

City of Grand Island, Nebraska

Independent Auditor's Reports and Financial Statements

September 30, 2021

City of Grand Island, Nebraska
September 30, 2021

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Independent Auditor's Report

The Honorable Mayor and City Council
City of Grand Island
Grand Island, Nebraska

Report on the Financial Statements

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 Grand Island, Nebraska (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Island, Nebraska, as of September 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2021 the City adopted Governmental Accounting Standards Board (GASB) Statements No. 84, *Fiduciary Activities* and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund schedules and 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 also have issued our report dated April 27, 2022, on our consideration of the City'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'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's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
April 27, 2022

City of Grand Island, Nebraska

Management's Discussion and Analysis

September 30, 2021

As management of the City of Grand Island, we offer readers of the City of Grand Island financial statements this narrative overview and analysis of the financial activities of the City of Grand Island for the fiscal year ended September 30, 2021.

Financial Highlights

- The assets and deferred outflows of resources of the City of Grand Island exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$779,746,073 (*net position*). Of this amount, \$144,373,396 (*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 Grand Island's governmental activities reported combined ending net position of \$444,119,858. Approximately 9.3 percent of this total amount, \$41,377,794 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$31,439,650, or 75.2 percent of total General Fund expenditures.

Overview of the Financial Statements

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

The *statement of net position* presents information on all of the City of Grand Island's assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 Grand Island 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 Grand Island, Nebraska

Management's Discussion and Analysis

September 30, 2021

Both of the government-wide financial statements distinguish functions of the City of Grand Island 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 Grand Island include general government, public safety, highways and streets, sanitation, economic development, and cultural activities and recreation. The business-type activities of the City of Grand Island include the Electric, Water, Sewer, and Landfill funds.

The government-wide financial statements include not only the City of Grand Island itself (known as the *primary government*), but also the legally separate Business Improvement District and Community Redevelopment Authority for which the City of Grand Island 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 16 and 17 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 Grand Island, 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 Grand Island 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 Grand Island maintains 25 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 and the Streets Fund, which are considered to be major funds. Data from the other governmental funds is 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 Grand Island, Nebraska

Management's Discussion and Analysis

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The City of Grand Island adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General and Streets Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The City of Grand Island 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 Grand Island uses enterprise funds to account for its Electric, Water, Sewer, and Landfill Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Grand Island's various functions. The City of Grand Island uses internal service funds to account for its fleet of vehicles, its management information systems, its employee health insurance, and an equipment reserve. Because all four of these services predominantly benefit governmental rather than business-type functions, they have 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 Electric, Water, and Sewer Funds, all of which are considered to be major funds, and the Landfill Fund, a nonmajor enterprise fund.

The basic proprietary fund financial statements can be found on pages 22-25 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 Grand Island'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 pages 26-27 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 starting on page 28 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 Grand Island's budgetary comparison schedules, disclosures on the modified approach to reporting infrastructure, and pension and other postemployment benefits information. Required supplementary information can be found on pages 63-67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, fiduciary funds, and component units are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68-78 of this report.

City of Grand Island, Nebraska

Management's Discussion and Analysis

September 30, 2021

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 Grand Island, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$779,746,073 at the close of the most recent fiscal year.

Summary Statements of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 85,103,861	\$ 55,639,616	\$ 120,604,544	\$ 116,894,203	\$ 205,708,405	\$ 172,533,819
Capital assets	402,325,065	380,155,237	314,939,268	320,079,526	717,264,333	700,234,763
Total assets	<u>487,428,926</u>	<u>435,794,853</u>	<u>435,543,812</u>	<u>436,973,729</u>	<u>922,972,738</u>	<u>872,768,582</u>
Deferred outflows of resources	499,709	545,137	4,956,408	-	5,456,117	545,137
Total assets and deferred outflows	<u>487,928,635</u>	<u>436,339,990</u>	<u>440,500,220</u>	<u>436,973,729</u>	<u>928,428,855</u>	<u>873,313,719</u>
Long term liabilities	31,919,813	16,635,542	97,773,281	105,959,443	129,693,094	122,594,985
Other liabilities	11,611,946	5,813,256	7,100,724	6,029,835	18,712,670	11,843,091
Total liabilities	<u>43,531,759</u>	<u>22,448,798</u>	<u>104,874,005</u>	<u>111,989,278</u>	<u>148,405,764</u>	<u>134,438,076</u>
Deferred inflows of resources	277,018	288,702	-	-	277,018	288,702
Total liabilities and deferred inflows	<u>43,808,777</u>	<u>22,737,500</u>	<u>104,874,005</u>	<u>111,989,278</u>	<u>148,682,782</u>	<u>134,726,778</u>
Net position						
Net investment in capital assets	376,353,867	369,512,622	229,348,512	220,910,910	605,702,379	590,423,532
Restricted	26,388,197	13,285,936	3,282,101	8,461,029	29,670,298	21,746,965
Unrestricted	<u>41,377,794</u>	<u>30,803,932</u>	<u>102,995,602</u>	<u>95,612,512</u>	<u>144,373,396</u>	<u>126,416,444</u>
Total net position	<u>\$ 444,119,858</u>	<u>\$ 413,602,490</u>	<u>\$ 335,626,215</u>	<u>\$ 324,984,451</u>	<u>\$ 779,746,073</u>	<u>\$ 738,586,941</u>

By far, the largest portion of the City of Grand Island's net position (77.7 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 Grand Island uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Grand Island'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 Grand Island's net position (3.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$144,373,396 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 Grand Island 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.

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Management's Discussion and Analysis
September 30, 2021

Summary Statements of Activities

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 13,211,436	\$ 10,352,733	\$ 157,266,444	\$ 105,493,638	\$ 170,477,880	\$ 115,846,371
Operating grants and contributions	5,077,728	2,809,135	39,493	52,493	5,117,221	2,861,628
Capital grants and contributions	12,589,686	4,456,485	1,168,289	1,611,949	13,757,975	6,068,434
General revenues						
Property taxes	11,535,282	11,558,568	-	-	11,535,282	11,558,568
Other taxes	31,452,372	28,392,229	-	-	31,452,372	28,392,229
State allocation	7,067,677	6,347,596	-	-	7,067,677	6,347,596
Special assessments	227,248	60,097	106,231	273,056	333,479	333,153
Other	3,165,328	1,351,069	724,549	1,981,455	3,889,877	3,332,524
Total revenues	84,326,757	65,327,912	159,305,006	109,412,591	243,631,763	174,740,503
Expenses:						
General government	4,768,226	8,071,977	-	-	4,768,226	8,071,977
Public safety	29,748,435	26,228,947	-	-	29,748,435	26,228,947
Public works	7,788,735	7,227,787	-	-	7,788,735	7,227,787
Environment and leisure	9,726,454	7,026,302	-	-	9,726,454	7,026,302
Nondepartmental	2,505,860	2,447,324	-	-	2,505,860	2,447,324
Interest on long-term debt	450,812	214,279	-	-	450,812	214,279
Electric	-	-	122,432,586	85,024,974	122,432,586	85,024,974
Water	-	-	6,387,569	6,007,863	6,387,569	6,007,863
Sewer	-	-	15,356,572	14,193,654	15,356,572	14,193,654
Landfill	-	-	3,307,382	2,746,191	3,307,382	2,746,191
Total expenses	54,988,522	51,216,616	147,484,109	107,972,682	202,472,631	159,189,298
Increase in net position before transfers	29,338,235	14,111,296	11,820,897	1,439,909	41,159,132	15,551,205
Transfers, net	1,179,133	527,721	(1,179,133)	(527,721)	-	-
Increase in net position	30,517,368	14,639,017	10,641,764	912,188	41,159,132	15,551,205
Net position, beginning of year	413,602,490	398,963,473	324,984,451	324,072,263	738,586,941	723,035,736
Net position, end of year	\$ 444,119,858	\$ 413,602,490	\$ 335,626,215	\$ 324,984,451	\$ 779,746,073	\$ 738,586,941

Governmental activities. Revenues exceeded expenses and net transfers out by \$30,517,368. Revenues increased from the previous fiscal year by approximately \$19.0 million. Sales taxes increased approximately \$3.1 million from 2020. The sales tax rate was increased from 1.5% to 2.0%, effective April 1, 2019. Additionally, expanded business was realized as a result of the reduction of COVID-19 pandemic restrictions throughout 2021. Both operating and capital grants and contributions showed large increases during 2021. Operating grants and contributions increased primarily due to coronavirus stimulus funding used to offset public safety salaries during the pandemic. The increase in capital grants and contributions relates primarily to increased development activity through the City during 2021.

Business-type activities. Business-type activities increased the City of Grand Island's net position \$10,641,764 during 2021, as compared to \$912,188 during 2020. Revenues increased from the previous fiscal year by approximately \$49.9 million due to increased activity and consumption during 2021 as pandemic restrictions were loosened, however expenses also increased approximately \$39.5 million as a result of increased cost activity.

City of Grand Island, Nebraska

Management's Discussion and Analysis

September 30, 2021

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Grand Island'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 Grand Island'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 Grand Island's governmental funds reported combined ending fund balances of \$70,220,062. Approximately 44.6 percent of this total amount (\$31,335,640) 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) shown as nonspendable for prepaid expenses and inventory items (\$46,459), 2) placed in a nonspendable endowment for cemetery perpetual care (\$988,419), 3) placed in a nonspendable trust for library expenditures (\$76,918), 4) restricted for street improvements (\$10,996,349), 5) restricted for debt service (\$122,226), 6) restricted for economic development (\$1,662,765), 7) restricted for Federal programs (\$149,686), 8) restricted to fund housing loans (\$267,264), 9) restricted for community improvements (\$11,940,622), 10) restricted for other purposes (\$183,948), 11) assigned for a variety of other purposes (\$12,449,766).

The General Fund is the chief operating fund of the City of Grand Island. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$31,439,650, while total fund balance reached \$46,742,937. 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 75.2 percent of total General Fund expenditures, while total fund balance represents 111.87 percent of that same amount.

The fund balance of the City of Grand Island's General Fund increased by \$12,788,515 during the current fiscal year.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget for the City of Grand Island's governmental funds.

Capital Assets. The City of Grand Island's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$717,264,333 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

1. The Northwest Flood Control project is nearing completion for construction with an expected FY2022 expenditure of \$35,000 from the City. Work is underway to finish the Operation-Maintenance & Flood Alert manuals & protocols. The total City obligation for this project is estimated at \$6,537,300. Such project total is estimated at \$29,000,000. 2021 City expenditures were \$169,929.

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2. Creek Extension; Project No. 2020-D-1 built a portion of the Moores Creek Drainage Ditch extension, which developed drainage to the southwest, serves current areas, as well as the proposed US Highway 30 realignment project. This portion of Moores Creek provided a drainage outlet to the rapidly expanding Copper Creek Subdivision. FY 2021 expenditures were \$172,802.
3. North Broadwell Drainage; Project No. 2018-D-1 improved drainage and consisted of removing trees and re-grading the ditch to allow for proper maintenance and improved channel flow on North Broadwell Avenue between Burlington Northern Santa Fe Railroad and US Highway 281, with a FY 2021 cost of \$19,838.
4. N Moores Creek Wetland Mitigation Bank project will determine the feasibility of a wetland bank on an 80-acre parcel of the land the City currently owns just north of Eagle Scout Lake, which Moores Creek drains through. This project will permit future City wetland impacts to be offset and potentially permit the sale of wetland credit if desired. This area is also likely to provide additional detention capacity for the Moores Creek system allowing the removal of several weir structures to encourage faster flow through town. The City completed a Master Plan for the Moores Creek system in 2019 in which these concepts were initially investigated. At this time the Corp of Engineers is reviewing the project. FY 2021 expenses were \$8,514.
5. The Sidewalk Cost Share Program provides a repair program for single family residential properties to improve pedestrian safety and continue efforts to comply with applicable law. FY 2021 expenditures were \$14,883.
6. Capital Avenue Drainage Improvements built a portion of drainage associated with the Capital Avenue- Moores Creek Drainway to North Road Improvements; Project No. 2020-P-1. It also allows for better drainage from the North Road improvement project and future paving & drainage improvements west of North Road. FY 2021 expenditures were \$310,492.
7. US Highway 30 Drainage is associated with the US Highway 30 Realignment project overseen by the State, and improves drainage in the project area in conjunction with pedestrian underpass and a crossing of the City's future Moores Creek drainage way. FY 2021 expenditures were \$583,198.
8. The Handicap Ramp project consists of the ADA compliant curb ramps in the 2021-CR-1 project, which was for the installation of handicap ramps along North Front Street from Eisenhower Drive to Sherman Avenue, Cedar Street & Division Street, Wheeler Street & 9th Street, and Oklahoma Avenue & Pine Street. The City is required to have a planned schedule for upgrading public sidewalks to conform to ADA requirements. The current schedule and budget will bring the City into compliance in approximately 22 years. Project No. 2021-CR-1 was completed September 3, 2021 for a total cost of \$166,586.
9. Webb Road Paving Assessments are annual payments through 2025 for the City's Park Department share of roadway improvements from Stolley Park Road north to the Union Pacific Railroad tracks. FY 2021 expenses were \$80,390.
10. South Front Street over Sycamore Underpass Rehab; Project No. 2017-U-1 provided for a

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number of repairs and replacements necessary to preserve the structure. This included a number of issues related to the retaining walls, the South Front Street Bridge, and the storm sewer pumping system. FY 2021 expenses were \$119,072.

11. Five Points intersection improvements are to improve geometrics with a multi-lane roundabout, which will right size the lane configuration to optimize safety and efficiency, and meet the Federal Highway Administration (FHWA) safety program requirements. Anticipated letting is FY 2023, with construction to begin FY 2024. FY 2021 expenses were \$4,623.
12. The Old Potash Highway Roadway Improvements; Project No. 2019-P-1 includes widening and reconfiguring Old Potash Highway, signal and geometric improvements at each intersection, access management throughout the corridor, and improvements to the north and south of the Old Potash Highway corridor. Such improvements are needed to allow the corridor to safely handle the ever increasing traffic in this area. Project completion will be FY 2022. FY 2021 expenses were \$8,105,691.
13. Broadwell/UPRR Grade Separation Feasibility Report for a grade separation structure with the UPRR to be located at or around the existing Broadwell Avenue crossing north of 3rd Street. This study is necessary for the City to submit to the Nebraska Department of Transportation (NDOT) in order to secure potential federal funding for assistance in building a grade separation in this area. FY 2021 expenditures were \$142,311.
14. US Highway 281 Signal Timing optimized traffic signal timings/ operations along the US 281 Highway corridor from Capital Avenue to US Highway 30 interchange. FY 2021 expenditures were \$1,230.
15. North Rd; 13th to Hwy 2 will improve this roadway by providing a concrete curb and gutter section with associated sidewalk, traffic control, drainage and other related improvements. Phase I of this project, which is from Capital Avenue to Hwy 2 was substantially completed FY2020, with Phase II scheduled to be complete Spring 2022. FY 2021 expenditures were \$4,029,572.
16. North Rd; Old Potash to 13th will improve this roadway by providing a concrete curb and gutter roadway section with associated sidewalk, traffic control, drainage and all other related improvements. Project completion will be FY 2022. FY 2021 expenditures were \$53,549.
17. North Rd; Old Potash Hwy to Hwy 30 will improve this roadway by providing a concrete curb and gutter roadway section with associated sidewalk, traffic control, drainage and all other related improvements need to complete the project. FY 2021 expenditures were \$30,714.
18. US Highway 30 Bridges is a State project, with City share, and will repair the existing roadway by resurfacing with asphalt, as well as replace approaches, remodel abutments and wing walls, replace or construct median barrier, sidewalk overlay, and address other necessary repairs. FY 2021 expenditures were \$3,386.

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19. Capital Avenue; Moores Creek to North Road will provide improvements from the Moores Creek Drainway to the roundabout at North Road. The proposal includes a concrete curb and gutter roadway section with associated sidewalk, traffic control, drainage and all other related improvements needed to complete the project. FY 2021 expenditures were \$29,076.
20. The Eddy Street Underpass project will evaluate any repairs and/or replacements which should be implemented to extend the life of the structure. Issues needing to be evaluated are related to the condition of the concrete retaining walls of the structure as well as the condition of the Mill Drive and North Front Street Bridges. The current storm sewer pumping system for the underpass is also to be evaluated and rehabbed as needed. The intent is to also install netting to aid in the reduction of roosting birds. Construction is planned FY 2022. FY 2021 expenditures were \$82,216.
21. Custer Avenue- Forrest Street to Old Potash Highway Roadway Rehabilitation; Project No. 2019-P-13 is for the improvement/rehabilitation of Custer Avenue. The proposal is to improve the ride/pavement condition along this stretch of existing concrete curb and gutter roadway. Initial concepts are full replacement of panels, corner grinding, or an asphalt overlay. Construction is planned FY 2022. FY 2021 expenditures were \$75,626.

22. Sanitary Sewer: For fiscal year 2021 expenses were incurred on the following projects:

Wastewater Treatment Plant Laboratory, Operations Control Center, and Administrative Building Renovation; Project No. 2017-WWTP-2 will provide separation for the HVAC serving the management and accounting offices from the laboratory and operations areas, addressing an immediate safety hazard. This project will also allow installation of a fire suppression system, update equipment, address limited physical space, and allow for future expansion of electrical and mechanical needs. Completion of project will be FY 2022. FY2021 expenditures were \$3,053,953.

Final Clarifier No 1 Renovation; Project No. 2021-WWTP-1 consisted of labor and installation of parts procured, as well as painting of both existing and new clarifier components. FY2021 expenditures were \$18,788.

Wastewater Treatment Plant Paving Improvements; Project No. 2020-WWTP-1 is for the improvements of existing paving and drainage within the plant and the construction of a new main entrance driveways from Shady Bend Road. The project will also reconfigure existing perimeter fencing and gates to enclose the property. Lighting and additional piping with one combined outlet to the adjacent drainway for localized dewatering system will also be incorporated. FY 2021 expenditures were \$1,688,548

Diffuser Replacement; Project No. 2021-WWTP-2 replaced the existing ethylene propylene diene terpolymer (EPDM) membrane component within the diffuser assemblies in the oxic zones of one (1) of the four (4) aeration basins with a 9-inch membrane diffuser at the Wastewater Treatment Plant. FY2021 expenditures were \$19,397

Slide Gate for UV Disinfection; project replaces an aging diversion valve in the UV disinfection system. FY 2021 expenditures were \$1,033.

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Flow Improvements; Project No. 2020-WWTP-4 includes, but is not limited to, constructing improvements to plant piping, flow measuring, aeration basins, and splitter structures. FY 2021 expenditures were \$237,136.

UV System Upgrade includes replacement of one (1) bank of UV lamps and corresponding quartz sleeves for the UV disinfection system at the WWTP. FY 2021 expenditures were \$38,582.

Central Nebraska Regional Airport (CNRA) Sanitary Sewer Collection System Rehabilitation; Project No. 2017-S-4 consists of a comprehensive collection system review for planning, designing and building the rehabilitation of the sanitary sewer collection system at the CNRA. An interlocal agreement with the City, Hall County, and CNRA is being drafted. Construction is anticipated to be complete FY 2023. FY2021 expenditures were \$137,202.

Sanitary Sewer District No. 544; Ellington Pointe and Westwood Park Subdivisions was created by City Council on January 28, 2020, via Ordinance No. 9755 and continued on March 24, 2020, via Resolution No. 2020-78. Such district provided sanitary sewer to an existing residential area, as well as a new development within the City. District development was completed at a total cost of \$946,327. FY2021 expenditures were \$878,147.

Sanitary Sewer District No. 543; Willow Street serves an area previously underserved that is located north of 4th Street, east of Congdon Avenue. This district eliminated around fifteen (15) septic tanks and provides sanitary service to thirty-seven (37) lots. It was advantageous to construct such sanitary sewer main, as there was Community Development Block Grant (CDBG) funding available for 2019, which will reduce the assessment amount for the property owners by about half. FY 2021 expenses were \$12,049.

Lift Station No. 17 Improvements; Project No. 2021-S-9 is for the relocation and construction of a new sanitary sewer lift station that will replace the existing lift station which is currently located north of the intersection of South Locust Street and Exchange Road, on the west side of South Locust Street. FY 2021 expenditures were \$6,963.

City of Grand Island’s Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 36,814,759	\$ 36,814,759	\$ 161,775,437	\$ 161,213,617	\$ 198,590,196	\$ 198,028,376
Infrastructure	300,504,348	289,898,697	-	-	300,504,348	289,898,697
Construction in progress	36,538,502	23,630,557	12,674,628	11,291,273	49,213,130	34,921,830
Buildings and systems	64,479,985	64,056,859	490,656,938	480,809,434	555,136,923	544,866,293
Machinery and equipment	11,757,897	11,145,794	-	-	11,757,897	11,145,794
Office furniture and equipment	3,206,982	3,206,982	356,719	356,719	3,563,701	3,563,701
Vehicles	11,787,496	10,112,548	10,531,172	10,521,930	22,318,668	20,634,478
Accumulated depreciation	(62,764,904)	(58,710,959)	(361,055,626)	(344,113,447)	(423,820,530)	(402,824,406)
Net totals	<u>\$ 402,325,065</u>	<u>\$ 380,155,237</u>	<u>\$ 314,939,268</u>	<u>\$ 320,079,526</u>	<u>\$ 717,264,333</u>	<u>\$ 700,234,763</u>

Additional information on the City of Grand Island’s capital assets can be found in Note 5 on pages 44-45 of this report.

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Long-term debt. At the end of the current fiscal year, the City of Grand Island had total long-term debt outstanding of \$110,003,623. Of this amount, \$18,570,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Grand Island’s debt represents bonds and notes payable secured solely by specified revenue sources (i.e., revenue bonds) and capital lease obligations.

City of Grand Island’s Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 18,570,000	\$ 4,066,000	\$ -	\$ -	\$ 18,570,000	\$ 4,066,000
Revenue bonds	-	-	85,505,000	66,745,000	85,505,000	66,745,000
Notes payable	3,400,583	3,873,142	-	29,341,217	3,400,583	33,214,359
Capital leases	2,528,040	2,703,473	-	-	2,528,040	2,703,473
Total	\$ 24,498,623	\$ 10,642,615	\$ 85,505,000	\$ 96,086,217	\$ 110,003,623	\$ 106,728,832

The City of Grand Island’s total debt increased by \$3,274,791 (3.1 percent) during the current fiscal year due to scheduled repayments on outstanding obligations exceeding additions to capital leases and notes payable.

In November 2020, the City issued \$24,275,000 of Combined Utilities Revenue Refunding Bonds, Series 2020A, including an issuance premium of \$4,653,959. The net proceeds of the Series 2020A bonds, along with other available funds of the City, were used to redeem \$29,341,217 of promissory notes with the Nebraska Department of Environment and Energy (“DEQ Sewer Notes”). The Series 2020A bonds are due in annual installments, with a final stated maturity of August 15, 2037, and bear interest at 4.0%. The prepayment of the NEQ Sewer Notes is expected to result in a cash flow savings of approximately \$1.9 million.

In November 2020, the City issued \$68,485,000 of Combined Utilities Revenue Refunding Bonds (Taxable Interest), Series 2020B. The proceeds of the Series 2020B bonds, along with other available funds of the City, were used to refund \$28,775,000 of Sewer Revenue Refunding Bonds, Series 2013, \$3,980,000 of Electric System Revenue Refunding Bonds, Series 2012, \$27,455,000 of Electric System Revenue Bonds, Series 2013, and \$6,535,000 of Water Revenue and Refunding Bonds, Series 2017. The Series 2020B bonds are due in annual installments, with a final stated maturity of December 15, 2037, and bear interest at rates ranging from 0.443% to 2.78%. The refunding was completed to achieve a combined cash flow savings of approximately \$13,930,000 and a net present value savings of approximately \$5,200,000.

Additional information on the City of Grand Island’s long-term debt can be found in Note 6 starting on page 46 of this report.

City of Grand Island, Nebraska

Management's Discussion and Analysis

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Economic Factors and Next Year's Budgets and Rates

The City's Enterprise Funds maintained strong cash positions and the City has been able to keep up with the increasing costs of operations.

- In 2013 the City of Grand Island became a Metropolitan Statistical Area (MSA) resulting in a new array for wage comparability. In 2020 the City negotiated two new union contracts. The new wage rates continued to impact the 2020-2021 budget year and will continue to influence the budget for years to come.
 - The Grand Island Area Metropolitan Planning Organization (GIAMPO) was established in 2013 and is mandated by the United States Department of Transportation (DOT). The Federal Highway Administration (FHWA) is the primary regulator, with sister agencies Federal Railroad Administration (FRA), Federal Transit Administration (FTA), and Federal Aviation Administration (FAA) contributing additional regulations. The MPO is 80 percent federally funded, with 20 percent local match; usually the 20 percent is divided among all of the transportation providers in the MPO planning area, but the City of Grand Island provides 100 percent of the match. MPOs are usually a separate agency similar to the EDC; this is likely to happen once the population reaches over 100,000 (the division between a small MPO and a large MPO). One FTE is dedicated to this function and other employees provide assistance.
23. As a result of the City's status of metropolitan statistical area, the City became the direct recipient of federal funds for public transit services from the United States Department of Transportation, Federal Transit Administration. This requires public transportation trips originating and terminating within the Grand Island urbanized area to be funded utilizing urban transportation funds. The City has entered into a contract with Senior Citizens Industries, Inc. to provide transit service in the maximum amount of \$718,130 for the time period of July 1, 2020 - June 30, 2021. This agreement provides for service to June 30, 2022, with the City having the option of renewing the agreement on an annual basis for a two (2) year period, at which time proposal will be solicited.

All of these factors were considered in preparing the City of Grand Island's budget for the 2022 fiscal year.

City of Grand Island, Nebraska
Statement of Net Position
September 30, 2021

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 44,472,816	\$ 72,253,885	\$ 116,726,701	\$ 839,552
Investments	22,012,499	4,698,226	26,710,725	-
County treasurer cash	414,533	-	414,533	23,767
Receivables				
Accounts, net of allowance for doubtful accounts	2,203,882	7,681,366	9,885,248	-
Unbilled revenue	-	4,351,924	4,351,924	-
Property taxes	597,596	-	597,596	254,411
Special assessments	670,881	662,323	1,333,204	30,961
Interest	97,461	69,449	166,910	380
Current portion of notes receivable	-	120,000	120,000	-
Current portion of notes from redevelopers	-	-	-	13,360
Internal balances	201,277	(201,277)	-	-
Due from other governments	6,048,595	-	6,048,595	2,594
Prepaid expenses	18,826	624,825	643,651	-
Inventory	158,146	10,089,789	10,247,935	-
Total current assets	76,896,512	100,350,510	177,247,022	1,165,025
Noncurrent assets:				
Restricted cash and cash equivalents	987,657	7,484,493	8,472,150	-
Restricted investments	6,797,349	8,844,841	15,642,190	-
Notes receivable	422,343	-	422,343	-
Noncurrent portion of note receivable	-	1,649,723	1,649,723	-
Costs recoverable in future periods	-	2,274,977	2,274,977	-
Capital assets:				
Land, infrastructure, and construction in progress	345,774,589	174,450,065	520,224,654	-
Other capital assets, net of depreciation	56,550,476	140,489,203	197,039,679	525,169
Net capital assets	402,325,065	314,939,268	717,264,333	525,169
Total noncurrent assets	410,532,414	335,193,302	745,725,716	525,169
Total assets	487,428,926	435,543,812	922,972,738	1,690,194
Deferred Outflows of Resources				
Deferred loss on debt refunding	-	4,956,408	4,956,408	-
Deferred outflows for OPEB	499,709	-	499,709	-
Total deferred outflows of resources	499,709	4,956,408	5,456,117	-
Liabilities:				
Current liabilities:				
Accounts payable	2,583,586	4,195,368	6,778,954	23,445
Accrued expenses	4,436,223	2,905,356	7,341,579	3,745
Unearned revenue	4,592,137	-	4,592,137	-
Compensated absences - current	216,136	415,361	631,497	-
Current portion of total pension liability	103,000	-	103,000	-
Current portion of total OPEB liability	72,000	-	72,000	-
Current portion of long-term obligations	2,829,813	6,810,000	9,639,813	190,000
Total current liabilities	14,832,895	14,326,085	29,158,980	217,190
Noncurrent liabilities:				
Compensated absences - noncurrent	2,680,271	1,857,828	4,538,099	-
Closure/post-closure liability	-	5,573,831	5,573,831	-
Total pension liability	553,788	-	553,788	-
Total other postemployment benefits liability	2,323,420	-	2,323,420	-
Noncurrent portion of long-term obligations	21,668,810	78,695,000	100,363,810	195,000
Unamortized bond premiums	1,472,575	4,421,261	5,893,836	-
Total noncurrent liabilities	28,698,864	90,547,920	119,246,784	195,000
Total liabilities	43,531,759	104,874,005	148,405,764	412,190
Deferred Inflows of Resources				
Deferred inflows for OPEB	277,018	-	277,018	-
Net position:				
Net investment in capital assets	376,353,867	229,348,512	605,702,379	525,169
Restricted for:				
Debt service	122,226	1,460,035	1,582,261	-
Landfill closure/post-closure costs	-	1,597,066	1,597,066	-
Perpetual care - permanent	1,065,337	-	1,065,337	-
Street improvements	10,996,349	-	10,996,349	-
Economic development	1,662,765	-	1,662,765	-
Community improvements	11,940,622	-	11,940,622	-
Other purposes	600,898	225,000	825,898	-
Unrestricted	41,377,794	102,995,602	144,373,396	752,835
Total net position	\$ 444,119,858	\$ 335,626,215	\$ 779,746,073	\$ 1,278,004

City of Grand Island, Nebraska
Statement of Activities
Year Ended September 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Functions/programs:								
Primary government:								
Governmental activities:								
General government	\$ 4,768,226	\$ 3,675,843	\$ 476,880	\$ 1,271,203	\$ 655,700	\$ -	\$ 655,700	\$ -
Public safety	29,748,435	6,745,512	3,686,860	1,327,961	(17,988,102)	-	(17,988,102)	-
Public works	7,788,735	836,996	731,491	9,970,057	3,749,809	-	3,749,809	-
Environment and leisure	9,726,454	1,953,085	132,497	20,465	(7,620,407)	-	(7,620,407)	-
Non-departmental	2,505,860	-	50,000	-	(2,455,860)	-	(2,455,860)	-
Interest and fees on long-term debt	450,812	-	-	-	(450,812)	-	(450,812)	-
Total governmental activities	<u>54,988,522</u>	<u>13,211,436</u>	<u>5,077,728</u>	<u>12,589,686</u>	<u>(24,109,672)</u>	<u>-</u>	<u>(24,109,672)</u>	<u>-</u>
Business-type activities:								
Electric	122,432,586	131,596,042	-	-	-	9,163,456	9,163,456	-
Water	6,387,569	6,818,542	-	606,469	-	1,037,442	1,037,442	-
Sewer	15,356,572	15,397,255	39,493	561,820	-	641,996	641,996	-
Landfill	3,307,382	3,454,605	-	-	-	147,223	147,223	-
Total business-type activities	<u>147,484,109</u>	<u>157,266,444</u>	<u>39,493</u>	<u>1,168,289</u>	<u>-</u>	<u>10,990,117</u>	<u>10,990,117</u>	<u>-</u>
Total primary government	<u>\$ 202,472,631</u>	<u>\$ 170,477,880</u>	<u>\$ 5,117,221</u>	<u>\$ 13,757,975</u>	<u>(24,109,672)</u>	<u>10,990,117</u>	<u>(13,119,555)</u>	<u>-</u>
Component units:								
Business Improvement Districts	\$ 284,172	\$ 29,361	\$ -	\$ -	-	-	-	(254,811)
Community Redevelopment Authority	5,312,898	-	-	-	-	-	-	(5,312,898)
Total component units	<u>\$ 5,597,070</u>	<u>\$ 29,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,567,709)</u>
General revenues:								
Taxes:								
Property					11,535,282	-	11,535,282	4,962,949
Motor vehicle taxes					1,291,059	-	1,291,059	-
Occupation					3,089,717	-	3,089,717	-
Sales taxes					26,525,177	-	26,525,177	-
Franchise					546,419	-	546,419	-
State allocation					7,067,677	-	7,067,677	-
Special assessments					227,248	106,231	333,479	259,418
Miscellaneous					1,365,013	-	1,365,013	200,000
Interest income					1,671,501	537,151	2,208,652	3,569
Gain on sale of capital assets					128,814	187,398	316,212	-
Interfund transfers					1,179,133	(1,179,133)	-	-
Total general revenues and transfers					<u>54,627,040</u>	<u>(348,353)</u>	<u>54,278,687</u>	<u>5,425,936</u>
Change in net position					30,517,368	10,641,764	41,159,132	(141,773)
Net position, beginning of year					413,602,490	324,984,451	738,586,941	1,419,777
Net position, end of year					<u>\$ 444,119,858</u>	<u>\$ 335,626,215</u>	<u>\$ 779,746,073</u>	<u>\$ 1,278,004</u>

See accompanying notes to basic financial statements.

City of Grand Island, Nebraska
Balance Sheet – Governmental Funds
September 30, 2021

Assets	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 26,460,100	\$ 7,528,608	\$ 8,633,482	\$ 42,622,190
Investments	19,944,905	3,692,306	3,834,833	27,472,044
County treasurer cash	414,036	-	497	414,533
Receivables:				
Accounts, net of allowance and doubtful accounts	1,659,518	303,368	81,721	2,044,607
Property taxes	566,421	-	31,175	597,596
Special assessments	-	750	670,131	670,881
Interest	83,539	91	11,668	95,298
Notes receivable	-	-	422,343	422,343
Prepaid expenses	18,826	-	-	18,826
Inventory	27,633	-	-	27,633
Due from other funds	417,932	-	-	417,932
Due from other governments	4,738,289	1,086,598	223,708	6,048,595
Total assets	\$ 54,331,199	\$ 12,611,721	\$ 13,909,558	\$ 80,852,478
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 94,072	\$ 1,373,910	\$ 653,812	\$ 2,121,794
Accrued expenses	1,214,304	111,732	20,191	1,346,227
Unearned revenue	4,592,137	-	-	4,592,137
Due to other funds	56,362	129,730	40,408	226,500
Total liabilities	5,956,875	1,615,372	714,411	8,286,658
Deferred inflows of resources				
Unavailable revenues	1,631,387	-	714,371	2,345,758
Fund balances:				
Nonspendable				
Cemetery perpetual care	-	-	988,419	988,419
Library trust	-	-	76,918	76,918
Prepaid and inventory items	46,459	-	-	46,459
Restricted				
Street improvements	-	10,996,349	-	10,996,349
Debt service	-	-	122,226	122,226
Economic development	-	-	1,662,765	1,662,765
Federal programs	-	-	149,686	149,686
Housing loans	-	-	267,264	267,264
Community improvements	6,855,766	-	5,084,856	11,940,622
Other purposes	-	-	183,948	183,948
Assigned				
Capital improvements	2,475,522	-	2,170,241	4,645,763
Public safety	-	-	139,988	139,988
Transportation programs	-	-	21,059	21,059
Future employee benefits	5,925,540	-	-	5,925,540
Other purposes	-	-	1,717,416	1,717,416
Unassigned	31,439,650	-	(104,010)	31,335,640
Total fund balances	46,742,937	10,996,349	12,480,776	70,220,062
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,331,199	\$ 12,611,721	\$ 13,909,558	\$ 80,852,478

City of Grand Island, Nebraska
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
September 30, 2021

Total fund balances - governmental funds	\$	70,220,062
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in governmental funds.		402,206,236
Deferred inflows of resources for unavailable revenues not available to pay for current-period expenditures and; therefore the revenues are not recognized in the funds.		2,345,758
Internal service funds are used by management to charge the costs of certain activities, such as information technology, fleet services, and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,217,443
Pension and OPEB liabilities and related deferred items do not represent an obligation of current financial resources, and are therefore not reported in the funds.		(2,829,517)
Long-term liabilities, including bonds payable and related interest 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 consists of:		
Compensated absences	\$	(2,793,864)
Accrued interest payable		(275,062)
Capital lease obligations		(2,528,040)
Note payable		(3,400,583)
General obligation bonds payable		(18,570,000)
Bond premium		(1,472,575)
		(29,040,124)
Total net position - governmental activities	\$	444,119,858

City of Grand Island, Nebraska
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
Year Ended September 30, 2021

	<u>General Fund</u>	<u>Streets Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
Property	\$ 11,458,141	\$ -	\$ 9,555	\$ 11,467,696
Motor vehicle	1,291,029	-	30	1,291,059
Occupation	198,892	-	2,890,825	3,089,717
Sales tax	23,859,148	2,666,029	-	26,525,177
Franchise	546,419	-	-	546,419
Intergovernmental	6,277,670	8,904,354	1,067,981	16,250,005
Keno	-	-	394,133	394,133
Special assessments	-	-	183,484	183,484
Charges for services	11,932,813	76,504	619,490	12,628,807
Interest income	1,586,217	-	63,639	1,649,856
Contributions and grants	642	-	169,821	170,463
Other revenue	370,579	34,123	338,930	743,632
Total revenues	<u>57,521,550</u>	<u>11,681,010</u>	<u>5,737,888</u>	<u>74,940,448</u>
Expenditures:				
General government	3,948,069	-	2,498,267	6,446,336
Public safety	26,524,401	-	474,678	26,999,079
Public works	1,613,855	19,900,579	1,260,924	22,775,358
Environment and leisure	7,261,181	-	2,405,982	9,667,163
Non-departmental	1,718,154	-	-	1,718,154
Debt issuance costs	-	182,374	-	182,374
Principal payments on debt	693,441	-	774,717	1,468,158
Interest on long-term debt	23,093	237,485	202,396	462,974
Total expenditures	<u>41,782,194</u>	<u>20,320,438</u>	<u>7,616,964</u>	<u>69,719,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,739,356</u>	<u>(8,639,428)</u>	<u>(1,879,076)</u>	<u>5,220,852</u>
Other financing sources (uses):				
Proceeds from sales of capital asset	128,814	-	-	128,814
Issuance of long-term debt	-	15,000,000	-	15,000,000
Issuance premium on long-term debt	-	1,606,445	-	1,606,445
Capital lease	166,212	387,176	-	553,388
Transfers in	4,499,133	2,729,500	2,979,110	10,207,743
Transfers out	(7,745,000)	(600,000)	(683,610)	(9,028,610)
Total other financing sources (uses)	<u>(2,950,841)</u>	<u>19,123,121</u>	<u>2,295,500</u>	<u>18,467,780</u>
Net change in fund balances	12,788,515	10,483,693	416,424	23,688,632
Fund balances, beginning of year	<u>33,954,422</u>	<u>512,656</u>	<u>12,064,352</u>	<u>46,531,430</u>
Fund balances, end of year	<u>\$ 46,742,937</u>	<u>\$ 10,996,349</u>	<u>\$ 12,480,776</u>	<u>\$ 70,220,062</u>

City of Grand Island, Nebraska
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds
to the Statement of Activities
Year Ended September 30, 2021

Total net change in fund balances - governmental funds	\$ 23,688,632
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 (\$18,924,438) exceeded depreciation expense (\$4,318,752).	14,605,686
The net effect of various transactions involving capital asset activity to decrease net position.	7,955,569
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: Change in revenues in fund statements previously recognized in the statement of activities.	619,592
Internal service funds are used by management to charge the costs of certain activities, such as information technology and fleet services, to individual funds. The change in net position of the internal service funds is reported within governmental activities.	(495,071)
Changes in the total pension liability, total OPEB liability and deferred inflows and outflows for OPEB do not represent financial activity in the governmental funds.	(2,400)
The issuance of long-term debt is reported as revenue in the governmental funds, but the issuance of bonds increases long-term liabilities in the statement of net position.	(17,159,833)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, including the change in accrued interest payable not recognized in the fund financial statements.	<u>1,305,193</u>
Change in net position of governmental activities	<u>\$ 30,517,368</u>

City of Grand Island, Nebraska
Statement of Net Position
Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds					Internal Service Fund
	Major Funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
Assets:						
Current assets:						
Cash and cash equivalents	\$ 55,407,336	\$ 7,266,874	\$ 8,474,736	\$ 1,104,939	\$ 72,253,885	\$ 2,838,283
Investments	-	-	4,156,323	541,903	4,698,226	1,337,804
Receivables						
Accounts, net of allowance for doubtful accounts	5,608,241	597,543	1,226,797	248,785	7,681,366	159,275
Unbilled revenue	3,395,382	432,349	524,193	-	4,351,924	-
Interest	30,395	8,906	22,194	7,954	69,449	2,163
Special assessments	-	66,124	596,199	-	662,323	-
Current portion of note receivable	-	-	120,000	-	120,000	-
Due from other funds	183,056	23,213	-	34,181	240,450	106,714
Inventory	9,796,595	293,194	-	-	10,089,789	130,513
Prepaid expenses	606,080	18,745	-	-	624,825	-
Total current assets	<u>75,027,085</u>	<u>8,706,948</u>	<u>15,120,442</u>	<u>1,937,762</u>	<u>100,792,237</u>	<u>4,574,752</u>
Noncurrent assets:						
Restricted cash and cash equivalents	3,154,924	302,653	4,026,916	-	7,484,493	-
Restricted investments	-	-	-	8,844,841	8,844,841	-
Noncurrent portion of note receivable	-	-	1,649,723	-	1,649,723	-
Costs recoverable in future periods	2,274,977	-	-	-	2,274,977	-
Capital assets:						
Land and improvements	6,069,593	-	147,094,888	8,610,955	161,775,436	-
Construction in progress	2,956,988	582,005	9,135,636	-	12,674,629	-
Distribution and collection systems	333,286,379	84,527,698	8,296,661	-	426,110,738	-
Buildings and equipment	45,405,008	4,236,070	18,406,133	7,386,879	75,434,090	1,835,168
Less accumulated depreciation	(258,184,287)	(21,941,989)	(72,427,520)	(8,501,829)	(361,055,625)	(1,716,339)
Net capital assets	<u>129,533,681</u>	<u>67,403,784</u>	<u>110,505,798</u>	<u>7,496,005</u>	<u>314,939,268</u>	<u>118,829</u>
Total noncurrent assets	<u>134,963,582</u>	<u>67,706,437</u>	<u>116,182,437</u>	<u>16,340,846</u>	<u>335,193,302</u>	<u>118,829</u>
Total assets	<u>209,990,667</u>	<u>76,413,385</u>	<u>131,302,879</u>	<u>18,278,608</u>	<u>435,985,539</u>	<u>4,693,581</u>
Deferred Outflows of Resources:						
Deferred loss on debt refunding	1,861,294	236,126	2,858,988	-	4,956,408	-
	<u>1,861,294</u>	<u>236,126</u>	<u>2,858,988</u>	<u>-</u>	<u>4,956,408</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable	2,978,646	152,397	1,008,450	55,875	4,195,368	461,792
Due to other funds	127,536	96,709	204,232	13,250	441,727	96,869
Accrued expenses	2,252,723	289,334	308,405	54,894	2,905,356	2,814,934
Compensated absences - current	359,352	35,540	11,511	8,958	415,361	9,062
Current portion of long-term obligations	3,785,000	345,000	2,680,000	-	6,810,000	-
Total current liabilities	<u>9,503,257</u>	<u>918,980</u>	<u>4,212,598</u>	<u>132,977</u>	<u>14,767,812</u>	<u>3,382,657</u>
Noncurrent liabilities:						
Compensated absences - noncurrent	1,437,408	142,162	164,082	114,176	1,857,828	93,481
Closure/post-closure liability	1,416,505	-	-	4,157,326	5,573,831	-
Noncurrent portion of long-term obligations	23,435,000	5,800,000	49,460,000	-	78,695,000	-
Unamortized bond premiums	-	-	4,421,261	-	4,421,261	-
Total noncurrent liabilities	<u>26,288,913</u>	<u>5,942,162</u>	<u>54,045,343</u>	<u>4,271,502</u>	<u>90,547,920</u>	<u>93,481</u>
Total liabilities	<u>35,792,170</u>	<u>6,861,142</u>	<u>58,257,941</u>	<u>4,404,479</u>	<u>105,315,732</u>	<u>3,476,138</u>
Net position:						
Net investment in capital assets	104,036,473	61,439,694	56,376,340	7,496,005	229,348,512	118,829
Restricted for:						
Debt service	686,716	77,653	695,666	-	1,460,035	-
Uranium removal	-	225,000	-	-	225,000	-
Closure/post-closure costs	1,051,703	-	-	545,363	1,597,066	-
Unrestricted	<u>70,284,899</u>	<u>8,046,022</u>	<u>18,831,920</u>	<u>5,832,761</u>	<u>102,995,602</u>	<u>1,098,614</u>
Total net position	<u>\$ 176,059,791</u>	<u>\$ 69,788,369</u>	<u>\$ 75,903,926</u>	<u>\$ 13,874,129</u>	<u>\$ 335,626,215</u>	<u>\$ 1,217,443</u>

City of Grand Island, Nebraska
Statement of Revenues, Expenditures, and
Changes in Net Position – Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds				Total	Internal Service Funds
	Major Funds			Nonmajor		
	Electric Fund	Water Fund	Sewer Fund	Landfill Funds		
Operating revenues:						
Sales						
Consumers	\$ 61,003,179	\$ 6,458,207	\$ 14,905,705	\$ 3,449,168	\$ 85,816,259	\$ -
Municipal and interdepartmental	1,975,924	215,396	-	-	2,191,320	12,116,469
Wholesale	67,713,490	-	-	-	67,713,490	-
Total sales	130,692,593	6,673,603	14,905,705	3,449,168	155,721,069	12,116,469
Tap fees	-	175	325,025	-	325,200	-
Other revenue	903,449	144,764	166,525	5,437	1,220,175	-
Total operating revenues	131,596,042	6,818,542	15,397,255	3,454,605	157,266,444	12,116,469
Operating expenses:						
Cost of power	97,380,706	-	-	-	97,380,706	-
Production	-	2,574,745	-	-	2,574,745	-
Operation of system	3,177,815	1,176,572	5,683,384	1,405,288	11,443,059	-
Maintenance of system	2,750,772	-	224,128	189,747	3,164,647	-
Consumer accounting and collection	1,658,739	615,052	601,858	154,074	3,029,723	-
General office expense	1,738,518	98,981	694,298	373,072	2,904,869	-
Special services	1,138,835	119,871	141,012	106,922	1,506,640	-
Information technology	-	-	-	-	-	1,428,609
Central garage	-	-	-	-	-	1,222,794
Insurance	706,333	18,265	109,004	50,014	883,616	9,993,841
Miscellaneous	140,048	321,911	-	-	461,959	9,606
Change in closure/post-closure liability	-	-	-	242,757	242,757	-
Depreciation	12,532,856	1,211,992	5,451,725	785,508	19,982,081	28,335
Total operating expenses	121,224,622	6,137,389	12,905,409	3,307,382	143,574,802	12,683,185
Operating income	10,371,420	681,153	2,491,846	147,223	13,691,642	(566,716)
Nonoperating revenues (expenses):						
Interest income	243,931	29,461	75,382	188,377	537,151	21,645
Intergovernmental/grants	-	-	39,493	-	39,493	50,000
Interest expense	(760,290)	(151,324)	(1,525,108)	-	(2,436,722)	-
Debt issuance costs	(447,674)	(98,856)	(926,055)	-	(1,472,585)	-
Gain on disposal of assets	7,217	23,881	-	156,300	187,398	-
Special assessments	-	-	106,231	-	106,231	-
Total nonoperating revenues (expenses)	(956,816)	(196,838)	(2,230,057)	344,677	(3,039,034)	71,645
Change in net position before contributions and transfers	9,414,604	484,315	261,789	491,900	10,652,608	(495,071)
Capital contributions	-	606,469	561,820	-	1,168,289	-
Transfers in (out)	(1,102,375)	(76,758)	-	-	(1,179,133)	-
Change in net position	8,312,229	1,014,026	823,609	491,900	10,641,764	(495,071)
Net position, beginning	167,747,562	68,774,343	75,080,317	13,382,229	324,984,451	1,712,514
Net position, ending	\$ 176,059,791	\$ 69,788,369	\$ 75,903,926	\$ 13,874,129	\$ 335,626,215	\$ 1,217,443

City of Grand Island, Nebraska
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds					Internal Service Funds
	Electric Fund	Major Funds Water Fund	Sewer Fund	Nonmajor Landfill Fund	Total	
Cash flows from operating activities:						
Receipts from customers	\$ 131,682,045	\$ 6,816,154	\$ 15,167,126	\$ 3,466,734	\$ 157,132,059	\$ -
Receipts from other funds	-	-	-	-	-	12,191,449
Payments to suppliers	(104,390,358)	(4,582,289)	(5,167,518)	(1,368,721)	(115,508,886)	(10,944,117)
Payments to employees	(3,305,139)	(325,207)	(2,006,703)	(915,176)	(6,552,225)	(909,101)
Net cash provided by operating activities	<u>23,986,548</u>	<u>1,908,658</u>	<u>7,992,905</u>	<u>1,182,837</u>	<u>35,070,948</u>	<u>338,231</u>
Cash flows from noncapital financing activities:						
Payments in lieu of taxes	(449,060)	(78,661)	-	-	(527,721)	-
Transfer from (to) other funds	15,310	(3,189)	-	-	12,121	-
Change in interfund balances	-	-	37,355	(16,233)	21,122	73,442
Net cash provided by (used in) noncapital financing activities	<u>(433,750)</u>	<u>(81,850)</u>	<u>37,355</u>	<u>(16,233)</u>	<u>(494,478)</u>	<u>73,442</u>
Cash flows from capital and related financing activities:						
Purchase of property and equipment	(5,698,069)	(755,869)	(6,487,900)	(566,158)	(13,507,996)	-
Proceeds from sale of property and equipment	7,217	23,881	-	-	31,098	-
Intergovernmental receipts	-	-	39,493	-	39,493	50,000
Special assessment collections	-	-	27,199	-	27,199	-
Principal payments on capital debt	(3,860,000)	(375,000)	(3,020,000)	-	(7,255,000)	-
Net transfer to bond refunding agent	(4,851,000)	(403,403)	(3,651,598)	-	(8,906,001)	-
Interest paid on capital debt	(260,380)	(90,572)	(1,121,480)	-	(1,472,432)	-
Net cash provided by (used in) capital and related financing activities	<u>(14,662,232)</u>	<u>(1,600,963)</u>	<u>(14,214,286)</u>	<u>(566,158)</u>	<u>(31,043,639)</u>	<u>50,000</u>
Cash flows from investing activities:						
Proceeds from the sale of maturities of investment securities	14,144,959	-	500,000	3,713,098	18,358,057	-
Purchase of investment securities	(800,015)	-	-	(4,377,657)	(5,177,672)	-
Change in allocation of pooled investments	-	-	1,751,434	(468,213)	1,283,221	(134,121)
Collections on notes receivable	-	-	120,000	-	120,000	-
Interest received	256,738	30,802	94,666	224,344	606,550	23,044
Net cash provided by (used in) investing activities	<u>13,601,682</u>	<u>30,802</u>	<u>2,466,100</u>	<u>(908,428)</u>	<u>15,190,156</u>	<u>(111,077)</u>
Net increase (decrease) in cash and cash equivalents	<u>22,492,248</u>	<u>256,647</u>	<u>(3,717,926)</u>	<u>(307,982)</u>	<u>18,722,987</u>	<u>350,596</u>
Cash and cash equivalents, beginning	<u>36,070,012</u>	<u>7,312,880</u>	<u>16,219,578</u>	<u>1,412,921</u>	<u>61,015,391</u>	<u>2,487,687</u>
Cash and cash equivalents, ending	<u>\$ 58,562,260</u>	<u>\$ 7,569,527</u>	<u>\$ 12,501,652</u>	<u>\$ 1,104,939</u>	<u>\$ 79,738,378</u>	<u>\$ 2,838,283</u>

See accompanying notes to basic financial statements.

City of Grand Island, Nebraska
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds					Internal Service Funds
	Major Funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
Composition of cash and cash equivalents						
Cash and cash equivalents	\$ 55,407,336	\$ 7,266,874	\$ 8,474,736	\$ 1,104,939	\$ 72,253,885	\$ 2,838,283
Restricted cash and cash equivalents	3,154,924	302,653	4,026,916	-	7,484,493	-
	<u>\$ 58,562,260</u>	<u>\$ 7,569,527</u>	<u>\$ 12,501,652</u>	<u>\$ 1,104,939</u>	<u>\$ 79,738,378</u>	<u>\$ 2,838,283</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 10,371,420	\$ 681,153	\$ 2,491,846	\$ 147,223	\$ 13,691,642	\$ (566,716)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	12,532,856	1,211,992	5,451,725	785,508	19,982,081	28,335
Change in assets and liabilities:						
Accounts receivable	86,003	(2,388)	(230,129)	12,129	(134,385)	74,980
Inventories	(4,704)	(24,593)	-	-	(29,297)	(4,779)
Prepaid expenses	(15,520)	(480)	-	-	(16,000)	-
Costs recoverable in future periods	589,197	-	-	-	589,197	-
Accounts payable and accrued expenses	13,151	42,974	279,463	(4,780)	330,808	819,379
Other	414,145	-	-	242,757	656,902	(12,968)
Net cash provided by operating activities	<u>\$ 23,986,548</u>	<u>\$ 1,908,658</u>	<u>\$ 7,992,905</u>	<u>\$ 1,182,837</u>	<u>\$ 35,070,948</u>	<u>\$ 338,231</u>
Supplemental cash flow information						
Capital contributions	\$ -	\$ 606,469	\$ 561,820	\$ -	\$ 1,168,289	\$ -
Amortization of bond premium	\$ 27,576	\$ -	\$ -	\$ -	\$ 27,576	\$ -
Accounts payable incurred for capital asset purchase	\$ 138,502	\$ 55,216	\$ 427,185	\$ -	\$ 620,903	\$ -

See accompanying notes to basic financial statements.

City of Grand Island, Nebraska
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash	\$ 125,036
Investments	61,323
Interest receivable	9
Special assessments receivable	<u>31,152</u>
Total assets	<u>217,520</u>
Liabilities	
Accounts payable	20,794
Due to others	<u>129,954</u>
Total liabilities	<u>150,748</u>
Fiduciary Net Position	
Net position held for others	<u><u>\$ 66,772</u></u>

City of Grand Island, Nebraska
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2021

	Custodial Funds
Additions	
Employee withholdings	\$ 1,595,778
Fees and licenses collected for others	52,972
Assessments collected for others	256,594
Other additions	36,147
Investment income	31,698
Total additions	1,973,189
Deductions	
Employee reimbursements	1,560,333
Owed to others	340,718
Other deductions	215,823
Total deductions	2,116,874
Change in fiduciary net position	(143,685)
Beginning Fiduciary Net Position, as Previously Reported	-
Adjustment for Implementation of GASB 84	210,457
Beginning Fiduciary Net Position, as Restated	210,457
Ending Fiduciary Net Position	\$ 66,772

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Grand Island, 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.

Financial Reporting Entity

The City of Grand Island, Nebraska, was incorporated in 1872. The City operates under a Mayor-Council form of government with an elected part-time chief executive, Mayor, and an elected legislative body, Council, composed of ten members of the City Council are elected, two from each of five 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; urban development; electric, water and sanitary sewer systems; sanitary landfill; golf course; and general administrative services.

The City's financial reporting entity comprises the following:

Primary Government:	City of Grand Island
Discretely Presented Component Units:	Community Redevelopment Authority of Grand Island Business Improvement Districts

In determining the financial reporting entity, the City has considered all potential component units 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 exclusions would cause the reporting entity's financial statements to be misleading.

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. The City has determined the Grand Island Facilities Corporation (Facilities Corporation) is a blended component unit as the governing body consists of members appointed by City government and the City is the sole corporate member of the Facilities Corporation.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Financial Reporting Entity - Continued

Discretely Presented Component Units - Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following are the discretely presented component units:

	Brief Description of Activities and Relationship to the City
Community Redevelopment Authority of Grand Island (CRA)	Created in June 1997 to develop, finance, and maintain certain areas of the City in need of improvement and development. The Mayor appoints the five-member board. The CRA can borrow money, issue bonds, and request a levy of taxes under the City’s overall levy limits. The CRA’s annual budget is subject to the City Council’s approval.
Business Improvement Districts (BID)	The BIDs account for funding held for improvement and maintenance of public areas within the boundaries of the District.

The CRA and BID do not have separately issued financial statements.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and Statement of Activities present 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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

- b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

The City reports the following major 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.

Streets Fund – The Streets Fund, a special revenue fund, is used to account for operation of the street department. Revenues are provided by the City’s share of state gasoline taxes, in addition to the required match from the City. State law requires these taxes to be used to construct and maintain roads, streets and improvements, and for the street program administration.

Additionally, the city reports the following non-major fund types:

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. These nonmajor funds consist of the Enhanced 911, PSC Wireless, Pioneer Consortium, Occupation Tax, Keno, Transportation, Community Youth Council, Program Income Reuse, Economic Development, HUD Entitlement, Housing Reuse, Community Development, Community Grants, Police Grants, Parking District #1, Parking District #2, and Local Assistance funds.

Capital Projects Funds – The nonmajor capital projects funds consist of the Capital Projects Fund and the Special Assessments Fund. The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of specific capital projects with transfers made to governmental funds. The Special Assessments Fund is used to account for collections of special assessments for the Debt Service or Capital Projects Fund.

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 the debt service payments made by the enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City’s general obligation bonds.

Permanent Funds – The Permanent Funds account for assets held by the City pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. These nonmajor funds consist of the Library Trust and Cemetery Trust funds.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

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 the change in net position 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. The City’s internal service funds consist of the Information Technology, Fleet Services, Insurance, and Equipment Reserve funds.

The City reports the following major proprietary funds:

Electric Fund – The Electric Fund accounts for the revenues and expenses of the electric utility.

Water Fund – The Water Fund accounts for the revenues and expenses of the water utility.

Sewer Fund – The Sewer Fund accounts for the activity from sewer service charges and related expenditures for operation, maintenance, and capital improvements of the sanitary sewer system.

Additionally, the City reports the following nonmajor enterprise fund:

Landfill Fund – The Landfill Fund accounts for the revenues and expenses for the maintenance and operation of the landfill.

Fiduciary Funds

Custodial Funds Custodial funds account for assets held by the City in a purely custodial capacity. The reporting entity includes four custodial funds, which are as follows:

Fund	Brief Description
Cafeteria Plan	Accounts for voluntary employee contributions as a tax-free reimbursement for medical and child care expenses.
Other Agencies	Accounts for fines and fees collected by the City which are ultimately remitted to Grand Island Public Schools.
Tri City Task Force	Accounts for the collection of grant monies and seized funds, which are used for the operation of the task force or ultimately remitted to the task force members.
BID Assessments	Accounts for the collection of assessments for the Railside, South Locust and Fonner Park Business Improvement Districts, and remittance of assessments to the Districts.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

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 measurement focus applied.

The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows takes place. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants and similar items are recognized when the eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures and other certain long-term obligations, which are reported as expenditures in the year due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Use of 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, liabilities and deferred inflows/outflows of resources 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.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Cash and Investments

For the purpose of the Statement of Net Position and Balance Sheet, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of 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.

Nonnegotiable certificates of deposit and money market mutual funds are carried at amortized cost, which approximates fair value. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is assigned to the funds with which the related investment asset is associated.

Receivables

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 receivables balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings and special assessments 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 special assessments compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies and repair parts and are recorded on the government-wide financial statements and the proprietary fund statements. In the governmental funds, inventory is recorded as an expenditure when purchased. There are not significant balances of inventory to record in the governmental funds.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as 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 Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Costs Recoverable in Future Periods

Costs recoverable in future periods consists of various plant maintenance costs that are being amortized over the life of the scheduled maintenance repair life. In accordance with GASB Codification Section Re10, *Regulated Operations*, the maintenance costs which would be recognized during the current period are deferred and not included in the determination of net income until such costs are recoverable.

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 are capitalized and reported on the Statement of Net Position. The City has a \$10,000 capitalization threshold. All 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 acquisition value at the date of donation. The City has elected the modified 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	10-50 years
Machinery and Equipment	3-20 years
Utility System	25-50 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.

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.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The deferred loss on debt refunding represents the unamortized difference between the reacquisition price and net carrying amount related to the City's bond refunding activities. The deferred outflows of resources related to the bond refunding activity will be amortized through 2037. The deferred outflow for OPEB results from changes in actuarial assumptions. This amount will be amortized over the weighted average of the expected remaining service lives for all covered active and inactive OPEB plan members.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The unavailable revenues reported in the governmental funds balance sheet are from property taxes, special assessments and other revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows for OPEB reported in the government-wide statement of net position are from changes in actuarial assumptions and differences between expected and actual experience. These amounts are amortized over the weighted average of the expected remaining service lives for all covered active and inactive OPEB plan members.

Unamortized Bond Premiums

Bond premiums related to the City's bond issuances are amortized over the life of the bonds using the effective interest method.

Unavailable Revenues

Unavailable revenues consist of property taxes, special assessments and certain other receivables 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.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

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.

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

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.

Net Position

Net position is required to be displayed in three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets are also included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to unspent proceeds is not included in the calculation of net investment in capital assets.

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 provision or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classification

Fund balances for the City’s governmental funds are classified as follows:

Nonspendable – Amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

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

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Fund Balance Classification - Continued

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 – The residual classification for the general fund and includes all amounts not included in the other classifications.

Sales and Use Tax

The City presently levies a sales tax on taxable sales within the City. The sales tax rate was 2.0% for the 2021 fiscal year. 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. The sales tax is recorded in the General Fund and used for budgeted General Fund appropriations. As of October 1, 2006, 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 represents 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, 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 Hall County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14% interest.

Property taxes levied for 2020-21 are recorded as revenue when expected to be collected within 60 days after September 30, 2021. Prior-year levies were recorded using these same principles, and remaining receivables are re-evacuated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

The City-owned electric and water utilities may make payments in lieu of taxes. The electric department pays 5% of its net operating revenues, excluding depreciation, and the water department pays 1% of its gross revenues derived from within the City limits.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies - Continued

Contributions in Aid of Construction

Contributions in aid of construction are tap fees installed and contributed by developers. These contributions are recorded at acquisition value when the development is complete and are considered imposed non-exchange transactions. These contributions are presented as capital contributions in the financial statements.

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.

Implementation of New Accounting Standards

During 2021, the City implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB 84) and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (GASB 97). The provisions of these standards required the City to evaluate certain potential fiduciary activities and re-evaluate certain existing fiduciary activities, and also required the restatement of certain beginning fiduciary fund net position balances as fiduciary custodial funds report fiduciary net position in certain circumstances under the new guidance.

Note 2: 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:

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, Permanent, and Agency Funds.

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.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 2: Stewardship, Compliance and Accountability - Continued

Deposit Laws and Regulations - Continued

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 pledging institution in the City's name.

Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements.

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.

Budgetary Data

The City is required by state laws to adopt annual budgets for all funds 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 expenditures 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.
- c. Prior to September 20, 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.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 2: Stewardship, Compliance and Accountability – Continued

Budgetary Data - Continued

- 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 become the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Grand Island adopts a budget by resolution for all fund types.

Deficit Fund Balances

The deficit fund balance in the HUD Entitlement special revenue fund of \$104,010 is the result of costs incurred during 2021 in excess of the related revenues. These deficits will be resolved in future years through additional revenues and transfers from the General Fund.

Note 3: Deposits and Investments

Deposits

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. As of September 30, 2021, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of pledged securities.

Investments

The City's investments consist of nonnegotiable certificates of deposits and investments in equity securities, U.S. Government and agency obligations, and corporate bonds.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 3: Deposits and Investments - Continued

Investments - Continued

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates (market rates) will affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from risking 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 investment maturities are as follows:

Investment Type	Carrying Value	Investment Term			Credit Rating Moody's / S&P
		Less Than 1	1 - 5 Years	6 - 10 Years	
Certificates of deposit	\$ 31,180,135	\$ 31,180,135	\$ -	\$ -	Not Rated
U.S. Treasury securities	97,182	-	-	97,182	AAA / Not Rated
Corporate bonds	103,430	-	103,430	-	BAA3 / BBB
Domestic common stocks	6,489,618	6,489,618	-	-	Not Rated
Money markets	163,468	163,468	-	-	Not Rated
	<u>\$ 38,033,833</u>	<u>\$ 37,833,221</u>	<u>\$ 103,430</u>	<u>\$ 97,182</u>	

Custodial Credit Risk – 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 possession of an outside party. All of the underlying securities for the City’s investments at September 30, 2021, 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.

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, money market funds, corporate bonds, equity securities and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City’s investment portfolio.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer.

Fair Value of Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 3: Deposits and Investments - Continued

Fair Value of Investments

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The City's investments in certificates of deposit and money markets are carried at cost, and thus are not included within the fair value hierarchy.

Recurring Measurements

The following table presents the fair value measurements of investments recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury securities	\$ 97,182	\$ -	\$ 97,182	\$ -
Corporate bonds	103,430	-	103,430	-
Domestic common stocks	<u>6,489,618</u>	<u>6,489,618</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,690,230</u>	<u>\$ 6,489,618</u>	<u>\$ 200,612</u>	<u>\$ -</u>

Summary of Carrying Values

The carrying values of deposits and investments are as follows:

Deposits	\$ 129,704,292
Investments	<u>38,033,833</u>
	<u>\$ 167,738,125</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 3: Deposits and Investments - Continued

Included in the following statement of net position captions:

	Statement of Net Position		
	Government-Wide	Fiduciary Funds	Total
Cash and cash equivalents	\$ 116,726,701	\$ 125,036	\$ 116,851,737
Restricted cash and cash equivalents	8,472,150	-	8,472,150
Investments	26,710,725	61,323	26,772,048
Restricted investments	15,642,190	-	15,642,190
	<u>\$ 167,551,766</u>	<u>\$ 186,359</u>	<u>\$ 167,738,125</u>

Note 4: Accounts and Notes Receivable

Accounts and notes receivable at September 30, 2021 consist of the following:

Fund	Taxes	Accounts	Special Assessments	Interest	Notes	Gross Receivables	Allowance	Net
General	\$ 566,421	\$ 1,659,518	\$ -	\$ 83,539	\$ -	\$ 2,309,478	\$ -	\$ 2,309,478
Streets	-	303,368	750	91	-	304,209	-	304,209
Nonmajor	31,175	81,721	670,131	11,668	422,343	1,217,038	-	1,217,038
Electric	-	9,620,798	-	30,395	-	9,651,193	(617,175)	9,034,018
Water	-	1,083,575	66,124	8,906	-	1,158,605	(53,683)	1,104,922
Sewer	-	1,824,825	596,199	22,194	1,769,723	4,212,941	(73,835)	4,139,106
Landfill	-	248,785	-	7,954	-	256,739	-	256,739
Internal Service	-	159,275	-	2,163	-	161,438	-	161,438
	<u>\$ 597,596</u>	<u>\$ 14,981,865</u>	<u>\$ 1,333,204</u>	<u>\$ 166,910</u>	<u>\$ 2,192,066</u>	<u>\$ 19,271,641</u>	<u>\$ (744,693)</u>	<u>\$ 18,526,948</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 5: Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,731,739	\$ -	\$ -	\$ 8,731,739
Infrastructure	289,898,697	10,605,651	-	300,504,348
Construction in progress	23,630,557	15,395,978	2,488,033	36,538,502
Total capital assets, not being depreciated	<u>322,260,993</u>	<u>26,001,629</u>	<u>2,488,033</u>	<u>345,774,589</u>
Capital assets, being depreciated:				
Land improvements	28,083,020	-	-	28,083,020
Buildings	64,056,859	423,126	-	64,479,985
Machinery and equipment	11,145,794	680,645	68,542	11,757,897
Office furniture and equipment	3,206,982	-	-	3,206,982
Vehicles	10,112,548	1,897,537	222,589	11,787,496
Total capital assets, being depreciated	<u>116,605,203</u>	<u>3,001,308</u>	<u>291,131</u>	<u>119,315,380</u>
Less accumulated depreciation for:				
Land improvements	10,768,819	863,642	-	11,632,461
Buildings	29,696,471	2,020,515	-	31,716,986
Machinery and equipment	7,547,461	585,376	68,542	8,064,295
Office furniture and equipment	3,050,334	63,047	-	3,113,381
Vehicles	7,647,874	786,172	196,265	8,237,781
Total accumulated depreciation	<u>58,710,959</u>	<u>4,318,752</u>	<u>264,807</u>	<u>62,764,904</u>
Total capital assets, being depreciated, net	<u>57,894,244</u>	<u>(1,317,444)</u>	<u>26,324</u>	<u>56,550,476</u>
Governmental activities capital assets, net	<u>\$ 380,155,237</u>	<u>\$ 24,684,185</u>	<u>\$ 2,514,357</u>	<u>\$ 402,325,065</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 5: Capital Assets - Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 4,797,218	\$ -	\$ -	\$ -	\$ 4,797,218
Construction in progress	11,291,273	14,258,236	87,773	(12,787,108)	12,674,628
Total capital assets, not being depreciated	<u>16,088,491</u>	<u>14,258,236</u>	<u>87,773</u>	<u>(12,787,108)</u>	<u>17,471,846</u>
Capital assets, being depreciated:					
Land improvements	156,416,399	561,820	-	-	156,978,219
Buildings, distribution systems, equipment	480,809,434	1,348,258	4,287,862	12,787,108	490,656,938
Office furniture and equipment	356,719	-	-	-	356,719
Vehicles	10,521,930	31,997	22,755	-	10,531,172
Total capital assets, being depreciated	<u>648,104,482</u>	<u>1,942,075</u>	<u>4,310,617</u>	<u>12,787,108</u>	<u>658,523,048</u>
Less accumulated depreciation for:					
Land improvements	56,111,852	5,023,313	-	-	61,135,165
Buildings, distribution systems, equipment	280,263,312	14,095,777	3,017,147	-	297,376,236
Office furniture and equipment	282,823	38,556	-	-	321,379
Vehicles	7,455,460	824,435	22,755	-	8,302,650
Total accumulated depreciation	<u>344,113,447</u>	<u>19,982,081</u>	<u>3,039,902</u>	<u>-</u>	<u>367,135,480</u>
Total capital assets, being depreciated, net	<u>303,991,035</u>	<u>(18,040,006)</u>	<u>1,270,715</u>	<u>12,787,108</u>	<u>297,467,422</u>
Business-type activities capital assets, net	<u>\$ 320,079,526</u>	<u>\$ (3,781,770)</u>	<u>\$ 1,358,488</u>	<u>\$ -</u>	<u>\$ 314,939,268</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 477,019
Public safety	2,503,642
Public works	210,116
Environment and leisure	878,650
Nondepartmental	249,325
Total depreciation expense - governmental	<u>\$ 4,318,752</u>
Business-type activities:	
Electric	\$ 12,532,856
Water	1,211,992
Sewer	5,451,725
Landfill	785,508
Total depreciation expense - business-type activities	<u>\$ 19,982,081</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 6: Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balances at October 1, 2020	Additions	Retirements or Other Reductions	Balances at September 30, 2021	Amount Due Within One Year
Governmental activities:					
Bonds payable	\$ 4,066,000	\$ 15,000,000	\$ (496,000)	\$ 18,570,000	\$ 1,713,000
Bond premium	-	1,606,445	(133,870)	1,472,575	-
Notes payable - direct borrowings	3,873,142	-	(472,559)	3,400,583	485,269
Capital lease - direct borrowings	2,703,473	553,388	(728,821)	2,528,040	631,544
Compensated absences	<u>2,909,375</u>	<u>2,438,552</u>	<u>(2,451,520)</u>	<u>2,896,407</u>	<u>216,136</u>
Total governmental activities	<u>13,551,990</u>	<u>19,598,385</u>	<u>(4,282,770)</u>	<u>28,867,605</u>	<u>3,045,949</u>
Business-type activities					
Bonds payable	66,745,000	92,760,000	(74,000,000)	85,505,000	6,810,000
Bond premium	2,474,819	4,653,959	(2,707,517)	4,421,261	-
Notes payable - direct borrowings	29,341,217	-	(29,341,217)	-	-
Compensated absences	2,481,478	1,052,720	(1,261,009)	2,273,189	415,361
Closure/post-closure liability	<u>4,916,929</u>	<u>656,902</u>	<u>-</u>	<u>5,573,831</u>	<u>-</u>
Total business-type activities	<u>105,959,443</u>	<u>99,123,581</u>	<u>(107,309,743)</u>	<u>97,773,281</u>	<u>7,225,361</u>
Total primary government	<u>\$ 119,511,433</u>	<u>\$ 118,721,966</u>	<u>\$ (111,592,513)</u>	<u>\$ 126,640,886</u>	<u>\$ 10,271,310</u>
Component units					
Bonds payable	<u>\$ 570,000</u>	<u>\$ -</u>	<u>\$ (185,000)</u>	<u>\$ 385,000</u>	<u>\$ 190,000</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 6: Long-term Debt - Continued

Governmental Activities

As of September 30, 2021, the governmental activities long-term debt consisted of the following:

Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Governmental Activities					
Bonds Payable					
\$ 1,231,000	11/9/2015	General Obligation Various Purpose Bonds	1.10 - 2.30	12/15/2024	\$ 570,000
4,435,000	12/23/2016	Public Safety Anticipation Bonds	2.90	12/15/2036	3,000,000
15,000,000	11/19/2020	Highway Allocation Fund Pledge Bonds	3.0 - 4.0%	11/15/2030	<u>15,000,000</u>
		Total Bonds Payable			<u>\$ 18,570,000</u>
Notes Payable - Direct Borrowing					
\$ 5,000,000	12/8/2016	Promissory Note	Variable	12/8/2028	<u>\$ 3,400,583</u>
Capital Leases - Direct Borrowings					
\$ 3,728,681	4/7/2017	Capital Lease Refunding Obligation - Heartland Events Center	1.80	12/15/2024	\$ 1,925,852
299,557	12/6/2018	Capital Lease - Combo Sewer/Cleaner	4.76	12/6/2023	178,993
166,212	5/1/2021	Capital Lease - Golf Equipment	N/A	10/1/2024	156,019
387,176	11/13/2020	Capital Lease - Combo Street Sweeper/Loader	3.45	12/11/2025	<u>267,176</u>
		Total Capital Leases			<u>\$ 2,528,040</u>

The Debt Service and General Funds are making the principal and interest payments on the bonds, the Occupation Tax Fund is making the principal and interest payments on the note payable, and the Gas Tax Fund is paying the capital lease obligations. The capital lease agreements are secured by the related financed facilities and equipment.

Business-type Activities

As of September 30, 2021, the long-term debt payable from proprietary fund resources consisted of the following:

Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Business-Type Activities					
Bonds Payable					
\$ 92,760,000	11/10/2020	Combined Utilities Revenue Refunding Bonds	0.443 - 4.0%	8/15/2037	<u>\$ 85,505,000</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 6: Long-term Debt - Continued

Component Units

Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Component Units					
Bonds Payable					
\$ 1,800,000	10/30/2012	Limited Tax Obligation Bonds	0.40 - 2.40	12/15/2022	\$ 385,000

Debt Service Requirements

Annual debt service requirement to maturity, including principal and interest, for long-term debt as of September 30, 2021, are as follows:

Bonds Payable

	Governmental Activities		Business- type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,713,000	\$ 585,566	\$ 6,810,000	\$ 1,950,205
2023	1,616,000	524,156	6,875,000	1,876,180
2024	1,669,000	462,549	6,960,000	1,788,741
2025	1,732,000	398,700	7,065,000	1,683,835
2026	1,645,000	335,860	7,185,000	1,568,874
2027-2031	9,040,000	859,048	25,690,000	5,730,355
2032-2036	950,000	100,050	20,435,000	2,738,311
2037-2041	205,000	2,973	4,485,000	147,863
Total	<u>\$ 18,570,000</u>	<u>\$ 3,268,901</u>	<u>\$ 85,505,000</u>	<u>\$ 17,484,365</u>

Notes Payable – Direct Borrowings

	Governmental Activities	
	Principal	Interest
2022	\$ 485,269	\$ 88,897
2023	498,509	75,657
2024	512,110	62,056
2025	526,082	48,084
2026	540,435	33,730
2027-2031	838,178	22,823
Total	<u>\$ 3,400,583</u>	<u>\$ 331,247</u>

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 6: Long-term Debt - Continued

Debt Service Requirements - Continued

Capital Lease Obligations – Direct Borrowings

	Governmental Activities
Year Ending September 30,	
2022	\$ 687,014
2023	683,463
2024	675,021
2025	565,354
2026	47,124
Total minimum lease payments	2,657,976
Less amount representing interest	(129,936)
	\$ 2,528,040

In November 2020, the City issued \$15,000,000 of Highway Allocation Fund Pledge Bonds, Series 2020. The proceeds of the Series 2020 bonds will be used for paying the costs of certain street improvements and related improvements within the City of Grand Island. The Series 2020 bonds are due in annual installments, with a final stated maturity of November 15, 2030, and bear interest at rates ranging from 3.0% to 4.0%.

In November 2020, the City issued \$24,275,000 of Combined Utilities Revenue Refunding Bonds, Series 2020A. The proceeds of the Series 2020A bonds, along with other available funds of the City, shall be used to prepay the promissory notes with the Nebraska Department of Environment and Energy (“DEQ Sewer Notes”). The Series 2020A bonds are due in annual installments, with a final stated maturity of August 15, 2037, and bear interest at 4.0%. The prepayment of the NEQ Sewer Notes is expected to result in a cash flow savings of approximately \$1.9 million.

In November 2020, the City issued \$68,485,000 of Combined Utilities Revenue Refunding Bonds (Taxable Interest), Series 2020B. The proceeds of the Series 2020B bonds, along with other available funds of the City, were used to refund \$28,775,000 of Sewer Revenue Refunding Bonds, Series 2013, \$3,980,000 of Electric System Revenue Refunding Bonds, Series 2013, and \$6,535,000 of Water Revenue and Refunding Bonds, Series 2017. The Series 2020B bonds are due in annual installments, with a final stated maturity of December 15, 2037, and bear interest at rates ranging from 0.443% to 2.78%. The refunding will result in a combined cash flow savings of approximately \$13,930,000 and a net present value savings of approximately \$5,200,000.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 6: Long-term Debt - Continued

Closure and Post-closure Care Costs

The City of Grand Island has chosen to demonstrate financial assurance for the Grand Island Regional Solid Waste Landfill and the Platte Generating Station Fossil Fuel Combustion Ash Landfill by using a financial test mechanism. As required by Nebraska Administrative Code – Title 132 – *Integrated Solid Waste Management* Regulations, the following information is provided.

The City entered into an agreement with the Nebraska Department of Environment and Energy to establish a Closure/Post-Closure Care Account. The purpose of this account is to accumulate sufficient monies to fund all related costs of closure and post-closure of the ash disposal area at the Platte Generating Station. The calculated amount of the Closure/Post-Closure liability was \$1,416,505 at September 30, 2021, which is based on 57.39% usage (filled) of the ash disposal area. The remaining estimated liability for these costs is approximately \$1,050,000, based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the ash disposal area were acquired as of September 30, 2021. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2021, the City incurred a liability of \$4,157,326 for the municipal solid waste landfill, which represents the costs reported to date based on the approximately 38.3% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$6,700,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 42 years).

The City meets the requirements of the *Local Government Financial Test*, so they are not subject to annual funding requirements. At September 30, 2021, funds of \$1,597,066 are restricted to finance closure and post-closure of the City's landfill. These funds are presented on the City's statement of net position as "restricted for landfill closure/post-closure costs." It is anticipated that future inflation costs will be financed in part of earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

In 1997, the City entered into an agreement with the Nebraska Department of Environment and Energy to establish a closure/post-closure care account for the fly ash disposal area at the Platte Generating Station. The purpose of this account is to accumulate sufficient monies to fund all related costs of closure and post-closure of the fly ash disposal area at the Platte Generating Station. The calculated amount of the closure/post-closure liability was \$1,416,505 as of September 30, 2021. The amount on deposit in the closure/post-closure care account was \$2,468,208 at September 30, 2021.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 7: Interfund Transactions and Balances

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services transactions are classified as “due to and from other funds”.

	Receivable Fund					Total
	General Fund	Electric	Water	Landfill	Internal Service	
Payable Fund:						
General	\$ -	\$ 52,016	\$ -	\$ 40	\$ 4,306	\$ 56,362
Streets	100,287	28,867	-	576	-	129,730
Nonmajor Governmental	39,443	965	-	-	-	40,408
Electric	104,203	-	23,213	120	-	127,536
Water	12,436	52,971	-	19,635	11,667	96,709
Sewer	51,444	48,237	-	13,810	90,741	204,232
Landfill	13,250	-	-	-	-	13,250
Internal Service	96,869	-	-	-	-	96,869
	<u>\$ 417,932</u>	<u>\$ 183,056</u>	<u>\$ 23,213</u>	<u>\$ 34,181</u>	<u>\$ 106,714</u>	<u>\$ 765,096</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move revenues from restricted funds to funds where the expenditures were incurred related to the restriction and to (c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Electric Fund remits five percent of net operating revenues, excluding depreciation expense, to the General Fund annually as payments in lieu of taxes. The City provides certain administrative services to the Electric Department for which the Department pays fees to the General Fund.

The Water Fund remits one percent of net operating revenues, excluding depreciation, to the General Fund annually as payments in lieu of taxes. The City provides certain administrative services to the Water Department for which the Water Department pays administrative fees to the General Fund.

Note 8: Defined Contribution Retirement Plans

The City participates in defined contribution employee pension plans as follows:

Name of Plan	Type of Plan
City General Plan	Defined Contribution Plan
Police Plan	Defined Contribution Plan
Firefighters Plan	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 8: Defined Contribution Retirement Plans - Continued

City General Plan

The City of Grand Island has a contributory defined contribution employees' pension plan in which employees of the City participate. Changes in the plan effective January 1, 1991, allow any new employee anticipating working a minimum of 1,000 hours, for a continuous year, to participate in the plan immediately. Participants are required to contribute 6.0-7.5% of their earnings, depending on union agreements, and the City is required to match those participant contributions. The participant can contribute an additional 10% with no City match.

All employees are fully vested in their own contributions and becomes vested in the City's contribution after five years' participation in the plan as follows:

Vested Year	Percentage
1	60%
2	70%
3	80%
4	90%
5	100%

The employees and the City contributed \$2,009,862 and \$1,879,220, respectively, as required by the plan for the fiscal year ended September 30, 2021.

Police Plan

All regular full-time sworn officers of the City are covered by a defined contribution plan. Certain sworn officers are also covered by a single-employer defined benefit pension plan (see Note 9). Participants are required to contribute 7.0% of their earnings, but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 7.0% of the participants' compensation. Vesting of employer contributions occurs between four and ten years of service. Forfeitures shall first be applied to administrative expense of the Plan and then may be used by the City to reduce City contributions. The plan members and the City contributed \$500,332 and \$486,576, respectively, to the plan in fiscal 2021. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2021. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 8: Defined Contribution Retirement Plans - Continued

Fire Plan

All regular full-time fire fighters of the City are covered by a defined contribution plan. Certain fire fighters are also covered by a single-employer defined benefit pension plan (see Note 9). Participants are required to contribute 6.50% of their earnings, but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 13.0% of the participants' compensation. Vesting of employer contributions occurs between four and ten years of service. Forfeitures shall first be applied to administrative expense of the Plan and then may be used by the City to reduce City contributions. The plan members and the City contributed \$325,429 and \$650,861, respectively, to the plan in fiscal 2021. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2021. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and elected officials. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability. No employer contributions are provided for or made under the Plan.

As of January 1, 1997, these funds were placed in trust, in accordance with IRS Code Section 457(g)(1). IRS Code Section 457(g)(1), applicable for plan year beginning January 1, 1997, states that "a plan maintained by an eligible employer shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries." The deferred compensation plan as placed in trust is not subject to any creditors of the City.

Note 9: Police and Fire Defined Benefit Retirement Plan

Plan Description

The City has a single-employer defined benefit pension plan, the City of Grand Island, Nebraska Police Officers and Firefighters Plan, for certain members of the Grand Island Police and Fire Departments. The Plan covers employees who were hired prior to January 1, 1984, the date at which the Police and Firefighters Plans were amended from being defined benefit plans to their current status as defined contribution plans (Note 8), and who were assured of receiving benefits under the new plan at least as great as those under the old defined benefit plan. The employees hired prior to January 1, 1984, participate in both plans and will receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68). The Plan does not issue separate financial statements.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 9: Police and Fire Defined Benefit Retirement Plans - Continued

Summary of Benefit Provisions

Police – An employee with at least 25 years of service may retire as early as age 55; normal retirement occurs at age 60 with a minimum of 21 years of service, if employed on or before November 18, 1965, otherwise 25 years.

Under the Police Plan, normal retirees employed on or before January 1, 1984, would not receive an annuity benefit of less than 50% of regular pay. All current employees will receive a benefit based on their defined contribution account. An employee is 100% vested in his or her contributions of 7.0% of monthly compensation, and vests 40% after two years of service, 60% after four years, 80% after five years, and is 100% vested at seven years or more in the City’s contributions, which is a matching 7%.

Fire – An employee who attained the age of 50 with 21 years of service may take early retirement with benefits reduced by the actuarial equivalent of his or her normal retirement at age 55.

Under the Firefighters Plan, normal retirees employed prior to January 1, 1984, would not receive an annuity benefit of less than 50% of regular pay. All current employees will receive a benefit based on their defined contribution account. An employee is 100% vested in his or her contributions, 6.5% of monthly compensation, and vests 40% after four years of service plus 10% for each year thereafter, up to 100%, in the City’s contributions, 13% of monthly compensation.

Plan Membership

As of September 30, 2021, plan membership consisted of the following:

Inactive members and beneficiaries receiving benefits	14
Active plan members - Police	-
Active plan members - Fire	-
	-
Total participants	14

Contributions and Funding Policy

The City’s contributions for the additional amount to fund minimum pension benefits are limited to amounts paid to retirees during the fiscal year.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 9: Police and Fire Defined Benefit Retirement Plans - Continued

Actuarial Methods and Assumptions

The total pension liability was determined using the following actuarial assumptions:

Valuation Date	September 30, 2021
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.0% per year for defined contribution accounts
Mortality Rates	Pub-2019 Safety Retiree Mortality Table, projected generationally using Scale MP-2021

Total Pension Liability

The total pension liability of the City at September 30, 2021 was \$656,788.

Discount Rate

The discount rate used to measure the total pension liability as of September 30, 2021 was 2.17%, which is a decrease from the discount rate of 2.22% used to measure the total pension liability at September 30, 2020. As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date, obtained from the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the City’s total pension liability, calculated using the current discount rate of 2.17%, as well as the total pension liability calculated using a discount rate that is 1% lower (1.17%) or 1% higher (3.17%) than the current rate:

	1% Decrease 1.17%	Current Discount Rate 2.17%	1% Increase 3.17%
Total pension liability	\$ 692,517	\$ 656,788	\$ 624,440

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 9: Police and Fire Defined Benefit Retirement Plans - Continued

Changes in the Total Pension Liability

	Total Pension Liability
Balance, Beginning of Year	\$ 781,386
Changes for the year	
Interest on total pension liability	16,209
Differences between expected and actual experience	(19,544)
Changes in assumptions	(18,209)
Benefit payments	(103,054)
Net changes	(124,598)
Balance, End of Year	\$ 656,788

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

Pension expense for the year ended September 30, 2021 was \$(21,544).

Gains and losses which are amortized over future years are referred to as deferred inflows of resources or gains, and deferred outflows of resources losses. As of September 30, 2021, there were no deferred items related to the Plan.

Note 10: Other Postemployment Benefits

Plan Description

The City administers a single-employer other postemployment benefits (OPEB) plan providing disability benefits to eligible members who become disabled due to a work-related accident. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements.

Summary of Benefit Provisions

Any police officer or firefighter is automatically eligible for benefits under the plan. Benefits include 50% of regular pay, offset by amounts paid under the Nebraska Worker's Compensation Act. In addition, payments shall not commence until all credit for unused annual or sick leave and other similar credits, such as a member's Defined Contribution retirement account balance, have been fully utilized by the disabled member. Benefits are funded by the member's Defined Contribution account balance until the balance is depleted, at which time the remaining benefits are paid by the City.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 10: Other Postemployment Benefits - Continued

Plan Membership

As of September 30, 2021, plan membership consisted of the following:

Disabled members currently receiving benefits	3
Active employees - Police	81
Active employees - Fire	67
	151

Contributions and Funding Policy

The City’s contributions are made on a pay-as-you-go basis. There are no assets accumulated to pay these benefits.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions:

Valuation Date	September 30, 2019
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Salary Increases	4.0%, including inflation
Investment Rate of Return	6.0% per year for defined contribution accounts
Mortality Rates	Pub-2019 Safety Employees Mortality Table, projected generationally using Scale MP-2021

Total OPEB Liability

The total OPEB liability of the City at September 30, 2021 was \$2,395,420.

Discount Rate

The discount rate used to measure the total OPEB liability as of September 30, 2021 was 2.17%, which is a decrease from the discount rate of 2.22% used to measure the total OPEB liability at September 30, 2020. As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date, obtained from the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 10: Other Postemployment Benefits - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the City's total OPEB liability, calculated using the current discount rate of 2.17%, as well as the total pension liability calculated using a discount rate that is 1% lower (1.17%) or 1% higher (3.17%) than the current rate:

	1% Decrease 1.17%	Discount Rate 2.17%	1% Increase 3.17%
Total OPEB Liability	\$ 2,883,095	\$ 2,395,420	\$ 2,014,913

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, beginning of year	\$ 2,302,166
Changes for the year:	
Service cost	129,037
Interest	50,316
Changes of assumptions	(14,372)
Benefit payments	(71,727)
Net changes	93,254
Balance, end of year	\$ 2,395,420

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 10: Other Postemployment Benefits - Continued

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

Total OPEB expense for the year ended September 30, 2021 was \$198,725.

Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members. As of September 30, the deferred inflows of resources and deferred outflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 499,709	\$ (120,289)
Differences between expected and actual experience	-	(156,729)
	\$ 499,709	\$ (277,018)

Amounts currently reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

Fiscal Year	Amount
2022	\$ 19,372
2023	19,372
2024	19,372
2025	19,372
2026	19,372
Thereafter	125,831
	\$ 222,691

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 11: Risk Management

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 insurance and administers funds for its self-insured programs. The City maintains a workers' compensation fund and a self-insured loss fund. The City provides first dollar coverage for all workers' compensation exposure, with insurance acting as an umbrella or excess coverage. The City is self-insured for workers' compensation claims up to \$500,000 per occurrence and \$1,075,000 in the aggregate. The City is self-insured for health insurance claims up to \$1,000,000 of individual claims or 125 percent of the anticipated group claims. The self-insurance programs are administered within the Internal Service Fund. The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property and employee dishonesty.

Settled claims in the past three years have not exceeded the commercial coverages.

Note 12: Commitments and Contingencies

Construction

The City is a party to numerous contracts relating to construction projects of the governmental funds. The City intends to fund the construction through operations or long-term financing.

Claims and Litigation

The City is involved in various litigation in the normal course of its operations and services. In the opinion of City management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the City in connection with its legal proceedings will not have a material effect on the City's financial position, but could be material to the results of operations in future accounting periods.

Economic Development Program

The City has established an Economic Development Program effective November 2002. The City will fund the program with \$750,000 per year from the City's General Fund beginning with the fiscal year 2013-2014 and will continue for 10 years. A three percent fee will be retained by the City for program administration.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 12: Commitments and Contingencies - Continued

Power Supply

The Department currently has generation capacity of approximately 181 MW from coal-fired and gas/oil-fired electric generating stations. The peak load of the Department during the fiscal years ended September 30, 2021 and 2020, respectively, was approximately 162MW in June 2021 and 153 MW in July 2020.

The Department is party to an agreement with the Department of Energy (DOE) pursuant to which the Department may purchase up to 9,168 KW of power to be transmitted through DOE and Nebraska Public Power District (NPPD) facilities. Such power is sold to the Department at standard DOE wholesale firm power service rates. The agreement expires on December 31, 2050.

Purchased Power Agreements

The Department entered into a participation power agreement with Omaha Public Power District (OPPD) on January 15, 2004, to obtain approximately 33 MW of energy from the OPPD Nebraska City Unit #2. The project was completed in May 2009 and was financed through a bond issuance by OPPD. The Department has also entered into an agreement with the Public Power Generation Agency to obtain approximately 15 MW of energy. The project was completed in May 2011. During the year ended September 30, 2016, the Department entered into a 25-year agreement with Invenergy for the entire 35.8 MW output of the Prairie Breeze III windfarm near Elgin, Nebraska. This facility came online in March 2016. Subsequent agreements with the City of Nebraska City and City of Neligh for 7 MW and 2 MW, respectively, have since been signed. During the year ended September 30, 2017, the Department entered into a 25 year agreement with Sempra for the entire 50 MW output of Prairie Hills windfarm to be located in Custer County, Nebraska. This facility is due to be online by the end of 2022. During the year ended September 30, 2017, the Department also entered into a 25 year agreement with Sol Systems for the entire 1 MW output of a new solar installation to be located near a Department substation. This facility came online in October 2018.

The Department's operations are subject to stringent federal, state and local laws and regulations relating to improving and maintaining environmental quality. Current studies have determined that a substantial capital investment will be required to bring the Department into compliance with environmental regulations including mercury emissions. Environmental expenditures related to current operations are factored into the strategic planning process of the Department and are considered when determining future energy rates. Financing of these expenditures is expected to be through available cash reserves and bonded debt.

City of Grand Island, Nebraska
Notes to the Financial Statements
September 30, 2021

Note 13: 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.

Total property taxes abated through TIF for the year ended September 30, 2021 were approximately \$4.5 million.

Required Supplementary Information

City of Grand Island, Nebraska
Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 25,666,600	\$ 25,666,600	\$ 29,395,088	\$ 3,728,488
Licenses and permits	695,500	695,500	905,678	210,178
Intergovernmental revenues	3,058,639	3,058,639	3,146,577	87,938
Charges for services	5,841,023	5,841,023	8,791,790	2,950,767
Grant income	17,500	17,500	31,147	13,647
Interest income	200,000	200,000	213,882	13,882
Miscellaneous	2,124,294	2,124,294	10,322,340	8,198,046
Total revenues	<u>37,603,556</u>	<u>37,603,556</u>	<u>52,806,502</u>	<u>15,202,946</u>
Expenditures				
General government	4,328,412	4,328,412	3,898,852	429,560
Public works	1,319,941	1,319,941	1,117,485	202,456
Public safety	23,175,952	23,175,952	25,005,709	(1,829,757)
Environment and leisure	7,214,796	7,214,796	6,156,593	1,058,203
Nondepartmental	1,697,338	1,697,338	1,561,532	135,806
Total expenditures	<u>37,736,439</u>	<u>37,736,439</u>	<u>37,740,171</u>	<u>(3,732)</u>
Excess of Revenues Over Expenditures				
	(132,883)	(132,883)	15,066,331	15,199,214
Other Financing Sources (Uses)				
Proceeds from sales of capital assets	20,000	20,000	4,789	(15,211)
Operating transfers, net	<u>(1,395,000)</u>	<u>(1,395,000)</u>	<u>(1,395,000)</u>	<u>-</u>
Total other financing sources	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>(1,390,211)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,507,883)</u>	<u>\$ (1,507,883)</u>	<u>\$ 13,676,120</u>	<u>\$ 15,199,214</u>

City of Grand Island, Nebraska
Budgetary Comparison Schedule
Streets Fund
Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,575,000	\$ 1,575,000	\$ 2,775,155	\$ 1,200,155
Licenses and permits	15,000	15,000	29,941	14,941
Intergovernmental revenues	6,882,172	6,882,172	8,376,743	1,494,571
Charges for services	345,000	345,000	351,221	6,221
Miscellaneous	20,000	20,000	34,123	14,123
Total revenues	<u>8,837,172</u>	<u>8,837,172</u>	<u>11,567,183</u>	<u>2,730,011</u>
Expenditures				
Public works	<u>20,222,119</u>	<u>20,222,119</u>	<u>19,625,437</u>	<u>596,682</u>
Total expenditures	<u>20,222,119</u>	<u>20,222,119</u>	<u>19,625,437</u>	<u>596,682</u>
Excess of Revenues Over Expenditures	(11,384,947)	(11,384,947)	(8,058,254)	3,326,693
Other Financing Sources (Uses)				
Issuance of long-term debt	6,620,000	6,620,000	16,424,071	9,804,071
Operating transfers, net	<u>2,129,500</u>	<u>2,129,500</u>	<u>2,129,500</u>	<u>-</u>
Total other financing sources	<u>8,749,500</u>	<u>8,749,500</u>	<u>18,553,571</u>	<u>9,804,071</u>
Net Change in Fund Balances	<u>\$ (2,635,447)</u>	<u>\$ (2,635,447)</u>	<u>\$ 10,495,317</u>	<u>\$ 13,130,764</u>

City of Grand Island, Nebraska
Budgetary Comparison Schedules
Note to Required Supplementary Information
Year Ended September 30, 2021

	General Fund	Streets Fund
Net change in fund balances:		
Balance on a GAAP basis	\$ 12,788,515	\$ 10,483,693
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for government funds	887,605	11,624
Balance on a budget basis	\$ 13,676,120	\$ 10,495,317

City of Grand Island, Nebraska
Schedule of Changes in the Total Pension Liability and Related Ratios
Year Ended September 30, 2021

	2021	2020	2019	2018
Total Pension Liability				
Interest	\$ 16,209	\$ 20,926	\$ 36,990	\$ 41,278
Difference between expected and actual experience	(19,544)	51,334	(136,905)	-
Changes of assumptions	(18,209)	16,309	45,506	(29,917)
Benefit payments	<u>(103,054)</u>	<u>(103,071)</u>	<u>(107,121)</u>	<u>(416,704)</u>
Net Change in Total Pension Liability	(124,598)	(14,502)	(161,530)	(405,343)
Total Pension Liability - Beginning	<u>781,386</u>	<u>795,888</u>	<u>957,418</u>	<u>1,362,761</u>
Total Pension Liability - Ending	<u>\$ 656,788</u>	<u>\$ 781,386</u>	<u>\$ 795,888</u>	<u>\$ 957,418</u>
Covered-Employee Payroll	\$ 41,694	\$ 154,598	\$ 314,812	\$ 516,607
Total Pension Liability as a Percentage of Covered-Employee Payroll	1575.26%	505.43%	252.81%	185.33%

Notes to schedule:

2021

Benefit changes - None

Changes of assumptions - The discount rate changed from 2.22% to 2.17%. The mortality assumption was updated from the PR-2014 Combined Mortality Table for males and females, projected generationally using Scale MP-2020 to the Pub-2019 Safety Mortality Tables, projected generationally using Scale MP-2021.

2020

Benefit changes - None

Changes of assumptions - The discount rate changed from 2.81% to 2.22%. The mortality improvement scale was updated from MP-2019 to MP-2020.

2019

Benefit changes - None

Changes of assumptions - The discount rate changed from 4.09% to 2.81%. The mortality improvement scale was updated from MP-2017 to MP-2019.

2018

Benefit changes - None

Changes of assumptions - The discount rate changed from 3.57% to 4.09%.

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

City of Grand Island, Nebraska
Schedule of Changes in the Total Other Postemployment
Liability and Related Ratios
Year Ended September 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 129,037	\$ 106,742	\$ 75,756	\$ 83,394
Interest	50,316	60,763	68,028	62,099
Difference between expected and actual experience	-	(185,225)	-	-
Changes of assumptions	(14,372)	193,784	427,303	(149,831)
Benefit payments	(71,727)	(72,034)	(71,759)	(72,056)
Net Change in Total OPEB Liability	93,254	104,030	499,328	(76,394)
Total OPEB Liability - Beginning	2,302,166	2,198,136	1,698,808	1,775,202
Total OPEB Liability - Ending	<u>\$ 2,395,420</u>	<u>\$ 2,302,166</u>	<u>\$ 2,198,136</u>	<u>\$ 1,698,808</u>
Covered-Employee Payroll	\$ 11,957,692	\$ 11,475,532	\$ 10,942,114	\$ 10,629,848
Total OPEB Liability as a Percentage of Covered-Employee Payroll	20.03%	20.06%	20.09%	15.98%

Notes to schedule:

2021

Benefit changes - None

Changes of assumptions - The discount rate changed from 2.22% to 2.17%. The mortality assumption was updated from the PR-2014 Combined Mortality Table for males and females, projected generationally using Scale MP-2020 to the Pub-2019 Safety Mortality Tables, projected generationally using Scale MP-2021.

2020

Benefit changes - None

Changes of assumptions - The discount rate changed from 2.81% to 2.22%

2019

Benefit changes - None

Changes of assumptions - The discount rate changed from 4.09% to 2.81%

2018

Benefit changes - None

Changes of assumptions - The discount rate changed from 3.57% to 4.09%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

Supplementary Information

City of Grand Island, Nebraska
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

Assets	Special Revenue Funds										
	Permanent Funds		Enhanced 911	PSC Wireless	Keno	Transportation	Community Youth Council	Program Income Reuse Fund	Housing Reuse Fund	Community Development	Metropolitan Planning Organization
	Library Trust	Cemetery Trust									
Cash and cash equivalents	\$ -	\$ 987,657	\$ 170,180	\$ 28,267	\$ 493,491	\$ 24,812	\$ 27,698	\$ 41,512	\$ 105,736	\$ 25,543	\$ 131,357
Investments	93,073	-	83,462	13,863	242,026	12,168	13,585	20,359	-	-	64,422
County treasurer cash	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Interest	-	762	-	-	375	18	22	-	-	9	100
Notes	-	-	-	-	-	-	-	39,458	161,528	-	-
Due from other governments	-	-	48,000	-	33,606	51,100	-	-	-	-	-
Total assets	<u>\$ 93,073</u>	<u>\$ 988,419</u>	<u>\$ 301,642</u>	<u>\$ 42,130</u>	<u>\$ 769,498</u>	<u>\$ 88,098</u>	<u>\$ 41,305</u>	<u>\$ 101,329</u>	<u>\$ 267,264</u>	<u>\$ 25,552</u>	<u>\$ 195,879</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances											
Liabilities:											
Accounts payable	\$ 5,751	\$ -	\$ 154,612	\$ 5,879	\$ -	\$ 62,189	\$ 264	\$ 39,458	\$ -	\$ -	\$ 4,444
Accrued expenses	-	-	7,038	-	-	4,850	-	-	-	3,061	5,242
Due to other funds	10,404	-	4	-	-	-	-	-	-	6,293	-
Total liabilities	<u>16,155</u>	<u>-</u>	<u>161,654</u>	<u>5,879</u>	<u>-</u>	<u>67,039</u>	<u>264</u>	<u>39,458</u>	<u>-</u>	<u>9,354</u>	<u>9,686</u>
Deferred inflows of resources											
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-
Fund balances:											
Nonspendable											
Cemetery perpetual care	-	988,419	-	-	-	-	-	-	-	-	-
Library trust	76,918	-	-	-	-	-	-	-	-	-	-
Restricted for											
Economic development	-	-	-	-	-	-	-	61,871	-	-	-
Federal programs	-	-	-	-	-	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-	-	-	267,264	-	-
Community improvements	-	-	-	-	769,498	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	139,988	36,251	-	21,059	41,041	-	-	16,198	186,193
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>76,918</u>	<u>988,419</u>	<u>139,988</u>	<u>36,251</u>	<u>769,498</u>	<u>21,059</u>	<u>41,041</u>	<u>61,871</u>	<u>267,264</u>	<u>16,198</u>	<u>186,193</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 93,073</u>	<u>\$ 988,419</u>	<u>\$ 301,642</u>	<u>\$ 42,130</u>	<u>\$ 769,498</u>	<u>\$ 88,098</u>	<u>\$ 41,305</u>	<u>\$ 101,329</u>	<u>\$ 267,264</u>	<u>\$ 25,552</u>	<u>\$ 195,879</u>

City of Grand Island, Nebraska
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
September 30, 2021

Assets	Special Revenue Funds								Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds	
	Police Grants	Occupation Tax	Parking District #1	Parking District #2	Local Assistance	Pioneer Consortium	HUD Entitlements	Economic Development	Community Grants	Capital Projects			Special Assessments
Cash and cash equivalents	\$ 7,083	\$ 2,965,153	\$ 74,739	\$ 61,315	\$ 899,491	\$ 62,374	\$ -	\$ 943,003	\$ 42,039	\$ 1,335,942	\$ 124,125	\$ 81,965	\$ 8,633,482
Investments	3,474	1,454,221	36,655	30,071	497,493	30,591	-	462,483	20,617	655,196	60,875	40,199	3,834,833
County treasurer cash	-	-	-	497	-	-	-	-	-	-	-	-	497
Receivables													
Accounts receivable	-	81,721	-	-	-	-	-	-	-	-	-	-	81,721
Property tax	-	-	-	-	-	-	-	-	-	-	-	31,175	31,175
Special assessments	-	-	6,841	-	-	-	-	-	-	-	663,290	-	670,131
Interest	-	-	58	45	684	48	-	717	-	-	8,768	62	11,668
Notes	-	-	-	-	-	-	-	221,357	-	-	-	-	422,343
Due from other governments	83,676	-	-	326	7,000	-	-	-	-	-	-	-	223,708
Total assets	\$ 94,233	\$ 4,501,095	\$ 118,293	\$ 92,254	\$ 1,404,668	\$ 93,013	\$ -	\$ 1,627,560	\$ 62,656	\$ 1,991,138	\$ 857,058	\$ 153,401	\$ 13,909,558
Liabilities, Deferred Inflows of Resources, and Fund Balances													
Liabilities:													
Accounts payable	\$ 7,203	\$ 185,481	\$ 11,631	\$ 966	\$ 66,438	\$ -	\$ 82,798	\$ 26,666	\$ -	\$ 32	\$ -	\$ -	\$ 653,812
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	20,191
Due to other funds	-	256	318	353	-	-	21,212	-	-	1,568	-	-	40,408
Total liabilities	7,203	185,737	11,949	1,319	66,438	-	104,010	26,666	-	1,600	-	-	714,411
Deferred inflows of resources:													
Unavailable revenue	-	-	6,841	-	-	-	-	-	-	-	676,355	31,175	714,371
Fund balances:													
Nonspendable													
Cemetery perpetual care	-	-	-	-	-	-	-	-	-	-	-	-	988,419
Library trust	-	-	-	-	-	-	-	-	-	-	-	-	76,918
Restricted for													
Economic development	-	-	-	-	-	-	-	1,600,894	-	-	-	-	1,662,765
Federal programs	87,030	-	-	-	-	-	-	-	62,656	-	-	-	149,686
Housing loans	-	-	-	-	-	-	-	-	-	-	-	-	267,264
Community improvements	-	4,315,358	-	-	-	-	-	-	-	-	-	-	5,084,856
Debt service	-	-	-	-	-	-	-	-	-	-	-	122,226	122,226
Other purposes	-	-	-	90,935	-	93,013	-	-	-	-	-	-	183,948
Assigned	-	-	99,503	-	1,338,230	-	-	-	-	1,989,538	180,703	-	4,048,704
Unassigned	-	-	-	-	-	-	(104,010)	-	-	-	-	-	(104,010)
Total fund balances	87,030	4,315,358	99,503	90,935	1,338,230	93,013	(104,010)	1,600,894	62,656	1,989,538	180,703	122,226	12,480,776
Total liabilities, deferred inflows of resources, and fund balances	\$ 94,233	\$ 4,501,095	\$ 118,293	\$ 92,254	\$ 1,404,668	\$ 93,013	\$ -	\$ 1,627,560	\$ 62,656	\$ 1,991,138	\$ 857,058	\$ 153,401	\$ 13,909,558

City of Grand Island, Nebraska
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2021

	Special Revenue Funds										
	Permanent Funds		Enhanced 911	PSC Wireless	Keno	Transportation	Community Youth Council	Program Income Reuse Fund	Housing Reuse Fund	Community Development	Metropolitan Planning Organization
	Library Trust	Cemetery Trust									
Revenues:											
Taxes:											
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-	-	-	-	-	-	-	-
Occupation	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	731,491	-	-	-	-	93,312
Keno	-	-	-	-	394,133	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	51,520	177,562	119,588	-	-	-	-	-	-	-
Interest income	20,478	6,214	-	-	3,103	313	176	288	319	78	928
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	24,042	-	107,017	-
Total revenues	20,478	57,734	177,562	119,588	397,236	731,804	176	24,330	319	107,095	94,240
Expenditures:											
General government	-	-	-	-	-	79	-	138,001	-	89,329	138,218
Public safety	-	-	188,063	151,323	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Environment and leisure	4,946	-	-	-	250,355	855,842	-	-	23,836	-	-
Principal payments on long-term debt	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,946	-	188,063	151,323	250,355	855,921	-	138,001	23,836	89,329	138,218
Excess (deficiency) of revenues over (under) expenditures	15,532	57,734	(10,501)	(31,735)	146,881	(124,117)	176	(113,671)	(23,517)	17,766	(43,978)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	220,000	-	-	-	25,000	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	220,000	-	-	-	25,000	-
Net change in fund balances	15,532	57,734	(10,501)	(31,735)	146,881	95,883	176	(113,671)	(23,517)	42,766	(43,978)
Fund balances, beginning of year	61,386	930,685	150,489	67,986	622,617	(74,824)	40,865	175,542	290,781	(26,568)	230,171
Fund balances, ending	\$ 76,918	\$ 988,419	\$ 139,988	\$ 36,251	\$ 769,498	\$ 21,059	\$ 41,041	\$ 61,871	\$ 267,264	\$ 16,198	\$ 186,193

City of Grand Island, Nebraska

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued

Nonmajor Governmental Funds

Year Ended September 30, 2021

	Special Revenue Funds								Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds	
	Police Grants	Occupation Tax	Parking District #1	Parking District #2	Local Assistance	Pioneer Consortium	HUD Entitlement	Economic Development	Community Grants	Capital Projects Grants			Special Assessments
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ 9,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61	\$ 9,555
Motor vehicle	-	-	-	30	-	-	-	-	-	-	-	-	30
Occupation	-	2,890,825	-	-	-	-	-	-	-	-	-	-	2,890,825
Intergovernmental	128,804	-	-	-	15,814	-	98,560	-	-	-	-	-	1,067,981
Keno	-	-	-	-	-	-	-	-	-	-	-	-	394,133
Special assessments	-	-	62,827	-	-	-	-	-	-	-	120,657	-	183,484
Charges for services	-	125,802	5,391	6,945	132,682	-	-	-	-	-	-	-	619,490
Interest income	-	19,016	462	500	3,426	414	-	5,962	-	-	1,636	326	63,639
Contributions and grants	-	-	-	-	169,821	-	-	-	-	-	-	-	169,821
Other revenue	31,871	86,000	-	-	90,000	-	-	-	-	-	-	-	338,930
Total revenues	160,675	3,121,643	68,680	16,969	411,743	414	98,560	5,962	-	-	122,293	387	5,737,888
Expenditures:													
General government	-	949,313	69,847	66,849	-	-	299,379	744,162	3,090	-	-	-	2,498,267
Public safety	104,520	-	-	-	30,772	-	-	-	-	-	-	-	474,678
Public works	-	-	-	-	-	-	-	-	-	1,260,919	5	-	1,260,924
Environment and leisure	-	701,057	-	-	569,946	-	-	-	-	-	-	-	2,405,982
Principal payments on long-term debt	-	472,559	-	-	-	-	-	-	-	-	-	302,158	774,717
Interest on long-term debt	-	101,607	-	-	-	-	-	-	-	-	-	100,789	202,396
Total expenditures	104,520	2,224,536	69,847	66,849	600,718	-	299,379	744,162	3,090	1,260,919	5	402,947	7,616,964
Excess (deficiency) of revenues over expenditures	56,155	897,107	(1,167)	(49,880)	(188,975)	414	(200,819)	(738,200)	(3,090)	(1,260,919)	122,288	(402,560)	(1,879,076)
Other financing sources (uses):													
Transfers in	-	-	-	-	-	-	-	750,000	-	1,585,500	-	398,610	2,979,110
Transfers out	-	(247,738)	-	-	(35,000)	-	-	-	-	-	(400,872)	-	(683,610)
Total other financing sources (uses)	-	(247,738)	-	-	(35,000)	-	-	750,000	-	1,585,500	(400,872)	398,610	2,295,500
Net change in fund balances	56,155	649,369	(1,167)	(49,880)	(223,975)	414	(200,819)	11,800	(3,090)	324,581	(278,584)	(3,950)	416,424
Fund balances, beginning of year	30,875	3,665,989	100,670	140,815	1,562,205	92,599	96,809	1,589,094	65,746	1,664,957	459,287	126,176	12,064,352
Fund balances, end of year	\$ 87,030	\$ 4,315,358	\$ 99,503	\$ 90,935	\$ 1,338,230	\$ 93,013	\$ (104,010)	\$ 1,600,894	\$ 62,656	\$ 1,989,538	\$ 180,703	\$ 122,226	\$ 12,480,776

City of Grand Island, Nebraska
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 94,082	\$ 2,509,578	\$ 234,623	\$ 2,838,283
Investments	-	46,141	1,176,596	115,067	1,337,804
Receivables					
Accounts, net	138,272	9,170	11,833	-	159,275
Interest	18	72	1,895	178	2,163
Due from other funds	1,519	105,195	-	-	106,714
Inventory	-	130,513	-	-	130,513
Total current assets	<u>139,809</u>	<u>385,173</u>	<u>3,699,902</u>	<u>349,868</u>	<u>4,574,752</u>
Noncurrent assets					
Capital assets					
Buildings and equipment	1,544,580	290,588	-	-	1,835,168
Less accumulated depreciation	<u>(1,458,668)</u>	<u>(257,671)</u>	<u>-</u>	<u>-</u>	<u>(1,716,339)</u>
Net capital assets	<u>85,912</u>	<u>32,917</u>	<u>-</u>	<u>-</u>	<u>118,829</u>
Total assets	<u>225,721</u>	<u>418,090</u>	<u>3,699,902</u>	<u>349,868</u>	<u>4,693,581</u>
Liabilities					
Current liabilities					
Accounts payable	-	28,993	431,846	953	461,792
Accrued expenses	31,500	16,434	2,767,000	-	2,814,934
Due to other funds	96,409	460	-	-	96,869
Compensated absences - current	<u>6,289</u>	<u>2,773</u>	<u>-</u>	<u>-</u>	<u>9,062</u>
Total current liabilities	<u>134,198</u>	<u>48,660</u>	<u>3,198,846</u>	<u>953</u>	<u>3,382,657</u>
Noncurrent liabilities					
Compensated absences - noncurrent	<u>69,592</u>	<u>23,889</u>	<u>-</u>	<u>-</u>	<u>93,481</u>
Total liabilities	<u>203,790</u>	<u>72,549</u>	<u>3,198,846</u>	<u>953</u>	<u>3,476,138</u>
Net Position					
Net investment in capital assets	85,912	32,917	-	-	118,829
Unrestricted	<u>(63,981)</u>	<u>312,624</u>	<u>501,056</u>	<u>348,915</u>	<u>1,098,614</u>
Total net position	<u>\$ 21,931</u>	<u>\$ 345,541</u>	<u>\$ 501,056</u>	<u>\$ 348,915</u>	<u>\$ 1,217,443</u>

City of Grand Island, Nebraska
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2021

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Operating Revenues					
Charges for services	1,271,288	\$ 1,325,140	\$ 9,520,041	\$ -	\$ 12,116,469
Total operating revenues	<u>1,271,288</u>	<u>1,325,140</u>	<u>9,520,041</u>	<u>-</u>	<u>12,116,469</u>
Operating Expenses					
Information technology	1,428,609	-	-	-	1,428,609
Central garage	-	1,222,794	-	-	1,222,794
Insurance and benefits	-	-	9,993,841	-	9,993,841
Building maintenance	-	-	-	9,606	9,606
Depreciation	22,331	6,004	-	-	28,335
Total operating expenditures	<u>1,450,940</u>	<u>1,228,798</u>	<u>9,993,841</u>	<u>9,606</u>	<u>12,683,185</u>
Operating income (loss)	<u>(179,652)</u>	<u>96,342</u>	<u>(473,800)</u>	<u>(9,606)</u>	<u>(566,716)</u>
Nonoperating Revenues					
Interest income	4,257	500	15,412	1,476	21,645
Intergovernmental	-	-	-	50,000	50,000
Total nonoperating revenues	<u>4,257</u>	<u>500</u>	<u>15,412</u>	<u>51,476</u>	<u>71,645</u>
Change in net position	(175,395)	96,842	(458,388)	41,870	(495,071)
Net Position, Beginning of Year	<u>197,326</u>	<u>248,699</u>	<u>959,444</u>	<u>307,045</u>	<u>1,712,514</u>
Net Position, End of Year	<u>\$ 21,931</u>	<u>\$ 345,541</u>	<u>\$ 501,056</u>	<u>\$ 348,915</u>	<u>\$ 1,217,443</u>

City of Grand Island, Nebraska
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2021

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Cash Flows from Operating Activities					
Receipts from other funds	\$ 1,317,782	\$ 1,318,200	\$ 9,555,467	\$ -	\$ 12,191,449
Payments to suppliers	(875,191)	(884,825)	(9,175,448)	(8,653)	(10,944,117)
Payments to employees	(564,224)	(344,877)	-	-	(909,101)
Net cash provided by (used in) operating activities	<u>(121,633)</u>	<u>88,498</u>	<u>380,019</u>	<u>(8,653)</u>	<u>338,231</u>
Cash Flows From Noncapital Financing Activities					
Changes in interfund balances	94,882	(21,440)	-	-	73,442
Cash Flows From Capital and Related Financing Activities					
Intergovernmental receipts	-	-	-	50,000	50,000
Cash Flows From Investing Activities					
Change in allocation of pooled investments	22,369	(22,017)	(121,241)	(13,232)	(134,121)
Interest received	4,382	496	16,582	1,584	23,044
Net cash provided by (used in) investing activities	<u>26,751</u>	<u>(21,521)</u>	<u>(104,659)</u>	<u>(11,648)</u>	<u>(111,077)</u>
Increase (decrease) in cash and cash equivalents	-	45,537	275,360	29,699	350,596
Cash and Cash Equivalents - Beginning of the Year	<u>-</u>	<u>48,545</u>	<u>2,234,218</u>	<u>204,924</u>	<u>2,487,687</u>
Cash and Cash Equivalents - End of the Year	<u>\$ -</u>	<u>\$ 94,082</u>	<u>\$ 2,509,578</u>	<u>\$ 234,623</u>	<u>\$ 2,838,283</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (179,652)	\$ 96,342	\$ (473,800)	\$ (9,606)	\$ (566,716)
Adjustments to reconciled operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	22,331	6,004	-	-	28,335
Change in assets and liabilities					
Accounts receivable	46,494	(6,940)	35,426	-	74,980
Inventories	-	(4,779)	-	-	(4,779)
Accounts payable and accrued expenses	740	(707)	818,393	953	819,379
Compensated absences	(11,546)	(1,422)	-	-	(12,968)
Net cash provided by (used in) operating activities	<u>\$ (121,633)</u>	<u>\$ 88,498</u>	<u>\$ 380,019</u>	<u>\$ (8,653)</u>	<u>\$ 338,231</u>

City of Grand Island, Nebraska
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2021

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
Assets					
Cash	\$ 27,136	\$ 8,768	\$ 31,609	\$ 57,523	\$ 125,036
Investments	13,309	4,300	15,503	28,211	61,323
Interest receivable	-	-	9	-	9
Special assessments receivable	-	-	-	31,152	31,152
Total assets	40,445	13,068	47,121	116,886	217,520
Liabilities					
Accounts payable	-	-	20,794	-	20,794
Due to others	-	13,068	-	116,886	129,954
Total liabilities	-	13,068	20,794	116,886	150,748
Fiduciary Net Position					
Net position held for others	\$ 40,445	\$ -	\$ 26,327	\$ -	\$ 66,772

City of Grand Island, Nebraska
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2021

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
Additions					
Employee withholdings	\$ 1,595,778	\$ -	\$ -	\$ -	\$ 1,595,778
Fees and licenses collected for others	-	52,972	-	-	52,972
Assessments collected for others	-	-	-	256,594	256,594
Other additions	-	-	36,147	-	36,147
Investment income	-	-	546	31,152	31,698
Total additions	<u>1,595,778</u>	<u>52,972</u>	<u>36,693</u>	<u>287,746</u>	<u>1,973,189</u>
Deductions					
Employee reimbursements	1,560,333	-	-	-	1,560,333
Owed to others	-	52,972	-	287,746	340,718
Other deductions	-	-	215,823	-	215,823
Total deductions	<u>1,560,333</u>	<u>52,972</u>	<u>215,823</u>	<u>287,746</u>	<u>2,116,874</u>
Change in fiduciary net position	<u>35,445</u>	<u>-</u>	<u>(179,130)</u>	<u>-</u>	<u>(143,685)</u>
Beginning Fiduciary Net Position, as Previously Reported	-	-	-	-	-
Adjustment for Implementation of GASB 84	<u>5,000</u>	<u>-</u>	<u>205,457</u>	<u>-</u>	<u>210,457</u>
Beginning Fiduciary Net Position, as Restated	<u>5,000</u>	<u>-</u>	<u>205,457</u>	<u>-</u>	<u>210,457</u>
Ending Fiduciary Net Position	<u>\$ 40,445</u>	<u>\$ -</u>	<u>\$ 26,327</u>	<u>\$ -</u>	<u>\$ 66,772</u>

City of Grand Island, Nebraska
Combining Statement of Net Position
Discretely Presented Component Units
September 30, 2021

Assets	Business Improvement Districts	Community Redevelopment Authority	Total
Current assets			
Cash and cash equivalents	\$ 84,550	\$ 755,002	\$ 839,552
County treasurer cash	-	23,767	23,767
Receivables			
Special assessments	30,961	-	30,961
Interest	22	358	380
Current portion of notes from redevelopers	-	13,360	13,360
Property tax	-	254,411	254,411
Due from other governments	2,594	-	2,594
Total current assets	<u>118,127</u>	<u>1,046,898</u>	<u>1,165,025</u>
Noncurrent assets			
Capital assets			
Other capital assets, net of depreciation	34,683	490,486	525,169
Net capital assets	<u>34,683</u>	<u>490,486</u>	<u>525,169</u>
Total noncurrent assets	<u>34,683</u>	<u>490,486</u>	<u>525,169</u>
Total assets	<u>152,810</u>	<u>1,537,384</u>	<u>1,690,194</u>
Liabilities			
Current liabilities:			
Accounts payable	16,405	-	16,405
Accrued expenses	1,613	2,132	3,745
Due to other governments	2,948	4,092	7,040
Current portion of long-term obligations	-	190,000	190,000
Total current liabilities	<u>20,966</u>	<u>196,224</u>	<u>217,190</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	-	195,000	195,000
Total noncurrent liabilities	<u>-</u>	<u>195,000</u>	<u>195,000</u>
Total liabilities	<u>20,966</u>	<u>391,224</u>	<u>412,190</u>
Net Position			
Net investment in capital assets	34,683	490,486	525,169
Unrestricted	97,161	655,674	752,835
Total net position	<u>\$ 131,844</u>	<u>\$ 1,146,160</u>	<u>\$ 1,278,004</u>

City of Grand Island, Nebraska
Combining Statement of Activities
Discretely Presented Component Units
Year Ended September 30, 2021

Functions/Programs	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Business Improvement Districts</u>	<u>Community Redevelopment Authority</u>	<u>Total</u>
Business Improvement Districts							
Fonner Park Business Improvement District	\$ 46,053	\$ -	\$ -	\$ -	\$ (46,053)	\$ -	\$ (46,053)
South Locust Business Improvement District	75,546	-	-	-	(75,546)	-	(75,546)
Downtown Business Improvement District	<u>162,573</u>	<u>29,361</u>	<u>-</u>	<u>-</u>	<u>(133,212)</u>	<u>-</u>	<u>(133,212)</u>
Total Business Improvement District	<u>284,172</u>	<u>29,361</u>	<u>-</u>	<u>-</u>	<u>(254,811)</u>	<u>-</u>	<u>(254,811)</u>
Community Redevelopment Authority							
General Government	65,689	-	-	-	-	(65,689)	(65,689)
Community Development	5,237,483	-	-	-	-	(5,237,483)	(5,237,483)
Interest on Long-term Debt	<u>9,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,726)</u>	<u>(9,726)</u>
Total Community Redevelopment Authority	<u>5,312,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,312,898)</u>	<u>(5,312,898)</u>
Total Component Units	<u>\$ 5,597,070</u>	<u>\$ 29,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(254,811)</u>	<u>(5,312,898)</u>	<u>(5,567,709)</u>
General revenues							
Taxes							
Property							
					-	4,962,949	4,962,949
Special assessments							
					259,418	-	259,418
Miscellaneous							
					-	200,000	200,000
Interest income							
					482	3,087	3,569
Total general revenues							
					<u>259,900</u>	<u>5,166,036</u>	<u>5,425,936</u>
Change in net position							
					5,089	(146,862)	(141,773)
Net position - October 1, 2020							
					<u>126,755</u>	<u>1,293,022</u>	<u>1,419,777</u>
Net position - September 30, 2021							
					<u>\$ 131,844</u>	<u>\$ 1,146,160</u>	<u>\$ 1,278,004</u>

Single Audit Reports

City of Grand Island, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2021

Federal Grantor/ Program or Cluster Title	Pass-Through Grantor	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development:					
CDBG Entitlement Grants Cluster:					
CDBG Entitlement Grant		14.218		\$ -	\$ 192,363
CDBG Entitlement Grant		14.218		-	185,364
Total CDBG Entitlement Grants Cluster				-	377,727
Total Department of Housing and Urban Development				-	377,727
Department of Justice:					
Crime Victim Assistance	Nebraska Crime Commission	16.575	2020-VA-1014	-	114,896
Total Department of Justice				-	114,896
Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	Nebraska Department of Transportation	20.205	0844794	-	20,732
Highway Planning and Construction	Nebraska Department of Transportation	20.205	0850717	-	20,785
Highway Planning and Construction	Nebraska Department of Transportation	20.205	0860754	-	22,947
Highway Planning and Construction	Nebraska Department of Transportation	20.205	0870736	-	24,321
Total Highway Planning and Construction Cluster				-	88,785
Metropolitan Transportation Planning	Nebraska Department of Transportation	20.505	FTA Funding	-	4,307
Federal Transit Cluster:					
Federal Transit - Formula Grants		20.507		-	645,326
Total Federal Transit Cluster				-	645,326
Highway Safety Cluster:					
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0847370	-	5,297
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0865129	-	4,000
National Priority Safety Programs	Nebraska Department of Transportation	20.616	0866260	-	7,140
Total Highway Safety Cluster				-	16,437
Total Department of Transportation				-	754,855
Executive Office of the President:					
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	19HD06	-	83,676
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	20HD06	-	49,060
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	21HD06	-	2,106
Total High Intensity Drug Trafficking Area Program				-	134,842
Total Executive Office of the President				-	134,842
Department of Homeland Security/Federal Emergency Management Agency:					
Disaster Grants - Public Assistance	Nebraska Emergency Management Agency	97.036	4521	-	3,833,412
Total Department of Homeland Security				-	3,833,412
Total Federal Expenditures				\$ -	\$ 5,215,732

City of Grand Island, Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended September 30, 2021

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Grand Island, Nebraska (the “City”) under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Grand Island has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The federal loan programs listed subsequently are administered directly by the City of Grand Island, Nebraska, and balances and transactions relating to these programs are included in the City of Grand Island, Nebraska’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at September 30, 2021, consists of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at September 30, 2021
14.218	CDBG Entitlement Grant	\$161,528

4. Total federal grant expenditures for the Department of Homeland Security Disaster Grants Public Assistance program (Federal Assistance Listing number 97.036) incurred by the City were \$3,833,412 in fiscal 2020 and reported on the Schedule in fiscal year 2021.

**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***

Independent Auditor's Report

The Mayor and City Council
City of Grand Island
Grand Island, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Island, Nebraska (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 27, 2022, which included an 'Emphasis of Matter' paragraph regarding a change in accounting principle.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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*.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
April 27, 2022

Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

The Honorable Mayor and City Council
City of Grand Island
Grand Island, Nebraska

Report on Compliance for the Major Federal Program

We have audited the City of Grand Island, Nebraska's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Grand Island, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BKD, LLP

Lincoln, Nebraska
April 27, 2022

City of Grand Island, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
 Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
 Significant deficiency(ies)? Yes None reported
 Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
 Significant deficiency(ies)? Yes None reported
 Material weakness(es)? Yes No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:
 Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? Yes No

7. The City's major program was:

Cluster/Program	Assistance Listing Number
Disaster Grants-Public Assistance	97.036

City of Grand Island, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2021

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee? Yes No

City of Grand Island, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2021

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
2021-001	<p>Material Weakness - Proposed Audit Adjustments</p> <p><i>Criteria or Specific Requirement</i> – Management is responsible for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).</p> <p><i>Condition</i> – The preparation of the City’s financial statements required proposed adjusting journal entries for proper financial statement presentation.</p> <p><i>Effect</i> – Auditor proposed current year adjustments were identified and proposed for proper financial statement presentation.</p> <p><i>Cause</i> – Procedures were not maintained throughout the year that allowed for the proper evaluation of potential adjustments that, individually or in the aggregate, had a significant effect on the financial statements.</p> <p><i>Recommendation</i> – Management should consider modification to procedures to ensure that controls and resources are in place that will allow for preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America.</p> <p><i>Views of Responsible Officials and Planned Corrective Actions (Management’s Response)</i> – Finance Department personnel did attend training on Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) statements during the audit year, and will continue to attend additional trainings in the future. The Finance Department recognizes its need to compile a comprehensive list of Department procedures and will continue to work on those lists in 2022.</p>

City of Grand Island, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2021

Reference Number	Finding
2021-002	<p>Significant Deficiency – Preparation and Timeliness of Bank Reconciliations</p> <p><i>Criteria or Specific Requirement</i> – Management is responsible for establishing and maintaining effective internal controls over financial reporting and the safekeeping of assets.</p> <p><i>Condition</i> – City bank reconciliations were not completed on a routine basis with multiple months of activity not reconciled as of year-end. In addition, there is no formal review of completed reconciliations.</p> <p style="padding-left: 40px;">Effective accounting control practices require access, monitoring and recording responsibilities be assigned to different individuals. Where these duties are not segregated, potential internal control deficiencies exist.</p> <p><i>Effect</i> – Potentially material misstatements in the financial statements or material misappropriations of assets due to error or fraud could occur and not be prevented or detected and corrected in a timely manner.</p> <p><i>Cause</i> – Duties over financial reporting are not adequately monitoring and other compensation controls related to the cash reconciliation process are insufficient.</p> <p><i>Recommendation</i> – Management should consider modification to procedures to ensure that controls are in place that will allow for timely preparation and review of cash reconciliations on a routine (i.e. monthly) basis.</p> <p style="padding-left: 40px;">In addition, a formal review process should be put in place which would require the personnel reconciling the cash accounts to be a separate individual from the personnel reviewing and approving the reconciliations.</p> <p><i>Views of Responsible Officials and Planned Corrective Actions (Management’s Response)</i> – The Finance Department has experienced significant turnover in multiple positions and also experienced a shortage of personnel resources during 2021 as a result of this turnover. Several open positions have been filled and the new individuals are being trained in their new roles. The City will work to reconcile these accounts on a timely basis throughout 2022.</p>

City of Grand Island, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2021

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
	No matters are reportable.

City of Grand Island, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2021

Reference Number	Summary of Finding	Status
2020-001	<p><i>Finding</i> – The preparation of the City’s financial statements required prior period adjustments and proposed adjusting journal entries for proper financial statement presentation.</p> <p><i>Reasons for Recurrence and Planned Corrective Action</i> – Finance Department personnel did attend training on Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) statements during the audit year, and will continue to attend additional trainings in the future. The Finance Department recognizes its need to compile a comprehensive list of Department procedures and will continue to work on those lists in 2021.</p>	Not Corrected. See Finding 2021-001.
2020-002	<p><i>Finding</i> – City bank reconciliations were not completed on a routine basis with multiple months of activity not reconciled as of year-end. In addition, there is no formal review of completed reconciliations.</p> <p><i>Reasons for Recurrence and Planned Corrective Action</i> – The Finance Department is currently implementing a MUNIS Cash Management Module. This implementation began in 2019, however was delayed due to a shortage of personnel resources (replacement of Assistant Finance Director and Accountant), the City’s implementation of electronic time clocks throughout the entire organization, and software changes at the City’s primary financial institution in order to provide the necessary electronic files for the module. These other matters have been resolved and the City anticipates completing implementation of the module in 2021.</p>	Not Corrected. See Finding 2021-002.