

**CITY OF WAYNE, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2024**

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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, 2024, 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, 2024, 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.

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## **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 87-91 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 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 December 31, 2024, 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.

AMGL, P.C.

Grand Island, Nebraska  
December 31, 2024

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2024**

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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, 2024. 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 \$64,583,016 (*net position*). Of this amount, \$20,536,494 (*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 \$33,280,877. Approximately 7.4 percent of this total amount, \$2,467,472, is *unrestricted net position*.
- At the end of the current fiscal year, the General Fund had unassigned fund balance of \$497,315, while total fund balance was \$6,395,045.

**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, 2024**

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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, 2024**

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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 statements can be found on page 32-33 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 34-86 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 87-91 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 92-95 of this report.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

**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 \$64,583,016 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

	September 30, 2024			September 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 14,461,198	\$ 19,679,755	\$ 34,140,953	\$ 10,726,872	\$ 18,687,721	\$ 29,414,593
Capital Assets	31,300,079	19,288,954	50,589,033	25,089,268	18,847,155	43,936,423
Total Assets	45,761,277	38,968,709	84,729,986	35,816,140	37,534,876	73,351,016
Long-term Liabilities	11,138,591	5,992,342	17,130,933	1,779,632	6,778,023	8,557,655
Other Liabilities	1,341,809	1,674,228	3,016,037	1,169,367	1,646,185	2,815,552
Total Liabilities	12,480,400	7,666,570	20,146,970	2,948,999	8,424,208	11,373,207
Net Position:						
Net Investment in						
Capital Assets	19,935,079	12,658,581	32,593,660	22,889,268	11,433,889	34,323,157
Restricted	10,878,326	574,536	11,452,862	7,333,495	574,536	7,908,031
Unrestricted	2,467,472	18,069,022	20,536,494	2,644,378	17,102,243	19,746,621
Total Net Position	\$ 33,280,877	\$ 31,302,139	\$ 64,583,016	\$ 32,867,141	\$ 29,110,668	\$ 61,977,809

The largest portion of the City of Wayne’s net position (50.5 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 (17.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$20,536,494) 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, 2024**

**Expenses and Program Revenues - Governmental Activities**

<b>Function</b>	<b>Year Ended September 30, 2024</b>		<b>Year Ended September 30, 2023</b>	
	<b>Program Revenues</b>	<b>Program Expenses</b>	<b>Program Revenues</b>	<b>Program Expenses</b>
General Government	\$ 147,284	\$ 270,269	\$ 165,100	\$ 652,807
Economic Development	346,978	352,842	-	-
Public Safety	437,781	1,810,618	432,709	1,726,530
Public Works	39,111	647,187	20,673	598,879
Public Buildings	190,652	148,214	61,325	151,376
Recreation	500,706	814,087	665,174	650,760
Community Activity Center	176,671	412,932	159,145	384,173
Library	15,503	392,275	15,052	330,983
Senior Citizens Services	279,546	387,449	293,719	365,884
Interest	-	506,728	-	50,801
Depreciation	-	1,730,135	-	1,522,405
<b>Total</b>	<b>\$ 2,134,232</b>	<b>\$ 7,472,736</b>	<b>\$ 1,812,897</b>	<b>\$ 6,434,598</b>

**Revenues by Source - Governmental Activities**

**SOURCES OF REVENUE**

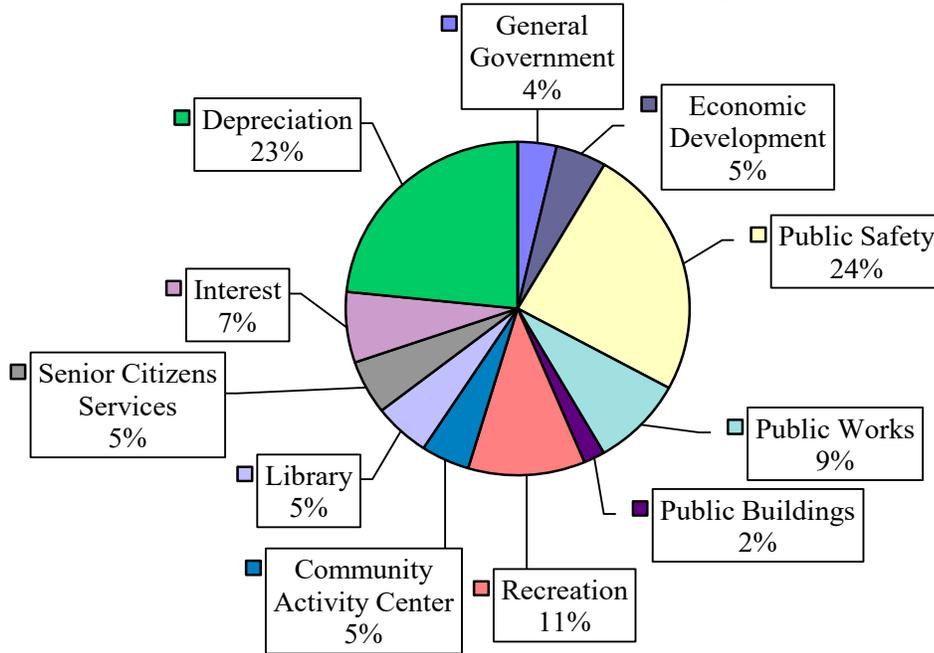
	<b>Year Ended September 30, 2024</b>		<b>Year Ended September 30, 2023</b>	
Charges for Services	\$ 943,588	11.96 %	\$ 824,723	10.68 %
Operating Grants and Contributions	873,728	11.08	421,205	5.46
Capital Grants and Contributions	316,916	4.02	566,969	7.34
Property Taxes	1,174,778	14.90	1,103,130	14.29
Motor Vehicle Taxes	110,096	1.40	101,432	1.31
Payments in Lieu of Taxes	1,261,719	16.00	1,156,883	14.98
Sales Tax	1,637,281	20.76	1,568,839	20.32
Franchise Taxes	179,512	2.28	177,514	2.30
State Allocation	1,571,340	19.92	1,548,268	20.05
Special Assessments	10,593	0.13	42,819	0.56
Keno Proceeds	42,768	0.54	60,330	0.78
Other	51,069	0.65	27,145	0.35
Interest	532,249	6.75	218,082	2.83
Gain on Sale of Assets	11,690	0.15	6,348	0.08
Interfund Transfers	(830,855)	(10.54)	(102,876)	(1.33)
<b>Total</b>	<b>\$ 7,886,472</b>	<b>100.00 %</b>	<b>\$ 7,720,811</b>	<b>100.00 %</b>

Net position increased \$413,736 in the governmental funds during the year ended September 30, 2024.

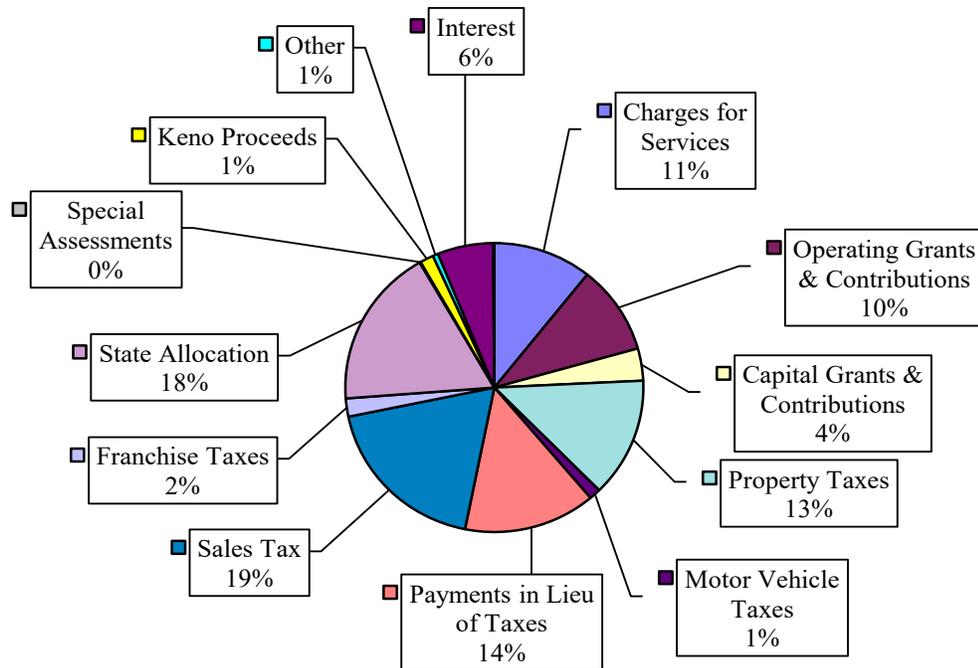
**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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Governmental Activities - 2024 Expenses



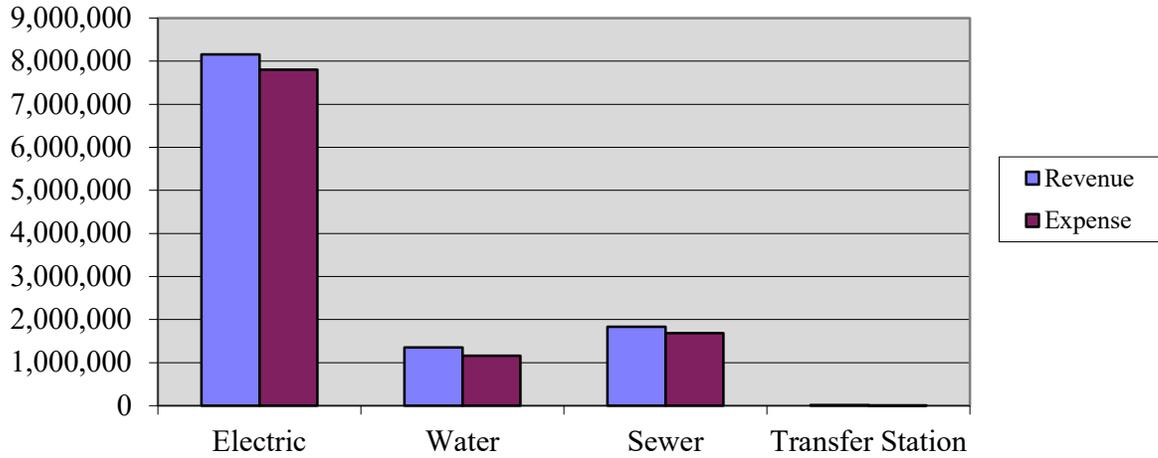
Governmental Activities - 2024 Revenue



**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

**Business-type activities.** Business-type activities increased the City of Wayne’s net position by \$2,191,471 for the year ended September 30, 2024. Key elements of this increase are as follows:

**2024 Expenses and Program Revenues - Business-type Activities**



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

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 8,161,251	\$ 7,802,935	\$ 8,506,627	\$ 7,533,744
Water	1,354,761	1,155,781	1,418,701	1,004,237
Sewer	1,831,832	1,686,266	1,859,350	1,562,451
Transfer Station	13,200	8,226	11,500	7,269
Total	11,361,044	10,653,208	11,796,178	10,107,701
Interfund & CRA Transfer	830,855	-	102,876	42,654
	<u>\$ 12,191,899</u>	<u>\$ 10,653,208</u>	<u>\$ 11,899,054</u>	<u>\$ 10,150,355</u>

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 11,361,044	88.45 %	\$ 11,756,073	96.11 %
Capital Grants and Contributions	-	-	40,105	0.33
Interest	641,090	4.99	375,241	3.07
Gain on Sale of Assets	11,690	0.09	-	-
Interfund Transfers	830,855	6.47	60,222	0.49
Total	<u>\$ 12,844,679</u>	<u>100.00 %</u>	<u>\$ 12,231,641</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 \$12,553,691. Of this amount, \$497,315 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 (\$707,030), 2) restricted for Federal programs (\$154,215), 3) restricted for Community Activity Center expenditures (\$108,447), 4) restricted for economic development (\$3,024,349), 5) restricted for capital projects (\$908,802), 6) restricted for the municipal improvements (\$3,920,880), 7) restricted for community betterment (\$101,141), 8) restricted for street improvements (\$1,953,462), 9) committed for capital projects (\$1,068,048), and 10) assigned for other purposes (\$110,002).

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 \$497,315, while total fund balance reached \$6,395,045. 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 4.0 percent of total General Fund expenditures, while total fund balance represents 51.9 percent of that same amount.

The fund balance of the City of Wayne’s General Fund increased by \$3,233,300 during the current fiscal year.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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**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.

Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund - \$11,550,638, Water Fund - \$3,223,991, Sewer Fund - \$3,247,110, and Transfer Station – \$47,283. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$757,104, Water Fund – increase of \$635,540, Sewer Fund – increase of \$793,168, and Transfer Station – increase of \$5,659. 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, 2024, amounts to \$50,589,033 (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 City Hall renovation project - \$2,496,491
- Construction in progress on Prairie Park development - \$2,119,565
- Purchase of First National Bank building - \$2,752,594
- Batting cages and water fountains - \$87,359
- Construction in progress on Electric Energy Center - \$223,642
- Electric transformers and wire upgrades - \$354,769
- Prairie Park water improvements - \$335,187
- Prairie Park sewer improvements - \$249,933
- UV sewer system improvements - \$351,699

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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

	<u>Year Ended September 30, 2024</u>			<u>Year Ended September 30, 2023</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	\$ 833,855	\$ 842,662	\$ 1,676,517	\$ 818,657	\$ 712,802	\$ 1,531,459
Construction						
in progress	5,114,142	268,669	5,382,811	580,140	194,308	774,448
Infrastructure	7,924,009	-	7,924,009	8,326,749	-	8,326,749
Improvements	6,602,280	-	6,602,280	7,112,238	-	7,112,238
Buildings	8,715,801	6,946,489	15,662,290	6,165,658	7,512,793	13,678,451
Equipment	2,109,992	1,483,583	3,593,575	2,085,826	947,952	3,033,778
Distribution						
Systems	-	9,747,551	9,747,551	-	9,479,300	9,479,300
Total	<u>\$ 31,300,079</u>	<u>\$ 19,288,954</u>	<u>\$ 50,589,033</u>	<u>\$ 25,089,268</u>	<u>\$ 18,847,155</u>	<u>\$ 43,936,423</u>

Additional information on the City of Wayne's capital assets can be found in Note C4 on pages 60-63 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 \$17,995,373. Of this amount, \$11,365,000 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., revenue bonds and notes payable).

**City of Wayne's Outstanding Debt**

	<u>Year Ended September 30, 2024</u>			<u>Year Ended September 30, 2023</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	\$ 300,000	\$ -	\$ 300,000	\$ 375,000	\$ -	\$ 375,000
Sales Tax Revenue						
Bonds	-	-	-	440,000	-	440,000
Highway Allocation						
Bonds	900,000	-	900,000	1,115,000	-	1,115,000
Public Safety						
Bonds	220,000	-	220,000	270,000	-	270,000
DEE Notes	-	5,220,373	5,220,373	-	5,713,266	5,713,266
Municipal Improvement						
Bonds	9,945,000	-	9,945,000	-	-	-
Revenue Bonds	-	1,410,000	1,410,000	-	1,700,000	1,700,000
Total	<u>\$ 11,365,000</u>	<u>\$ 6,630,373</u>	<u>\$ 17,995,373</u>	<u>\$ 2,200,000</u>	<u>\$ 7,413,266</u>	<u>\$ 9,613,266</u>

The City of Wayne's total debt increased by \$8,382,107 (87.2 percent) during the current fiscal year due primarily to the issuance of \$9,945,000 of municipal improvement bonds.

Additional information on the City of Wayne's long-term debt can be found in Note C6 on pages 64-72 of this report.

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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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 2024-2025 continues the practice of conservative financial planning.

Each year, City Council holds retreats where they discuss short and long-term goals for the City. These goals were established at retreats held in January 2024 and April 2024. The budget adopted complies with the financial management policies approved by the City Council and is structured to meet the Council’s priorities.

**COUNCIL GOALS 2024**

- Long-Term Planning
  - Start planning for another well
  - Start planning for a large salt shed either at same location or a new location
  - Consider adjusting water rates to help fund future water projects
  - Plans for old City Hall; and
  - Auditorium (apartment renovation)

**PERSONNEL**

The Police Department has recently hired a new dispatcher and they have completed the training process. With this new dispatcher, the Police Department is currently fully staffed and trained with police officers and dispatchers. Due to potential foreseen changes in staffing, the Police Chief is looking to hire 1-2 additional dispatchers in the near future.

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 Zachary Braun 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 Clayton Dredge, 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.

The Economic Development Department continues to be a City department and is managed by Luke Virgil. The City receives funding from Wayne County to assist with this department. This department is committed to serving the City and County through economic development efforts, membership services, housing programs, and tourism activities.

**ECONOMY**

A shortage of qualified employees and workforce housing continue to be a problem for Northeast Nebraska. In our area industrial businesses, manufacturing businesses, medical facilities, construction

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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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 has closed their call center location in Wayne and given all the employees the option to work from home. The First National Bank of Omaha Center has also seen a reduction in their workforce as many employees are able to work from home. Due to this change, they have laid off a significant number of their upper management employees in the Wayne office.

The Wayne City Council and Community Redevelopment Authority continue to support the housing and development efforts in the community. R Perry Construction, Inc. is close to completing final 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 \$8,334,480 of value attributable to growth in the last year. 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 with a total headcount currently at 4,807, which is a 4.6% increase compared to the previous year. The City of Wayne maintains a strong relationship with Wayne State College and their president Marysz Rames.

### **GRANTS**

The City continues to work with the State and NDOT on the approved 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. The City is utilizing JEO for engineer services on this project.

The American Rescue Plant Act (ARPA) funds have been fully expended. The City was able to complete a UV light system and Aquarius system for wastewater plant, Golf Course extension line, and repair/replacement of sewer mains.

A Civic and Community Center Financing Fund (CCCFF) grant for \$562,000 was received and used towards the first phases of our Prairie Park project. We are currently in the final stages of these phases and working with the engineer to receive certificates of completion so the grant can be closed out.

The City of Wayne recently received notification that they received a Rural Community Recovery Program (RCRP) grant in the amount of \$1,371,000 for the Prairie Park project. These grant funds will help towards continued progress of the Prairie Park project including bath/shower house, baseball/softball fields, and paving.

An additional CDBG grant for \$488,000 has been applied for. These grant funds would be utilized for ADA accessible sidewalk/trail paving, playground/exercise area, and parking/camper pad paving throughout the park. Awards for this grant should be announced in November 2024.

**CITY OF WAYNE, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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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 Prairie Park project, City Hall building, park/recreation building, electric energy center (substation/generation), corporate hangar at the airport, sidewalk extension project and UV light system at wastewater plant.

**REVENUES**

The City has a significant decrease in the total property tax levy requested for city support at \$0.393959 per \$100 of valuation for the upcoming fiscal year. The 2024 combined tax rate for the City of Wayne is \$1.603075 per \$100 of valuation.

Revenues from the city sales tax have continued to grow at a larger rate than estimated during the last year. With the approved ballot issue, the allocation of LB 840 funds has been updated effective July 1, 2024 to 15% of 1% of city sales tax. The previous allocation was 40% of 1% of city sales tax. The Citizens Advisory Committee continues to receive and process numerous requests for LB 840 plan projects.

Rates for the utility funds are set to cover operating costs and capital needs. City Council has started preliminary discussion about potential increases on the water/wastewater rates. These rate increases will allow for capital projects such as water line replacement and well projects.

**CAPITAL BUDGET 2024-2025**

- Police department
  - a. Radio replacement
  - b. Vehicle
- Fire Department
  - a. LED sign at Fire Hall
  - b. Prairie Park rescue equipment
  - c. Set-aside for new truck
- Parks Department
  - a. Prairie Park
  - b. Park/Rec building
  - c. Truck
  - d. Bobcat compact wheel loader
- Recreation/CAC/Pool
  - a. Annual maintenance to Hank Overin, Summer Sports Complex, and soccer field
  - b. Repair/replace fence at Hank Overin field
  - c. Repair/possible replacement pool boiler system
  - d. Roof at CAC building
- Public Buildings
  - a. City Hall renovation of previous Ameritas building

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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- b. Auditorium AC/heat unit replacement
- Senior Center
  - a. Transit vehicle purchase
- Library
  - a. New shelving
  - b. Possible building addition
- City sales tax capital projects
  - a. Upgrades to the Library/Senior Center
  - b. Auditorium repairs
  - c. Community sidewalk/trail expansion- partially grant funded
  - d. Police vehicle replacement
  - e. Police radios
  - f. Fire department equipment
  - g. Park improvements (Prairie Park & Park/Rec bldg.)
  - h. City Hall renovation
  - i. Public art
- Street Fund
  - a. Mower
  - b. Saw
  - c. Street Sweeper (purchase in 25-26)
  - d. Dump truck (split with Sewer; purchase in FY 25-26)
  - e. Street Projects are
    - i. Downtown alleys
    - ii. 4<sup>th</sup> Street/Thorman
- Wired/Wireless Fund
  - a. Police radios
- Electric Production
  - a. Normal capital items
  - b. Power Plant- partial roof replacement
  - c. Boiler to heat engine water
  - d. Potential diesel fuel cost
- Electric Distribution
  - a. Normal distribution system upgrades
  - b. El. distribution building- doors, bathroom, roof repair
  - c. Continued district improvements projects
  - d. Housing subdivision costs
  - e. Mini excavator with trailer (cost share with water/sewer)
  - f. Wire trailer
  - g. Infrared safety camera
  - h. Digger truck (purchase in 25-26)
  - i. Truck (purchase in 25-26)
  - j. Land purchase
  - k. Electric Energy Center
- CAD/GIS
  - a. Scanner/plotter

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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- Technology
  - a. Servers and various computers
  - b. Potential equipment purchases for new City Hall building
  - c. Police radios
- Water Fund
  - a. Well repairs
  - b. Mini excavator with trailer (cost share with electric/sewer)
  - c. Water meters
  - d. Housing subdivision costs
  - e. Well project
  - f. Replacing lead service lines
  - g. New pickup (Split with Sewer; purchase 24-25)
  - h. SCADA upgrade
  - i. 4<sup>th</sup> Street/Thorman project
- Sewer Fund
  - a. Mini excavator with trailer (cost share with electric/water)
  - b. Dump truck (Split with Street; purchase 25-26)
  - c. Replace old lift station pumps
  - d. Manhole rehab and cleaning of sewer lines.
  - e. New pickup (Split with Water; purchase 24-25)
  - f. SCADA upgrade

**DEBT**

As we move forward with the Electric Energy Center project we continue to work with Andy Forney at DA Davidson on the bonding for this project.

The pool sales tax bond was paid off in April 2024.

The City Council authorized the issuance of a Municipal Improvement Bond not to exceed 10 million dollars for the Prairie Park project, Park/Rec building, City Hall renovation, and potential land acquisition of the FNBO building. We have taken the full amount on this bond and have started making interest payments on this debt. We will issue for long term debt in 2026.

**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 continues to have a service agreement with Northeast Nebraska Aviators to handle the promotion/advertising of the airport. This agreement has proven to be successful and they continue to see an increased interest in general aviation and the Wayne Airport.

**CITY OF WAYNE, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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There seems to be a growing demand for jet fuel and the board has purchased a jet fuel truck. There is a new on-site manager hired by the FBO that is working to be certified to pump jet fuel.

The Airport Authority is now working on their corporate hangar project. This project is nearing completion and the board is working towards occupancy.

**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 years 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 worked 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 have advertised for ‘Request For Proposals’ for this area and continue to pursue development proposals. Another project undertaken by the CRA this year was moving 3 homes that Wayne State College purchased for development of their campus. The CRA has moved these homes to the Lincoln Street area. All of these homes have sold and have been a successful addition to the community housing stock. The City approved a tax levy of \$0.26 for the CRA effective in 2024. This has created a reliable source of revenue that is helping the organization to continue project and pay down debt to the City.

**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, 2024**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 748,006	\$ 5,175,008	\$ 5,923,014	\$ 534,106
Investments	2,114,763	10,671,262	12,786,025	-
County treasurer cash	72,052	-	72,052	10,263
Receivables:				
Property tax	14,934	-	14,934	2,480
Special assessments	107,907	254,907	362,814	-
Accounts, net of allowance for doubtful accounts	34,106	1,021,453	1,055,559	-
Unbilled revenue	-	428,389	428,389	-
Grants	20,076	-	20,076	27,216
Interest	35,833	71,577	107,410	-
Current portion of TIF receivable	-	-	-	297,000
Current portion of notes	319,000	-	319,000	4,178
Due from other governments	272,897	-	272,897	-
Due from component units	274	445,563	445,837	-
Prepaid insurance	-	-	-	10,356
Inventory	-	815,180	815,180	19,320
Total current assets	<u>3,739,848</u>	<u>18,883,339</u>	<u>22,623,187</u>	<u>904,919</u>
Noncurrent assets:				
Restricted cash and cash equivalents	6,613,072	300,759	6,913,831	-
Restricted investments	2,077,020	495,657	2,572,677	-
Noncurrent TIF receivable	-	-	-	1,810,050
Noncurrent notes receivable	2,031,258	-	2,031,258	287,301
Capital assets:				
Land and construction in progress	5,947,997	1,111,331	7,059,328	2,220,386
Other capital assets, net of depreciation	25,352,082	18,177,623	43,529,705	8,776,288
Net capital assets	<u>31,300,079</u>	<u>19,288,954</u>	<u>50,589,033</u>	<u>10,996,674</u>
Total noncurrent assets	<u>42,021,429</u>	<u>20,085,370</u>	<u>62,106,799</u>	<u>13,094,025</u>
<b>Total assets</b>	<u>45,761,277</u>	<u>38,968,709</u>	<u>84,729,986</u>	<u>13,998,944</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	383,060	395,758	778,818	35,611
Accrued expenses	452,786	274,734	727,520	225,946
Customer deposits	50,250	221,880	272,130	-
Due to the City of Wayne	-	-	-	445,837
Unavailable property tax	110,713	-	110,713	1,575
Current portion of long-term obligations	345,000	781,856	1,126,856	708,290
Total current liabilities	<u>1,341,809</u>	<u>1,674,228</u>	<u>3,016,037</u>	<u>1,417,259</u>
Noncurrent liabilities:				
Compensated absences - noncurrent	118,591	143,825	262,416	-
Noncurrent portion of long-term obligations	11,020,000	5,848,517	16,868,517	1,504,404
Total noncurrent liabilities	<u>11,138,591</u>	<u>5,992,342</u>	<u>17,130,933</u>	<u>1,504,404</u>
<b>Total liabilities</b>	<u>12,480,400</u>	<u>7,666,570</u>	<u>20,146,970</u>	<u>2,921,663</u>
<b>NET POSITION</b>				
Net investment in capital assets	19,935,079	12,658,581	32,593,660	10,891,030
Restricted for:				
Debt service	707,030	574,536	1,281,566	-
Economic development	3,024,349	-	3,024,349	-
Federal loan programs	154,215	-	154,215	-
Capital projects	908,802	-	908,802	-
Municipal improvements	3,920,880	-	3,920,880	-
Community Activity Center	108,447	-	108,447	-
Community betterment	101,141	-	101,141	-
Street projects	1,953,462	-	1,953,462	-
Unrestricted	2,467,472	18,069,022	20,536,494	186,251
<b>Total net position</b>	<u>\$ 33,280,877</u>	<u>\$ 31,302,139</u>	<u>\$ 64,583,016</u>	<u>\$ 11,077,281</u>

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

**STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ 270,269	\$ 147,284	\$ -
Economic development	352,842	-	346,978
Public buildings	148,214	190,652	-
Public safety	1,810,618	226,177	211,604
Public works	647,187	5,148	-
Senior citizens services	387,449	80,185	199,361
Library	392,275	7,668	7,835
Recreation	814,087	109,803	107,950
Community Activity Center	412,932	176,671	-
Interest and related expenses	506,728	-	-
Depreciation - unallocated	1,730,135	-	-
Total governmental activities	<u>7,472,736</u>	<u>943,588</u>	<u>873,728</u>
<b>Business-type activities:</b>			
Electric	7,802,935	8,161,251	-
Water	1,155,781	1,354,761	-
Sewer	1,686,266	1,831,832	-
Transfer Station	8,226	13,200	-
Total business-type activities	<u>10,653,208</u>	<u>11,361,044</u>	<u>-</u>
<b>Total primary government</b>	<u><u>\$ 18,125,944</u></u>	<u><u>\$ 12,304,632</u></u>	<u><u>\$ 873,728</u></u>
<b>Component units:</b>			
Wayne Municipal Airport	\$ 763,753	\$ 168,172	\$ -
Community Redevelopment Authority	126,340	23,951	110,000
<b>Total component units</b>	<u><u>\$ 890,093</u></u>	<u><u>\$ 192,123</u></u>	<u><u>\$ 110,000</u></u>

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (122,985)		\$ (122,985)	
-	(5,864)		(5,864)	
-	42,438		42,438	
-	(1,372,837)		(1,372,837)	
33,963	(608,076)		(608,076)	
-	(107,903)		(107,903)	
-	(376,772)		(376,772)	
282,953	(313,381)		(313,381)	
-	(236,261)		(236,261)	
-	(506,728)		(506,728)	
-	(1,730,135)		(1,730,135)	
<u>316,916</u>	<u>(5,338,504)</u>	<u>\$ -</u>	<u>(5,338,504)</u>	
-	-	358,316	358,316	
-	-	198,980	198,980	
-	-	145,566	145,566	
-	-	4,974	4,974	
<u>-</u>	<u>-</u>	<u>707,836</u>	<u>707,836</u>	
<u>\$ 316,916</u>	<u>(5,338,504)</u>	<u>707,836</u>	<u>(4,630,668)</u>	
\$ 959,555				\$ 363,974
-				7,611
<u>\$ 959,555</u>				<u>371,585</u>
General revenues:				
Taxes:				
Property	1,174,778	-	1,174,778	192,401
Motor vehicle	110,096	-	110,096	-
Payments in lieu of taxes	1,261,719	-	1,261,719	-
Sales tax	1,637,281	-	1,637,281	-
Franchise	179,512	-	179,512	-
TIF proceeds	-	-	-	92,052
State allocation	1,571,340	-	1,571,340	-
Special assessments	10,593	-	10,593	-
Keno proceeds	42,768	-	42,768	-
Miscellaneous	51,069	-	51,069	25,174
Interest income	532,249	641,090	1,173,339	17,976
Gain on sale of assets	11,690	11,690	23,380	(4,344)
Interfund transfers	(830,855)	830,855	-	-
Total general revenues	<u>5,752,240</u>	<u>1,483,635</u>	<u>7,235,875</u>	<u>323,259</u>
Change in net position	413,736	2,191,471	2,605,207	694,844
Net position - September 30, 2023	<u>32,867,141</u>	<u>29,110,668</u>	<u>61,977,809</u>	<u>10,382,437</u>
Net position - September 30, 2024	<u>\$ 33,280,877</u>	<u>\$ 31,302,139</u>	<u>\$ 64,583,016</u>	<u>\$ 11,077,281</u>

**CITY OF WAYNE, NEBRASKA**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**September 30, 2024**

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 326,620	\$ -	\$ -	\$ -	\$ 49,792	\$ -	\$ 376,412
Investments	1,492,194	-	-	-	80,343	-	1,572,537
County treasurer cash	56,866	9,730	-	5,456	-	-	72,052
Receivables:							
Special assessments	-	-	-	107,907	-	-	107,907
Accounts, net of allowance for doubtful accounts	30,081	2,225	-	-	-	-	32,306
Grants	20,076	-	-	-	-	-	20,076
Notes receivable	-	-	2,266,582	-	83,676	-	2,350,258
Interest	22,718	6,563	-	3,050	924	-	33,255
Property tax	13,632	-	-	1,302	-	-	14,934
Due from other governments	272,897	-	-	-	-	-	272,897
Due from other funds	20,908	-	-	-	-	(20,908)	-
Due from component units	274	-	-	-	-	-	274
Restricted assets:							
Cash	4,288,247	1,028,133	757,767	257,737	281,188	-	6,613,072
Investments	541,435	972,847	-	562,738	-	-	2,077,020
<b>Total assets</b>	<b>\$ 7,085,948</b>	<b>\$ 2,019,498</b>	<b>\$ 3,024,349</b>	<b>\$ 938,190</b>	<b>\$ 495,923</b>	<b>\$ (20,908)</b>	<b>\$ 13,543,000</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 350,976	\$ 23,374	\$ -	\$ -	\$ 1,210	\$ -	\$ 375,560
Accrued expenses	281,484	42,662	-	128,640	-	-	452,786
Customer deposits	50,250	-	-	-	-	-	50,250
Due to other funds	-	-	-	-	20,908	(20,908)	-
Unavailable property tax	8,193	-	-	102,520	-	-	110,713
<b>Total liabilities</b>	<b>690,903</b>	<b>66,036</b>	<b>-</b>	<b>231,160</b>	<b>22,118</b>	<b>(20,908)</b>	<b>989,309</b>
Fund balances:							
Restricted for:							
Debt service	-	-	-	707,030	-	-	707,030
Capital projects	908,802	-	-	-	-	-	908,802
Municipal improvements	3,920,880	-	-	-	-	-	3,920,880
Community Activity Center	-	-	-	-	108,447	-	108,447
Community betterment	-	-	-	-	101,141	-	101,141
Federal programs	-	-	-	-	154,215	-	154,215
Economic development	-	-	3,024,349	-	-	-	3,024,349
Street expenditures	-	1,953,462	-	-	-	-	1,953,462
Committed for:							
Capital projects	1,068,048	-	-	-	-	-	1,068,048
Assigned for:							
Other purposes	-	-	-	-	110,002	-	110,002
Unassigned	497,315	-	-	-	-	-	497,315
<b>Total fund balances</b>	<b>6,395,045</b>	<b>1,953,462</b>	<b>3,024,349</b>	<b>707,030</b>	<b>473,805</b>	<b>-</b>	<b>12,553,691</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,085,948</b>	<b>\$ 2,019,498</b>	<b>\$ 3,024,349</b>	<b>\$ 938,190</b>	<b>\$ 495,923</b>	<b>\$ (20,908)</b>	<b>\$ 13,543,000</b>

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

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

**September 30, 2024**

<b>Total fund balances - governmental funds</b>		<b>\$ 12,553,691</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>		
<p>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 \$59,066,817, and the accumulated depreciation is \$27,766,738.</p>		31,300,079
<p>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.</p>		910,698
<p>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:</p>		
Noncurrent compensated absences	\$ (118,591)	
Bonds payable	<u>(11,365,000)</u>	<u>(11,483,591)</u>
<b>Total net position - governmental activities</b>		<b><u><u>\$ 33,280,877</u></u></b>

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, 2024**

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes:						
Property	\$ 1,070,353	\$ 1,916	\$ -	\$ 102,509	\$ -	\$ 1,174,778
Motor vehicle	-	110,096	-	-	-	110,096
Payments in lieu of taxes	1,261,558	-	-	161	-	1,261,719
Sales tax	1,075,783	188,694	372,804	-	-	1,637,281
Franchise	179,512	-	-	-	-	179,512
Intergovernmental	1,220,465	894,674	-	-	-	2,115,139
Special assessments	-	-	-	10,593	-	10,593
Charges for services	883,046	4,648	-	-	50,840	938,534
Grant revenue	-	-	-	-	316,917	316,917
Keno proceeds	-	-	-	-	42,768	42,768
Interest income	337,033	55,727	59,646	36,046	11,752	500,204
Contributions	334,981	-	-	-	-	334,981
Bond/loan proceeds	9,945,000	-	-	-	-	9,945,000
Sale of property	-	11,690	-	-	-	11,690
Other income	20,243	5,826	25,000	-	-	51,069
Total revenues	<u>16,327,974</u>	<u>1,273,271</u>	<u>457,450</u>	<u>149,309</u>	<u>422,277</u>	<u>18,630,281</u>
<b>EXPENDITURES</b>						
General government	267,841	-	11,014	-	8,880	287,735
Economic development	352,841	-	-	-	-	352,841
Public buildings	148,214	-	-	-	-	148,214
Public safety	1,782,111	-	-	-	16,414	1,798,525
Public works	-	645,320	-	-	-	645,320
Senior citizens services	387,449	-	-	-	-	387,449
Library	392,275	-	-	-	-	392,275
Recreation	805,596	-	-	-	8,491	814,087
Community Activity Center	412,932	-	-	-	-	412,932
Capital outlay	7,194,866	62,758	-	-	683,322	7,940,946
Principal payments on debt	440,000	-	-	340,000	-	780,000
Interest on long-term debt	1,704	-	-	366,287	-	367,991
Bond fees	138,737	-	-	-	-	138,737
Total expenditures	<u>12,324,566</u>	<u>708,078</u>	<u>11,014</u>	<u>706,287</u>	<u>717,107</u>	<u>14,467,052</u>
<b>Excess (deficiency) of     revenues over expenditures</b>	4,003,408	565,193	446,436	(556,978)	(294,830)	4,163,229
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	33,000	-	-	392,973	-	425,973
Transfers out	(803,108)	(123,770)	-	-	(329,950)	(1,256,828)
Net transfers	<u>(770,108)</u>	<u>(123,770)</u>	<u>-</u>	<u>392,973</u>	<u>(329,950)</u>	<u>(830,855)</u>
<b>Net change in fund balances</b>	3,233,300	441,423	446,436	(164,005)	(624,780)	3,332,374
Fund balances - September 30, 2023	<u>3,161,745</u>	<u>1,512,039</u>	<u>2,577,913</u>	<u>871,035</u>	<u>1,098,585</u>	<u>9,221,317</u>
Fund balances - September 30, 2024	<u>\$ 6,395,045</u>	<u>\$ 1,953,462</u>	<u>\$ 3,024,349</u>	<u>\$ 707,030</u>	<u>\$ 473,805</u>	<u>\$ 12,553,691</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, 2024**

<b>Total net change in fund balances - governmental funds</b>	<b>\$ 3,332,374</b>
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 (\$7,940,946) exceeded depreciation expense (\$1,730,135) during the period.	6,210,811
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.	49,510
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.	(13,959)
The issuance of bonds is reported as revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(9,945,000)
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>780,000</u>
<b>Change in net position of governmental activities</b>	<b><u><u>\$ 413,736</u></u></b>

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**September 30, 2024**

	Enterprise Funds	
	Electric Fund	Water Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,763,231	\$ 1,239,061
Investments	7,155,648	1,711,426
Receivables:		
Accounts, net of allowance for doubtful accounts	739,992	126,842
Unbilled revenue	292,447	63,688
Special assessments	-	52,886
Interest	52,361	10,168
Due from other funds	-	51,601
Due from Community Redevelopment Authority	445,563	-
Inventory	762,152	53,028
Total current assets	12,211,394	3,308,700
Noncurrent assets:		
Restricted cash and cash equivalents	300,759	-
Restricted investments	495,657	-
Capital assets:		
Land	462,719	143,650
Construction in progress	254,972	13,697
Distribution systems	8,363,511	10,131,206
Buildings	8,423,114	325,644
Equipment	4,023,057	756,645
Less accumulated depreciation	(15,964,174)	(6,144,500)
Net capital assets	5,563,199	5,226,342
Total noncurrent assets	6,359,615	5,226,342
Total assets	18,571,009	8,535,042
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	373,192	17,326
Customer deposits	221,880	-
Accrued interest payable	2,832	13,807
Other accrued expenses	173,749	40,237
Due to other funds	-	-
Current portion of long-term obligations	220,000	196,031
Total current liabilities	991,653	267,401
Noncurrent liabilities:		
Compensated absences - noncurrent	110,983	13,339
Noncurrent portion of long-term obligations	685,000	2,290,116
Total noncurrent liabilities	795,983	2,303,455
Total liabilities	1,787,636	2,570,856
<b>NET POSITION</b>		
Net investment in capital assets	4,658,199	2,740,195
Restricted for:		
Debt service	574,536	-
Unrestricted	11,550,638	3,223,991
Total net position	\$ 16,783,373	\$ 5,964,186

See notes to financial statements.

Enterprise Funds				Internal
Sewer Fund	Transfer Station	Eliminations	Total	Service Fund
\$ 1,125,933	\$ 46,783	\$ -	\$ 5,175,008	\$ 371,594
1,804,188	-	-	10,671,262	542,226
154,119	500	-	1,021,453	1,800
72,254	-	-	428,389	-
202,021	-	-	254,907	-
9,048	-	-	71,577	2,578
-	-	(51,601)	-	-
-	-	-	445,563	-
-	-	-	815,180	-
<u>3,367,563</u>	<u>47,283</u>	<u>(51,601)</u>	<u>18,883,339</u>	<u>918,198</u>
-	-	-	300,759	-
-	-	-	495,657	-
195,112	41,181	-	842,662	-
-	-	-	268,669	-
4,722,535	-	-	23,217,252	-
10,012,952	606,685	-	19,368,395	-
1,779,402	25,953	-	6,585,057	-
(8,394,379)	(490,028)	-	(30,993,081)	-
<u>8,315,622</u>	<u>183,791</u>	<u>-</u>	<u>19,288,954</u>	<u>-</u>
<u>8,315,622</u>	<u>183,791</u>	<u>-</u>	<u>20,085,370</u>	<u>-</u>
11,683,185	231,074	(51,601)	38,968,709	918,198
5,240	-	-	395,758	7,500
-	-	-	221,880	-
4,724	-	-	21,363	-
39,385	-	-	253,371	-
51,601	-	(51,601)	-	-
365,825	-	-	781,856	-
<u>466,775</u>	<u>-</u>	<u>(51,601)</u>	<u>1,674,228</u>	<u>7,500</u>
19,503	-	-	143,825	-
2,873,401	-	-	5,848,517	-
<u>2,892,904</u>	<u>-</u>	<u>-</u>	<u>5,992,342</u>	<u>-</u>
<u>3,359,679</u>	<u>-</u>	<u>(51,601)</u>	<u>7,666,570</u>	<u>7,500</u>
5,076,396	183,791	-	12,658,581	-
-	-	-	574,536	-
3,247,110	47,283	-	18,069,022	910,698
<u>\$ 8,323,506</u>	<u>\$ 231,074</u>	<u>\$ -</u>	<u>\$ 31,302,139</u>	<u>\$ 910,698</u>

**CITY OF WAYNE, NEBRASKA**

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

**For the year ended September 30, 2024**

	Enterprise Funds				Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Transfer Station		
<b>Operating revenues:</b>						
User charges	\$ 8,094,481	\$ 1,313,063	\$ 1,818,143	\$ 1,200	\$ 11,226,887	\$ -
Health insurance premiums	-	-	-	-	-	687,930
Hookup fees	-	(250)	(219)	-	(469)	-
Other revenue	66,770	41,948	13,908	12,000	134,626	-
Total operating revenues	<u>8,161,251</u>	<u>1,354,761</u>	<u>1,831,832</u>	<u>13,200</u>	<u>11,361,044</u>	<u>687,930</u>
<b>Operating expenses:</b>						
Cost of power	3,540,088	-	-	-	3,540,088	-
Personnel	1,643,310	366,053	349,158	-	2,358,521	-
Contract services	328,082	125,007	412,548	-	865,637	-
Commodities	892,984	184,189	165,527	8,226	1,250,926	-
Payments in lieu of taxes	836,211	146,794	188,844	-	1,171,849	-
Insurance claims and health premiums	-	-	-	-	-	670,465
Depreciation	551,355	274,369	535,596	-	1,361,320	-
Total operating expenses	<u>7,792,030</u>	<u>1,096,412</u>	<u>1,651,673</u>	<u>8,226</u>	<u>10,548,341</u>	<u>670,465</u>
Operating income	369,221	258,349	180,159	4,974	812,703	17,465
<b>Nonoperating revenues (expenses):</b>						
Interest income	438,313	101,373	100,719	685	641,090	32,045
Gain on disposal of capital assets	11,690	-	-	-	11,690	-
Interest expense	(10,905)	(47,321)	(17,031)	-	(75,257)	-
Loan administration fees	-	(12,048)	(17,562)	-	(29,610)	-
Total nonoperating revenues (expenses)	<u>439,098</u>	<u>42,004</u>	<u>66,126</u>	<u>685</u>	<u>547,913</u>	<u>32,045</u>
Income before interfund transfers	808,319	300,353	246,285	5,659	1,360,616	49,510
<b>Interfund transfers:</b>						
Transfer from (to) other funds	<u>(51,215)</u>	<u>335,187</u>	<u>546,883</u>	<u>-</u>	<u>830,855</u>	<u>-</u>
<b>Change in net position</b>	<u>757,104</u>	<u>635,540</u>	<u>793,168</u>	<u>5,659</u>	<u>2,191,471</u>	<u>49,510</u>
Net position - September 30, 2023	<u>16,026,269</u>	<u>5,328,646</u>	<u>7,530,338</u>	<u>225,415</u>	<u>29,110,668</u>	<u>861,188</u>
Net position - September 30, 2024	<u>\$ 16,783,373</u>	<u>\$ 5,964,186</u>	<u>\$ 8,323,506</u>	<u>\$ 231,074</u>	<u>\$ 31,302,139</u>	<u>\$ 910,698</u>

See notes to financial statements.

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

**For the year ended September 30, 2024**

	Enterprise Funds	
	Electric Fund	Water Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 8,241,129	\$ 1,352,739
Receipts from other funds	-	-
Payments to suppliers	(5,754,210)	(435,466)
Payments to employees	(1,634,633)	(356,220)
Net cash provided by operating activities	852,286	561,053
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers (to) from other funds	(51,215)	335,187
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property and equipment	(601,927)	(459,834)
Proceeds from sale of capital assets	11,690	-
Special assessments received	-	4,973
Principal payments on capital debt	(225,000)	(193,889)
Interest paid on capital debt	(11,397)	(48,452)
Loan administration fees	-	(12,048)
Net cash used by capital and related financing activities	(826,634)	(709,250)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
(Increase) decrease in investments	(499,629)	(202,602)
Increase in restricted investments	(8,166)	-
Decrease in due from Community Redevelopment Authority	244,908	-
Interest received	447,564	99,144
Net cash provided (used) by investing activities	184,677	(103,458)
Increase in cash and cash equivalents	159,114	83,532
Cash and cash equivalents - beginning of the year	2,904,876	1,155,529
Cash and cash equivalents - end of the year	\$ 3,063,990	\$ 1,239,061
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents	\$ 2,763,231	\$ 1,239,061
Restricted cash and cash equivalents	300,759	-
Total cash and cash equivalents	\$ 3,063,990	\$ 1,239,061

Enterprise Funds			Internal Service Fund
Sewer Fund	Transfer Station	Total	
\$ 1,838,752	\$ 12,700	\$ 11,445,320	\$ -
-	-	-	687,930
(767,137)	(8,226)	(6,965,039)	(665,465)
(341,773)	-	(2,332,626)	-
<u>729,842</u>	<u>4,474</u>	<u>2,147,655</u>	<u>22,465</u>
546,883	-	830,855	-
(741,358)	-	(1,803,119)	-
-	-	11,690	-
2,100	-	7,073	-
(364,004)	-	(782,893)	-
(17,562)	-	(77,411)	-
(17,562)	-	(29,610)	-
<u>(1,138,386)</u>	<u>-</u>	<u>(2,674,270)</u>	<u>-</u>
(207,208)	-	(909,439)	(26,299)
-	-	(8,166)	-
-	-	244,908	-
99,612	685	647,005	32,139
<u>(107,596)</u>	<u>685</u>	<u>(25,692)</u>	<u>5,840</u>
30,743	5,159	278,548	28,305
<u>1,095,190</u>	<u>41,624</u>	<u>5,197,219</u>	<u>343,289</u>
<u>\$ 1,125,933</u>	<u>\$ 46,783</u>	<u>\$ 5,475,767</u>	<u>\$ 371,594</u>
\$ 1,125,933	\$ 46,783	\$ 5,175,008	\$ 371,594
-	-	300,759	-
<u>\$ 1,125,933</u>	<u>\$ 46,783</u>	<u>\$ 5,475,767</u>	<u>\$ 371,594</u>

**CITY OF WAYNE, NEBRASKA**

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

**For the year ended September 30, 2024**

	Enterprise Funds	
	Electric Fund	Water Fund
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 369,221	\$ 258,349
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	551,355	274,369
Change in assets and liabilities:		
Accounts receivable	63,563	(2,022)
Inventories	(132,884)	11,146
Accounts payable	(23,961)	9,378
Customer deposits	16,315	-
Accrued expenses	8,677	9,833
Net cash provided by operating activities	\$ 852,286	\$ 561,053

See notes to financial statements.

<u>Enterprise Funds</u>				<u>Internal Service Fund</u>
<u>Sewer Fund</u>	<u>Transfer Station</u>		<u>Total</u>	
\$ 180,159	\$ 4,974		\$ 812,703	\$ 17,465
535,596	-		1,361,320	-
6,920	(500)		67,961	-
-	-		(121,738)	-
(218)	-		(14,801)	5,000
-	-		16,315	-
7,385	-		25,895	-
<u>\$ 729,842</u>	<u>\$ 4,474</u>		<u>\$ 2,147,655</u>	<u>\$ 22,465</u>

**CITY OF WAYNE, NEBRASKA**  
**BALANCE SHEET - FIDUCIARY FUND**

**September 30, 2024**

	Custodial <u>Fund</u>
<b>ASSETS</b>	
Cash	\$ 118,250
Sales tax receivable	<u>38,172</u>
Total assets	156,422
<b>LIABILITIES</b>	
Accounts payable	<u>44,333</u>
<b>FUND BALANCE</b>	
Custodial fund	<u><u>\$ 112,089</u></u>

See notes to financial statements.

**CITY OF WAYNE, NEBRASKA**

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

**September 30, 2024**

	<u>Custodial Fund</u>
<b>REVENUES</b>	
Custodial cash receipts	\$ 498,513
<b>EXPENSES</b>	
Custodial cash disbursements	<u>498,917</u>
<b>Net change in fund balance</b>	(404)
Fund balance - September 30, 2023	<u>112,493</u>
Fund balance - September 30, 2024	<u><u>\$ 112,089</u></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, 2024**

**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 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, 2024**

**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:

	<u>Brief Description of Activities and Relationship to the City:</u>
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, 2024**

**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, 2024**

**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, 2024**

**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:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<i>Major:</i>	
Governmental:	
General	See page 37 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 38 for description.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, and Transfer Station	See page 38 for description.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

**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, 2024**

**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, 2024**

**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, 2024**

**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>272,897</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, 2024**

**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, 2024**

**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, 2024**

**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, 2024

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, 2024**

**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 20. 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, 2024**

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

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

**Property Taxes, continued**

Property taxes levied for 2023-2024 are recorded as revenue when expected to be collected within 60 days after September 30, 2024. 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, 2024**

**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, 2024**

**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, 2024**

**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 20. 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, 2024. The categories of collateral are defined as follows:

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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 Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and money market accounts	\$ 13,723,480	\$ 1,000,000	\$ 12,723,480	\$ -	\$ <u>13,489,201</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	\$ 5,923,014
Restricted cash and cash equivalents	6,913,831
Component Unit –	
Unrestricted cash and cash equivalents	534,106
Agency Fund Cash (not included in government-wide statement)	<u>118,250</u>
	<u>\$ 13,489,201</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, 2024. The categories of investments are defined as follows:

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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.

<u>Type of Investment</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Time Deposits	\$ 15,358,702	\$ -	\$ -	\$ <u>15,358,702</u>	\$ <u>15,358,702</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted investments	\$ 12,786,025
Restricted investments	<u>2,572,677</u>
	<u>\$ 15,358,702</u>

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2024, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 6,613,072	\$ 300,759	\$ 6,913,831	\$ -
Investments	<u>2,077,020</u>	<u>495,657</u>	<u>2,572,677</u>	<u>-</u>
	<u>\$ 8,690,092</u>	<u>\$ 796,416</u>	<u>\$ 9,486,508</u>	<u>\$ -</u>

Restricted cash and investments for governmental activities consists of \$908,802 of General Fund cash and investments restricted for capital projects, \$3,920,880 of General Fund cash restricted for the municipal improvements, \$2,000,980 of Street Fund cash and investments restricted for street expenditures, \$108,447 of Sales Tax cash restricted for Community Activity Center, \$820,475 of Debt Service cash and investments restricted for debt service, \$70,539 of Community Development cash restricted for Federal programs, \$757,767 of LB840 cash restricted for economic development, and \$102,202 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 \$221,880 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 franchise fees, Community Activity Center memberships and other minor receivables. Receivables detail at September 30, 2024, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 34,106	\$ 1,021,453	\$ 1,055,559	\$ -
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net accounts receivable	<u>\$ 34,106</u>	<u>\$ 1,021,453</u>	<u>\$ 1,055,559</u>	<u>\$ -</u>

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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, 2024:

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2024</u>	<u>Terms</u>
Community Development Fund	5 housing loans	\$ 83,676	0%; housing loans; due when property is sold
LB840 Fund	Wayne Area Events Center	326,364	3%; annual payments of \$29,322 March 1, 2021, through March 1, 2035 (deferred to 9/30/22)
LB840 Fund	Rainbow World	36,560	0%; annual payments of \$313 over 120 months; final balloon payment due November 17, 2022
LB840 Fund	I Wet My Plants	36,400	3.75%; quarterly payments of \$1,197 October 1, 2023, through July 1, 2033
LB840 Fund	Talon Capital	133,767	2.85%; annual payments of \$29,084 May 1, 2020, through May 1, 2029
LB840 Fund	Wayne Short Stop	60,115	3%; monthly payments of \$821 July 1, 2021, through June 1, 2031

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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 September 30, 2024</u>	<u>Terms</u>
LB840 Fund	OCC Builders, LLC	10,571	0%; annual payments of \$2,643 November 1, 2014, through November 1, 2028
LB840 Fund	Sand Creek Post & Beam, Inc.	64,633	0%; annual payments of \$12,927 November 1, 2014, through November 1, 2028
LB840 Fund	Wayne Hospitality Group	100,000	0%; annual payments of \$16,667 due for 15 years through 2030
LB840 Fund	DRJ LLC/INET Library	74,186	3%; annual payments of \$10,568 plus interest May 10, 2013, through May 10, 2021
LB840 Fund	Blends & Boards	9,000	3%; monthly payments of \$167 April 1, 2024, through March 1, 2029
LB840 Fund	Kory Leseberg	17,556	0%; monthly payments of \$222 June 1, 2014, through May 1, 2029
LB840 Fund	Kory Leseberg	16,533	0%; monthly payments of \$242 June 1, 2014, through May 1, 2029
LB840 Fund	Ken Jorgensen	43,216	3%; annual payments of \$10,471 September 1, 2015, through September 1, 2030
LB840 Fund	Sanctuary Apartments	382,702	1.5%; annual payments of \$23,298 March 1, 2024, through March 1, 2033 when a final balloon payment of \$238,159 is due

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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 September 30, 2024</u>	<u>Terms</u>
LB840 Fund	Hefti Trucking	16,667	0%; annual payments of \$3,333 September 1, 2015, through September 1, 2029
LB840 Fund	Ken Jorgensen	56,722	3%; forgivable at \$10,471 per year September 1, 2015, through September 1, 2029
LB840 Fund	Jen Claussen	9,835	3%; monthly payments of \$164 April 1, 2015, through March 1, 2030
LB840 Fund	Nixon LLC (Jimmy Johns)	254,915	1%; monthly payments of \$2,750 April 1, 2023 through October 1, 2032
LB840 Fund	Retail Reclaimers, LLC	170,238	0%; monthly payments of \$1,190 May 1, 2021, through April 1, 2035 (deferred to 9/30/22)
LB840 Fund	Wayne Country Club	126,000	0%; annual payments of \$14,000 August 15, 2019, through August 15, 2033
LB840 Fund	Blazer Protective Products	155,105	2%; monthly payments of \$3,506 September 1, 2023, through August 1, 2028
LB840 Fund	Webber Hospitality	193,718	1.8%; monthly payments of \$1,822 July 1, 2024, through June 1, 2034
LB840 Fund	HIS Baking Co, LLC	133,088	2.5%; quarterly payments of \$2,704 September 1, 2024, through June 1, 2039

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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 September 30, <u>2024</u>	<u>Terms</u>
LB840 Fund	Crossroads-Atoll Productions, LLC	20,876	3%; annual payments of \$3,351 February 1, 2017, through February 1, 2031
LB840 Fund	Wildcat Lanes, LLC	180,000	1%; annual payments of \$19,005 June 1, 2025, through June 1, 2034
LB840 Fund	Johnnie Byrd Brewing	32,470	2.625%; monthly payments of \$214 March 1, 2020, through February 1, 2040
LB840 Fund	Winning Finish Enterprises, Inc.	2,845	3%; annual payments of \$2,897 October 1, 2016, through October 1, 2025
LB840 Fund	Winning Finish Enterprises, Inc.	2,500	0%; forgivable at \$2,500 per year October 1, 2016, through October 1, 2025
LB840 Fund	Allowance for Uncollectible Notes	<u>(400,000)</u>	
Total notes receivable		\$ <u>2,350,258</u>	
Current portion		\$ 319,000	
Noncurrent portion		<u>2,031,258</u>	
		\$ <u>2,350,258</u>	

On October 1, 2020, the Airport Authority loaned \$100,000 to the Northeast Nebraska Aviators, Inc. The loan bears interest of 3.0 percent and is due in 240 monthly principal and interest payments of \$554.60 commencing October 1, 2020 through September 1, 2040. The note is secured by a Piper Cherokee 180 aircraft. The note receivable had a principal balance of \$84,486 at September 30, 2024.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

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

**4. Capital Assets**

Capital asset activity for the year ended September 30, 2024, was as follows:

	<u>Balance at</u> <u>October 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2024</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 818,657	\$ 15,198	\$ -	\$ -	\$ 833,855
Construction in progress	580,140	4,668,702	-	(134,700)	5,114,142
Total capital assets not being depreciated	1,398,797	4,683,900	-	(134,700)	5,947,997
Other capital assets being depreciated:					
Infrastructure	20,985,839	-	-	134,700	21,120,539
Improvements	10,416,861	19,000	-	-	10,435,861
Buildings	11,956,114	2,883,212	-	-	14,839,326
Machinery and equipment	6,368,260	354,834	-	-	6,723,094
Total other capital assets at historical cost	49,727,074	3,257,046	-	134,700	53,118,820
Less accumulated depreciation for:					
Infrastructure	(12,659,090)	(537,440)	-	-	(13,196,530)
Improvements	(3,304,623)	(528,958)	-	-	(3,833,581)
Buildings	(5,790,456)	(333,069)	-	-	(6,123,525)
Machinery and equipment	(4,282,434)	(330,668)	-	-	(4,613,102)
Total accumulated depreciation	(26,036,603)	(1,730,135) *	-	-	(27,766,738)
Other capital assets, net	23,690,471	1,526,911	-	134,700	25,352,082
Governmental activities capital assets, net	<u>\$ 25,089,268</u>	<u>\$ 6,210,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,300,079</u>

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

4. Capital Assets, continued

Governmental Activities, continued:

General government/public buildings	\$ 108,909
Public safety	160,742
Public works:	
Street	637,874
Library	12,013
Senior citizens services	25,883
Recreation	675,943
Community Activity Center:	<u>108,771</u>
Total governmental depreciation expense	<u>\$ 1,730,135</u>

Construction in progress at September 30, 2024, consists of \$2,616,128 for the City Hall renovation project, \$79,564 for the Fourth Street project, \$76,413 for the community sidewalk extension project, \$174,633 for the park/rec building at Prairie Park, \$2,162,404 for the Prairie Park development project, and \$5,000 for the artist mural project. See Note D3 for additional details on these projects.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

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

**4. Capital Assets, continued**

	<u>Balance at</u> <u>October 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2024</u>
<b><u>Business-type Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 712,802	\$ -	\$ -	\$ 129,860	\$ 842,662
Construction in progress	194,308	237,339	-	(162,978)	268,669
Total capital assets not being depreciated	907,110	237,339	-	(33,118)	1,111,331
Other capital assets being depreciated:					
Buildings	19,312,450	55,945	-	-	19,368,395
Distribution systems	22,388,484	957,774	-	(129,006)	23,217,252
Equipment	5,870,872	552,061	-	162,124	6,585,057
Total other capital assets at historical cost	47,571,806	1,565,780	-	33,118	49,170,704
Less accumulated depreciation for:					
Buildings	(11,799,657)	(622,249)	-	-	(12,421,906)
Distribution systems	(12,909,184)	(560,517)	-	-	(13,469,701)
Equipment	(4,922,920)	(178,554)	-	-	(5,101,474)
Total accumulated depreciation	(29,631,761)	(1,361,320) *	-	-	(30,993,081)
Other capital assets, net	17,940,045	204,460	-	33,118	18,177,623
Business-type capital assets, net	\$ 18,847,155	\$ 441,799	\$ -	\$ -	\$ 19,288,954

\* Depreciation expense was charged to functions as follows:

Electric	\$ 551,355
Water	274,369
Sewer	535,596
Transfer Station	-
Total business-type activities depreciation expense	\$ 1,361,320

Construction in progress at September 30, 2024, consists of \$254,972 of costs on the electric energy center project and \$13,697 of costs for the design of water well #12. See Note D3 for additional details of the construction in progress at September 30, 2024.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

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

**4. Capital Assets, continued**

	<u>Balance at</u> <u>October 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2024</u>
<b><u>Airport Authority:</u></b>					
Capital assets not being depreciated:					
Land	\$ 287,776	\$ -	\$ -	\$ -	\$ 287,776
Construction in progress	107,236	1,066,172	-	-	1,173,408
	<u>395,012</u>	<u>1,066,172</u>	<u>-</u>	<u>-</u>	<u>1,461,184</u>
Other capital assets being depreciated:					
Buildings	2,639,203	-	-	-	2,639,203
Improvements	10,351,687	-	-	-	10,351,687
Equipment	523,794	-	-	-	523,794
Total other capital assets at historical cost	13,514,684	-	-	-	13,514,684
Less accumulated depreciation for:					
Buildings	(779,533)	(74,803)	-	-	(854,336)
Improvements	(3,102,005)	(384,399)	-	-	(3,486,404)
Equipment	(364,442)	(33,214)	-	-	(397,656)
Total accumulated depreciation	<u>(4,245,980)</u>	<u>(492,416)</u>	<u>-</u>	<u>-</u>	<u>(4,738,396)</u>
Other capital assets, net	<u>9,268,704</u>	<u>(492,416)</u>	<u>-</u>	<u>-</u>	<u>8,776,288</u>
Airport Authority capital assets, net	<u>\$ 9,663,716</u>	<u>\$ 573,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,237,472</u>

Construction in progress at September 30, 2024 consists of \$1,173,408 of costs incurred on the Box Bay hangar project. See Note D3 for additional details of contractual commitments on this project.

	<u>Balance at</u> <u>September 30, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2024</u>
<b><u>Community Redevelopment Agency:</u></b>				
Capital assets not being depreciated:				
Land	\$ 877,294	\$ -	\$ (118,092)	\$ 759,202

**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, 2024**

**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, 2024:

<u>Type of Debt</u>	Balance October 1, 2023	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2024	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds payable	\$ 2,200,000	\$ 9,945,000	\$ (780,000)	\$ 11,365,000	\$ 345,000
Business-type Activities:					
Bonds and notes payable	\$ 7,413,266	\$ -	\$ (782,893)	\$ 6,630,373	\$ 781,856
Component Units:					
Airport Authority	\$ 136,520	\$ -	\$ (30,876)	\$ 105,644	\$ 24,966
Community Redevelop- ment Authority	2,149,882	175,000	(217,832)	2,107,050	683,324
Total component units	\$ 2,286,402	\$ 175,000	\$ (248,708)	\$ 2,212,694	\$ 708,290

**Governmental Activities**

As of September 30, 2024, 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. \$ 220,000

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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. 900,000

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. -

Municipal improvement bonds - series 2023, with original issue amount of \$4,950,000 issued to finance the city hall project. Interest 4.25 percent, maturing December 15, 2026. 4,950,000

Municipal improvement bonds - series 2024, with original issue amount of \$4,995,000 issued to finance municipal improvements. Interest ranges from 3.75 to 4.00 percent with final maturity December 15, 2026. 4,995,000

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. 300,000

Total bonds payable \$ 11,365,000

Current portion \$ 345,000

Noncurrent portion 11,020,000

Total \$ 11,365,000

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, 2024**

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

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

**Business-type Activities**

As of September 30, 2024, 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.	\$ 905,000
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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.	505,000
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\$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.	2,060,071
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\$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.	1,179,156
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\$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.	1,679,425
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**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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.

301,721

Total business-type activity bonds and notes payable

\$ 6,630,373

Current portion

\$ 781,856

Noncurrent portion

5,848,517

Total

\$ 6,630,373

**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.

\$ 8,274

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.

97,370

Total airport notes payable

105,644

Community Redevelopment 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 CRA payable exclusively from TIF proceeds.

318,419

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Component Unit, continued

Community Redevelopment 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 CRA payable exclusively from TIF proceeds. 20,188

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 CRA payable exclusively from TIF proceeds. 23,922

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 CRA payable exclusively from TIF proceeds. 42,214

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 CRA payable exclusively from TIF proceeds. 214,960

Tax increment revenue bond series 2024, with original amount of \$175,000. Principal and interest of 5.5 percent is due semi-annually commencing June 30, 2025. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 175,000

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 CRA payable exclusively from TIF proceeds. 149,397

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

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

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

**Component Unit, continued**

Community Redevelopment 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 CRA payable exclusively from TIF proceeds. 14,070

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 CRA payable exclusively from TIF proceeds. 23,925

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 CRA payable exclusively from TIF proceeds. 91,335

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 CRA payable exclusively from TIF proceeds. 110,295

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

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

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

**Component Unit, continued**

Community Redevelopment Agency Bond Payable, continued:

Tax increment revenue bond series 2021, with original amount of \$100,000. Interest of 6 percent is due semi-annually commencing June 30, 2022. Semi-annual principal payments commence December 31, 2022 through December 31, 2036. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 95,127

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 CRA payable exclusively from TIF proceeds. 19,028

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 CRA payable exclusively from TIF proceeds. 79,950

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 CRA payable exclusively from TIF proceeds. 156,047

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

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

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

**Component Unit, continued**

Community Redevelopment 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 CRA payable exclusively from TIF proceeds. 177,982

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 CRA payable exclusively from TIF proceeds. 67,300

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 CRA payable exclusively from TIF proceeds. 205,320

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 CRA payable exclusively from TIF proceeds. 122,571

Total Community Redevelopment Agency bonds payable 2,107,050

Total component unit notes and bond payable \$ 2,212,694

Current portion \$ 708,290

Noncurrent portion 1,504,404

Total \$ 2,212,694

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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, 2024, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities				
	Other Debt Issues		Direct Placement Debt			Other Debt Issues	
	Principal	Interest	Principal	Interest	Fees	Principal	Interest
2025	\$ 345,000	\$ 438,333	\$ 496,856	\$ 46,425	\$ 26,940	\$ 285,000	\$ 23,808
2026	355,000	431,297	500,865	42,416	24,247	290,000	20,520
2027	10,300,000	220,108	504,921	38,361	21,529	160,000	16,755
2028	365,000	8,610	509,022	34,259	18,787	160,000	13,980
2029	-	-	513,172	30,110	16,021	170,000	10,890
2030-2034	-	-	1,782,675	93,655	42,990	345,000	11,040
2035-2039	-	-	742,508	36,606	13,042	-	-
2040-2041	-	-	170,354	2,562	854	-	-
	<u>\$11,365,000</u>	<u>\$1,098,348</u>	<u>\$ 5,220,373</u>	<u>\$ 324,394</u>	<u>\$ 164,410</u>	<u>\$ 1,410,000</u>	<u>\$ 96,993</u>

Year Ending September 30,	Component Units			
	Airport Direct Placement		CRA Direct Placement	
	Principal	Interest	Principal	Interest
2025	\$ 24,966	\$ -	\$ 683,324	\$ 288,023
2026	16,692	-	248,334	78,122
2027	16,692	-	261,309	63,549
2028	16,692	-	225,590	49,637
2029	16,692	-	173,390	36,472
2030-2034	13,910	-	402,921	91,939
2035-2039	-	-	103,771	16,676
2040	-	-	8,411	231
	<u>\$ 105,644</u>	<u>\$ -</u>	<u>\$ 2,107,050</u>	<u>\$ 624,649</u>

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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:		
Debt Service Fund	\$ -	\$ 211,585
Electric Fund	-	6,403
Water Fund	-	335,187
Sewer Fund	-	249,933
Wireless 911	18,000	-
E911	<u>15,000</u>	<u>-</u>
Total General Fund	33,000	803,108
Street Fund:		
Debt Service Fund	-	123,770
Debt Service Fund:		
Electric Fund	57,618	-
General Fund	211,585	-
Street Fund	<u>123,770</u>	<u>-</u>
Total Debt Service Fund	392,973	-
Nonmajor Governmental Funds:		
General Fund	-	33,000
Sewer Fund	<u>-</u>	<u>296,950</u>
Total Nonmajor Governmental Funds	-	329,950
Electric Fund:		
Debt Service Fund	-	57,618
General Fund	<u>6,403</u>	<u>-</u>
Total Electric Fund	6,403	57,618
Water Fund:		
General Fund	335,187	-
Sewer Fund:		
General Fund	249,933	-
Community Redevelopment Fund	<u>296,950</u>	<u>-</u>
Total Sewer Fund	<u>546,883</u>	<u>-</u>
Total Interfund Transfers	\$ <u>1,314,446</u>	\$ <u>1,314,446</u>

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

**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	\$ 209	0%; will be repaid during year ending September 30, 2025.
CRA	General	65	0%; will be repaid during year ending September 30, 2025.
CRA	Electric	127,500	0%; due as down payment assistance loans are collected by CRA.
CRA	Electric	62,000	0%; due in 10 annual payments of \$6,200.
CRA	Electric	256,063	0.5%; line of credit for projects.
Total		<u>\$ 445,837</u>	

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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 \$670,641 for the year ended September 30, 2024. Both the City and the covered employees' required contributions of \$46,945 were made for the year ended September 30, 2024. The employees also contributed \$10,686 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 \$3,761,969 and the covered payroll amounted to \$2,282,924 for the year ended September 30, 2024. The City and the employees contributed \$153,859 and \$205,968, respectively, for the year ended September 30, 2024.

**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, 2024**

**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 \$910,698 is established in an internal service fund at September 30, 2024.

**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, 2024, 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, 2024**

**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 2024	\$ 598,758
November 2024	2,165,886
February 2025	2,258,799
March 2025	710,863
April 2025	691,828
May 2025	3,341,986
June 2025	1,158,747
July 2025	1,301,749
September 2025	<u>3,130,086</u>
	<u>\$ 15,358,702</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, 2024, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Elkhorn Valley Bank	\$ 9,329,889
Bank First	997,577
State Nebraska Bank & Trust	<u>5,031,236</u>
	<u>\$ 15,358,702</u>

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

**September 30, 2024**

**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, 2024.

**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 9/30/24</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
<b>Governmental Fund Projects:</b>				
Seventh St Trail	\$ 133,570	\$ 74,375	\$ 59,195	December 2026
City Hall renovation	4,313,164	2,353,649	1,959,515	March 2025
Prairie Park project	1,929,052	1,564,989	364,063	September 2026
Prairie Park building	1,338,281	194,332	1,143,949	June 2025
Prairie Park shower house	311,962	50,000	261,962	May 2025
Mural artist	10,000	5,000	5,000	November 2024
<b>Business-type Fund Projects:</b>				
Electric energy center	592,000	189,440	402,560	September 2027
Water well engineering	90,226	13,698	76,528	September 2026
<b>Wayne Municipal Airport:</b>				
Box Bay hangar project	1,481,880	1,173,409	308,471	November 2024

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

**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	1/24/24 – 1/24/29	\$ 1,132/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	5/17/23 – 5/17/28	99/month
Eakes Office Plus	Copier-Administration	4/10/24 – 4/10/29	276/month
Marco Technologies	Copier-Library	1/7/20 – 1/7/25	166/month

**Airport Management Contract**

On January 1, 2024, the Airport entered into a seven year management contract for \$3,000 per month.

Future commitments under this contract as of September 30, 2024, are \$36,000 for the years ending September 30, 2025 through 2030, and \$9,000 for the year ending September 30, 2031.

**Electric Department**

The City had an agreement that expired 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 \$102,567 for the year ended September 30, 2024.

**CITY OF WAYNE, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2024**

**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 \$924,233, the Water Fund made payments of \$143,794, and the Sewer Fund made payments of \$188,844, for the year ended September 30, 2024.

On May 22, 2024, the City made a \$200,000 LB840 loan to Webber Hospitality, LLC, a business owned by a council member. The terms of this loan are described in Note C3.

During the year ended September 30, 2024, the City paid \$12,651 to Ed M. Feld Equipment Co Inc. The City’s fire chief is a salesman for this company.

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements**

The City has the following interlocal agreements in effect as of September 30, 2024:

<b>Parties to Agreement</b>	<b>Agreement Period</b>	<b>Descriptions</b>
Village of Carroll and Village of Winside	12/15/98	Dispatch services/911 Service Center
Wayne County Agricultural Society	3/13/01	Agreement to waive water/sewer and electrical charges incurred during the fair
Wayne Community Schools	7/09/02	Use of softball fields, associated parking and restroom facilities, and program equipment
City of Laurel	3/5/24	Provide assistance for water/wastewater services
Wayne County	8/19/17	Jointly provide dispatch service for public safety in Wayne County
Wayne State College	6/7/22	Share law enforcement resources
Wayne County and Wayne County Library Association	2/18/20	Provide all library services and materials currently available through the public libraries to all residents of the county
Providence Medical Center	6/20/17	Provide funds to defray a part of the cost of the operation of the ambulance
Rural Enterprise Assistance Project	5/10/05	Use of the services of REAP to be available for start-up and existing entrepreneurs
ONELibrary Consortium	10/04/16	The mission of the consortium of public funded libraries in the northeastern part of the State of Nebraska is to enrich the collections, share the resources, enhance the services, and strengthen the support for its member libraries

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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
Northeast Nebraska Mutual Aid District	2/7/23	Ensuring the safety of lives and property of citizens from fire loss, medical emergencies, and natural disasters
Northeast Nebraska Public Power 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 Community Schools	8/1/23	Share law enforcement services – provide school resource officer
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, 2024**

**NOTE D – OTHER NOTES, continued**

**5. Interlocal Agreements, continued**

<b>Parties to Agreement</b>	<b>Agreement Period</b>	<b>Descriptions</b>
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 County	11/21/23	Assistance with funding of economic development
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 service 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, 2024**

**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	12/15/15	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	06/07/16	Network Nebraska – Education and Network Nebraska-Education “Participant” for the purpose of outlining the service and responsibility of the OCI
Nebraska Department of Roads	09/20/16	LPA supplemental Program Agreement – Federal-Aid Funds which will out the various duties and funding responsibilities for the Federal Aid projects
LENRD	05/1/24	Prairie Park project
NE Red Cross	04/07/09	Local Emergency planning process
Village of Concord	09/18/18	Provide building inspections
Village of Carroll	12/04/18	Provide building inspections
City of Norfolk, City of South Sioux City, Cedar County, Dakota County, Dixon County, Knox County	03/01/22	Share emergency 911 call handling software
Wayne Community School District	2/20/24	Agreement regarding recreational facilities

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**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, 2024 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2024 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2024</u>
Angel Acres	5	\$ 2,894,050	\$ 45,490
MZRB, LLC	5	406,515	10,593
Progressive Properties – First Street	4	166,795	2,992
Sebade	5	258,005	4,629
Progressive Properties – 6 <sup>th</sup> Street	6	473,540	8,465
Wayne Rentals	5	1,341,675	24,070
Mid Plains Grain	6	752,265	14,319
Bomgaars	-	-	12,907
Benscoter Development	4	1,730,725	26,962
Wayne Hospitality	1	2,314,780	40,412
Progressive Properties – Nebraska Street	5	538,415	9,659
Windom Ridge	1	615,270	10,922
Grainland Estates	9	1,815,155	34,048
Sebade Valley Drive	9	1,059,245	17,944
Sebade NE St Apartments	13	563,710	10,113
Sanctuary Apartments	14	761,855	245
Wayne Crown	11	711,555	10,097
R Perry Apartments	15	805,000	-
Jorgensen – The Jug Store	7	1,450,155	<u>26,017</u>
			<u>\$ 309,884</u>

**CITY OF WAYNE, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2024**

**NOTE D – OTHER NOTES, continued**

**7. Subsequent Events**

Management has evaluated subsequent events through December 31, 2024, the date on which the financial statements were available for issue.

On October 1, 2024, Council approved the purchase of a Bobcat L95 compact wheel loader and related equipment from Sooland Bobcat for \$60,083.

On October 15, 2024, Council approved a \$110,000 LB840 loan to Tom’s Auto Body. The loan term is 15 years with interest of 2.0 percent.

On October 15, 2024, Council approved the purchase of SCADA hardware and software from Automatic Systems Co. for \$58,566.

On November 5, 2024, the City entered into an agreement with Arrowhead Development – Wayne, LLC to reimburse certain costs of development of Vintage Hill Fourth Addition. Under terms of the agreement, the City will reimburse the developer up to \$250,000 for sewer improvements, up to \$160,000 for water distribution improvements, and up to \$50,000 for engineering fees. The City will provide underground electrical service to each buildable lot and street lighting for public streets at no cost to the developer. The developer is responsible for concrete paving of all streets in the development and gas distribution mains.

On November 15, 2024, the City closed on the purchase of 76 acres for \$1,240,000.

On December 3, 2024, Council approved a \$112,500 LB840 loan to Pepper & Print, LLC. The loan bears interest of 2.0 percent and is to be paid over 10 years based on a 20-year amortization.

On December 17, 2024, Council approved a \$176,717 roofing bid for the Community Activity Center from Guarantee Roofing and Sheet Metal.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Year ended September 30, 2024**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,062,386	\$ 1,072,366	\$ 9,980
Payments in lieu of taxes	1,261,371	1,261,558	187
Sales tax	1,227,629	1,105,411	(122,218)
Franchise	168,500	179,512	11,012
Intergovernmental	1,439,985	1,252,541	(187,444)
Charges for services	627,511	851,782	224,271
Interest income	25,000	325,117	300,117
Contributions	224,978	334,981	110,003
Bond proceeds	10,000,000	9,945,000	(55,000)
Other	49,500	20,243	(29,257)
	16,086,860	16,348,511	261,651
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government	458,987	267,841	(191,146)
Economic development	290,056	352,841	62,785
Public buildings	235,619	148,214	(87,405)
Public safety	2,053,951	1,721,870	(332,081)
Senior citizens services	412,664	387,449	(25,215)
Library	474,944	392,275	(82,669)
Recreation	895,757	805,596	(90,161)
Community Activity Center	465,318	412,932	(52,386)
Capital outlay	11,670,000	6,906,067	(4,763,933)
Principal payments on debt	185,000	440,000	255,000
Interest and fees on debt	8,013	140,441	132,428
	17,150,309	11,975,526	(5,174,783)
Resources over (under) charges to appropriations	(1,063,449)	4,372,985	5,436,434
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	33,000	33,000	-
Transfers out	(600,500)	(803,108)	(202,608)
Net transfers	(567,500)	(770,108)	(202,608)
<b>RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS</b>			
	\$ (1,630,949)	\$ 3,602,877	\$ 5,233,826

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
STREET FUND**

**Year ended September 30, 2024**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,200	\$ 1,916	\$ 716
Motor vehicle	90,000	110,096	20,096
Sales tax	120,000	188,694	68,694
Intergovernmental	891,253	894,674	3,421
Charges for services	2,200	2,473	273
Interest income	8,000	53,318	45,318
Sale of property	-	11,690	11,690
Other income	350,000	5,826	(344,174)
	<hr/>	<hr/>	<hr/>
Total resources	1,462,653	1,268,687	(193,966)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	1,084,202	638,926	(445,276)
Capital projects	2,176,000	108,216	(2,067,784)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	3,260,202	747,142	(2,513,060)
Resources over (under) charges to appropriations	(1,797,549)	521,545	2,319,094
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	200,000	-	(200,000)
Transfers out	(123,770)	(123,770)	-
Net transfers	76,230	(123,770)	(200,000)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<b>\$ (1,721,319)</b>	<b>\$ 397,775</b>	<b>\$ 2,119,094</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
LB840 FUND**

**Year ended September 30, 2024**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Sales tax	\$ 280,500	\$ 372,804	\$ 92,304
Interest income	2,000	59,646	57,646
Other income	218,410	25,000	(193,410)
	<hr/>	<hr/>	<hr/>
Total resources	500,910	457,450	(43,460)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government-economic development	1,234,582	292,187	(942,395)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<u>\$ (733,672)</u>	<u>\$ 165,263</u>	<u>\$ 898,935</u>

**CITY OF WAYNE, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND**

**Year ended September 30, 2024**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Property tax	\$ 101,475	\$ 103,013	\$ 1,538
Payments in lieu of taxes	225	161	(64)
Special assessments	37,754	11,883	(25,871)
Other revenue	203,635	-	(203,635)
Interest income	5,150	35,859	30,709
	<hr/>	<hr/>	<hr/>
Total resources	348,239	150,916	(197,323)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Principal payments	807,756	340,000	(467,756)
Interest and fees	320,520	249,723	(70,797)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,128,276	589,723	(538,553)
Resources under charges to appropriations	(780,037)	(438,807)	341,230
<b>OTHER FINANCING SOURCES</b>			
Transfer in	9,578	392,973	383,395
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS</b>	<u>\$ (770,459)</u>	<u>\$ (45,834)</u>	<u>\$ 724,625</u>

**CITY OF WAYNE, NEBRASKA**

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

**Year ended September 30, 2024**

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>LB840 Fund</u>	<u>Debt Service Fund</u>
<b>Sources/inflows of resources:</b>				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 16,348,511	\$ 1,268,687	\$ 457,450	\$ 150,916
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(20,537)</u>	<u>4,584</u>	<u>-</u>	<u>(1,607)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 16,327,974</u></u>	<u><u>\$ 1,273,271</u></u>	<u><u>\$ 457,450</u></u>	<u><u>\$ 149,309</u></u>
<b>Uses/outflows of resources:</b>				
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 11,975,526	\$ 747,142	\$ 292,187	\$ 589,723
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>349,040</u>	<u>(39,064)</u>	<u>(281,173)</u>	<u>116,564</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 12,324,566</u></u>	<u><u>\$ 708,078</u></u>	<u><u>\$ 11,014</u></u>	<u><u>\$ 706,287</u></u>

## **SUPPLEMENTARY INFORMATION**

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

**September 30, 2024**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	<u>Community Development</u>	<u>Sales Tax</u>	<u>Keno</u>	<u>Wireless 911</u>	<u>E911</u>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 20,325	\$ 29,467	\$ 49,792
Investments	-	-	-	68,307	12,036	80,343
Notes receivable	83,676	-	-	-	-	83,676
Interest receivable	-	-	-	786	138	924
Restricted assets:						
Cash and cash equivalents	70,539	108,447	102,202	-	-	281,188
<b>Total assets</b>	<b>\$ 154,215</b>	<b>\$ 108,447</b>	<b>\$ 102,202</b>	<b>\$ 89,418</b>	<b>\$ 41,641</b>	<b>\$ 495,923</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 1,061	\$ 149	\$ -	\$ 1,210
Due to other funds	-	-	-	18,884	2,024	20,908
Total liabilities	-	-	1,061	19,033	2,024	22,118
Fund balances:						
Restricted for:						
Federal programs	154,215	-	-	-	-	154,215
Community Activity Center	-	108,447	-	-	-	108,447
Community betterment	-	-	101,141	-	-	101,141
Assigned for:						
Other purposes	-	-	-	70,385	39,617	110,002
Total fund balances	154,215	108,447	101,141	70,385	39,617	473,805
<b>Total liabilities and fund balances</b>	<b>\$ 154,215</b>	<b>\$ 108,447</b>	<b>\$ 102,202</b>	<b>\$ 89,418</b>	<b>\$ 41,641</b>	<b>\$ 495,923</b>

**CITY OF WAYNE, NEBRASKA**

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

**For the year ended September 30, 2024**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Community <u>Development</u>	Sales <u>Tax</u>	<u>Keno</u>	Wireless <u>911</u>	<u>E911</u>	
<b>REVENUES</b>						
Grant revenue	\$ 316,917	\$ -	\$ -	\$ -	\$ -	\$ 316,917
Charges for services	-	-	-	35,160	15,680	50,840
Keno proceeds	-	-	42,768	-	-	42,768
Interest income	2,693	2,715	1,992	3,292	1,060	11,752
Total revenues	<u>319,610</u>	<u>2,715</u>	<u>44,760</u>	<u>38,452</u>	<u>16,740</u>	<u>422,277</u>
<b>EXPENDITURES</b>						
General government	8,880	-	-	-	-	8,880
Public safety	-	-	-	16,414	-	16,414
Recreation	1,953	-	6,538	-	-	8,491
Capital outlay	595,963	-	87,359	-	-	683,322
Total expenditures	<u>606,796</u>	<u>-</u>	<u>93,897</u>	<u>16,414</u>	<u>-</u>	<u>717,107</u>
<b>Excess of revenues over expenditures</b>	(287,186)	2,715	(49,137)	22,038	16,740	(294,830)
<b>OTHER FINANCING USES</b>						
Transfers out	<u>(296,950)</u>	<u>-</u>	<u>-</u>	<u>(18,000)</u>	<u>(15,000)</u>	<u>(329,950)</u>
<b>Net change in fund balances</b>	(584,136)	2,715	(49,137)	4,038	1,740	(624,780)
Fund balances - September 30, 2023	<u>738,351</u>	<u>105,732</u>	<u>150,278</u>	<u>66,347</u>	<u>37,877</u>	<u>1,098,585</u>
Fund balances - September 30, 2024	<u>\$ 154,215</u>	<u>\$ 108,447</u>	<u>\$ 101,141</u>	<u>\$ 70,385</u>	<u>\$ 39,617</u>	<u>\$ 473,805</u>

**CITY OF WAYNE, NEBRASKA**  
**COMBINING STATEMENT OF NET POSITION -**  
**COMPONENT UNITS**

**September 30, 2024**

	Wayne Municipal Airport	Community Redevelopment Authority	Total Component Units
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 526,459	\$ 7,647	\$ 534,106
County treasurer cash	5,767	4,496	10,263
Receivables:			
Property tax	1,397	1,083	2,480
Grants receivable	27,216	-	27,216
TIF receivable-current portion	-	297,000	297,000
Note receivable-current portion	4,178	-	4,178
Fuel inventory	19,320	-	19,320
Prepaid insurance	10,356	-	10,356
Total current assets	<u>594,693</u>	<u>310,226</u>	<u>904,919</u>
Noncurrent assets:			
TIF receivable-noncurrent portion	-	1,810,050	1,810,050
Note receivable-noncurrent portion	80,308	206,993	287,301
Capital assets:			
Land	287,776	759,202	1,046,978
Construction in progress	1,173,408	-	1,173,408
Other capital assets, net of depreciation	8,776,288	-	8,776,288
Net capital assets	<u>10,237,472</u>	<u>759,202</u>	<u>10,996,674</u>
Total noncurrent assets	<u>10,317,780</u>	<u>2,776,245</u>	<u>13,094,025</u>
<b>Total assets</b>	<u>10,912,473</u>	<u>3,086,471</u>	<u>13,998,944</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to the City of Wayne	209	445,628	445,837
Accounts payable	35,611	-	35,611
Accrued interest payable	-	225,946	225,946
Unavailable property tax	844	731	1,575
Current portion of long-term debt	24,966	683,324	708,290
Total current liabilities	<u>61,630</u>	<u>1,355,629</u>	<u>1,417,259</u>
Noncurrent liabilities:			
Noncurrent portion of long-term debt	80,678	1,423,726	1,504,404
<b>Total liabilities</b>	<u>142,308</u>	<u>2,779,355</u>	<u>2,921,663</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,131,828	759,202	10,891,030
Unrestricted	638,337	(452,086)	186,251
<b>Total net position</b>	<u>\$ 10,770,165</u>	<u>\$ 307,116</u>	<u>\$ 11,077,281</u>

**CITY OF WAYNE, NEBRASKA**

**COMBINING STATEMENT OF ACTIVITIES -  
COMPONENT UNITS**

**For the year ended September 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Wayne Municipal Airport:</b>			
Airport	\$ 763,753	\$ 168,172	\$ -
<b>Community Redevelopment Authority:</b>			
Economic development	126,340	23,951	110,000
<b>Total component units</b>	<b>\$ 890,093</b>	<b>\$ 192,123</b>	<b>\$ 110,000</b>

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Airport Authority</u>	<u>Community Redevelopment Authority</u>	<u>Total Component Units</u>
\$ 959,555	\$ 363,974	\$ -	\$ 363,974
-	-	7,611	7,611
<u>\$ 959,555</u>	<u>363,974</u>	<u>7,611</u>	<u>371,585</u>
General revenues:			
Taxes:			
Property	108,813	83,588	192,401
TIF proceeds	-	92,052	92,052
Interest income	17,584	392	17,976
Gain (loss) on disposal of assets	595	(4,939)	(4,344)
Other income	-	25,174	25,174
Total general revenues	<u>126,992</u>	<u>196,267</u>	<u>323,259</u>
Change in net position	490,966	203,878	694,844
Net position - beginning of year	<u>10,279,199</u>	<u>103,238</u>	<u>10,382,437</u>
Net position - end of year	<u>\$ 10,770,165</u>	<u>\$ 307,116</u>	<u>\$ 11,077,281</u>

## **SINGLE AUDIT REPORTS**

**CITY OF WAYNE, NEBRASKA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended September 30, 2024**

<u>Federal Grantor and Program Title</u>	<u>Federal AL Number</u>	<u>Pass-thru Identifying 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	\$ 75,221
Airport Improvement Program	20.106	3-31-0086	<u>959,555</u> *
Total Department of Transportation			<u>1,034,776</u>
<b><u>Department of the Treasury</u></b>			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	296,950
<b><u>Housing and Urban Development:</u></b>			
Passed Through Nebraska Department of Economic Development:			
Community Development Block Grants	14.228	47-6006407	35,916
<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 - Grants for Supportive Services and Senior Centers	93.044	47-6006407	5,275
Special Programs for the Aging Title III, Part C - Nutrition Services	93.045	47-6006407	38,733
Nutrition Services Incentive Programs	93.053	47-6006407	<u>9,855</u>
Total Aging Cluster			<u>53,863</u>
National Family Caregiver Support, Title III, Part E	93.052	47-6006407	<u>3,381</u>
Total Department of Health and Human Services			<u>57,244</u>
Total Federal Awards			<u>\$ 1,424,886</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:**

Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon  
Jamie L. Clemans  
Travis L. Arnold

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, 2024, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated December 31, 2024.

**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.

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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 2024-001, 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 the response.

### **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.



Grand Island, Nebraska  
December 31, 2024

**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, 2024. 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, 2024.

**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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## **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  
December 31, 2024

**CITY OF WAYNE, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2024**

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, 2024.
- (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 #20.106 – Airport Improvement Program.
- (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (ix) The City of Wayne, Nebraska, did not qualify as a low-risk auditee.

**CITY OF WAYNE, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2024**

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

2024-001

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/provide 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, 2024**

Findings noted during the audit of the financial statements and reported in accordance with GAGAS for the year ended September 30, 2023:

2023-001 - Significant Deficiency

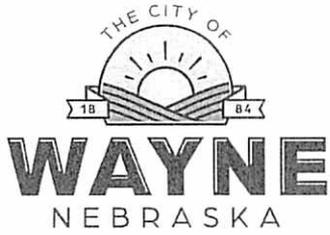
Condition: There is not adequate segregation of duties.

Status: This condition still exists, as it is impractical to further segregate duties due to the limited number of accounting personnel. However, management will continue to review/provide oversight of transactions.

2023-002 - Noncompliance with State Statutes

Condition: At September 30, 2023, bank deposits at one financial institution exceeded FDIC coverage and pledged collateral by \$128,921.

Status: At September 30, 2024, all bank deposits were adequately secured by FDIC coverage and pledged collateral.



Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	While it is impractical to further segregate duties due to the limited number of accounting personnel, management and the City Council will continue to review, monitor and provide oversight of transactions.	Ongoing monitoring	Beth Porter