185,105                                 |
| Accounts, net of allowance<br>for doubtful accounts | 3,062               | 1,925               | -                   | -                       | -                                       | -                   | 4,987                                   |
| Grants  | 28,566              | -                   | -                   | -                       | 14,968                                  | -                   | 43,534                                  |
| Notes receivable                                    | -                   | -                   | 1,859,790           | -                       | 98,156                                  | -                   | 1,957,946                               |
| Interest  | 2,067               | 180                 | -                   | 410                     | 127                                     | -                   | 2,784                                   |
| Property tax  | 23,762              | -                   | -                   | 2,476                   | -                                       | -                   | 26,238                                  |
| Due from other governments                          | 261,623             | -                   | -                   | -                       | -                                       | -                   | 261,623                                 |
| Due from other funds                                | 45,853              | -                   | -                   | -                       | -                                       | (45,853)            | -                                       |
| Due from component units                            | 370                 | -                   | -                   | -                       | -                                       | -                   | 370                                     |
| Restricted assets:                                  |                     |                     |                     |                         |   |                     |   |
| Cash  | 1,724,916           | 1,450,719           | 669,535             | 359,619                 | 701,738                                 | -                   | 4,906,527                               |
| Investments   | -                   | 107,412             | -                   | 525,284                 | -                                       | -                   | 632,696                                 |
| <b>Total assets</b>                                 | <u>\$ 4,756,113</u> | <u>\$ 1,568,656</u> | <u>\$ 2,529,325</u> | <u>\$ 1,076,726</u>     | <u>\$ 981,341</u>                       | <u>\$ (45,853)</u>  | <u>\$ 10,866,308</u>                    |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>            |                     |                     |                     |                         |   |                     |   |
| Liabilities:  |                     |                     |                     |                         |   |                     |   |
| Accounts payable                                    | \$ 19,018           | \$ 5,465            | \$ -                | \$ -                    | \$ 2,162                                | \$ -                | \$ 26,645                               |
| Accrued expenses                                    | 196,027             | 33,938              | -                   | 13,985                  | -                                       | -                   | 243,950                                 |
| Customer deposits                                   | 44,350              | -                   | -                   | -                       | -                                       | -                   | 44,350                                  |
| Due to other funds                                  | -                   | -                   | -                   | -                       | 45,853                                  | (45,853)            | -                                       |
| Unavailable property tax                            | 8,624               | -                   | -                   | 165,203                 | -                                       | -                   | 173,827                                 |
| <b>Total liabilities</b>                            | <u>268,019</u>      | <u>39,403</u>       | <u>-</u>            | <u>179,188</u>          | <u>48,015</u>                           | <u>(45,853)</u>     | <u>488,772</u>                          |
| Fund balances:                                      |                     |                     |                     |                         |   |                     |   |
| Restricted for:                                     |                     |                     |                     |                         |   |                     |   |
| Debt service  | -                   | -                   | -                   | 897,538                 | -                                       | -                   | 897,538                                 |
| Capital projects                                    | 1,294,309           | -                   | -                   | -                       | -                                       | -                   | 1,294,309                               |
| Swimming pool                                       | 430,607             | -                   | -                   | -                       | -                                       | -                   | 430,607                                 |
| Community Activity Center                           | -                   | -                   | -                   | -                       | 103,497                                 | -                   | 103,497                                 |
| Community betterment                                | -                   | -                   | -                   | -                       | 101,403                                 | -                   | 101,403                                 |
| Federal programs                                    | -                   | -                   | -                   | -                       | 607,974                                 | -                   | 607,974                                 |
| Economic development                                | -                   | -                   | 2,529,325           | -                       | -                                       | -                   | 2,529,325                               |
| Street expenditures                                 | -                   | 1,529,253           | -                   | -                       | -                                       | -                   | 1,529,253                               |
| Committed for:                                      |                     |                     |                     |                         |   |                     |   |
| Capital projects                                    | 1,061,000           | -                   | -                   | -                       | -                                       | -                   | 1,061,000                               |
| Assigned for:                                       |                     |                     |                     |                         |   |                     |   |
| Budgetary stabilization                             | 1,326,376           | -                   | -                   | -                       | -                                       | -                   | 1,326,376                               |
| Other purposes                                      | -                   | -                   | -                   | -                       | 120,452                                 | -                   | 120,452                                 |
| Unassigned  | 375,802             | -                   | -                   | -                       | -                                       | -                   | 375,802                                 |
| <b>Total fund balances</b>                          | <u>4,488,094</u>    | <u>1,529,253</u>    | <u>2,529,325</u>    | <u>897,538</u>          | <u>933,326</u>                          | <u>-</u>            | <u>10,377,536</u>                       |
| <b>Total liabilities and<br/>    fund balances</b>  | <u>\$ 4,756,113</u> | <u>\$ 1,568,656</u> | <u>\$ 2,529,325</u> | <u>\$ 1,076,726</u>     | <u>\$ 981,341</u>                       | <u>\$ (45,853)</u>  | <u>\$ 10,866,308</u>                    |

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

September 30, 2022

|  |                    |                      |
|--|--------------------|----------------------|
| <b>Total fund balances - governmental funds</b>  |                    | \$ 10,377,536        |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:  |                    |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$48,183,772, and the accumulated depreciation is \$24,514,198.                   |                    | 23,669,574           |
| Internal service funds are used by management to charge the costs of employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. |                    | 837,426              |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:  |                    |                      |
| Noncurrent compensated absences  | \$ (93,608)        |                      |
| Bonds payable  | <u>(3,210,000)</u> | <u>(3,303,608)</u>   |
| <b>Total net position - governmental activities</b>  |                    | <u>\$ 31,580,928</u> |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

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

**For the year ended September 30, 2022**

|  | <u>General</u>      | <u>Street</u>       | <u>LB840</u>        | <u>Debt<br/>Service</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|---------------------|---------------------|-------------------------|---|---|
| <b>REVENUES</b>  |                     |                     |                     |                         |   |   |
| Taxes:   |                     |                     |                     |                         |   |   |
| Property   | \$ 993,501          | \$ 1,945            | \$ -                | \$ 103,890              | \$ -                                    | \$ 1,099,336                            |
| Motor vehicle  | -                   | 102,704             | -                   | -                       | -                                       | 102,704                                 |
| Payments in lieu of taxes  | 1,099,947           | -                   | -                   | 173                     | -                                       | 1,100,120                               |
| Sales tax  | 968,179             | 154,539             | 345,680             | -                       | -                                       | 1,468,398                               |
| Franchise  | 148,324             | -                   | -                   | -                       | -                                       | 148,324                                 |
| Intergovernmental  | 1,044,640           | 827,628             | -                   | -                       | -                                       | 1,872,268                               |
| Special assessments  | -                   | -                   | -                   | 79,068                  | -                                       | 79,068                                  |
| Charges for services   | 705,480             | 9,618               | -                   | -                       | 71,738                                  | 786,836                                 |
| Grant revenue  | 26,000              | -                   | -                   | -                       | 590,232                                 | 616,232                                 |
| Keno proceeds  | -                   | -                   | -                   | -                       | 24,612                                  | 24,612                                  |
| Interest income  | 14,713              | 4,965               | 25,691              | 8,632                   | 2,546                                   | 56,547                                  |
| Contributions  | 26,152              | -                   | -                   | -                       | -                                       | 26,152                                  |
| Sale of property   | 106,392             | 16,672              | -                   | -                       | -                                       | 123,064                                 |
| Other income   | 87,044              | 4,733               | -                   | -                       | -                                       | 91,777                                  |
| Total revenues   | <u>5,220,372</u>    | <u>1,122,804</u>    | <u>371,371</u>      | <u>191,763</u>          | <u>689,128</u>                          | <u>7,595,438</u>                        |
| <b>EXPENDITURES</b>  |                     |                     |                     |                         |   |   |
| General government   | 250,488             | -                   | 12,971              | -                       | 15,602                                  | 279,061                                 |
| Public buildings   | 96,793              | -                   | -                   | -                       | -                                       | 96,793                                  |
| Public safety  | 1,616,784           | -                   | -                   | -                       | 14,508                                  | 1,631,292                               |
| Public works   | -                   | 646,079             | -                   | -                       | 5,307                                   | 651,386                                 |
| Senior citizens services   | 318,790             | -                   | -                   | -                       | -                                       | 318,790                                 |
| Library  | 315,751             | -                   | -                   | -                       | -                                       | 315,751                                 |
| Recreation   | 642,047             | -                   | -                   | -                       | 10,668                                  | 652,715                                 |
| Community Activity Center  | 372,513             | -                   | -                   | -                       | -                                       | 372,513                                 |
| Capital outlay   | 875,136             | 760,618             | -                   | -                       | 76,174                                  | 1,711,928                               |
| Principal payments on debt                                       | 185,000             | -                   | -                   | 330,000                 | -                                       | 515,000                                 |
| Interest on long-term debt                                       | 9,353               | -                   | 83                  | 48,275                  | -                                       | 57,711                                  |
| Total expenditures   | <u>4,682,655</u>    | <u>1,406,697</u>    | <u>13,054</u>       | <u>378,275</u>          | <u>122,259</u>                          | <u>6,602,940</u>                        |
| <b>Excess (deficiency) of<br/>    revenues over expenditures</b> | 537,717             | (283,893)           | 358,317             | (186,512)               | 566,869                                 | 992,498                                 |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                        |                     |                     |                     |                         |   |   |
| Transfers in   | 41,625              | 200,000             | -                   | 175,088                 | -                                       | 416,713                                 |
| Transfers out  | (200,000)           | (125,510)           | -                   | -                       | (599,820)                               | (925,330)                               |
| Net transfers  | <u>(158,375)</u>    | <u>74,490</u>       | <u>-</u>            | <u>175,088</u>          | <u>(599,820)</u>                        | <u>(508,617)</u>                        |
| <b>Net change in fund balances</b>                               | 379,342             | (209,403)           | 358,317             | (11,424)                | (32,951)                                | 483,881                                 |
| Fund balances - September 30, 2021                               | <u>4,108,752</u>    | <u>1,738,656</u>    | <u>2,171,008</u>    | <u>908,962</u>          | <u>966,277</u>                          | <u>9,893,655</u>                        |
| Fund balances - September 30, 2022                               | <u>\$ 4,488,094</u> | <u>\$ 1,529,253</u> | <u>\$ 2,529,325</u> | <u>\$ 897,538</u>       | <u>\$ 933,326</u>                       | <u>\$ 10,377,536</u>                    |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

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

**For the year ended September 30, 2022**

|  |                          |
|--|--------------------------|
| <b>Total net change in fund balances - governmental funds</b>  | \$ 483,881               |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because:  |                          |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$1,711,928) was exceeded by depreciation expense (\$1,845,599) during the period. | (133,671)                |
| Internal service funds are used by management to charge the costs of employee insurance and post-employment benefits to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the statement of activities.  | 24,413                   |
| The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.  | (5,955)                  |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.   | <u>515,000</u>           |
| <b>Change in net position of governmental activities</b>   | <u><u>\$ 883,668</u></u> |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**September 30, 2022**

|  | Enterprise Funds |               |
|--|------------------|---------------|
|  | Electric<br>Fund | Water<br>Fund |
| <b>ASSETS</b>                                    |                  |               |
| Current assets:                                  |                  |               |
| Cash and cash equivalents                        | \$ 5,656,899     | \$ 1,702,510  |
| Investments                                      | 3,287,608        | 616,038       |
| Receivables:                                     |                  |               |
| Accounts, net of allowance for doubtful accounts | 707,335          | 132,073       |
| Unbilled revenue                                 | 295,080          | 65,877        |
| Special assessments                              | -                | 60,210        |
| Interest   | 4,202            | 550           |
| Due from other funds                             | -                | 51,601        |
| Due from Community Development Agency            | 427,471          | -             |
| Inventory  | 511,939          | 63,892        |
| Total current assets                             | 10,890,534       | 2,692,751     |
| Noncurrent assets:                               |                  |               |
| Restricted cash and cash equivalents             | 299,949          | -             |
| Restricted investments                           | 483,402          | -             |
| Capital assets:                                  |                  |               |
| Land   | 176,612          | 143,650       |
| Construction in progress                         | -                | -             |
| Distribution systems                             | 7,917,421        | 9,602,308     |
| Buildings  | 8,387,140        | 311,174       |
| Equipment  | 3,807,572        | 645,125       |
| Less accumulated depreciation                    | (14,883,438)     | (5,609,678)   |
| Net capital assets                               | 5,405,307        | 5,092,579     |
| Total noncurrent assets                          | 6,188,658        | 5,092,579     |
| Total assets                                     | 17,079,192       | 7,785,330     |
| <b>LIABILITIES</b>                               |                  |               |
| Current liabilities:                             |                  |               |
| Accounts payable                                 | 357,033          | 1,796         |
| Customer deposits                                | 208,815          | -             |
| Accrued interest payable                         | 3,773            | 16,004        |
| Other accrued expenses                           | 150,164          | 31,844        |
| Due to other funds                               | -                | -             |
| Current portion of long-term obligations         | 220,000          | 191,784       |
| Total current liabilities                        | 939,785          | 241,428       |
| Noncurrent liabilities:                          |                  |               |
| Compensated absences - noncurrent                | 115,503          | 9,920         |
| Noncurrent portion of long-term obligations      | 1,130,000        | 2,680,036     |
| Total noncurrent liabilities                     | 1,245,503        | 2,689,956     |
| Total liabilities                                | 2,185,288        | 2,931,384     |
| <b>NET POSITION</b>                              |                  |               |
| Net investment in capital assets                 | 4,055,307        | 2,220,759     |
| Restricted for:                                  |                  |               |
| Debt service                                     | 574,536          | -             |
| Unrestricted                                     | 10,264,061       | 2,633,187     |
| Total net position                               | \$ 14,893,904    | \$ 4,853,946  |

See notes to financial statements.

| Enterprise Funds    |                   |                 |                      | Internal Service Fund |
|---------------------|-------------------|-----------------|----------------------|-----------------------|
| Sewer Fund          | Transfer Station  | Eliminations    | Total                |                       |
| \$ 1,347,065        | \$ 36,837         | \$ -            | \$ 8,743,311         | \$ 342,553            |
| 1,086,054           | -                 | -               | 4,989,700            | 504,238               |
| 154,017             | -                 | -               | 993,425              | -                     |
| 83,753              | -                 | -               | 444,710              | -                     |
| 206,300             | -                 | -               | 266,510              | -                     |
| 1,027               | -                 | -               | 5,779                | 635                   |
| -                   | -                 | (51,601)        | -                    | -                     |
| -                   | -                 | -               | 427,471              | -                     |
| -                   | -                 | -               | 575,831              | -                     |
| <u>2,878,216</u>    | <u>36,837</u>     | <u>(51,601)</u> | <u>16,446,737</u>    | <u>847,426</u>        |
| -                   | -                 | -               | 299,949              | -                     |
| -                   | -                 | -               | 483,402              | -                     |
| 65,252              | 41,181            | -               | 426,695              | -                     |
| 135,410             | -                 | -               | 135,410              | -                     |
| 4,771,584           | -                 | -               | 22,291,313           | -                     |
| 9,998,483           | 606,685           | -               | 19,303,482           | -                     |
| 604,828             | 25,953            | -               | 5,083,478            | -                     |
| (7,362,977)         | (490,028)         | -               | (28,346,121)         | -                     |
| <u>8,212,580</u>    | <u>183,791</u>    | <u>-</u>        | <u>18,894,257</u>    | <u>-</u>              |
| <u>8,212,580</u>    | <u>183,791</u>    | <u>-</u>        | <u>19,677,608</u>    | <u>-</u>              |
| 11,090,796          | 220,628           | (51,601)        | 36,124,345           | 847,426               |
| 1,961               | -                 | -               | 360,790              | 10,000                |
| -                   | -                 | -               | 208,815              | -                     |
| 5,783               | -                 | -               | 25,560               | -                     |
| 31,706              | -                 | -               | 213,714              | -                     |
| 51,601              | -                 | (51,601)        | -                    | -                     |
| 362,190             | -                 | -               | 773,974              | -                     |
| <u>453,241</u>      | <u>-</u>          | <u>(51,601)</u> | <u>1,582,853</u>     | <u>10,000</u>         |
| 16,075              | -                 | -               | 141,498              | -                     |
| 3,603,230           | -                 | -               | 7,413,266            | -                     |
| <u>3,619,305</u>    | <u>-</u>          | <u>-</u>        | <u>7,554,764</u>     | <u>-</u>              |
| <u>4,072,546</u>    | <u>-</u>          | <u>(51,601)</u> | <u>9,137,617</u>     | <u>10,000</u>         |
| 4,247,160           | 183,791           | -               | 10,707,017           | -                     |
| -                   | -                 | -               | 574,536              | -                     |
| 2,771,090           | 36,837            | -               | 15,705,175           | 837,426               |
| <u>\$ 7,018,250</u> | <u>\$ 220,628</u> | <u>\$ -</u>     | <u>\$ 26,986,728</u> | <u>\$ 837,426</u>     |

**CITY OF WAYNE, NEBRASKA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS**

**For the year ended September 30, 2022**

|   | Enterprise Funds     |                     |                     |                     | Total                | Internal<br>Service<br>Fund |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------------|
|   | Electric<br>Fund     | Water<br>Fund       | Sewer<br>Fund       | Transfer<br>Station |                      |                             |
| <b>Operating revenues:</b>                  |                      |                     |                     |                     |                      |                             |
| User charges                                | \$ 8,715,138         | \$ 1,391,341        | \$ 1,791,191        | \$ 400              | \$ 11,898,070        | \$ -                        |
| Health insurance premiums                   | -                    | -                   | -                   | -                   | -                    | 659,929                     |
| Hookup fees                                 | -                    | 1,750               | 1,847               | -                   | 3,597                | -                           |
| Other revenue                               | 87,081               | 4,944               | 5,481               | 12,000              | 109,506              | -                           |
| Total operating revenues                    | <u>8,802,219</u>     | <u>1,398,035</u>    | <u>1,798,519</u>    | <u>12,400</u>       | <u>12,011,173</u>    | <u>659,929</u>              |
| <b>Operating expenses:</b>                  |                      |                     |                     |                     |                      |                             |
| Cost of power                               | 3,384,954            | -                   | -                   | -                   | 3,384,954            | -                           |
| Personnel                                   | 1,467,018            | 302,517             | 311,072             | -                   | 2,080,607            | -                           |
| Contract services                           | 273,714              | 138,903             | 387,720             | -                   | 800,337              | -                           |
| Commodities                                 | 673,219              | 88,676              | 138,060             | 18,518              | 918,473              | -                           |
| Payments in lieu of taxes                   | 776,423              | 126,755             | 113,379             | -                   | 1,016,557            | -                           |
| Insurance claims and health premiums        | -                    | -                   | -                   | -                   | -                    | 638,443                     |
| Depreciation                                | 708,375              | 255,264             | 440,015             | -                   | 1,403,654            | -                           |
| Total operating expenses                    | <u>7,283,703</u>     | <u>912,115</u>      | <u>1,390,246</u>    | <u>18,518</u>       | <u>9,604,582</u>     | <u>638,443</u>              |
| Operating income (loss)                     | 1,518,516            | 485,920             | 408,273             | (6,118)             | 2,406,591            | 21,486                      |
| <b>Nonoperating revenues (expenses):</b>    |                      |                     |                     |                     |                      |                             |
| Interest income                             | 31,358               | 9,248               | 7,778               | 109                 | 48,493               | 2,927                       |
| Grant revenue                               | 8,000                | -                   | -                   | -                   | 8,000                | -                           |
| Interest expense                            | (13,927)             | (54,302)            | (20,654)            | -                   | (88,883)             | -                           |
| Loan administration fees                    | -                    | (13,699)            | (21,179)            | -                   | (34,878)             | -                           |
| Total nonoperating revenues<br>(expenses)   | <u>25,431</u>        | <u>(58,753)</u>     | <u>(34,055)</u>     | <u>109</u>          | <u>(67,268)</u>      | <u>2,927</u>                |
| Income (loss) before<br>interfund transfers | 1,543,947            | 427,167             | 374,218             | (6,009)             | 2,339,323            | 24,413                      |
| <b>Interfund transfers:</b>                 |                      |                     |                     |                     |                      |                             |
| Transfer to Community<br>Development Agency | (14,045)             | -                   | -                   | -                   | (14,045)             | -                           |
| Transfer from (to) other funds              | <u>(49,578)</u>      | <u>-</u>            | <u>558,195</u>      | <u>-</u>            | <u>508,617</u>       | <u>-</u>                    |
| Total transfers                             | <u>(63,623)</u>      | <u>-</u>            | <u>558,195</u>      | <u>-</u>            | <u>494,572</u>       | <u>-</u>                    |
| <b>Change in net position</b>               | 1,480,324            | 427,167             | 932,413             | (6,009)             | 2,833,895            | 24,413                      |
| Net position - September 30, 2021           | <u>13,413,580</u>    | <u>4,426,779</u>    | <u>6,085,837</u>    | <u>226,637</u>      | <u>24,152,833</u>    | <u>813,013</u>              |
| Net position - September 30, 2022           | <u>\$ 14,893,904</u> | <u>\$ 4,853,946</u> | <u>\$ 7,018,250</u> | <u>\$ 220,628</u>   | <u>\$ 26,986,728</u> | <u>\$ 837,426</u>           |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS**

**For the year ended September 30, 2022**

|  | Enterprise Funds |               |
|--|------------------|---------------|
|  | Electric<br>Fund | Water<br>Fund |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |                  |               |
| Receipts from customers  | \$ 8,927,317     | \$ 1,392,031  |
| Receipts from other funds  | -                | -             |
| Payments to suppliers  | (5,144,480)      | (362,303)     |
| Payments to employees  | (1,456,639)      | (295,835)     |
| Net cash provided (used) by operating activities                 | 2,326,198        | 733,893       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>          |                  |               |
| Transfer to Community Development Agency                         | (14,045)         | -             |
| Transfers (to) from other funds                                  | (49,578)         | -             |
| Net cash provided (used) by noncapital financing activities      | (63,623)         | -             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b> |                  |               |
| Purchase of property and equipment                               | (148,519)        | (149,688)     |
| Grant proceeds   | 8,000            | -             |
| Special assessments received                                     | -                | 7,453         |
| Principal payments on capital debt                               | (215,000)        | (189,713)     |
| Interest paid on capital debt                                    | (14,335)         | (55,359)      |
| Loan administration fees   | -                | (13,699)      |
| Net cash used by capital and related financing activities        | (369,854)        | (401,006)     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |                  |               |
| Decrease in investments  | (12,851)         | (2,553)       |
| Increase in restricted investments                               | (684)            | -             |
| Increase in due from Community Development Agency                | (127,471)        | -             |
| Decrease in due from other funds                                 | 40,000           | -             |
| Interest received  | 28,893           | 8,909         |
| Net cash provided (used) by investing activities                 | (72,113)         | 6,356         |
| Increase (decrease) in cash and cash equivalents                 | 1,820,608        | 339,243       |
| Cash and cash equivalents - beginning of the year                | 4,136,240        | 1,363,267     |
| Cash and cash equivalents - end of the year                      | \$ 5,956,848     | \$ 1,702,510  |
| <b>Composition of cash and cash equivalents:</b>                 |                  |               |
| Cash and cash equivalents  | \$ 5,656,899     | \$ 1,702,510  |
| Restricted cash and cash equivalents                             | 299,949          | -             |
| Total cash and cash equivalents                                  | \$ 5,956,848     | \$ 1,702,510  |

| Enterprise Funds    |                  |                     | Internal Service Fund |
|---------------------|------------------|---------------------|-----------------------|
| Sewer Fund          | Transfer Station | Total               |                       |
| \$ 1,803,299        | \$ 12,400        | \$ 12,135,047       | \$ -                  |
| -                   | -                | -                   | 659,930               |
| (638,646)           | (18,518)         | (6,163,947)         | (640,443)             |
| (308,264)           | -                | (2,060,738)         | -                     |
| <u>856,389</u>      | <u>(6,118)</u>   | <u>3,910,362</u>    | <u>19,487</u>         |
| -                   | -                | (14,045)            | -                     |
| <u>558,195</u>      | <u>-</u>         | <u>508,617</u>      | <u>-</u>              |
| 558,195             | -                | 494,572             | -                     |
| (676,880)           | -                | (975,087)           | -                     |
| -                   | -                | 8,000               | -                     |
| 10,821              | -                | 18,274              | -                     |
| (360,386)           | -                | (765,099)           | -                     |
| (21,180)            | -                | (90,874)            | -                     |
| (21,179)            | -                | (34,878)            | -                     |
| <u>(1,068,804)</u>  | <u>-</u>         | <u>(1,839,664)</u>  | <u>-</u>              |
| (4,481)             | -                | (19,885)            | (1,813)               |
| -                   | -                | (684)               | -                     |
| -                   | -                | (127,471)           | -                     |
| -                   | -                | 40,000              | -                     |
| 7,206               | 109              | 45,117              | 2,563                 |
| <u>2,725</u>        | <u>109</u>       | <u>(62,923)</u>     | <u>750</u>            |
| 348,505             | (6,009)          | 2,502,347           | 20,237                |
| <u>998,560</u>      | <u>42,846</u>    | <u>6,540,913</u>    | <u>322,316</u>        |
| <u>\$ 1,347,065</u> | <u>\$ 36,837</u> | <u>\$ 9,043,260</u> | <u>\$ 342,553</u>     |
| \$ 1,347,065        | \$ 36,837        | \$ 8,743,311        | \$ 342,553            |
| -                   | -                | 299,949             | -                     |
| <u>\$ 1,347,065</u> | <u>\$ 36,837</u> | <u>\$ 9,043,260</u> | <u>\$ 342,553</u>     |

**CITY OF WAYNE, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS, Continued**

**For the year ended September 30, 2022**

|   | Enterprise Funds |               |
|---|------------------|---------------|
|   | Electric<br>Fund | Water<br>Fund |
| <b>Reconciliation of operating (loss) income to net cash provided (used) by operating activities:</b> |                  |               |
| Operating income (loss)   | \$ 1,518,516     | \$ 485,920    |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                  |               |
| Depreciation expense  | 708,375          | 255,264       |
| Change in assets and liabilities:   |                  |               |
| Accounts receivable   | 147,613          | (6,004)       |
| Inventories   | (106,270)        | (8,506)       |
| Accounts payable  | 70,100           | 537           |
| Customer deposits   | (22,515)         | -             |
| Accrued expenses  | 10,379           | 6,682         |
| Net cash provided (used) by operating activities  | \$ 2,326,198     | \$ 733,893    |

See notes to financial statements.

| <u>Enterprise Funds</u> |                             |  |                     | <u>Internal<br/>Service<br/>Fund</u> |
|-------------------------|-----------------------------|--|---------------------|--------------------------------------|
| <u>Sewer<br/>Fund</u>   | <u>Transfer<br/>Station</u> |  | <u>Total</u>        |                                      |
| \$ 408,273              | \$ (6,118)                  |  | \$ 2,406,591        | \$ 21,486                            |
| 440,015                 | -                           |  | 1,403,654           | -                                    |
| 4,780                   | -                           |  | 146,389             | 1                                    |
| -                       | -                           |  | (114,776)           | -                                    |
| 513                     | -                           |  | 71,150              | (2,000)                              |
| -                       | -                           |  | (22,515)            | -                                    |
| 2,808                   | -                           |  | 19,869              | -                                    |
| <u>\$ 856,389</u>       | <u>\$ (6,118)</u>           |  | <u>\$ 3,910,362</u> | <u>\$ 19,487</u>                     |

**CITY OF WAYNE, NEBRASKA**

**STATEMENT OF NET POSITION - FIDUCIARY FUND**

**September 30, 2022**

|                        | Custodial<br><u>Fund</u> |
|------------------------|--------------------------|
| <b>ASSETS</b>          |                          |
| Cash                   | \$ 121,821               |
| Sales tax receivable   | 34,566                   |
| Total assets           | <u>\$ 156,387</u>        |
| <br><b>LIABILITIES</b> |                          |
| Agency liabilities     | <u>\$ 156,387</u>        |

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**

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**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Wayne, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City’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 City of Wayne, Nebraska, was incorporated in 1884. The City operates under a Mayor-Council form of government with an elected Mayor, and an elected legislative body, Council, composed of eight members. The Mayor is elected at large for a four-year term, and the eight members of the City Council are elected, two from each of four wards, on alternating four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety, highways and streets, planning and zoning, parks, recreation, development, electric, water, and sanitary sewer systems, transfer station, and general administrative services.

The City’s financial reporting entity comprises the following:

|                                       |  |
|---------------------------------------|--|
| Primary Government:                   | City of Wayne  |
| Discretely Presented Component Units: | Wayne Municipal Airport<br>Community Redevelopment Authority |

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (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 City. 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.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**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 City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City 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 following are the discretely presented component units:

Brief Description of Activities and Relationship  
to the City:

Wayne Municipal Airport

Established to provide for the operation of the Wayne Airport. The five-member board is elected by the general public. The component unit information was obtained from financial statements which can be obtained by contacting the Wayne Municipal Airport.

Community Redevelopment Authority

Established to promote economic development in the City of Wayne. The City Council comprises the board of the CRA.

**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 except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**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. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise 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 or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the City and 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.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Governmental Funds, continued**

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

*Debt Service Fund*

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

**Proprietary Funds**

*Enterprise Funds*

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

*Internal Service Funds*

The Internal Service Funds account for activities that provide goods and services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

**Fiduciary Funds (not included in government-wide statements)**

*Agency Funds*

Agency Funds account for assets held by the City in a purely custodial capacity. Since Agency Funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

**Major and Nonmajor Funds**

The funds are further classified as major or non-major as follows:

| <u>Fund</u>                                     | <u>Brief Description</u>   |
|---|--|
| <i>Major:</i>                                   |  |
| Governmental:                                   |  |
| General   | See page 36 for description.   |
| Street  | The Street Fund is a special revenue fund that accounts for the City's share of highway allocation from the State of Nebraska. |
| LB840   | The LB840 Fund is a special revenue fund that accounts for sales tax to be used for economic development under LB840.          |
| Debt Service                                    | See page 37 for description.   |
| Proprietary:                                    |  |
| Enterprise:                                     |  |
| Electric, Water, Sewer, and<br>Transfer Station | See page 37 for description.   |

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Major and Nonmajor Funds, continued**

| <u>Fund</u>           | <u>Brief Description</u>  |
|-----------------------|---|
| <i>Nonmajor:</i>      |   |
| Special Revenue:      |   |
| Community Development | Accounts for Federal Block Grant and Housing Loans and ARPA grant proceeds.               |
| Enhanced 911          | Accounts for the per-line telephone surcharge for the Emergency Communications System.    |
| Wireless 911          | Accounts for the wireless telephone surcharge for the Emergency Communications System.    |
| Sales Tax             | Accounts for reserve funds raised for CAC Construction.                                   |
| Keno                  | Accounts for keno funds held for community betterment.                                    |
| Internal Service:     |   |
| Insurance             | Accounts for the health insurance for all governmental and business-type City operations. |

**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, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**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 or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. 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.
- b. The proprietary funds utilize an “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. Proprietary fund equity is classified as net position.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities and the discretely presented component units 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 and fiduciary 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.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**3. Measurement Focus and Basis of Accounting, continued**

**Basis of Accounting, continued**

All proprietary funds and discretely presented component units utilize 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 the economic asset is used.

**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.

**Cash and Investments**

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected not yet remitted to the City.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

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

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings and unbilled revenue as their major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes, since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and unbilled revenue compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**Due from Other Governments**

The total due from other governments consists of the following:

| <u>Fund</u> | <u>Amount</u>     | <u>Service</u> |
|-------------|-------------------|----------------|
| General     | \$ <u>261,623</u> | Sales Tax      |

**Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method.

**Restricted Assets**

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

**Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, capital assets that are purchased or acquired with an original cost of \$5,000 or more are capitalized and reported on the Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

Depreciation of general capital assets and all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

|                         |             |
|-------------------------|-------------|
| Buildings               | 25-50 years |
| Improvements            | 5-25 years  |
| Machinery and Equipment | 5-20 years  |
| Utility System          | 10-30 years |
| Infrastructure          | 30-50 years |

Prior to July 1, 1980, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Capital Assets, continued**

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Unavailable Revenues**

Unavailable revenues consist of property taxes and special assessments expected to be collected after 60 days.

**Compensated Absences**

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. A portion of the liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the current compensated absence liability payable from expendable available financial resources, while the proprietary funds report the total liability.

**Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Long-term Debt, continued**

*Government-wide Statements*

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

*Fund Financial Statements*

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**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.
- 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.”

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements, continued*

Effective October 1, 2010, the City 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 City 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 City Council ordinance or resolution.

**Assigned**—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 24). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. 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.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses**

**Sales and Use Tax**

The City presently levies a 1.5 cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. One cent of the sales tax is allocated 60 percent to the General Fund to be used for capital projects and 40 percent to the LB840 Fund to be used for economic development. The other half cent of sales tax is to be used to pay the debt service on the \$2.9 million sales tax revenue bonds issued for the outdoor swimming pool construction. Sales tax collected on the sale of motor vehicles is restricted for street improvements as required by LB904.

Sales taxes collected by the State in September and October (which represent sales for August and September) and received by the City in October and November have been accrued and are included under the caption “Due from other governments.”

**Property Taxes**

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in Wayne 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.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses, continued**

**Property Taxes, continued**

Property taxes levied for 2021-2022 are recorded as revenue when expected to be collected within 60 days after September 30, 2022. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

The City-owned electric, water, and sewer utilities make payments in lieu of taxes (10.5 percent of gross revenues for electric, 9 percent of gross revenues for water, and 7 percent of gross revenues for sewer).

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**Expenditures/Expenses**

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

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses, continued**

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

**1. Fund Accounting Requirements**

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include: Special Revenue, Capital Projects, Debt Service, and Agency Funds.

**2. 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 City'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 City's demand 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 City's name.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**3. Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

**4. Debt Restrictions and Covenants**

*Bonds Payable*

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are financial-related. These include covenants such as debt service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

**5. Budgetary Data**

The City 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.

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

- a. On or before August 1, the City 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.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**5. Budgetary Data, continued**

- c. Prior to September 30, the City Council 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 City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City 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 October 15. 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.
- h. The City of Wayne adopts a budget by resolution for all fund types.

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

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

**1. Cash and Investments**

**Deposits**

The City'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, 2022. The categories of collateral are defined as follows:

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**1. Cash and Investments, continued**

**Deposits, continued**

Category 1 – Insured by FDIC or collateralized with securities held by the City (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 City’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 City’s name; or collateralized with no written or approved collateral agreement.

| <u>Types of Deposits</u>                     | <u>Total Bank<br/>Balance</u> | <u>Category<br/>1</u> | <u>Category<br/>2</u> | <u>Category<br/>3</u> | <u>Total<br/>Carrying<br/>Value</u> |
|--|-------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|
| Demand deposits and<br>money market accounts | \$ 16,541,332                 | \$ 750,000            | \$ 15,791,332         | \$ -                  | \$ <u>16,454,468</u>                |

Reconciliation to Government-wide Statement of Net Position:

|   |                      |
|---|----------------------|
| Primary Government –  |                      |
| Unrestricted cash and cash equivalents                          | \$ 10,466,328        |
| Restricted cash and cash equivalents                            | 5,206,476            |
| Component Unit –  |                      |
| Unrestricted cash and cash equivalents                          | 659,843              |
| Agency Fund Cash (not included in<br>government-wide statement) | <u>121,821</u>       |
|   | <u>\$ 16,454,468</u> |

**Investments**

The City’s policies and applicable laws regarding investments are discussed in Notes A4 and B2. The table presented below is designed to disclose whether the investments are insured or registered and who holds the security at September 30, 2022. The categories of investments are defined as follows:

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**1. Cash and Investments, continued**

**Investments, continued**

Category 1 – Insured or registered with securities held by the entity or its agent in the entity’s name.

Category 2 – Uninsured and unregistered with securities held by the counterparty’s trust department or agent in the entity’s name.

Category 3 – Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the City’s name.

| <b><u>Type of Investment</u></b> | <b>Category<br/><u>1</u></b> | <b>Category<br/><u>2</u></b> | <b>Category<br/><u>3</u></b> | <b><u>Carrying<br/>Amount</u></b> | <b><u>Fair<br/>Value</u></b> |
|----------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------------|------------------------------|
| Time Deposits                    | \$ 8,025,294                 | \$ -                         | \$ -                         | \$ <u>8,025,294</u>               | \$ <u>8,025,294</u>          |

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

|                          |                     |
|--------------------------|---------------------|
| Unrestricted investments | \$ 6,909,196        |
| Restricted investments   | <u>1,116,098</u>    |
|                          | <u>\$ 8,025,294</u> |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2022, are as follows:

|                            | <u>Governmental<br/>Activities</u> | <u>Business-<br/>type<br/>Activities</u> | <u>Total<br/>Primary<br/>Government</u> | <u>Component<br/>Unit</u> |
|----------------------------|------------------------------------|--|---|---------------------------|
| Type of Restricted Assets: |                                    |  |   |                           |
| Cash and cash equivalents  | \$ 4,906,527                       | \$ 299,949                               | \$ 5,206,476                            | \$ -                      |
| Investments                | <u>632,696</u>                     | <u>483,402</u>                           | <u>1,116,098</u>                        | <u>-</u>                  |
|                            | <u>\$ 5,539,223</u>                | <u>\$ 783,351</u>                        | <u>\$ 6,322,574</u>                     | <u>\$ -</u>               |

Restricted cash and investments for governmental activities consists of \$1,294,309 of General Fund cash restricted for capital projects, \$430,607 of General Fund cash restricted for the swimming pool, \$1,558,131 of Street Fund cash and investments restricted for street expenditures, \$103,497 of Sales Tax cash restricted for Community Activity Center, \$884,903 of Debt Service cash and investments restricted for debt service, \$494,850 of Community Development cash restricted for Federal programs, \$669,535 of LB840 cash restricted for economic development, and \$103,391 of Keno cash restricted for community betterment.

Restricted business-type assets consist of debt service reserves of \$574,536 for the Electric Fund. The Electric Fund also has \$208,815 restricted for customer deposits.

**3. Accounts and Notes Receivable**

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of Community Activity Center memberships and other minor receivables. Accounts receivable for the component units consist of minor receivables. Receivables detail at September 30, 2022, is as follows:

|                                 | <u>Governmental<br/>Activities</u> | <u>Business-<br/>type<br/>Activities</u> | <u>Total<br/>Primary<br/>Government</u> | <u>Component<br/>Units</u> |
|---------------------------------|------------------------------------|--|---|----------------------------|
| Accounts receivable             | \$ 4,987                           | \$ 993,425                               | \$ 998,412                              | \$ 660                     |
| Allowance for doubtful accounts | <u>-</u>                           | <u>-</u>                                 | <u>-</u>                                | <u>-</u>                   |
| Net accounts receivable         | <u>\$ 4,987</u>                    | <u>\$ 993,425</u>                        | <u>\$ 998,412</u>                       | <u>\$ 660</u>              |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**3. Accounts and Notes Receivable, continued**

Notes receivable for the governmental funds consist of the following at September 30, 2022:

| <u>Note Held By</u>        | <u>Due From</u>          | Note Balance at<br>September 30,<br><u>2022</u> | <u>Terms</u>   |
|----------------------------|--------------------------|---|--|
| Community Development Fund | 5 housing loans          | \$ 98,156                                       | 0%; housing loans; due when property is sold   |
| LB840 Fund                 | Wayne Area Events Center | 350,000   | 3%; annual payments of \$29,322 March 1, 2021, through March 1, 2035 (deferred to 9/30/22) |
| LB840 Fund                 | Rainbow World            | 44,059  | 0%; annual payments of \$313 over 120 months; final balloon payment due November 17, 2022  |
| LB840 Fund                 | Innovative Protectives   | 5,333   | 0%; annual payments of \$667 November 1, 2014, through November 1, 2028                    |
| LB840 Fund                 | Talon Capital            | 182,229   | 2.85%; annual payments of \$29,084 May 1, 2020, through May 1, 2029                        |
| LB840 Fund                 | Wayne Short Stop         | 75,715  | 3%; monthly payments of \$821 July 1, 2021, through June 1, 2031                           |

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**3. Accounts and Notes Receivable, continued**

| <u>Note Held By</u> | <u>Due From</u>                 | <u>Note Balance at<br/>September 30,<br/>2022</u> | <u>Terms</u>   |
|---------------------|---------------------------------|---|--|
| LB840 Fund          | OCC Builders, LLC               | 15,857  | 0%; annual payments of \$2,643<br>November 1, 2014, through<br>November 1, 2028        |
| LB840 Fund          | Sand Creek Post &<br>Beam, Inc. | 90,487  | 0%; annual payments of \$12,927<br>November 1, 2014, through<br>November 1, 2028       |
| LB840 Fund          | Wayne Hospitality<br>Group      | 133,333   | 0%; annual payments of \$16,667<br>due for 15 years through 2030                       |
| LB840 Fund          | DRJ LLC/INET Library            | 74,186  | 3%; annual payments of \$10,568<br>plus interest May 10, 2013,<br>through May 10, 2021 |
| LB840 Fund          | Lutt Oil                        | 11,216  | 3%; annual payments of \$5,862<br>January 1, 2015, through<br>January 1, 2024          |
| LB840 Fund          | Kory Leseberg                   | 23,111  | 0%; monthly payments of \$222<br>June 1, 2014, through May 1, 2029                     |
| LB840 Fund          | Kory Leseberg                   | 21,380  | 3%; monthly payments of \$242<br>June 1, 2014, through May 1, 2029                     |
| LB840 Fund          | Ken Jorgensen                   | 60,771  | 3%; annual payments of \$10,471<br>September 1, 2015, through<br>September 1, 2030     |
| LB840 Fund          | Pat Garvin                      | 18,667  | 0%; annual payments of \$2,667<br>May 1, 2015, through May 1, 2029                     |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**3. Accounts and Notes Receivable, continued**

| <u>Note Held By</u> | <u>Due From</u>         | Note Balance at<br>September 30,<br><u>2022</u> | <u>Terms</u>   |
|---------------------|-------------------------|---|--|
| LB840 Fund          | Hefti Trucking          | 23,333  | 0%; annual payments of \$3,333<br>September 1, 2015, through<br>September 1, 2029              |
| LB840 Fund          | Ken Jorgensen           | 51,704  | 3%; forgivable at \$10,471 per year<br>September 1, 2015, through<br>September 1, 2029         |
| LB840 Fund          | Jen Claussen            | 13,212  | 3%; monthly payments of \$164<br>April 1, 2015, through<br>March 1, 2030                       |
| LB840 Fund          | Nixon LLC (Jimmy Johns) | 300,000   | 1%; monthly payments of \$2,750<br>April 1, 2023 through<br>October 1, 2032                    |
| LB840 Fund          | Retail Reclaimers, LLC  | 198,809   | 0%; monthly payments of \$1,190<br>May 1, 2021, through April 1,<br>2035 (deferred to 9/30/22) |
| LB840 Fund          | Wayne Country Club      | 154,000   | 0%; annual payments of \$14,000<br>August 15, 2019, through<br>August 15, 2033                 |
| LB840 Fund          | Julie Cull              | 6,414   | 3%; monthly payments of \$357<br>due over 120 months   |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**3. Accounts and Notes Receivable, continued**

| <u>Note Held By</u>    | <u>Due From</u>                      | Note Balance at<br>September 30,<br><u>2022</u> | <u>Terms</u>  |
|------------------------|--------------------------------------|---|---|
| LB840 Fund             | Crossroads-Atoll<br>Productions, LLC | 26,089  | 3%; annual payments of \$3,351<br>February 1, 2017, through<br>February 1, 2031   |
| LB840 Fund             | Johnnie Byrd Brewing                 | 36,491  | 2.625%; monthly payments of \$214<br>March 1, 2020, through<br>February 1, 2040   |
| LB840 Fund             | Winning Finish<br>Enterprises, Inc.  | 10,894  | 3%; annual payments of \$2,897<br>October 1, 2016, through<br>October 1, 2025     |
| LB840 Fund             | Winning Finish<br>Enterprises, Inc.  | 7,500   | 0%; forgivable at \$2,500 per year<br>October 1, 2016, through<br>October 1, 2025 |
| LB840 Fund             | Allowance for<br>Uncollectible Note  | <u>(75,000)</u>                                 |   |
| Total notes receivable |                                      | \$ <u>1,957,946</u>                             |   |
| Current portion        |                                      | \$ 198,000                                      |   |
| Noncurrent portion     |                                      | <u>1,759,946</u>                                |   |
|                        |                                      | \$ <u>1,957,946</u>                             |   |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Capital Assets**

Capital asset activity for the year ended September 30, 2022, was as follows:

|   | <u>Balance at</u><br><u>October 1, 2021</u> | <u>Additions</u>    | <u>Disposals</u> | <u>Reclass</u> | <u>Balance at</u><br><u>September 30, 2022</u> |
|---|---|---------------------|------------------|----------------|--|
| <b><u>Governmental Activities:</u></b>        |   |                     |                  |                |  |
| Capital assets not being depreciated:         |   |                     |                  |                |  |
| Land  | \$ 800,375                                  | \$ -                | \$ -             | \$ -           | \$ 800,375                                     |
| Construction in progress                      | 3,823,664                                   | 1,176,404           | -                | (3,683,081)    | 1,316,987                                      |
| Total capital assets not being depreciated    | 4,624,039                                   | 1,176,404           | -                | (3,683,081)    | 2,117,362                                      |
| Other capital assets being depreciated:       |   |                     |                  |                |  |
| Infrastructure                                | 19,266,419                                  | 302,017             | -                | 439,712        | 20,008,148                                     |
| Improvements                                  | 7,167,899                                   | 5,593               | -                | 3,243,369      | 10,416,861                                     |
| Buildings                                     | 10,394,601                                  | 46,835              | -                | -              | 10,441,436                                     |
| Machinery and equipment                       | 5,018,886                                   | 181,079             | -                | -              | 5,199,965                                      |
| Total other capital assets at historical cost | 41,847,805                                  | 535,524             | -                | 3,683,081      | 46,066,410                                     |
| Less accumulated depreciation for:            |   |                     |                  |                |  |
| Infrastructure                                | (11,617,064)                                | (526,209)           | -                | -              | (12,143,273)                                   |
| Improvements                                  | (2,004,958)                                 | (769,788)           | -                | -              | (2,774,746)                                    |
| Buildings                                     | (5,345,600)                                 | (222,013)           | -                | -              | (5,567,613)                                    |
| Machinery and equipment                       | (3,700,977)                                 | (327,589)           | -                | -              | (4,028,566)                                    |
| Total accumulated depreciation                | (22,668,599)                                | (1,845,599) *       | -                | -              | (24,514,198)                                   |
| Other capital assets, net                     | 19,179,206                                  | (1,310,075)         | -                | 3,683,081      | 21,552,212                                     |
| Governmental activities capital assets, net   | <u>\$ 23,803,245</u>                        | <u>\$ (133,671)</u> | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 23,669,574</u>                           |

\* Depreciation expense was charged to governmental activities as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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

4. Capital Assets, continued

Governmental Activities, continued:

|   |                     |
|---|---------------------|
| General government/public buildings     | \$ 43,956           |
| Public safety                           | 196,283             |
| Public works:                           |                     |
| Street                                  | 611,633             |
| Library                                 | 7,604               |
| Senior citizens services                | 32,660              |
| Recreation                              | 841,503             |
| Community Activity Center:              | <u>111,960</u>      |
| Total governmental depreciation expense | <u>\$ 1,845,599</u> |

Construction in progress at September 30, 2022, consists of \$617,190 for Lincoln/Chicago Street project, \$134,700 for the Centennial Road project, \$63,555 for the Fourth Street project, \$450,000 for the Spartan fire truck, \$12,442 for the Freedom Park trailhead project, and \$39,100 for the Prairie Park development project. See Note D3 for additional details on these projects.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Capital Assets, continued**

|   | <u>Balance at</u><br><u>October 1, 2021</u> | <u>Additions</u>     | <u>Disposals</u> | <u>Reclass</u>     | <u>Balance at</u><br><u>September 30, 2022</u> |
|---|---|----------------------|------------------|--------------------|--|
| <b><u>Business-type Activities:</u></b>       |   |                      |                  |                    |  |
| Capital assets not being depreciated:         |   |                      |                  |                    |  |
| Land  | \$ 426,695                                  | \$ -                 | \$ -             | \$ -               | \$ 426,695                                     |
| Construction in progress                      | <u>1,532,384</u>                            | <u>20,979</u>        | <u>-</u>         | <u>(1,417,953)</u> | <u>135,410</u>                                 |
| Total capital assets not being depreciated    | 1,959,079                                   | 20,979               | -                | (1,417,953)        | 562,105  |
| Other capital assets being depreciated:       |   |                      |                  |                    |  |
| Buildings                                     | 19,287,982                                  | 15,500               | -                | -                  | 19,303,482                                     |
| Distribution systems                          | 20,018,976                                  | 854,384              | -                | 1,417,953          | 22,291,313                                     |
| Equipment                                     | <u>4,999,253</u>                            | <u>84,225</u>        | <u>-</u>         | <u>-</u>           | <u>5,083,478</u>                               |
| Total other capital assets at historical cost | 44,306,211                                  | 954,109              | -                | 1,417,953          | 46,678,273                                     |
| Less accumulated depreciation for:            |   |                      |                  |                    |  |
| Buildings                                     | (10,553,000)                                | (623,510)            | -                | -                  | (11,176,510)                                   |
| Distribution systems                          | (11,653,643)                                | (706,705)            | -                | -                  | (12,360,348)                                   |
| Equipment                                     | <u>(4,735,824)</u>                          | <u>(73,439)</u>      | <u>-</u>         | <u>-</u>           | <u>(4,809,263)</u>                             |
| Total accumulated depreciation                | <u>(26,942,467)</u>                         | <u>(1,403,654) *</u> | <u>-</u>         | <u>-</u>           | <u>(28,346,121)</u>                            |
| Other capital assets, net                     | <u>17,363,744</u>                           | <u>(449,545)</u>     | <u>-</u>         | <u>1,417,953</u>   | <u>18,332,152</u>                              |
| Business-type capital assets, net             | <u>\$ 19,322,823</u>                        | <u>\$ (428,566)</u>  | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 18,894,257</u>                           |

\* Depreciation expense was charged to functions as follows:

|   |                     |
|---|---------------------|
| Electric  | \$ 708,375          |
| Water   | 255,264             |
| Sewer   | 440,015             |
| Transfer Station                                    | <u>-</u>            |
| Total business-type activities depreciation expense | <u>\$ 1,403,654</u> |

Construction in progress at September 30, 2022, consists of \$5,550 of costs on the sewer UV system project and \$129,860 of costs on the sewer lagoon decommissioning project. See Note D3 for additional details of the construction in progress at September 30, 2022.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**4. Capital Assets, continued**

|   | <u>Balance at</u><br><u>October 1, 2021</u> | <u>Additions</u> | <u>Disposals</u> | <u>Reclass</u> | <u>Balance at</u><br><u>September 30, 2022</u> |
|---|---|------------------|------------------|----------------|--|
| <b><u>Airport Authority:</u></b>              |   |                  |                  |                |  |
| Capital assets not being depreciated:         |   |                  |                  |                |  |
| Land  | \$ 287,776                                  | \$ -             | \$ -             | \$ -           | \$ 287,776                                     |
| Construction in progress                      | 4,594,435                                   | 350,942          | -                | -              | 4,945,377                                      |
|   | <u>4,882,211</u>                            | <u>350,942</u>   | <u>-</u>         | <u>-</u>       | <u>5,233,153</u>                               |
| Other capital assets being depreciated:       |   |                  |                  |                |  |
| Buildings                                     | 2,639,203                                   | -                | -                | -              | 2,639,203                                      |
| Improvements                                  | 5,406,310                                   | -                | -                | -              | 5,406,310                                      |
| Equipment                                     | 523,794                                     | -                | -                | -              | 523,794  |
| Total other capital assets at historical cost | <u>8,569,307</u>                            | <u>-</u>         | <u>-</u>         | <u>-</u>       | <u>8,569,307</u>                               |
| Less accumulated depreciation for:            |   |                  |                  |                |  |
| Buildings                                     | (628,497)                                   | (76,127)         | -                | -              | (704,624)                                      |
| Improvements                                  | (2,102,388)                                 | (196,992)        | -                | -              | (2,299,380)                                    |
| Equipment                                     | (298,012)                                   | (33,215)         | -                | -              | (331,227)                                      |
| Total accumulated depreciation                | <u>(3,028,897)</u>                          | <u>(306,334)</u> | <u>-</u>         | <u>-</u>       | <u>(3,335,231)</u>                             |
| Other capital assets, net                     | <u>5,540,410</u>                            | <u>(306,334)</u> | <u>-</u>         | <u>-</u>       | <u>5,234,076</u>                               |
| Airport Authority capital assets, net         | <u>\$ 10,422,621</u>                        | <u>\$ 44,608</u> | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 10,467,229</u>                           |

Construction in progress at September 30, 2022 consists of \$4,945,377 of engineering and construction contractor costs for the parallel taxiway. See Note D3 for additional details of contractual commitments on these projects.

|   | <u>Balance at</u><br><u>September 30, 2021</u> | <u>Additions</u>  | <u>Disposals</u>  | <u>Balance at</u><br><u>September 30, 2022</u> |
|---|--|-------------------|-------------------|--|
| <b><u>Community Development Agency:</u></b> |  |                   |                   |  |
| Capital assets not being depreciated:       |  |                   |                   |  |
| Land  | \$ <u>81,083</u>                               | \$ <u>484,385</u> | \$ <u>(2,351)</u> | \$ <u>563,117</u>                              |

**5. Accounts Payable**

Payables in the general, capital projects, other governmental, and proprietary funds are primarily composed of payables to vendors.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**6. Long-term Debt**

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

| <u>Type of Debt</u>                  | Balance<br>October 1,<br>2021 | <u>Additions</u> | <u>Deductions</u> | Balance<br>September 30,<br>2022 | Amounts Due<br>Within<br><u>One Year</u> |
|--------------------------------------|-------------------------------|------------------|-------------------|----------------------------------|--|
| Governmental Activities:             |                               |                  |                   |                                  |  |
| Bonds payable                        | \$ 3,725,000                  | \$ -             | \$ (515,000)      | \$ 3,210,000                     | \$ 510,000                               |
| Business-type Activities:            |                               |                  |                   |                                  |  |
| Bonds and notes payable              | \$ 8,952,338                  | \$ -             | \$ (765,098)      | \$ 8,187,240                     | \$ 773,974                               |
| Component Units:                     |                               |                  |                   |                                  |  |
| Airport Authority                    | \$ 198,272                    | \$ -             | \$ (30,876)       | \$ 167,396                       | \$ 30,876                                |
| Community Develop-<br>ment Authority | 2,413,048                     | 20,021           | (194,493)         | 2,238,576                        | 582,510                                  |
| Total component units                | \$ 2,611,320                  | \$ 20,021        | \$ (225,369)      | \$ 2,405,972                     | \$ 613,386                               |

**Governmental Activities**

As of September 30, 2022, the governmental long-term liabilities consisted of the following:

Bonds payable:

Public safety bonds - series 2012, with original issue amount of \$355,000. Interest ranges from 2.20 to 3.05 percent with final maturity May 1, 2028. \$ 315,000

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:

Highway allocation bonds – series 2019 with original issue amount of \$380,000 issued to refinance the Series 2013 and 2013B highway allocation bonds and provide funds for street construction. Interest ranges from 1.50 to 2.10 percent with final maturity June 15, 2028. 1,325,000

Sales tax revenue bonds - series 2021, with original issue amount of \$1,455,000 issued to refinance the Series 2015 sales tax revenue bonds. Interest ranges from 0.30 to 1.15 percent with final maturity September 15, 2028. 1,120,000

General obligation refunding bonds - series 2019, with original issue amount of \$690,000 issued to refinance the series 2013 various purpose bonds. Interest ranges from 1.90 to 2.60 percent with final maturity June 15, 2028. 450,000

Total bonds payable \$ 3,210,000

Current portion \$ 510,000

Noncurrent portion 2,700,000

Total \$ 3,210,000

The General Fund is making the bond payments on the sales tax revenue bonds. The Debt Service Fund is making the bond payments on all other outstanding governmental activities debt.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**6. Long-term Debt, continued**

**Business-type Activities**

As of September 30, 2022, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds and notes payable:

|   |              |
|---|--------------|
| Electric revenue refunding bonds - series 2020, with original issue amount of \$1,785,000. Interest ranges from 0.60 to 1.40 percent with final maturity June 15, 2031. | \$ 1,350,000 |
|---|--------------|

|   |         |
|---|---------|
| Water revenue bonds - series 2019, with original issue amount of \$810,000. Interest ranges from 1.95 to 3.00 percent with final maturity June 1, 2031. | 635,000 |
|---|---------|

|  |           |
|--|-----------|
| \$4,949,020 of Sewer Department of Environment and Energy (DEE) Note Payable. The note will be due in semi-annual principal and interest payments of \$151,154 commencing June 15, 2012, through December 15, 2031. The note bears interest of 0.5 percent. A 0.5 percent administration fee will also be due semi-annually. | 2,596,517 |
|--|-----------|

|  |           |
|--|-----------|
| \$1,838,650 of Sewer DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$54,551 commencing June 15, 2017, through June 15, 2036. The note bears interest of 0.5 percent. A 0.5 percent administration fee will also be due semi-annually. | 1,368,903 |
|--|-----------|

|   |           |
|---|-----------|
| \$1,977,993 of Water DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$57,421 commencing June 15, 2021, through December 15, 2040. The note bears interest of 1.5 percent. A 0.50 percent administration fee will also be due semi-annually. | 1,856,269 |
|---|-----------|

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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

6. Long-term Debt, continued

Business-type Activities, continued

Bonds and notes payable, continued:

\$762,414 of Water DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$23,220 commencing December 15, 2011, through June 30, 2031. The note bears interest of 2.0 percent. A one percent administration fee will also be due semi-annually.

380,551

Total business-type activity bonds and notes payable

\$ 8,187,240

Current portion

\$ 773,974

Noncurrent portion

7,413,266

Total

\$ 8,187,240

Component Unit

Airport notes payable:

Nebraska Department of Aeronautics series 2013 Hangar/Terminal loan, advanced \$95,747 of the \$262,001 maximum during the year ended September 30, 2014, due in 120 monthly installments of \$1,986, bearing no interest.

\$ 36,642

Nebraska Department of Aeronautics series 2019 hangar approach loan, advanced \$135,982 of the \$182,000 maximum during the year ended September 30, 2019, due in 120 monthly installments of \$1,520, bearing no interest.

130,754

Total airport notes payable

167,396

Community Development Agency Bond Payable:

Tax increment revenue bond series 2018, with original amount of \$375,000. Principal and interest of 6 percent is due semi-annually commencing December 31, 2018. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

348,931

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**6. Long-term Debt, continued**

**Component Unit, continued**

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2011, with original amount of \$84,700. Interest of 6.75 percent is due semi-annually commencing July 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 32,211

Tax increment revenue bond series 2009, with original amount of \$75,000. Principal and interest of 7 percent is due annually commencing December 31, 2010. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 34,155

Tax increment revenue bond series 2012, with original amount of \$135,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 71,277

Tax increment revenue bond series 2012, with original amount of \$467,000. Interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 264,882

Tax increment revenue bond series 2012, with original amount of \$190,000. Principal and interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 38,590

Tax increment revenue bond series 2013, with original amount of \$210,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 181,194

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**6. Long-term Debt, continued**

**Component Unit, continued**

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2013, with original amount of \$50,000. Interest of 6.75 percent is due semi-annually commencing June 30, 2014. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 27,894

Tax increment revenue bond series 2012, with original amount of \$38,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. Semi-annual principal payments commence July 31, 2014 through December 31, 2027. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 28,733

Tax increment revenue bond series 2013, with original amount of \$130,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 107,167

Tax increment revenue bond series 2013, with original amount of \$150,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 1, 2016 through June 1, 2026. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 132,119

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**6. Long-term Debt, continued**

**Component Unit, continued**

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2013, with original amount of \$93,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

-

Tax increment revenue bond series 2013, with original amount of \$40,000. Principal and interest of 5 percent is due annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

25,698

Tax increment revenue bond series 2013, with original amount of \$108,646. Interest of 5 percent is due semi-annually commencing December 31, 2015. Semi-annual principal payments commence June 30, 2015 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

91,732

Tax increment revenue bond series 2015, with original amount of \$200,000. Interest of 5 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence June 30, 2019 through June 30, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

174,734

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**6. Long-term Debt, continued**

**Component Unit, continued**

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2014, with original amount of \$250,000. Interest of 6 percent is due semi-annually commencing June 1, 2016. Semi-annual principal payments commence December 31, 2017 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 208,630

Tax increment revenue bond series 2019, with original amount of \$120,258. Interest of 6 percent is due semi-annually commencing July 1, 2019. Semi-annual principal payments commence July 1, 2019 through December 31, 2033. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 92,480

Tax increment revenue bond series 2019, with original amount of \$195,021. Interest of 5.50 percent is due semi-annually commencing July 1, 2019. Semi-annual principal payments commence July 1, 2019 through December 31, 2033. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 214,002

Tax increment revenue bond series 2016, with original amount of \$50,000. Interest of 6 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence December 31, 2017 through December 31, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 164,147

Total Community Development Agency bonds payable 2,238,576

Total component unit notes and bond payable \$ 2,405,972

Current portion \$ 613,386

Noncurrent portion 1,792,586

Total \$ 2,405,972

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**6. Long-term Debt, continued**

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2022, are as follows:

| Year Ending<br>September 30, | Governmental Activities |                   | Business-type Activities |                   |                   |                     |                   |
|------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|---------------------|-------------------|
|                              | Other Debt Issues       |                   | Direct Placement Debt    |                   |                   | Other Debt Issues   |                   |
|                              | Principal               | Interest          | Principal                | Interest          | Fees              | Principal           | Interest          |
| 2023                         | \$ 510,000              | \$ 52,953         | \$ 488,974               | \$ 54,307         | \$ 32,255         | \$ 285,000          | \$ 29,928         |
| 2024                         | 525,000                 | 46,150            | 492,893                  | 50,390            | 29,610            | 290,000             | 27,022            |
| 2025                         | 530,000                 | 38,477            | 496,856                  | 46,425            | 26,940            | 285,000             | 23,808            |
| 2026                         | 545,000                 | 30,148            | 500,865                  | 42,416            | 24,247            | 290,000             | 20,520            |
| 2027                         | 545,000                 | 20,767            | 504,920                  | 38,361            | 21,529            | 160,000             | 16,755            |
| 2028-2032                    | 555,000                 | 10,795            | 2,400,058                | 129,555           | 66,133            | 675,000             | 35,910            |
| 2033-2037                    | -                       | -                 | 926,040                  | 55,800            | 21,616            | -                   | -                 |
| 2038-2041                    | -                       | -                 | 391,634                  | 11,837            | 3,945             | -                   | -                 |
|                              | <u>\$ 3,210,000</u>     | <u>\$ 199,290</u> | <u>\$ 6,202,240</u>      | <u>\$ 429,091</u> | <u>\$ 226,275</u> | <u>\$ 1,985,000</u> | <u>\$ 153,943</u> |

| Year Ending<br>September 30, | Component Units          |             |                      |                   |
|------------------------------|--------------------------|-------------|----------------------|-------------------|
|                              | Airport Direct Placement |             | CDA Direct Placement |                   |
|                              | Principal                | Interest    | Principal            | Interest          |
| 2023                         | \$ 30,876                | \$ -        | \$ 582,510           | \$ 322,390        |
| 2024                         | 30,876                   | -           | 235,651              | 92,250            |
| 2025                         | 24,966                   | -           | 236,415              | 78,337            |
| 2026                         | 16,692                   | -           | 233,709              | 64,162            |
| 2027                         | 16,692                   | -           | 248,325              | 50,378            |
| 2028-2032                    | 47,294                   | -           | 579,444              | 101,152           |
| 2033-2037                    | -                        | -           | 122,522              | 6,154             |
|                              | <u>\$ 167,396</u>        | <u>\$ -</u> | <u>\$ 2,238,576</u>  | <u>\$ 714,823</u> |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**7. Interfund Transactions and Balances**

Operating transfers:

|                              | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|----------------------|
| General Fund:                |                     |                      |
| Street Fund                  | \$ -                | \$ 200,000           |
| Wireless 911                 | 31,625              | -                    |
| E911                         | <u>10,000</u>       | <u>-</u>             |
| Total General Fund           | 41,625              | 200,000              |
| Street Fund:                 |                     |                      |
| General Fund                 | 200,000             | -                    |
| Debt Service Fund            | <u>-</u>            | <u>125,510</u>       |
| Total Street Fund            | 200,000             | 125,510              |
| Debt Service Fund:           |                     |                      |
| Electric Fund                | 49,578              | -                    |
| Street Fund                  | <u>125,510</u>      | <u>-</u>             |
| Total Debt Service Fund      | 175,088             | -                    |
| Nonmajor Governmental Funds: |                     |                      |
| General Fund                 | -                   | 41,625               |
| Sewer Fund                   | <u>-</u>            | <u>558,195</u>       |
|                              | -                   | 599,820              |
| Electric Fund:               |                     |                      |
| Debt Service Fund            | -__                 | 49,578               |
| Sewer Fund:                  |                     |                      |
| Community Development Fund   | <u>558,195</u>      | <u>-</u>             |
| Total Interfund Transfers    | \$ <u>974,908</u>   | \$ <u>974,908</u>    |

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**7. Interfund Transactions and Balances, continued**

Interfund balances:

| <u>Due From</u> | <u>Due To</u> | <u>Amount</u>     | <u>Terms</u>  |
|-----------------|---------------|-------------------|---|
| Airport         | General       | \$ 79             | 0%; will be repaid during year ending September 30, 2023. |
| CDA             | General       | 291               | 0%; will be repaid during year ending September 30, 2023. |
| CDA             | Electric      | 300,000           | 0%; on demand or upon sale of real estate.                |
| CDA             | Electric      | 127,471           | 0.5%; line of credit for projects.                        |
| Total           |               | <u>\$ 427,841</u> |   |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES**

**1. Employee Pension and Other Benefit Plans**

Under Nebraska statutes, the City is to maintain a retirement plan for City policemen. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited under a money purchase retirement plan with Ameritas Retirement. This plan requires that covered employees and the City contribute an amount equal to seven percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. The eligible and covered payroll amounted to \$567,594 for the year ended September 30, 2022. Both the City and the covered employees' required contributions of \$39,732 were made for the year ended September 30, 2022. The employees also contributed \$9,543 to a deferred compensation plan in accordance with Internal Revenue Code Section 457. The employer contributions vest at the following rate: 0 to 2 years - 0 percent, 2 to 3 years - 40 percent, 4 years - 60 percent, 5 to 6 years - 80 percent, 7 years - fully vested.

The City maintains a defined contribution plan for the City employees in accordance with Internal Revenue Code Sections 457 and 401(a). The plan is available to all full-time City employees. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited with the ICMA. This plan requires that covered employees contribute at least one percent to the deferred compensation savings plan and that the City contribute six percent of the employee's salary to the plan until such employee becomes eligible for regular retirement, at which time contributions shall cease. The total payroll amounted to \$2,941,023 and the covered payroll amounted to \$1,628,328 for the year ended September 30, 2022. The City and the employees contributed \$137,100 and \$161,178, respectively, for the year ended September 30, 2022.

**2. Risk Management**

**Insurance**

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance and administers funds for its self-insured health insurance program. Insurance is maintained for the various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; dishonest employees; injuries to employees; and natural disasters. The City has not paid any amounts in excess of the coverage provided by insurance in the last three audit periods. The City is partially self-insured for health insurance

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

**Insurance, continued**

claims up to \$4,280 of individual claims. The self-insurance program is administered within the Internal Service Fund. The City maintains outside insurance coverage through an insurance policy on claim amounts over \$6,350 per individual or \$12,700 per family. The maximum out-of-pocket costs would be \$2,470 for the employee and \$3,880 for the City (based on individual coverage). The maximum out of pocket costs would be double the maximums shown above for family coverage.

Settled claims in the past three years have not exceeded the commercial coverages. The City has estimated unsubmitted claims on health insurance based on prior experience to be \$10,000; this amount represents two months of subsequent claims. This has been included as a current year expenditure. A reserve of \$837,426 is established in an internal service fund at September 30, 2022.

**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 City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2022, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**2. 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 City’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. The certificate of deposit maturities are as follows:

| <u>Maturities by Month</u> | <u>Amount</u>       |
|----------------------------|---------------------|
| October 2022               | \$ 550,634          |
| January 2023               | 86,727              |
| February 2023              | 1,100,894           |
| March 2023                 | 355,104             |
| April 2023                 | 650,996             |
| May 2023                   | 1,040,543           |
| June 2023                  | 1,083,242           |
| July 2023                  | 728,410             |
| August 2023                | 818,371             |
| September 2023             | <u>1,610,373</u>    |
|                            | <u>\$ 8,025,294</u> |

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

***Concentration of Credit Risk.*** The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2022, the City’s investments in certificates of deposit consisted of the following:

| <u>Financial Institution</u> | <u>Amount</u>       |
|------------------------------|---------------------|
| Elkhorn Valley Bank          | \$ 2,269,651        |
| Bank First                   | 2,775,913           |
| NPAIT                        | 1,610,373           |
| State Nebraska Bank & Trust  | <u>1,369,357</u>    |
|                              | <u>\$ 8,025,294</u> |

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

**Deposits and Investments, continued**

*Foreign Currency Risk.* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2022.

**3. Commitments**

**Construction/Contractual Commitments**

The City has numerous construction projects and other contracts in progress. The City intends to fund the construction through operations or long-term financing.

| <u>Project</u>                      | <u>Contract Amount</u> | <u>Paid Through 9/30/22</u> | <u>Obligation Pending</u> | <u>Expected Completion Date</u> |
|-------------------------------------|------------------------|-----------------------------|---------------------------|---------------------------------|
| <b>Governmental Fund Projects:</b>  |                        |                             |                           |                                 |
| Lincoln/Chicago engineering         | \$ 91,550              | \$ 85,597                   | \$ 5,953                  | December 2022                   |
| Lincoln/Chicago contractor          | 967,496                | 526,884                     | 440,612                   | December 2022                   |
| Freedom Park trailhead              | 372,310                | 12,442                      | 359,868                   | May 2023                        |
| Prairie Park development            | 62,600                 | 24,650                      | 37,950                    | October 2024                    |
| Spartan fire truck                  | 605,951                | 450,000                     | 155,951                   | May 2023                        |
| Centennial Road engineering         | 169,710                | 151,678                     | 18,032                    | October 2023                    |
| 2023 Chevy Tahoe                    | 47,933                 | -                           | 47,933                    | September 2023                  |
| 2023 Ford Explorer                  | 44,929                 | -                           | 44,929                    | September 2023                  |
| John Deere backhoe loader           | 97,400                 | -                           | 97,400                    | November 2022                   |
| <b>Business-type Fund Projects:</b> |                        |                             |                           |                                 |
| UV light system                     | 44,200                 | 5,550                       | 38,650                    | December 2023                   |
| <b>Wayne Municipal Airport:</b>     |                        |                             |                           |                                 |
| Parallel taxiway – phase II:        |                        |                             |                           |                                 |
| Engineering                         | 530,432                | 413,080                     | 117,352                   | December 2022                   |
| Mayday aviation events:             |                        |                             |                           |                                 |
| Consultant                          | 185,778                | 155,078                     | 30,700                    | May 2023                        |

**LB840 Loan Commitment**

On November 21, 2022, Council approved a \$400,000 LB840 loan for Sanctuary Apartments, LLC to renovate and repurpose the former First Baptist Church building from a church into a 6-unit apartment complex. This loan had not been funded as of September 30, 2022.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**3. Commitments, continued**

**Other Commitments**

| <u>Lessor</u>      | <u>Leased Property</u> | <u>Term</u>       | <u>Amount</u> |
|--------------------|------------------------|-------------------|---------------|
| MailFinance, Inc.  | Folding Machine        | 9/30/19 – 9/30/24 | \$ 897/month  |
| Quadient           | Postage Machine        | 6/23/20 – 6/23/25 | 218/month     |
| Eakes Office Plus  | Copier-Recreation      | 6/8/20 – 6/8/25   | 82/month      |
| Eakes Office Plus  | Copier-Police          | 3/14/18 – 3/14/23 | 70/month      |
| Eakes Office Plus  | Copier-Administration  | 3/21/19 – 3/21/24 | 284/month     |
| Marco Technologies | Copier-Library         | 1/7/20 – 1/7/25   | 166/month     |

**Airport Management Contract**

On January 1, 2019, the Airport entered into a five year management contract for \$3,000 per month.

Future commitments under this contract as of September 30, 2022, are as follows:

| <u>Year ending September 30,</u> | <u>Commitment</u> |
|----------------------------------|-------------------|
| 2023                             | \$ 36,000         |
| 2024                             | <u>9,000</u>      |
|                                  | \$ <u>45,000</u>  |

**Electric Department**

The City has an agreement that expires in 2022 with Nebraska Public Power District (NPPD) to sell to them the City’s generating capacity of the City’s generating facilities.

Concurrent with the execution of the capacity lease described above, the City entered into a wholesale power contract with NPPD. Under the terms of the agreement, the City is required to purchase all the electric power and energy in excess of power and energy supplied by NPPD needed in the operation of the City distribution system. Beginning in the year 2011, the City can start reducing power and energy purchases from NPPD and purchase these from other sources. Lease payments for the power plant from NPPD would reduce in the same ratio as power and energy purchases from NPPD. Power purchased under this agreement totaled \$146,964 for the year ended September 30, 2022.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**3. Commitments, continued**

**Electric Department, continued**

The City also receives an allocation of electric energy from the United States Department of Energy Western Area Power Administration.

In December 2013, the City gave NPPD the required five year notice of 90 percent reduction of its contract power purchases to begin on January 1, 2019. The City then entered into an eight year full requirements wholesale power contract with Big Rivers Electric Coop in Henderson, Kentucky. That contract will allow the City to continue to purchase 10 percent of the monthly average of its last three years energy and capacity from NPPD until December 31, 2022. After that date, the City will purchase about 17 percent of its wholesale energy and capacity from the federal Western Area Power Administration and the remainder through the Big Rivers contract until December 31, 2026. The City is considering the purchase of renewable power during that time, but no decisions have been made at this time. Big Rivers is offering \$1.50 per kW per month to the City for 19 MW of generation capacity at the City's power plant during the contract period. Starting in November 2017, the City has a 25 year contract with Nextera to purchase 2.38 MW of electricity generated with wind energy for \$15.60 per MWh.

**4. Related-Party Transactions**

The Electric Fund remits 10.5 percent of gross revenues, the Water Fund remits nine percent of gross revenues, and Sewer Funds remit seven percent of gross revenues to the General Fund annually as payments in lieu of taxes. The Electric Fund made payments in the amount of \$776,423, the Water Fund made payments of \$126,755, and the Sewer Fund made payments of \$113,379, for the year ended September 30, 2022.

During the year ended September 30, 2022, the City paid \$527,234 to Robert Woehler & Sons, for construction services. This company is owned by a council member.

During the year ended September 30, 2022, the City paid \$464,063 (\$450,000 of which was for a fire truck) to Ed M. Feld Equipment Co Inc. The City's fire chief is a salesman for this company; however, the fire chief was not the sales person on the fire truck purchase agreement that was entered into during the year.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements**

The City has the following interlocal agreements in effect as of September 30, 2022:

| <b>Parties to Agreement</b>                          | <b>Agreement Period</b> | <b>Descriptions</b>  |
|--|-------------------------|--|
| Village of Carroll and<br>Village of Winside         | 12/15/98                | Dispatch services/911<br>Service Center  |
| Wayne County Agricultural<br>Society                 | 3/13/01                 | Agreement to waive water/sewer and<br>electrical charges incurred during the fair  |
| Wayne Community Schools                              | 7/09/02                 | Use of softball fields, associated parking and<br>restroom facilities, and program equipment   |
| Northeast Nebraska Public Power<br>District          | 11/9/04                 | Commitment to provide assistance to restore<br>power after storm damage  |
| Wayne County   | 8/19/17                 | Jointly provide dispatch service for public<br>safety in Wayne County  |
| Wayne State College                                  | 6/7/22                  | Share law enforcement resources  |
| Wayne County and Wayne County<br>Library Association | 2/18/20                 | Provide all library services and materials<br>currently available through the public<br>libraries to all residents of the county   |
| Providence Medical Center                            | 6/20/17                 | Provide funds to defray a part of the cost of<br>the operation of the ambulance  |
| Rural Enterprise Assistance Project                  | 5/10/05                 | Use of the services of REAP to be available<br>for start-up and existing entrepreneurs   |
| ONELibrary Consortium                                | 10/04/16                | The mission of the consortium of public<br>funded libraries in the northeastern part of<br>the State of Nebraska is to enrich the<br>collections, share the resources, enhance the<br>services, and strengthen the support for its<br>member libraries |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements, continued**

| <b>Parties to Agreement</b>                      | <b>Agreement Period</b> | <b>Descriptions</b>   |
|--|-------------------------|---|
| Elkhorn Valley Mutual Aid Association            | 9/19/14                 | Ensuring the safety of the lives and property of our citizens from fire loss, medical emergencies, and natural disasters            |
| Lower Elkhorn Natural Resource District          | 5/10/05                 | Wayne Pedestrian Trail – Phase II   |
| Northeast Nebraska Economic Development District | 10/10/06                | Services for planning, grant writing, grant management, etc.  |
| Wayne State College                              | 5/08/07                 | Contribution to Wayne Volunteer Fire Department in lieu of fine assessment for false alarms   |
| Northeast Nebraska Public Power District         | 10/26/04                | Service area extensions   |
| Wayne County and Golf Club of Wayne              | 11/1/94                 | Golf courses maintenance agreement  |
| Rural Fire Board                                 | 9/12/50                 | Sharing equipment and facilities  |
| Nebraska Expressways for Economic Development    | 6/21/09                 | Nebraska State Highway Expressway System  |
| Wayne State College                              | 7/15/08                 | Rugby field usage   |
| Wayne State College                              | 6/20/17                 | Classroom use/facility & field use, tuition waivers, athletic events, real estate, athletic staff assistance, and internet services |
| Wayne Community Housing                          | 5/8/08                  | Establish the energy saver program & provide for cost sharing set aside   |
| LNRD and multiple jurisdictions                  | 6/16/15                 | Hazard mitigation planning  |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements, continued**

| <b>Parties to Agreement</b>  | <b>Agreement Period</b> | <b>Descriptions</b>   |
|--|-------------------------|---|
| City of Norfolk  | 2/17/09                 | Interlocal agreement with City of Norfolk for building inspection services  |
| Northeast Nebraska Red Cross   | 6/18/13                 | Red Cross to provide physical facilities to support personnel who are providing services to individuals affected by disasters |
| Village of Carroll   | 5/05/09                 | Interlocal agreement for municipal water system for Carroll, NE   |
| Wayne Public Schools, Wayne County, Wayne Area Economic Development                                  | 5/16/09                 | Collaboration for the creation of a joint web site  |
| City of Wisner, Village of Winside, City of Ponca, Ponca Rural Fire District, and City of West Point | 6/15/10                 | Mutual Fire Organization  |
| Wayne Community Schools  | 3/15/11                 | Share Facilities & Equipment Hank Overin Field  |
| Electric Transportation Partners - Nebraska  | 8/20/13                 | Participation in advancement of compressed natural gas and electric vehicle infrastructure                                    |
| Wayne Area Economic Development  | 3/18/14                 | Fulfill mission of enhancing the economic well-being and quality of life in the Wayne area.                                   |
| Nebraska Community Energy Alliance   | 6/17/14                 | Advancement of Compressed Natural Gas and Electric Vehicle Infrastructure.  |
| Wayne County   | 6/4/19                  | Provide joint services between City of Wayne and Wayne County.  |
| NE Game & Parks  | 1/20/15                 | Agreement to maintain signs for 10 years from start date of project.  |
| Western Area Power Admin   | 3/03/15                 | Assign specific rights, duties and obligations of City to NPPD for delivery of City's Federal power and energy.               |
| Western Area Power Admin   | 3/03/15                 | WSC requires serviced from NPPD for the delivery of their allocation from WAPA to the City's electrical system.               |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements, continued**

| <b>Parties to Agreement</b>   | <b>Agreement Period</b> | <b>Descriptions</b>   |
|---|-------------------------|---|
| Western Area Power Admin  | 3/03/15                 | Update City’s transmission arrangements and the transmission path and delivery measurement conditions.  |
| Wayne State College and NRIN  | 12/15/20                | Agreement to place NRIN equipment on City and WSC towers.   |
| Nebraska Regional Interoperability Network  | 12/15/2015              | Enable separate political subdivision of NE to cooperate on the basis of mutual advantage to provide for joint undertakings, services & facilities.                     |
| Office of the Chief Information Officer, State of Nebraska  | 06/07/2016              | Network Nebraska – Education and Network Nebraska-Education “Participant” for the purpose of outlining the service and responsibility of the OCI.                       |
| Nebraska Department of Roads  | 09/20/2016              | LPA supplemental Program Agreement – Federal-Aid Funds which will out the various duties and funding responsibilities for the Federal Aid projects.                     |
| LNRD  | 05/17/2011              | Logan Creek bank stabilization project.   |
| NE Red Cross  | 04/07/2009              | Local Emergency planning process.   |
| Village of Concord  | 09/18/2018              | Provide building inspections  |
| Village of Carroll  | 12/04/2018              | Provide building inspections  |
| City of Norfolk, City of South Sioux City, Cedar County, Dakota County, Dixon County, Knox County | 03/01/2022              | Share emergency 911 call handling software.   |
| Wayne Community School District   | 01/01/2022              | Cooperate in construction of certain recreational facilities in and for the benefit of the City and its residents and for the benefit of the District and its students. |

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**6. Tax Abatements**

The Community Redevelopment Agency (CRA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CRA for the year ended September 30, 2022 is as follows:

| <u>TIF Project:</u>                                | <u>Years Remaining<br/>on<br/>TIF Agreements</u> | <u>2022 TIF<br/>Valuation</u> | <u>TIF Proceeds Received<br/>during the year<br/>9-30-2022</u> |
|--|--|-------------------------------|--|
| Angel Acres  | 7  | \$ 2,367,930                  | \$ 34,958  |
| MZRB, LLC  | 7  | 382,180                       | 6,845  |
| Progressive Properties –<br>First Street           | 6  | 157,465                       | 1,589  |
| Sebade   | 7  | 941,185                       | 4,566  |
| Progressive Properties –<br>6 <sup>th</sup> Street | 8  | 442,935                       | 4,426  |
| Wayne Rentals                                      | 7  | 1,311,140                     | 25,065   |
| Mid Plains Grain                                   | 8  | 693,360                       | 13,255   |
| Bomgaars   | 3  | 1,494,575                     | 28,305   |
| Benscoter Development                              | 2  | 1,391,015                     | 25,293   |
| Wayne Hospitality                                  | 3  | 2,179,230                     | 41,660   |
| Progressive Properties –<br>Nebraska Street        | 7  | 505,340                       | 5,099  |
| Windom Ridge                                       | 2  | 586,350                       | 16,137   |
| Grainland Estates                                  | 11   | 1,774,385                     | 34,061   |
| Sebade Valley Drive                                | 11   | 760,830                       | 15,552   |
| Wayne Crown  | 13   | 351,120                       | 4,555  |
| Jorgensen – The Jug<br>Store                       | 9  | 1,380,465                     | 26,153   |
|  |  |                               | <u>\$ 287,519</u>  |

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**7. Subsequent Events**

Management has evaluated subsequent events through January 6, 2023, the date on which the financial statements were available for issue.

On November 15, 2022, Council approved application for Community Development Block Grant of \$433,000 to provide funding for the City's phased recreational trail.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WAYNE, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE -**  
**GENERAL FUND**

**Year ended September 30, 2022**

|  | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u> | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|---|---------------|--|
| <b>RESOURCES (INFLOWS)</b>   |   |               |  |
| Taxes:   |   |               |  |
| Property   | \$ 974,138                                | \$ 986,728    | \$ 12,590  |
| Payments in lieu of taxes  | 1,099,786                                 | 1,099,947     | 161  |
| Sales tax  | 1,179,960                                 | 950,622       | (229,338)  |
| Franchise  | 214,500                                   | 148,324       | (66,176)   |
| Intergovernmental  | 1,284,943                                 | 1,044,640     | (240,303)  |
| Charges for services   | 620,834                                   | 711,858       | 91,024   |
| Grant revenue  | -   | 10,210        | 10,210   |
| Interest income  | 10,000                                    | 13,439        | 3,439  |
| Contributions  | 10,700                                    | 26,152        | 15,452   |
| Sale of property   | -   | 106,392       | 106,392  |
| Other  | 49,500                                    | 87,044        | 37,544   |
|  | 5,444,361                                 | 5,185,356     | (259,005)  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>  |   |               |  |
| General government   | 1,977,147                                 | 261,138       | (1,716,009)  |
| Public buildings   | 132,347                                   | 96,793        | (35,554)   |
| Public safety  | 1,812,949                                 | 1,598,467     | (214,482)  |
| Senior citizens services   | 340,562                                   | 318,790       | (21,772)   |
| Library  | 392,466                                   | 315,751       | (76,715)   |
| Recreation   | 733,328                                   | 642,047       | (91,281)   |
| Community Activity Center  | 388,019                                   | 372,513       | (15,506)   |
| Capital outlay   | 1,863,750                                 | 875,136       | (988,614)  |
| Principal payments on debt   | 185,000                                   | 185,000       | -  |
| Interest and fees on debt  | 9,380                                     | 9,353         | (27)   |
|  | 7,834,948                                 | 4,674,988     | (3,159,960)  |
| Resources over (under) charges<br>to appropriations  | (2,390,587)                               | 510,368       | 2,900,955  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |   |               |  |
| Transfers in   | 35,800                                    | 41,625        | 5,825  |
| Transfers out  | (595,000)                                 | (200,000)     | 395,000  |
| Net transfers  | (559,200)                                 | (158,375)     | 400,825  |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES (USES) OVER (UNDER)<br/>CHARGES TO APPROPRIATIONS</b> |   |               |  |
|  | \$ (2,949,787)                            | \$ 351,993    | \$ 3,301,780   |

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
STREET FUND**

**Year ended September 30, 2022**

|   | Budget<br>(Original and<br><u>Final</u> ) | <u>Actual</u>       | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|---|---|---------------------|--|
| <b>RESOURCES (INFLOWS)</b>  |   |                     |  |
| Taxes:  |   |                     |  |
| Property  | \$ 1,200                                  | \$ 1,945            | \$ 745   |
| Motor vehicle   | 90,000                                    | 102,704             | 12,704   |
| Sales tax   | 120,000                                   | 154,539             | 34,539   |
| Intergovernmental   | 719,469                                   | 827,628             | 108,159  |
| Charges for services  | 2,200                                     | 7,743               | 5,543  |
| Interest income   | 3,000                                     | 4,794               | 1,794  |
| Sale of property  | -   | 16,672              | 16,672   |
| Other income  | -   | 4,733               | 4,733  |
|   | <hr/>                                     | <hr/>               | <hr/>  |
| Total resources   | 935,869                                   | 1,120,758           | 184,889  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>   |   |                     |  |
| Public works  | 571,162                                   | 642,242             | 71,080   |
| Capital projects  | 1,959,307                                 | 776,410             | (1,182,897)  |
|   | <hr/>                                     | <hr/>               | <hr/>  |
| Total charges to appropriations   | 2,530,469                                 | 1,418,652           | (1,111,817)  |
| Resources under charges<br>to appropriations  | (1,594,600)                               | (297,894)           | 1,296,706  |
| <b>OTHER FINANCING SOURCES</b>  |   |                     |  |
| Transfers in  | 200,000                                   | 200,000             | -  |
| Transfers out   | (125,510)                                 | (125,510)           | -  |
| Net transfers   | 74,490                                    | 74,490              | -  |
|   | <hr/>                                     | <hr/>               | <hr/>  |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES (USES) UNDER CHARGES<br/>TO APPROPRIATIONS</b> | <u>\$ (1,520,110)</u>                     | <u>\$ (223,404)</u> | <u>\$ 1,296,706</u>  |

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
LB840 FUND**

**Year ended September 30, 2022**

|   | Budget<br>(Original and<br>Final) | <u>Actual</u>     | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|---|-----------------------------------|-------------------|--|
| <b>RESOURCES (INFLOWS)</b>                                  |                                   |                   |  |
| Sales tax   | \$ 275,000                        | \$ 345,680        | \$ 70,680  |
| Interest income   | 800                               | 25,691            | 24,891   |
| Other income  | 105,151                           | 164,606           | 59,455   |
|   | <hr/>                             | <hr/>             | <hr/>  |
| Total resources   | 380,951                           | 535,977           | 155,026  |
| <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>                 |                                   |                   |  |
| General government-economic development                     | 832,834                           | 312,971           | (519,863)  |
| Interest on long-term debt                                  | -                                 | 99                | 99   |
|   | <hr/>                             | <hr/>             | <hr/>  |
| Total charges to appropriations                             | 832,834                           | 313,070           | (519,764)  |
| <b>RESOURCES OVER (UNDER)<br/>CHARGES TO APPROPRIATIONS</b> |                                   |                   |  |
|   | <u>\$ (451,883)</u>               | <u>\$ 222,907</u> | <u>\$ 674,790</u>  |

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND**

**Year ended September 30, 2022**

|  | Budget<br>(Original and<br>Final) | <u>Actual</u>   | Variances -<br>Actual Over<br>(Under) Final<br><u>Budget</u> |
|--|-----------------------------------|-----------------|--|
| <b>RESOURCES (INFLOWS)</b>   |                                   |                 |  |
| Property tax   | \$ 101,475                        | \$ 104,692      | \$ 3,217   |
| Payments in lieu of taxes  | 225                               | 173             | (52)   |
| Special assessments  | 37,754                            | 91,482          | 53,728   |
| Other revenue  | 211,641                           | -               | (211,641)  |
| Interest income  | 4,150                             | 8,553           | 4,403  |
|  | <hr/>                             | <hr/>           | <hr/>  |
| Total resources  | 355,245                           | 204,900         | (150,345)  |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b>                                      |                                   |                 |  |
| Principal payments   | 1,129,504                         | 330,000         | (799,504)  |
| Interest and fees  | 51,000                            | 50,099          | (901)  |
|  | <hr/>                             | <hr/>           | <hr/>  |
| Total charges to appropriations  | 1,180,504                         | 380,099         | (800,405)  |
|  |                                   |                 |  |
| Resources under charges to<br>appropriations   | (825,259)                         | (175,199)       | 650,060  |
| <b>OTHER FINANCING SOURCES</b>   |                                   |                 |  |
| Transfer in  | 9,578                             | 175,088         | 165,510  |
|  | <hr/>                             | <hr/>           | <hr/>  |
| <b>RESOURCES AND OTHER FINANCING<br/>SOURCES UNDER CHARGES<br/>TO APPROPRIATIONS</b> | <u>\$ (815,681)</u>               | <u>\$ (111)</u> | <u>\$ 815,570</u>  |

**CITY OF WAYNE, NEBRASKA**

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

**Year ended September 30, 2022**

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

|   | <u>General<br/>Fund</u>    | <u>Street<br/>Fund</u>     | <u>LB840<br/>Fund</u>    | <u>Debt Service<br/>Fund</u> |
|---|----------------------------|----------------------------|--------------------------|------------------------------|
| <b>Sources/inflows of resources:</b>  |                            |                            |                          |                              |
| Actual amounts of resources<br>(budgetary basis) from the<br>budgetary comparison schedules   | \$ 5,185,356               | \$ 1,120,758               | \$ 535,977               | \$ 204,900                   |
| Differences - budget to GAAP:   |                            |                            |                          |                              |
| Cash to accrual adjustments   | <u>35,016</u>              | <u>2,046</u>               | <u>(164,606)</u>         | <u>(13,137)</u>              |
| Total revenues as reported on the<br>statement of revenues, expenditures,<br>and changes in fund balances -<br>governmental funds     | <u><u>\$ 5,220,372</u></u> | <u><u>\$ 1,122,804</u></u> | <u><u>\$ 371,371</u></u> | <u><u>\$ 191,763</u></u>     |
| <b>Uses/outflows of resources:</b>  |                            |                            |                          |                              |
| Actual amounts (budgetary basis)<br>total charges to appropriations<br>from the budgetary comparison<br>schedules                     | \$ 4,674,988               | \$ 1,418,652               | \$ 313,070               | \$ 380,099                   |
| Differences - budget to GAAP:   |                            |                            |                          |                              |
| Cash to accrual adjustments   | <u>7,667</u>               | <u>(11,955)</u>            | <u>(300,016)</u>         | <u>(1,824)</u>               |
| Total expenditures as reported on<br>the statement of revenues,<br>expenditures, and changes in<br>fund balances - governmental funds | <u><u>\$ 4,682,655</u></u> | <u><u>\$ 1,406,697</u></u> | <u><u>\$ 13,054</u></u>  | <u><u>\$ 378,275</u></u>     |

**SUPPLEMENTARY INFORMATION**

**CITY OF WAYNE, NEBRASKA**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**

**September 30, 2022**

|  | Special Revenue Funds            |                      |                   |                         |                  | Total Nonmajor<br>Governmental<br>Funds |
|--|----------------------------------|----------------------|-------------------|-------------------------|------------------|---|
|  | <u>Community<br/>Development</u> | <u>Sales<br/>Tax</u> | <u>Keno</u>       | <u>Wireless<br/>911</u> | <u>E911</u>      |   |
| <b>ASSETS</b>                                  |                                  |                      |                   |                         |                  |   |
| Cash and cash equivalents                      | \$ -                             | \$ -                 | \$ -              | \$ 64,822               | \$ 25,248        | \$ 90,070                               |
| Investments                                    | -                                | -                    | -                 | 64,905                  | 11,377           | 76,282                                  |
| Grants receivable                              | 14,968                           | -                    | -                 | -                       | -                | 14,968                                  |
| Notes receivable                               | 98,156                           | -                    | -                 | -                       | -                | 98,156                                  |
| Interest receivable                            | -                                | -                    | -                 | 107                     | 20               | 127                                     |
| Restricted assets:                             |                                  |                      |                   |                         |                  |   |
| Cash and cash equivalents                      | 494,850                          | 103,497              | 103,391           | -                       | -                | 701,738                                 |
| <b>Total assets</b>                            | <b>\$ 607,974</b>                | <b>\$ 103,497</b>    | <b>\$ 103,391</b> | <b>\$ 129,834</b>       | <b>\$ 36,645</b> | <b>\$ 981,341</b>                       |
| <b>LIABILITIES AND FUND BALANCES</b>           |                                  |                      |                   |                         |                  |   |
| Liabilities:                                   |                                  |                      |                   |                         |                  |   |
| Accounts payable                               | \$ -                             | \$ -                 | \$ 1,988          | \$ 174                  | \$ -             | \$ 2,162                                |
| Due to other funds                             | -                                | -                    | -                 | 41,898                  | 3,955            | 45,853                                  |
| Total liabilities                              | -                                | -                    | 1,988             | 42,072                  | 3,955            | 48,015                                  |
| Fund balances:                                 |                                  |                      |                   |                         |                  |   |
| Restricted for:                                |                                  |                      |                   |                         |                  |   |
| Federal programs                               | 607,974                          | -                    | -                 | -                       | -                | 607,974                                 |
| Community Activity Center                      | -                                | 103,497              | -                 | -                       | -                | 103,497                                 |
| Community betterment                           | -                                | -                    | 101,403           | -                       | -                | 101,403                                 |
| Assigned for:                                  |                                  |                      |                   |                         |                  |   |
| Other purposes                                 | -                                | -                    | -                 | 87,762                  | 32,690           | 120,452                                 |
| Total fund balances                            | 607,974                          | 103,497              | 101,403           | 87,762                  | 32,690           | 933,326                                 |
| <b>Total liabilities and fund<br/>balances</b> | <b>\$ 607,974</b>                | <b>\$ 103,497</b>    | <b>\$ 103,391</b> | <b>\$ 129,834</b>       | <b>\$ 36,645</b> | <b>\$ 981,341</b>                       |

**CITY OF WAYNE, NEBRASKA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended September 30, 2022**

|   | Special Revenue Funds           |                     |                   |                        |                  | Total Nonmajor<br>Governmental<br>Funds |
|---|---------------------------------|---------------------|-------------------|------------------------|------------------|---|
|   | Community<br><u>Development</u> | Sales<br><u>Tax</u> | <u>Keno</u>       | Wireless<br><u>911</u> | <u>E911</u>      |   |
| <b>REVENUES</b>                                 |                                 |                     |                   |                        |                  |   |
| Grant revenue                                   | \$ 590,232                      | \$ -                | \$ -              | \$ -                   | \$ -             | \$ 590,232                              |
| Charges for services                            | -                               | -                   | -                 | 51,895                 | 19,843           | 71,738                                  |
| Keno proceeds                                   | -                               | -                   | 24,612            | -                      | -                | 24,612                                  |
| Interest income                                 | 1,364                           | 375                 | 238               | 457                    | 112              | 2,546                                   |
| Total revenues                                  | <u>591,596</u>                  | <u>375</u>          | <u>24,850</u>     | <u>52,352</u>          | <u>19,955</u>    | <u>689,128</u>                          |
| <b>EXPENDITURES</b>                             |                                 |                     |                   |                        |                  |   |
| General government                              | 15,602                          | -                   | -                 | -                      | -                | 15,602                                  |
| Public safety                                   | -                               | -                   | -                 | 8,114                  | 6,394            | 14,508                                  |
| Public works                                    | 5,307                           | -                   | -                 | -                      | -                | 5,307                                   |
| Recreation                                      | 4,388                           | -                   | 6,280             | -                      | -                | 10,668                                  |
| Capital outlay                                  | 64,180                          | -                   | -                 | 11,994                 | -                | 76,174                                  |
| Total expenditures                              | <u>89,477</u>                   | <u>-</u>            | <u>6,280</u>      | <u>20,108</u>          | <u>6,394</u>     | <u>122,259</u>                          |
| <b>Excess of revenues<br/>over expenditures</b> | 502,119                         | 375                 | 18,570            | 32,244                 | 13,561           | 566,869                                 |
| <b>OTHER FINANCING USES</b>                     |                                 |                     |                   |                        |                  |   |
| Transfers out                                   | (558,195)                       | -                   | -                 | (31,625)               | (10,000)         | (599,820)                               |
| <b>Net change in fund balances</b>              | (56,076)                        | 375                 | 18,570            | 619                    | 3,561            | (32,951)                                |
| Fund balances - September 30, 2021              | <u>664,050</u>                  | <u>103,122</u>      | <u>82,833</u>     | <u>87,143</u>          | <u>29,129</u>    | <u>966,277</u>                          |
| Fund balances - September 30, 2022              | <u>\$ 607,974</u>               | <u>\$ 103,497</u>   | <u>\$ 101,403</u> | <u>\$ 87,762</u>       | <u>\$ 32,690</u> | <u>\$ 933,326</u>                       |

**CITY OF WAYNE, NEBRASKA**

**COMBINING STATEMENT OF NET POSITION -  
COMPONENT UNITS**

**September 30, 2022**

|  | Wayne<br>Municipal<br>Airport | Community<br>Redevelopment<br>Authority | Total<br>Component<br>Units |
|--|-------------------------------|---|-----------------------------|
|  | <u>                    </u>   | <u>                    </u>             | <u>                    </u> |
| <b>ASSETS</b>                                |                               |   |                             |
| Current assets:                              |                               |   |                             |
| Cash and cash equivalents                    | \$ 642,909                    | \$ 16,934                               | \$ 659,843                  |
| County treasurer cash                        | 3,489                         | -                                       | 3,489                       |
| Receivables:                                 |                               |   |                             |
| Property tax                                 | 2,278                         | -                                       | 2,278                       |
| Accounts receivable                          | 660                           | -                                       | 660                         |
| Grants receivable                            | 94,038                        | -                                       | 94,038                      |
| TIF receivable-current portion               | -                             | 287,518                                 | 287,518                     |
| Note receivable-current portion              | 3,935                         | -                                       | 3,935                       |
| Fuel inventory                               | 12,714                        | -                                       | 12,714                      |
| Prepaid insurance                            | 10,356                        | -                                       | 10,356                      |
| <b>Total current assets</b>                  | <u>770,379</u>                | <u>304,452</u>                          | <u>1,074,831</u>            |
| Noncurrent assets:                           |                               |   |                             |
| TIF receivable-noncurrent portion            | -                             | 1,951,058                               | 1,951,058                   |
| Note receivable-noncurrent portion           | 88,541                        | 130,400                                 | 218,941                     |
| Capital assets:                              |                               |   |                             |
| Land   | 287,776                       | 563,117                                 | 850,893                     |
| Construction in progress                     | 4,945,377                     | -                                       | 4,945,377                   |
| Other capital assets, net<br>of depreciation | 5,234,076                     | -                                       | 5,234,076                   |
| <b>Net capital assets</b>                    | <u>10,467,229</u>             | <u>563,117</u>                          | <u>11,030,346</u>           |
| <b>Total noncurrent assets</b>               | <u>10,555,770</u>             | <u>2,644,575</u>                        | <u>13,200,345</u>           |
| <b>Total assets</b>                          | 11,326,149                    | 2,949,027                               | 14,275,176                  |
| <b>LIABILITIES</b>                           |                               |   |                             |
| Current liabilities:                         |                               |   |                             |
| Due to the City of Wayne                     | 79                            | 427,762                                 | 427,841                     |
| Accounts payable                             | 5,032                         | -                                       | 5,032                       |
| Accrued interest payable                     | -                             | 244,502                                 | 244,502                     |
| Unavailable property tax                     | 809                           | -                                       | 809                         |
| Current portion of long-term debt            | 30,876                        | 582,510                                 | 613,386                     |
| <b>Total current liabilities</b>             | <u>36,796</u>                 | <u>1,254,774</u>                        | <u>1,291,570</u>            |
| Noncurrent liabilities:                      |                               |   |                             |
| Noncurrent portion of long-term debt         | 136,520                       | 1,656,066                               | 1,792,586                   |
| <b>Total liabilities</b>                     | <u>173,316</u>                | <u>2,910,840</u>                        | <u>3,084,156</u>            |
| <b>NET POSITION</b>                          |                               |   |                             |
| Net investment in capital assets             | 10,299,833                    | 563,117                                 | 10,862,950                  |
| Unrestricted                                 | 853,000                       | (524,930)                               | 328,070                     |
| <b>Total net position</b>                    | <u>\$ 11,152,833</u>          | <u>\$ 38,187</u>                        | <u>\$ 11,191,020</u>        |

**CITY OF WAYNE, NEBRASKA**

**COMBINING STATEMENT OF ACTIVITIES -  
COMPONENT UNITS**

**For the year ended September 30, 2022**

| <u>Functions/Programs</u>                 | <u>Expenses</u>   | <u>Charges for<br/>Services</u> | <u>Program Revenues<br/>Operating<br/>Grants and<br/>Contributions</u> |
|---|-------------------|---------------------------------|--|
| <b>Wayne Municipal Airport:</b>           |                   |                                 |  |
| Airport                                   | \$ 659,219        | \$ 172,595                      | \$ -   |
| <b>Community Redevelopment Authority:</b> |                   |                                 |  |
| Economic development                      | 200,922           | 7,500                           | -  |
| <b>Total component units</b>              | <b>\$ 860,141</b> | <b>\$ 180,095</b>               | <b>\$ -</b>  |

## **SINGLE AUDIT REPORTS**

**CITY OF WAYNE, NEBRASKA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended September 30, 2022**

| <u>Federal Grantor<br/>and Program Title</u>  | <u>Federal<br/>AL<br/>Number</u> | <u>Pass-thru<br/>Identifying<br/>Number</u> | <u>Expenditures</u> |
|---|----------------------------------|---|---------------------|
| <b><u>Department of Transportation:</u></b>   |                                  |   |                     |
| Passed Through Nebraska Department of Transportation:   |                                  |   |                     |
| Formula Grants for Other than Urbanized Areas   | 20.509                           | 32104                                       | \$ 65,623           |
| Airport Improvement Program   | 20.106                           | 3-31-0086                                   | 360,485             |
| COVID-19 - Airport Improvement Program  | 20.106                           | 3-31-0086                                   | <u>32,000</u>       |
| Total AL 20.106   |                                  |   | <u>392,485</u>      |
| Total Department of Transportation  |                                  |   | 458,108             |
| <b><u>National Endowment for the Humanities</u></b>   |                                  |   |                     |
| Passed Through Nebraska Library Commission:   |                                  |   |                     |
| COVID 19 - Grants to States   | 45.310                           | 47-6006407                                  | 5,307               |
| <b><u>Department of the Treasury</u></b>  |                                  |   |                     |
| Direct Award:   |                                  |   |                     |
| COVID 19 - Coronavirus State and Local Fiscal Recovery Funds  | 21.027                           | n/a   | 558,195 *           |
| <b><u>Housing and Urban Development:</u></b>  |                                  |   |                     |
| Passed Through Nebraska Department of Economic Development:   |                                  |   |                     |
| Community Development Block Grants  | 14.228                           | 47-6006407                                  | 84,049              |
| <b><u>Department of Health and Human Services:</u></b>  |                                  |   |                     |
| Passed Through Northeast Nebraska Area Agency on Aging:   |                                  |   |                     |
| Aging Cluster:  |                                  |   |                     |
| Special Programs for the Aging Title III, Part B -<br>Grants for Supportive Services and Senior Centers | 93.044                           | 47-6006407                                  | 6,427               |
| Special Programs for the Aging Title III, Part C - Nutrition Services                                   | 93.045                           | 47-6006407                                  | 19,260              |
| Nutrition Services Incentive Programs   | 93.053                           | 47-6006407                                  | <u>9,206</u>        |
| Total Aging Cluster   |                                  |   | 34,893              |
| National Family Caregiver Support, Title III, Part E  | 93.052                           | 47-6006407                                  | <u>2,705</u>        |
| Total Department of Health and Human Services   |                                  |   | <u>37,598</u>       |
| Total Federal Awards  |                                  |   | <u>\$ 1,143,257</u> |

\* Major Program

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant and loan activity of the City of Wayne, Nebraska, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

The City has not elected to use the 10 percent de minimis cost rate.

**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***

**SHAREHOLDERS:**

Robert D. Almquist  
Phillip D. Maltzahn  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon

To the Honorable Mayor and Members of the City Council  
City of Wayne, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 6, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Wayne's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2022-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Wayne'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*.

### **City of Wayne's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wayne's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City'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.

AMGL, P.C.

Grand Island, Nebraska  
January 6, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council  
City of Wayne, Nebraska

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Wayne, Nebraska's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City of Wayne, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Wayne, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Wayne, Nebraska and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Wayne, Nebraska's compliance with the compliance requirements referred to above.

**SHAREHOLDERS:**

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Phillip D. Maltzahn  
Marcy J. Luth  
Heidi A. Ashby  
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## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Wayne, Nebraska's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Wayne, Nebraska's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Wayne, Nebraska's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Wayne, Nebraska's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Wayne, Nebraska's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Wayne, Nebraska's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

AMGL, PC

Grand Island, Nebraska  
January 6, 2023

**CITY OF WAYNE, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2022**

1. A summary of auditor's results:

- (i) Unmodified opinions were issued on all opinion units of the City of Wayne, Nebraska, as of September 30, 2022.
- (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*." The deficiency is not reported as a material weakness.
- (iii) The audit disclosed no instances of noncompliance which are material to the financial statements of the City of Wayne, Nebraska.
- (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Wayne, Nebraska.
- (v) An unmodified opinion was issued on compliance for major programs.
- (vi) The audit did not disclose any audit findings which are required to be reported under 2 CFR section 200.516(a).
- (vii) Major Program: AL #21.027 – COVID 19 – Coronavirus State and Local Fiscal Recovery Funds.
- (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (ix) The City of Wayne, Nebraska, qualified as a low-risk auditee.

**CITY OF WAYNE, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2022**

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

2022-001

Condition: There is not adequate segregation of duties.

Criteria: Adequate segregation of duties should be in place to ensure internal control over cash receipts, disbursements, and recording of transactions.

Cause: There are a limited number of accounting personnel.

Effect: Because of the lack of segregation, the same employees may participate in multiple facets of a transaction.

Recommendation: Management should remain aware of this lack of segregation and continue diligence in oversight and review of transactions.

Views of Responsible Officials and Planned Corrective Actions: It is impractical to further segregate duties due to the limited number of accounting personnel. However, management will continue to review/oversight of transactions.

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in 2 CFR section 200.516(a).

None

**CITY OF WAYNE, NEBRASKA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended September 30, 2022**

There were no prior audit findings for the year ended September 30, 2021.