

**City of Grand Island, Nebraska**  
**Independent Auditor's Reports and**  
**Basic Financial Statements**  
**September 30, 2022**

**City of Grand Island, Nebraska**  
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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Grand Island  
Grand Island, Nebraska

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements 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, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter – Implementation of GASB 87**

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

The City of Grand Island's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Responsibilities of Management for the Financial Statements (Continued)**

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, 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 of Grand Island basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 23, 2023, on our consideration of the City of Grand Island'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Grand Island internal control over financial reporting and compliance.

*BergankDV, LLC*

St. Cloud, Minnesota  
May 23, 2023

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## City of Grand Island, Nebraska Management's Discussion and Analysis

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, 2022.

### 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 \$814,657,163 (*net position*). Of this amount, \$165,415,230 (*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 \$468,906,198. Approximately 11.3% of this total amount, \$53,022,683 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$38,771,700, or 88.2% 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

### Overview of the Financial Statements (Continued)

**Government-wide financial statements. (Continued)** 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 Districts, Grand Island Facilities Corporation, 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 20 and 21 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

### Overview of the Financial Statements (Continued)

**Governmental funds. (Continued)** 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 22-25 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 26-29 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 statement can be found on pages 30 - 31 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 33 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 66-70 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 72-84 of this report.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**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 \$814,657,163 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 89,870,845	\$ 85,103,861	\$ 126,395,246	\$ 120,604,544	\$ 216,266,091	\$ 205,708,405
Capital assets	417,605,068	402,325,065	312,813,260	314,939,268	730,418,328	717,264,333
Total assets	507,475,913	487,428,926	439,208,506	435,543,812	946,684,419	922,972,738
Deferred outflows of resources	454,281	499,709	4,488,543	4,956,408	4,942,824	5,456,117
Total assets and deferred outflows	507,930,194	487,928,635	443,697,049	440,500,220	951,627,243	928,428,855
Current liabilities	12,746,616	31,919,813	14,471,825	97,773,281	27,218,441	129,693,094
Long-term liabilities	25,084,594	11,611,946	83,474,259	7,100,724	108,558,853	18,712,670
Total liabilities	37,831,210	43,531,759	97,946,084	104,874,005	135,777,294	148,405,764
Deferred inflows of resources	1,192,786	277,018	-	-	1,192,786	277,018
Total liabilities and deferred inflows	39,023,996	43,808,777	97,946,084	104,874,005	136,970,080	148,682,782
Net position						
Net invested in capital assets	394,310,079	376,353,867	229,929,697	229,348,512	624,239,776	605,702,379
Restricted	21,573,436	26,388,197	3,457,508	3,282,101	25,030,944	29,670,298
Unrestricted	53,022,683	41,377,794	112,363,760	102,995,602	165,386,443	144,373,396
Total net position	<u>\$ 468,906,198</u>	<u>\$ 444,119,858</u>	<u>\$ 345,750,965</u>	<u>\$ 335,626,215</u>	<u>\$ 814,657,163</u>	<u>\$ 779,746,073</u>

By far, the largest portion of the City of Grand Island's net position (76.6%) 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 (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$165,386,443 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.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**Government-wide Financial Analysis (Continued)**

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.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 14,729,857	\$ 13,211,436	\$ 130,782,626	\$ 157,266,444	\$ 145,512,483	\$ 170,477,880
Operating grants and contributions	6,036,592	5,077,728	1,981,355	39,493	8,017,947	5,117,221
Capital grants and contributions	9,183,090	12,816,934	3,502,708	1,274,520	12,685,798	14,091,454
General revenues						
Property taxes	11,553,957	11,535,282	-	-	11,553,957	11,535,282
Other taxes	35,963,317	31,452,372	-	-	35,963,317	31,452,372
State allocation	2,102,931	7,067,677	-	-	2,102,931	7,067,677
Other	1,475,870	3,165,328	459,023	724,549	1,934,893	3,889,877
<b>Total revenues</b>	<b>81,045,614</b>	<b>84,326,757</b>	<b>136,725,712</b>	<b>159,305,006</b>	<b>217,771,326</b>	<b>243,631,763</b>
<b>Expenses</b>						
General government	4,958,727	4,768,226	-	-	4,958,727	4,768,226
Public safety	26,081,501	29,748,435	-	-	26,081,501	29,748,435
Public works	7,880,790	7,788,735	-	-	7,880,790	7,788,735
Environment and leisure	10,760,386	9,726,454	-	-	10,760,386	9,726,454
Nondepartmental	2,573,515	2,505,860	-	-	2,573,515	2,505,860
Interest on long term debt	555,786	450,812	-	-	555,786	450,812
Electric	-	-	105,366,741	122,432,586	105,366,741	122,432,586
Water	-	-	6,685,499	6,387,569	6,685,499	6,387,569
Sewer	-	-	14,629,410	15,356,572	14,629,410	15,356,572
Landfill	-	-	3,999,690	3,307,382	3,999,690	3,307,382
<b>Total expenses</b>	<b>52,810,705</b>	<b>54,988,522</b>	<b>130,681,340</b>	<b>147,484,109</b>	<b>183,492,045</b>	<b>202,472,631</b>
Increase in net position before transfers	28,234,909	29,338,235	6,044,372	11,820,897	34,279,281	41,159,132
Transfers, net	(4,080,378)	1,179,133	4,080,378	(1,179,133)	-	-
Increase in net position	24,154,531	30,517,368	10,124,750	10,641,764	34,279,281	41,159,132
Net position, beginning of year	444,119,858	413,602,490	335,626,215	324,984,451	779,746,073	738,586,941
Prior period adjustment	631,809	-	-	-	631,809	-
Net position, end of year	<b>\$ 468,906,198</b>	<b>\$ 444,119,858</b>	<b>\$ 345,750,965</b>	<b>\$ 335,626,215</b>	<b>\$ 814,657,163</b>	<b>\$ 779,746,073</b>

**Governmental activities.** Revenues exceeded expenses and net transfers out by \$24,154,531. Revenues decreased from the previous fiscal year by approximately \$3.3 million. Sales taxes increased approximately \$3.3 million from 2021. 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 2022. Operating grants and contributions showed increases during 2022. Operating grants and contributions increased primarily due to coronavirus stimulus funding used to offset public safety salaries during the pandemic. Capital grants and contributions decreased due to timing of awards.

## City of Grand Island, Nebraska Management's Discussion and Analysis

### Government-wide Financial Analysis (Continued)

**Business-type activities.** Business-type activities increased the City of Grand Island's net position \$10,124,750 during 2022, as compared to 10,641,764 during 2021. Revenues decreased from the previous fiscal year by approximately \$22.6 million due to decreased activity and consumption during 2022, however expenses also decreased approximately \$16.8 million as a result of decreased cost activity.

### 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 \$72,808,684. Approximately 53.3% of this total amount (\$38,800,487) 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) placed in a nonspendable endowment for cemetery perpetual care (\$1,043,973), 2) placed in a nonspendable trust for library expenditures (\$69,907), 3) restricted for street improvements (\$7,069,606), 4) restricted for debt service (\$117,417), 5) restricted for economic development (\$1,879,408), 6) restricted for Federal programs (\$70,164), 7) restricted to fund housing loans (\$242,395), 8) restricted for community improvements (\$11,208,669), 9) restricted for other purposes (\$56,529), 10) assigned for a variety of other purposes (\$12,162,102).

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 \$38,771,700, while total fund balance reached \$53,259,579. 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 88.2% of total General Fund expenditures, while total fund balance represents 121.2% of that same amount.

The fund balance of the City of Grand Island's General Fund increased by \$5,337,509 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.

## City of Grand Island, Nebraska Management's Discussion and Analysis

### Budgetary Highlights (Continued)

**Capital Assets.** The City of Grand Island's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$730,418,328 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

- The Northwest Flood Control project is nearing completion for construction with an expected FY2023 expenditure of \$20,000 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. 2022 City expenditures were \$4,432.
- The Moores Creek Drainage Culvert Extension; Project No. 2021-D-2(A) consists of the culvert extension of the ditch under Engleman Road near the Grand Island Utilities water storage tower. FY 2022 expenditures were \$379,324.
- The Moores Creek Storm Sewer Improvements; Project No. 2021-D-2(B) is for the construction of a detention cell on the southwest corner of Old Potash Highway and North Road. FY 2022 expenditures were \$163,614.
- 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 2022 expenses were \$5,978.
- 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 \$14,414.
- The Various Locations Drainage Projects; Brookline Drive and Henry Street/South Street Intersection; Project No. 2021-D-1 is to plan, design, and build projects to improve drainage. The Brookline Drive project consists of a concrete curb and gutter street. The Henry Street/South Street project consists of paving the intersection for improved drainage. FY 2022 expenditures were \$295,505.
- The JBS Trail Construction, which is a Parks Department project, found that reconstruction of the existing culvert was necessary. The culvert, under the proposed alignment of the JBS Trail, had deteriorated and was no longer serving its purpose. This project allowed for the extension of the referenced culvert to fix extreme erosion near a pole that supports critical electrical transmission lines coming from Burdick Station power plant. FY 2022 expenditures were \$228,996.
- The Tri St Drainage Improvements project is in response to complaints from residents in the neighborhood of Tri Street and Highway 34 regarding poor drainage in the area after recent development in the area. FY 2022 expenditures were \$9,625.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**Budgetary Highlights (Continued)**

**Capital Assets. (Continued)**

- The Handicap Ramp project consists of the ADA compliant curb ramps in the 2022-CR-1 project, which was for the installation of handicap ramps along Fonner Park Road from Pine Street Pleasant View Drive, Division Street/Washington Street, 6<sup>th</sup> Street/Cedar Street, 7<sup>th</sup> Street/Kimball Street, and 8<sup>th</sup> Street/Oak 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 21 years. Project No. 2022-CR-1 was completed June 16, 2022, for a total cost of \$156,718.
- 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 2022 expenses were \$80,390.
- The Pavement Condition Assessment meets the City requirement of assessing roadway pavement every three (3) years, at a minimum. This assessment is used to determine roadways that become part of the annual maintenance project, as well as roadways that require more substantial work or rebuild. This information is also used for the City's annual audit and for GASB 34. FY 2022 expenditures were \$115,144.
- 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 fall 2022, with construction to begin spring 2023. FY 2022 expenses were \$597,637.
- 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 2023, due to final restoration work. FY 2022 expenses were \$2,761,756.
- The Broadwell/UPRR Grade Separation project is for a grade separation structure with the UPRR to be located at or around the existing Broadwell Avenue crossing north of 3<sup>rd</sup> Street. A program agreement between the City and the Nebraska Department of Transportation will be presented to City Council for consideration FY2023. FY 2022 expenditures were \$32,412.
- The North Rd: 13<sup>th</sup> to Hwy 2 project was completed FY2022, which improved the roadway by providing a concrete curb and gutter section with associated sidewalk, traffic control, drainage, and other related improvements. FY 2022 expenditures were \$1,601,319.
- North Rd: Old Potash to 13<sup>th</sup> 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 2023, due to final restoration work. FY 2022 expenditures were \$1,900,631.
- 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. Projection completion will be FY 2023. FY 2022 expenditures were \$456.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**Budgetary Highlights (Continued)**

**Capital Assets. (Continued)**

- 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 2022 expenditures were \$312,879.
- 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. Project completion will be FY 2023, due to final restoration work. FY 2022 expenditures were \$1,604,294.
- 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 anticipated to be complete March 2023. FY 2022 expenditures were \$801,051.
- Custer Avenue- Forrest Street to Old Potash Highway Roadway Rehabilitation 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, corne grinding, or an asphalt overlay. Construction will take place over multiple FYs due to budget and project coordination within the City. FY 2022 expenditures were \$2,397,349.
- Hwy 2 Improvements to Cairo consist of removing and replacing pavement with concrete, including shoulders; and curb & gutter and the raised median island also being replaced. Completion of project is anticipated for FY 2023. FY 2022 expenditures were \$1,425,906.
- Locust St; 2<sup>nd</sup> St to Fonner Park Rd is to replace existing asphalt with a concrete curb and gutter roadway section along with associated sidewalk, traffic control, drainage and all other improvements needed to complete the project. Roadway alignment issues at intersection will be remedied to provide for lanes that align through intersections. Drainage will also be improved as the current roadway drainage has been reduced over the years with multiple asphalt overlay projects. FY 2022 expenditures were \$205,457.
- The Claude Rd; Faidley Ave to State St project is for the addition and improvement of several roadways. There will be several projects involved, which will be dictated by budget, development growth and need. Along with the Claude Rd extension there will be several connections to Diers Ave, guided by an existing City of Grand Island concept plan. ROW FY 2022 expenditures were \$421,716.



- **City of Grand Island, Nebraska**  
**Management's Discussion and Analysis**

## **Budgetary Highlights (Continued)**

### **Capital Assets. (Continued)**

- Improving US Highway 281 addresses the roadway from south of US Highway 30 north to Chapman Rd. The improvements consist of resurfacing, concrete pavement removal; reconstruction, and repairs; lighting; sidewalk & curb ramps; curb & gutter; storm sewer; adjusting manholes; guardrail; trench widening; crack & joint sealing, and fog sealing; granular sub drainage; median surfacing; culverts; bridge deck repairs, rail remodeling, joint repairs, deck resurfacing, and prier sealing; and permanent pavement markings. FY 2022 expenditures were \$123,891.
- Sanitary Sewer: For fiscal year 2022 expenses were incurred on the following projects:

Wastewater Treatment Plant Laboratory, Operations Control Center, and Administrative Building Renovation; Project No. 2017-WWTP-2 provided separation for the HVAC serving the management and accounting offices from the laboratory and operations areas, which addressed an immediate safety hazard. This project also allowed installation of a fire suppression system, updated equipment, addressed limited physical space, and allowed for future expansion of electrical and mechanical needs. Project was completed FY 2022, for a total cost of \$4,319,981. FY 2022 expenditures were \$698,831.

Final Clarifier No 1 Renovation; Project No. 2021-WWTP-1 consists of labor and installation of parts procured, as well as painting of both existing and new clarifier components. Project completion is slated for FY 2023. FY 2022 expenditures were \$301,916.

Wastewater Treatment Plant Paving Improvements; Project No. 2020-WWTP-1 improved existing paving and drainage within the plant and allowed for the construction of a new main entrance driveway from Shady Bend Road. The project also reconfigured existing perimeter fencing and gates to enclose the property. Lighting and additional piping with one combined outlet to the adjacent drain way for localized dewatering system was incorporated. Project was completed FY 2022, for a total cost of \$1,896,953. FY 2022 expenditures were \$136,879.

Diffuser Replacement; Project No. 2022-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. FY 2022 expenditures were \$25,238.

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 2022 expenditures were \$635,077.

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 2022 expenditures were \$50,828.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**Budgetary Highlights (Continued)**

**Capital Assets. (Continued)**

Sanitary Sewer Rehabilitation- Various Locations consisted of fixing known pipe breaks on sewer main in difficult to access location. Project was completed FY 2022, for a total cost of \$453,076. FY 2022 expenditures were \$366,702.

Sanitary Sewer Rehabilitation; Project No. 2022-S-1 focuses on the rea north of the Union Pacific Railroad (UPRR) tracks in the area around Broadwell Ave and North Front St. Spot locations will be evaluated for sanitary sewer rehabilitation, with the thought that cured in place pipe (CIPP) will be the ideal solution as existing pipe segments are mostly within constricted areas, however other solutions may be considered. Manhole rehabilitation may also be completed if needed to reinforce structural integrity. FY 2022 expenditures were \$30,737.22.

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 was approved by City Council on August 24, 2021. Construction is anticipated to be complete FY 2023. FY 2022 expenditures were \$3,638,302.

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 was completed at a total cost of \$946,327. FY2022 expenditures were \$6,649.

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 2022 expenditures were \$77,847.

Lift Station No. 28 Equalization Tank; Project No. 2022-S-3 is for the construction of a new sanitary sewer pump station and buffer tank that will extend the useful life of existing Lift Station No. 28 by effectively improving its peak capacity. Lift Station No. 28 is located northeast of the intersection of Husker Highway/James Road. FY 2022 expenditures were \$294,278.

Lift Station No. 1 Rehabilitation; Project No. 2022-S-2 is for the rehabilitation of existing Lift Station No. 1, which is located at 312 N Tilden St in a portion of an old building owned by the Grand Island Parks Department. Due to condition of the building, it is desired to rehabilitation the building and demolish the Parks Department area of the building. FY 2022 expenditures were \$24,882.

**City of Grand Island, Nebraska  
Management's Discussion and Analysis**

**Budgetary Highlights (Continued)**

**Capital Assets. (Continued)**

The Flow Monitoring project added two (2) flow meter sites in the southwest Grand Island area, near the intersection of US Highway 281 and Husker Highway (Hwy 34). This site was selected because it lays at the convergence of two (2) tributary sewer mains just upstream of List Station No. 28, allowing collection of flow data from the westerly residential sewer sheds from the southerly interstate growth areas. FY 2022 expenditures were \$63,167.

**City of Grand Island Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and land improvements	\$ 40,102,693	\$ 36,814,759	\$ 163,629,917	\$ 161,775,437	\$ 203,732,610	\$ 198,590,196
Infrastructure	312,915,213	300,504,348	-	-	312,915,213	300,504,348
Construction in progress	38,001,451	36,538,502	19,993,919	12,674,628	57,995,370	49,213,130
Buildings and systems	65,767,023	64,479,985	497,708,087	490,656,938	563,475,110	555,136,923
Machinery and equipment	11,983,775	11,757,897	-	-	-	11,757,897
Office furniture and equipment	3,135,805	3,206,982	356,719	356,719	3,492,524	3,563,701
Vehicles	12,073,186	11,787,496	10,613,636	10,531,172	22,686,822	22,318,668
Accumulated depreciation	(66,374,078)	(62,764,904)	(379,489,018)	(361,055,626)	(445,863,096)	(423,820,530)
Net totals	<u>\$ 417,605,068</u>	<u>\$ 402,325,065</u>	<u>\$ 312,813,260</u>	<u>\$ 314,939,268</u>	<u>\$ 718,434,553</u>	<u>\$ 717,264,333</u>

Additional information on the City of Grand Island's capital assets can be found in Note 5 on pages 48-49 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Grand Island had total long-term debt outstanding of \$100,664,672. Of this amount, \$18,316,885 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 lease obligations.

**City of Grand Island Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 18,316,885	\$ 20,495,852	\$ -	\$ -	\$ 18,316,885	\$ 20,495,852
Revenue bonds	-	-	78,695,000	85,505,000	78,695,000	85,505,000
Notes payable	2,915,325	3,400,583	-	-	2,915,325	3,400,583
Leases	737,462	602,188	-	-	737,462	602,188
Totals	<u>\$ 21,969,672</u>	<u>\$ 24,498,623</u>	<u>\$ 78,695,000</u>	<u>\$ 85,505,000</u>	<u>\$ 100,664,672</u>	<u>\$ 110,003,623</u>

The City of Grand Island's total debt decreased by \$9,338,951 (8.5%) during the current fiscal year due to scheduled repayments on outstanding obligations exceeding additions to leases and notes payable.

Additional information on the City of Grand Island's long-term debt can be found in Note 6 starting on page 50 of this report.

## **City of Grand Island, Nebraska Management's Discussion and Analysis**

### **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 2019 the City negotiated two new union contracts. The new wage rates continued to impact the 2019-2020 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% federally funded, with 20% local match; usually the 20% is divided among all of the transportation providers in the MPO planning area, but the City of Grand Island provides 100% 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.
  
- 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. In June 2019 the City entered into a contract with Senior Citizens Industries, Inc. to provide transit service in the maximum amount of \$697,213 for the time period of July 1, 2019- June 30, 2020. This initial agreement will provide 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 2023 fiscal year.

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## **BASIC FINANCIAL STATEMENTS**

**City of Grand Island, Nebraska**  
**Statement of Net Position**  
**September 30, 2022**

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 39,390,467	\$ 75,175,338	\$ 114,565,805	\$ 1,175,951
Investments	37,361,084	6,441,897	43,802,981	-
Cash with county treasurer	512,314	-	512,314	817,183
<b>Receivables</b>				
Accounts, net of allowance for doubtful accounts	2,385,398	6,930,870	9,316,268	-
Unbilled revenue	-	4,307,745	4,307,745	-
Property taxes	675,075	-	675,075	234,897
Special assessments	398,353	1,125,482	1,523,835	12,773
Interest	86,791	214,054	300,845	441
Current portion of lease receivable	44,310	-	44,310	-
Current portion of notes receivable	-	120,000	120,000	37,869
Internal balances	1,124,083	(1,124,083)	-	-
Due from other governments	6,617,315	367,165	6,984,480	510
Prepaid expense	17,812	562,428	580,240	-
Inventory	241,399	12,361,710	12,603,109	-
Total current assets	<u>88,854,401</u>	<u>106,482,606</u>	<u>195,337,007</u>	<u>2,279,624</u>
<b>Noncurrent assets</b>				
Restricted cash and cash equivalents	396,496	4,177,442	4,573,938	-
Restricted investments	-	12,936,411	12,936,411	-
Notes receivable	556,022	-	556,022	-
Noncurrent portion of lease receivable	63,926	-	63,926	-
Noncurrent portion of note receivable	-	1,529,723	1,529,723	-
Costs recoverable in future periods	-	1,269,064	1,269,064	-
<b>Capital assets</b>				
Land, infrastructure, and construction in progress	359,648,403	183,623,836	543,272,239	-
Right of use assets, net of amortization	758,672	-	758,672	-
Other capital assets, net of depreciation	57,197,993	129,189,424	186,387,417	522,976
Net capital assets	<u>417,605,068</u>	<u>312,813,260</u>	<u>730,418,328</u>	<u>522,976</u>
Total noncurrent assets	<u>418,621,512</u>	<u>332,725,900</u>	<u>751,347,412</u>	<u>522,976</u>
Total assets	<u>507,475,913</u>	<u>439,208,506</u>	<u>946,684,419</u>	<u>2,802,600</u>
<b>Deferred Outflows of Resources</b>				
Deferred loss on debt refunding	-	4,488,543	4,488,543	-
Deferred outflows for OPEB	454,281	-	454,281	-
Total deferred outflows of resources	<u>454,281</u>	<u>4,488,543</u>	<u>4,942,824</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	1,279,598	6,321,431	7,601,029	29,764
Accrued expenses	3,144,540	1,113,571	4,258,111	3,072
Unearned revenue	5,224,105	-	5,224,105	-
Compensated absences- current	224,339	161,823	386,162	-
Current portion of lease liability	278,539	-	278,539	-
Current portion of long-term obligations	2,595,495	6,875,000	9,470,495	195,000
Total current liabilities	<u>12,746,616</u>	<u>14,471,825</u>	<u>27,218,441</u>	<u>227,836</u>
<b>Noncurrent liabilities</b>				
Compensated absences- noncurrent	2,526,464	1,939,379	4,465,843	-
Closure/post-closure liability	-	5,526,317	5,526,317	-
Noncurrent portion of lease liability	458,923	-	458,923	-
Total pension liability	543,182	-	543,182	-
Total OPEB liability	1,593,993	-	1,593,993	-
Noncurrent portion of long-term obligations	18,636,715	71,820,000	90,456,715	-
Unamortized bond premiums	1,325,317	4,188,563	5,513,880	-
Total noncurrent liabilities	<u>25,084,594</u>	<u>83,474,259</u>	<u>108,558,853</u>	<u>-</u>
Total liabilities	<u>37,831,210</u>	<u>97,946,084</u>	<u>135,777,294</u>	<u>227,836</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows for lease revenue	106,996	-	106,996	-
Deferred inflows for OPEB	1,085,790	-	1,085,790	-
Total deferred inflows of resources	<u>1,192,786</u>	<u>-</u>	<u>1,192,786</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	394,310,079	229,929,697	624,239,776	327,976
<b>Restricted for</b>				
Debt service	116,742	1,458,530	1,575,272	-
Closure/post-closure costs	-	1,773,978	1,773,978	-
Library trust and cemetery perpetual care-permanent	1,113,880	-	1,113,880	-
Street improvements	6,889,612	-	6,889,612	-
Economic development	1,879,408	-	1,879,408	-
Community improvements	11,175,919	-	11,175,919	-
Other purposes	397,875	225,000	622,875	-
Unrestricted	<u>53,022,683</u>	<u>112,363,760</u>	<u>165,386,443</u>	<u>2,246,788</u>
Total net position	<u>\$ 468,906,198</u>	<u>\$ 345,750,965</u>	<u>\$ 814,657,163</u>	<u>2,574,764</u>

See notes to basic financial statements.

**City of Grand Island, Nebraska  
Statement of Activities  
Year Ended Spetember 30, 2022**

Functions/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Governmental activities</b>								
General government	\$ 4,958,727	\$ 4,160,464	\$ 647,663	\$ 80,862	\$ (69,738)	\$ -	\$ (69,738)	\$ -
Public safety	26,081,501	7,135,605	5,068,937	-	(13,876,959)	-	(13,876,959)	-
Public works	7,880,790	1,153,465	-	7,996,834	1,269,509	-	1,269,509	-
Envionrment and leisure	10,760,386	2,280,323	269,992	1,105,394	(7,104,677)	-	(7,104,677)	-
Non-departmental	2,573,515	-	50,000	-	(2,523,515)	-	(2,523,515)	-
Interest and fees on long-term debt	555,786	-	-	-	(555,786)	-	(555,786)	-
<b>Total governmental activities</b>	<b>52,810,705</b>	<b>14,729,857</b>	<b>6,036,592</b>	<b>9,183,090</b>	<b>(22,861,166)</b>	<b>-</b>	<b>(22,861,166)</b>	<b>-</b>
<b>Business-type activities</b>								
Electric	105,366,741	105,280,550	-	-	-	(86,191)	(86,191)	-
Water	6,685,499	6,925,897	-	799,036	-	1,039,434	1,039,434	-
Sewer	14,629,410	15,129,374	1,981,355	2,703,672	-	5,184,991	5,184,991	-
Landfill	3,999,690	3,446,805	-	-	-	(552,885)	(552,885)	-
<b>Total business-type activities</b>	<b>130,681,340</b>	<b>130,782,626</b>	<b>1,981,355</b>	<b>3,502,708</b>	<b>-</b>	<b>5,585,349</b>	<b>5,585,349</b>	<b>-</b>
<b>Total primary government</b>	<b>183,492,045</b>	<b>145,512,483</b>	<b>8,017,947</b>	<b>12,685,798</b>	<b>(22,861,166)</b>	<b>5,585,349</b>	<b>(17,275,817)</b>	<b>-</b>
<b>Component units</b>								
Business Improvement Districts	286,348	5,286	34,850	276,293	-	-	-	30,081
Community Redevelopment Authority	4,336,721	-	-	-	-	-	-	(4,336,721)
<b>Total component units</b>	<b>\$ 4,623,069</b>	<b>\$ 5,286</b>	<b>\$ 34,850</b>	<b>\$ 276,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,306,640)</b>
<b>General revenues</b>								
Taxes								
Property					11,553,957	-	11,553,957	5,346,298
Motor vehicle taxes					1,148,490	-	1,148,490	-
Occupation					3,669,602	-	3,669,602	-
Sales taxes					29,872,770	-	29,872,770	-
Franchise					1,272,455	-	1,272,455	-
State allocation					2,102,931	-	2,102,931	-
Miscellaneous					1,777,100	-	1,777,100	254,872
Investment income (loss)					(223,239)	446,206	222,967	2,230
Gain on sale of capital assets					(77,991)	12,817	(65,174)	-
Interfund transfers					(4,080,378)	4,080,378	-	-
<b>Total general revenues and transfers</b>					<b>47,015,697</b>	<b>4,539,401</b>	<b>51,555,098</b>	<b>5,603,400</b>
<b>Change in net position</b>					<b>24,154,531</b>	<b>10,124,750</b>	<b>34,279,281</b>	<b>1,296,760</b>
Net position, beginning of year - originally reported					444,119,858	335,626,215	779,746,073	1,278,004
Prior period adjustment					631,809	-	631,809	-
Net position, beginning of year - as restated					<b>444,751,667</b>	<b>335,626,215</b>	<b>780,377,882</b>	<b>1,278,004</b>
<b>Net position, end of year</b>					<b>\$ 468,906,198</b>	<b>\$ 345,750,965</b>	<b>\$ 814,657,163</b>	<b>\$ 2,574,764</b>



**City of Grand Island, Nebraska**  
**Balance Sheet - Governmental Funds**  
**September 30, 2022**

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 24,970,029	\$ 3,625,614	\$ 6,838,152	\$ 35,433,795
Investments	25,967,756	3,031,768	5,145,358	34,144,882
County treasurer cash	511,815	-	499	512,314
Restricted cash	140,421	-	256,075	396,496
Receivables				
Accounts, net of allowance and doubtful accounts	2,188,504	33,205	106,837	2,328,546
Property taxes	644,032	-	31,043	675,075
Special assessments	-	750	397,603	398,353
Interest	65,665	91	13,921	79,677
Lease receivable	-	-	108,236	108,236
Notes receivable	-	-	556,022	556,022
Prepaid expenses	17,812	-	-	17,812
Inventory	70,215	-	-	70,215
Due from other funds	1,376,925	-	1,371	1,378,296
Due from other governments	5,133,153	1,160,640	323,522	6,617,315
	<u>\$ 61,086,327</u>	<u>\$ 7,852,068</u>	<u>\$ 13,778,639</u>	<u>\$ 82,717,034</u>
<b>Liabilities</b>				
Accounts payable	\$ 159,510	\$ 543,581	\$ 472,780	\$ 1,175,871
Accrued expenses	418,069	37,092	6,577	461,738
Unearned revenue	5,209,176	-	-	5,209,176
Due to other funds	203,382	201,789	274,480	679,651
Total liabilities	<u>5,990,137</u>	<u>782,462</u>	<u>753,837</u>	<u>7,526,436</u>
<b>Deferred inflows of resources</b>				
Lease receivable	-	-	106,996	106,996
Unavailable revenues	1,836,611	-	438,307	2,274,918
Total deferred inflows of resources	<u>1,836,611</u>	<u>-</u>	<u>545,303</u>	<u>2,381,914</u>
<b>Fund balances</b>				
Nonspendable				
Cemetery perpetual care	-	-	1,043,973	1,043,973
Library trust	-	-	69,907	69,907
Prepaid and inventory items	88,027	-	-	88,027
Restricted				
Street improvements	-	7,069,606	-	7,069,606
Debt service	-	-	117,417	117,417
Economic development	-	-	1,879,408	1,879,408
Federal programs	-	-	70,164	70,164
Housing loans	-	-	242,395	242,395
Community improvements	6,411,881	-	4,796,788	11,208,669
Other purposes	-	-	85,316	85,316
Assigned				
Capital improvements	2,717,378	-	2,846,826	5,564,204
Public safety	-	-	114,130	114,130
Transportation programs	-	-	82,642	82,642
Future employee benefits	5,270,593	-	-	5,270,593
Other purposes	-	-	1,130,533	1,130,533
Unassigned	38,771,700	-	-	38,771,700
Total fund balances	<u>53,259,579</u>	<u>7,069,606</u>	<u>12,479,499</u>	<u>72,808,684</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 61,086,327</u>	<u>\$ 7,852,068</u>	<u>\$ 13,778,639</u>	<u>\$ 82,717,034</u>

See notes to basic financial statements.

**City of Grand Island, Nebraska**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**September 30, 2022**

Total fund balance - governmental funds	\$ 72,808,684
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.	417,457,579
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.	2,274,918
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.	5,357,933
Pension and OPEB liabilities and related deferred items do not represent an obligation of current current financial resources, and are therefore not reported in the funds.	(2,768,684)
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	(2,665,954)
Accrued interest payable	(263,289)
Lease liability	(737,462)
Note payable	(2,915,325)
General obligation bonds payable	(18,316,885)
Bond premium	(1,325,317)
	(26,028,838)
Total net position-governmental activities	\$ 468,906,198

**City of Grand Island, Nebraska**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For The Year Ended September 31, 2022**

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes				
Property	\$ 11,422,672	\$ -	\$ 8,886	\$ 11,431,558
Motor vehicle	1,148,465	-	25	1,148,490
Occupation	226,556	-	3,443,046	3,669,602
Sales Tax	27,191,349	2,681,421	-	29,872,770
Franchise	1,240,692	-	-	1,240,692
Intergovernmental	7,488,195	8,109,196	1,674,681	17,272,072
Keno	-	-	377,298	377,298
Special assessments	-	-	224,274	224,274
Charges for services	13,382,207	363,829	901,128	14,647,164
Investment income (loss)	(277,457)	-	35,864	(241,593)
Contributions and grants	12,307	-	39,892	52,199
Other revenue	296,997	29,245	271,780	598,022
Total revenues	<u>62,131,983</u>	<u>11,183,691</u>	<u>6,976,874</u>	<u>80,292,548</u>
<b>Expenditures</b>				
Current				
General government	4,353,457	-	2,412,221	6,765,678
Public safety	26,160,289	-	420,718	26,581,007
Public works	1,032,646	5,593,677	3,255	6,629,578
Environment and leisure	7,364,844	-	1,844,262	9,209,106
Non-departmental	1,851,036	-	-	1,851,036
Capital outlay	2,225,790	14,387,007	3,968,464	20,581,261
Debt service				
Principal payments on debt	915,886	1,215,000	829,306	2,960,192
Interest on long-term debt	43,213	494,250	182,681	720,144
Total expenditures	<u>43,947,161</u>	<u>21,689,934</u>	<u>9,660,907</u>	<u>75,298,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,184,822</u>	<u>(10,506,243)</u>	<u>(2,684,033)</u>	<u>4,994,546</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sales of capital asset	64,080	-	-	64,080
Lease proceeds	431,241	-	-	431,241
Transfers in	2,833,621	7,179,500	3,347,890	13,361,011
Transfers out	(16,176,255)	(600,000)	(665,134)	(17,441,389)
Total other financing sources (uses)	<u>(12,847,313)</u>	<u>6,579,500</u>	<u>2,682,756</u>	<u>(3,585,057)</u>
Net change in fund balances	<u>5,337,509</u>	<u>(3,926,743)</u>	<u>(1,277)</u>	<u>1,409,489</u>
Fund balances, beginning of year				
- originally reported	46,742,937	10,996,349	12,480,776	70,220,062
Prior period adjustment	1,179,133	-	-	1,179,133
Fund balances, beginning of year - restated	<u>47,922,070</u>	<u>10,996,349</u>	<u>12,480,776</u>	<u>71,399,195</u>
Fund balance, end of year	<u>\$ 53,259,579</u>	<u>\$ 7,069,606</u>	<u>\$ 12,479,499</u>	<u>\$ 72,808,684</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, 2022**

Total net change in fund balances - governmental funds \$ 1,409,489

Amounts reported for governmental activities 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 and amortization expense. This is the amount by which capitalized capital outlay (\$20,332,520) exceeded depreciation and amortization expense (\$4,652,583).	15,679,937
The net effect of various transactions involving capital asset activity to decrease net position.	(142,071)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Changes in revenues in fund statements previously recognized in the statement of activities	(70,840)
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.	4,140,490
Changes in the compensated absences, pension liability, total OPEB liability and deferred inflows and outflows for OPEB do not represent financial activity in the governmental funds.	188,743
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>2,948,783</u>
Change in net position of governmental activities	<u><u>\$ 24,154,531</u></u>

**City of Grand Island, Nebraska**  
**Statement of Net Position - Proprietary Funds**  
**Year Ended September 30, 2022**

	<b>Enterprise Funds</b>					Internal Service Fund
	Major funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
<b>Current Assets</b>						
Cash and cash equivalents	\$ 56,954,023	\$ 7,228,494	\$ 10,271,990	\$ 720,831	\$ 75,175,338	\$ 3,956,672
Investments	-	-	5,839,131	602,766	6,441,897	3,216,202
Receivables						
Accounts, net of allowance for doubtful accounts	4,995,088	554,648	1,094,309	286,825	6,930,870	56,852
Unbilled revenue	3,307,820	452,078	547,847	-	4,307,745	-
Interest	71,366	15,507	94,747	32,434	214,054	7,114
Special assessments	-	66,124	1,059,358	-	1,125,482	-
Current portion of note receivable	-	-	120,000	-	120,000	-
Due from other funds	140,775	-	9,107	13,389	163,271	447,405
Due from other governments	-	-	367,165	-	367,165	-
Inventory	11,945,802	415,908	-	-	12,361,710	171,184
Prepaid expenses	545,555	16,873	-	-	562,428	-
Total current assets	<u>77,960,429</u>	<u>8,749,632</u>	<u>19,403,654</u>	<u>1,656,245</u>	<u>107,769,960</u>	<u>7,855,429</u>
<b>Noncurrent assets</b>						
Restricted cash and cash equivalents	3,180,472	302,335	694,635	-	4,177,442	-
Restricted investments	-	-	3,331,250	9,605,161	12,936,411	-
Noncurrent portion of note receivable	-	-	1,529,723	-	1,529,723	-
Costs recoverable in future periods	1,269,064	-	-	-	1,269,064	-
<b>Capital assets</b>						
Land and improvements	6,069,593	-	148,949,370	8,610,955	163,629,918	-
Construction in progress	2,246,408	1,157,000	16,590,510	-	19,993,918	-
Distribution and collection systems	338,845,717	85,805,035	8,296,661	-	432,947,413	-
Buildings and equipment	45,551,353	4,277,321	18,406,133	7,496,223	75,731,030	1,893,036
Less accumulated depreciation	(269,297,325)	(23,162,456)	(77,899,208)	(9,130,030)	(379,489,019)	(1,745,547)
Net capital assets	<u>123,415,746</u>	<u>68,076,900</u>	<u>114,343,466</u>	<u>6,977,148</u>	<u>312,813,260</u>	<u>147,489</u>
Total noncurrent assets	<u>127,865,282</u>	<u>68,379,235</u>	<u>119,899,074</u>	<u>16,582,309</u>	<u>332,725,900</u>	<u>147,489</u>
Total assets	<u>205,825,711</u>	<u>77,128,867</u>	<u>139,302,728</u>	<u>18,238,554</u>	<u>440,495,860</u>	<u>8,002,918</u>
<b>Deferred Outflows of Resources</b>						
Deferred loss on debt refunding	1,588,910	221,213	2,678,420	-	4,488,543	-
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	4,105,533	166,663	1,952,717	96,518	6,321,431	103,727
Due to other funds	838,780	163,090	272,982	12,502	1,287,354	21,967
Deferred revenue	-	-	-	-	-	14,929
Accrued expenses	773,901	102,759	218,956	17,955	1,113,571	2,419,513
Compensated absences-current	132,499	10,472	10,734	8,118	161,823	6,625
Current portion of long-term obligation	3,805,000	345,000	2,725,000	-	6,875,000	-
Total current liabilities	<u>9,655,713</u>	<u>787,984</u>	<u>5,180,389</u>	<u>135,093</u>	<u>15,759,179</u>	<u>2,566,761</u>
<b>Noncurrent liabilities</b>						
Compensated absences- noncurrent	1,506,899	151,666	179,175	101,639	1,939,379	78,224
Closure/post-closure liability	1,036,220	-	-	4,490,097	5,526,317	-
Noncurrent portion of long-term obligations	19,630,000	5,455,000	46,735,000	-	71,820,000	-
Unamortized bond premiums	-	-	4,188,563	-	4,188,563	-
Total noncurrent liabilities	<u>22,173,119</u>	<u>5,606,666</u>	<u>51,102,738</u>	<u>4,591,736</u>	<u>83,474,259</u>	<u>78,224</u>
Total liabilities	<u>31,828,832</u>	<u>6,394,650</u>	<u>56,283,127</u>	<u>4,726,829</u>	<u>99,233,438</u>	<u>2,644,985</u>
<b>Net Position</b>						
Net investment in capital assets	99,980,746	62,276,900	60,694,903	6,977,148	229,929,697	147,489
Restricted for						
Debt service	686,560	77,335	694,635	-	1,458,530	-
Uranium removal	-	225,000	-	-	225,000	-
Closure/post-closure costs	1,457,692	-	-	316,286	1,773,978	-
Unrestricted	73,460,791	8,376,195	24,308,483	6,218,291	112,363,760	5,210,444
Total net position	<u>\$ 175,585,789</u>	<u>\$ 70,955,430</u>	<u>\$ 85,698,021</u>	<u>\$ 13,511,725</u>	<u>\$ 345,750,965</u>	<u>\$ 5,357,933</u>

**City of Grand Island, Nebraska**  
**Statement of Revenues, Expenditures,**  
**and Changes in Net Position**  
**Proprietary Funds**  
**For The Year Ended September 30, 2022**

	Enterprise Funds				Total	Internal Service Fund
	Major funds			Nonmajor Landfill Fund		
	Electric Fund	Water Fund	Sewer Fund			
<b>Operating Revenues</b>						
Sales						
Consumers	\$ 64,198,552	\$ 6,595,172	\$ 14,978,047	\$ 3,439,019	\$ 89,210,790	\$ -
Municipal and interdepartmental	2,048,447	218,384	-	-	2,266,831	14,343,823
Wholesale	37,256,291	-	-	-	37,256,291	-
Total sales	103,503,290	6,813,556	14,978,047	3,439,019	128,733,912	14,343,823
Tap fees	-	504	23,594	-	24,098	-
Other revenue	1,777,260	111,837	127,733	7,786	2,024,616	-
Total operating revenues	105,280,550	6,925,897	15,129,374	3,446,805	130,782,626	14,343,823
<b>Operating Expenses</b>						
Cost of power	79,764,959	-	-	-	79,764,959	-
Production	-	2,955,196	-	-	2,955,196	-
Operation of system	3,317,296	1,229,466	5,845,787	1,732,879	12,125,428	-
Maintenance of system	3,261,625	-	257,682	383,539	3,902,846	-
Consumer accounting and collection	1,688,936	622,709	585,285	150,319	3,047,249	-
General office expense	1,736,064	98,683	864,949	416,649	3,116,345	-
Special services	1,325,787	121,589	33,674	103,491	1,584,541	-
Information technology	-	-	-	-	-	1,495,060
Central garage	-	-	-	-	-	1,418,169
Insurance	769,510	18,745	131,085	60,145	979,485	7,329,185
Miscellaneous	166,530	283,051	-	-	449,581	65
Change in closure/ post-closure liability	41,187	-	-	332,771	373,958	-
Depreciation	12,689,785	1,220,469	5,471,689	819,897	20,201,840	29,208
Total operating expenses	104,761,679	6,549,908	13,190,151	3,999,690	128,501,428	10,271,687
Operating income (loss)	518,871	375,989	1,939,223	(552,885)	2,281,198	4,072,136
<b>Nonoperating Revenues (Expenses)</b>						
Interest income	196,884	23,550	62,164	163,608	446,206	18,354
Intergovernmental/grants	-	-	1,981,355	-	1,981,355	50,000
Interest expense	(605,062)	(135,591)	(1,430,605)	-	(2,171,258)	-
Debt issuance costs	-	-	(8,654)	-	(8,654)	-
Gain on disposal of assets	12,817	-	-	-	12,817	-
Special assessments	-	-	840,084	-	840,084	-
Total nonoperating revenues (expenses)	(395,361)	(112,041)	1,444,344	163,608	1,100,550	68,354
Change in net position before contributions and transfers	123,510	263,948	3,383,567	(389,277)	3,381,748	4,140,490
Capital contribution	-	799,036	1,863,588	-	2,662,624	-
Transfers in (out)	(597,512)	104,077	4,546,940	26,873	4,080,378	-
Change in net position	(474,002)	1,167,061	9,794,095	(362,404)	10,124,750	4,140,490
Net position, beginning	176,059,791	69,788,369	75,903,926	13,874,129	335,626,215	1,217,443
Net position, ending	\$ 175,585,789	\$ 70,955,430	\$ 85,698,021	\$ 13,511,725	\$ 345,750,965	\$ 5,357,933

**City of Grand Island, Nebraska**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	Enterprise Funds				Total	Internal Service Fund
	Major funds			Nonmajor		
	Electric Fund	Water Fund	Sewer Fund	Landfill Fund		
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 105,981,265	\$ 6,972,276	\$ 14,371,010	\$ 3,408,765	\$ 130,733,316	\$ -
Receipts from other funds	-	-	-	-	-	14,446,246
Payments to suppliers	(90,399,837)	(5,085,670)	(4,562,419)	(1,876,034)	(101,923,960)	(10,239,143)
Payments to employees	(3,753,344)	(467,114)	(2,067,846)	(989,278)	(7,277,582)	(815,187)
Net cash provided by operating activities	<u>11,828,084</u>	<u>1,419,492</u>	<u>7,740,745</u>	<u>543,453</u>	<u>21,531,774</u>	<u>3,391,916</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Payments in lieu of taxes	(1,102,375)	(76,657)	-	-	(1,179,032)	-
Transfer from (to) other funds	12,854	185,419	4,546,940	26,873	4,772,086	-
Change in interfund balances	140,998	(23,674)	244,619	28,661	390,604	(400,664)
Net cash provided by (used in) noncapital financing activities	<u>(948,523)</u>	<u>85,088</u>	<u>4,791,559</u>	<u>55,534</u>	<u>3,983,658</u>	<u>(400,664)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchase of property and equipment	(5,500,993)	(1,094,549)	(7,445,769)	(301,040)	(14,342,351)	(57,868)
Proceeds from sale of property and equipment	158,049	-	-	-	158,049	-
Intergovernmental receipts	-	-	1,614,190	-	1,614,190	50,000
Special assessment collections	-	-	840,084	-	840,084	-
Principal payments on capital debt	(3,785,000)	(345,000)	(2,680,000)	-	(6,810,000)	-
Interest paid on capital debt	(335,295)	(120,678)	(1,491,389)	-	(1,947,362)	-
Net cash provided by (used in) capital and related financing activities	<u>(9,463,239)</u>	<u>(1,560,227)</u>	<u>(9,162,884)</u>	<u>(301,040)</u>	<u>(20,487,390)</u>	<u>(7,868)</u>
<b>Cash Flows from Investing Activities</b>						
Proceeds from the sale of maturities of investment securities	-	-	-	4,411,862	4,411,862	-
Purchase of investment securities	-	-	-	(5,172,184)	(5,172,184)	-
Change in allocation of pooled investments	-	-	(5,839,131)	(60,861)	(5,899,992)	(1,878,398)
Collections on notes receivable	-	-	120,000	-	120,000	-
Interest received	155,913	16,949	(10,389)	139,128	301,601	13,403
Net cash provided by (used in) investing activities	<u>155,913</u>	<u>16,949</u>	<u>(5,729,520)</u>	<u>(682,055)</u>	<u>(6,238,713)</u>	<u>(1,864,995)</u>
Net increase (decrease) in cash and cash equivalents	1,572,235	(38,698)	(2,360,100)	(384,108)	(1,210,671)	1,118,389
Cash and cash equivalents, beginning	58,562,260	7,569,527	13,326,725	1,104,939	80,563,451	2,838,283
Cash and cash equivalents, ending	<u>60,134,495</u>	<u>7,530,829</u>	<u>10,966,625</u>	<u>720,831</u>	<u>79,352,780</u>	<u>3,956,672</u>
<b>Composition of Cash and Cash Equivalents</b>						
Cash and cash equivalents	56,954,023	7,228,494	10,271,990	720,831	75,175,338	3,956,672
Restricted cash and cash equivalents	3,180,472	302,335	694,635	-	4,177,442	-
Total	<u>\$ 60,134,495</u>	<u>\$ 7,530,829</u>	<u>\$ 10,966,625</u>	<u>\$ 720,831</u>	<u>\$ 79,352,780</u>	<u>\$ 3,956,672</u>

See notes to basic financial statements.

**City of Grand Island, Nebraska**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

	Enterprise Funds					Internal Service Fund
	Major funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>						
Operating income (loss)	\$ 518,871	\$ 375,989	\$ 1,939,223	\$ (552,885)	\$ 2,281,198	\$ 4,072,136
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation expense	12,689,785	1,220,469	5,471,689	819,897	20,201,840	29,208
Change in assets and liabilities:						
Accounts receivable	700,715	46,379	(758,364)	(38,040)	(49,310)	102,423
Inventories	(2,149,207)	(122,714)	-	-	(2,271,921)	(40,671)
Prepaid expenses	60,525	1,872	-	-	62,397	-
Costs recoverable in future periods	1,005,913	-	-	-	1,005,913	-
Accounts payable and accrued expenses	(618,233)	(102,503)	1,088,197	(18,290)	349,171	(771,180)
Closure/post-closure	(380,285)	-	-	332,771	(47,514)	-
Net cash provided by operating activities	<u>\$ 11,828,084</u>	<u>\$ 1,419,492</u>	<u>\$ 7,740,745</u>	<u>\$ 543,453</u>	<u>\$ 21,531,774</u>	<u>\$ 3,391,916</u>
Supplemental cash flow information						
Capital contributions	\$ -	\$ 799,036	\$ 1,863,588	\$ -	\$ 2,662,624	\$ -
Accounts payable incurred for capital asset purchase	(1,216,089)	-	-	-	(1,216,089)	-

See notes to basic financial statements.



**City of Grand Island, Nebraska**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	<u>Custodial Funds</u>
<b>Assets</b>	
Cash	\$ 153,591
Investments	128,435
Interest receivable	52
Special assessments receivable	13,181
Right to use asset	<u>361,000</u>
Total assets	<u>656,259</u>
 <b>Liabilities</b>	
Accounts payable	13,181
Lease payable	364,268
Due to others	<u>103,500</u>
Total liabilities	<u>480,949</u>
 <b>Fiduciary Net Position</b>	
Net position held for others	<u><u>\$ 175,310</u></u>

**City of Grand Island, Nebraska**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	<u>Custodial Funds</u>
<b>Additions</b>	
Employee withholdings	\$ 1,643,594
Fees and licenses collected for others	43,980
Assessments collected for others	286,194
Other additions	209,364
Investment income	295
Total additions	<u>2,183,427</u>
<b>Deductions</b>	
Employee reimbursements	1,679,039
Owed to others	330,174
Other deduction	65,676
Total deductions	<u>2,074,889</u>
Change in fiduciary net position	108,538
 Beginning Fiduciary Net Position	 <u>66,772</u>
 Ending Fiduciary Net Position	 <u><u>\$ 175,310</u></u>

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**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**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 Basic Financial Statements**

**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 Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation – Continued**

*Fund Financial Statements (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, Metropolitan Planning Organization, 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 Basic Financial Statements**

**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:

<u>Fund</u>	<u>Brief Description</u>
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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fiduciary Funds (Continued)**

<u>Fund</u>	<u>Brief Description</u>
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.

**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 Basic Financial Statements**

**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 or significant other observable inputs.

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 Basic Financial Statements**

**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 Basic Financial Statements**

**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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three 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. Deferred inflows of resources related to lease receivable is reported in both the government-wide financial Statement of Net Position and the Governmental Fund Balance Sheet.

**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.

**Compensated Absences**

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

**Long-Term Debt**

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

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-term Debt (Continued)**

*Government-wide Statements* – All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in 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.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Classification - Continued**

*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 2022 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 2021-22 are recorded as revenue when expected to be collected within 60 days after September 30, 2022. Prior-year levies were recorded using these same principles, and remaining receivables are re-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.

**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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Transfers**

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

**Implementation of New Accounting Standards**

During 2022, the City implemented the provisions of GASB Statement No. 87, Leases (GASB 87). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**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.

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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED**

**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 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy 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.

**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, 2022, 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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**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.

*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	\$ 46,287,847	\$ 46,287,847	\$ -	\$ -	Not Rated
U.S. Treasury securities	81,893	-	81,893	-	AAA/Not Rated
Corporate bonds	578,083	73,885	504,198	-	BA1 to A1/BBB- to BBB+
Domestic common stocks	4,151,932	4,151,932	-	-	Not Rated
Mutual funds	470,961	470,961	-	-	Not Rated
Money markets	5,168,676	5,168,676	-	-	Not Rated
Total	<u>\$ 56,739,392</u>	<u>\$ 56,153,301</u>	<u>\$ 586,091</u>	<u>\$ -</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, 2022, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government and other similar obligations of the U.S. Government or its agencies.

*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.



**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**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
- 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, 2022:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
U.S. Treasury securities	\$ 81,893	\$ -	\$ 81,893
Corporate bonds	578,083	-	578,083
Domestic common stocks	4,151,932	4,151,932	-
Total	<u>\$ 4,811,908</u>	<u>\$ 4,151,932</u>	<u>\$ 659,976</u>

**Summary of Carrying Values**

The carrying values of deposits and investments are as follows:

Deposits	\$ 119,293,334
Investments	<u>56,867,827</u>
Total	<u>\$ 176,161,161</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS - CONTINUED**

**Summary of Carrying Values (Continued)**

Included in the following Statement of Net Position captions:

	Statement of Net Position		Total
	Government-Wide	Fiduciary Funds	
Cash and cash equivalents	\$ 114,565,805	\$ 153,591	\$ 114,719,396
Restricted cash and cash equivalents	4,573,938	-	4,573,938
Investments	43,802,981	128,435	43,931,416
Restricted investments	12,936,411	-	12,936,411
 Total	 \$ 175,879,135	 \$ 282,026	 \$ 176,161,161

**NOTE 4 – ACCOUNTS AND NOTES RECEIVABLE**

Accounts and notes receivable at September 30, 2022, consist of the following:

Fund	Taxes	Accounts	Special Assessments	Interest	Notes	Lease	Gross Receivables	Allowance	Net
General	\$ 644,032	\$ 2,188,504	\$ -	\$ 65,665	\$ -	\$ -	\$ 2,898,201	\$ -	\$ 2,898,201
Streets	-	33,205	750	91	-	-	34,046	-	34,046
Nonmajor	31,043	106,837	397,603	13,921	556,022	108,236	1,213,662	-	1,213,662
Electric	-	8,924,792	-	71,366	-	-	8,996,158	(621,884)	8,374,274
Water	-	1,006,726	66,124	15,507	-	-	1,088,357	-	1,088,357
Sewer	-	1,715,991	1,059,358	94,747	1,649,723	-	4,519,819	(73,835)	4,445,984
Landfill	-	286,825	-	32,434	-	-	319,259	-	319,259
Internal Service	-	56,852	-	7,114	-	-	63,966	-	63,966
 Total	 \$ 675,075	 \$14,319,732	 \$ 1,523,835	 \$ 300,845	 \$ 2,205,745	 \$ 108,236	 \$19,133,468	 \$ (695,719)	 \$18,437,749

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 5 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, not being depreciated:					
Land	\$ 8,731,739	\$ -	\$ -	\$ -	\$ 8,731,739
Infrastructure	300,504,348	12,410,865	-	-	312,915,213
Construction in progress	35,991,178	17,371,785	(15,361,512)	-	38,001,451
Total capital assets, not being depreciated	<u>345,227,265</u>	<u>29,782,650</u>	<u>(15,361,512)</u>	<u>-</u>	<u>359,648,403</u>
Capital assets, being depreciated					
Land improvements	28,083,020	3,549,197	(365,103)	-	31,267,114
Right-to-use - land	-	103,840	-	-	103,840
Buildings	64,479,985	1,248,424	(17,929)	-	65,710,480
Right-to-use - buildings	-	56,543	-	-	56,543
Machinery and equipment	11,757,897	488,953	(337,938)	(619,337)	11,289,575
Right-to-use - machinery and equipment	-	74,863	-	619,337	694,200
Office furniture and equipment	3,206,982	48,185	(119,362)	-	3,135,805
Vehicles	11,787,496	451,992	(345,148)	-	11,894,340
Right-to-use - vehicles	-	178,846	-	-	178,846
Total capital assets, being depreciated	<u>119,315,380</u>	<u>6,200,843</u>	<u>(1,185,480)</u>	<u>-</u>	<u>124,330,743</u>
Less accumulated depreciation for:					
Land improvements	11,632,461	872,772	(359,236)	-	12,145,997
Buildings	31,716,986	2,053,617	(17,268)	-	33,753,335
Machinery and equipment	8,064,295	588,225	(221,965)	-	8,430,555
Office furniture and equipment	3,113,381	40,298	(119,363)	-	3,034,316
Vehicles	8,237,781	822,914	(325,577)	-	8,735,118
Right-to-use	-	274,757	-	-	274,757
Total accumulated depreciation	<u>62,764,904</u>	<u>4,652,583</u>	<u>(1,043,409)</u>	<u>-</u>	<u>66,374,078</u>
Total capital assets, being depreciated, net	<u>56,550,476</u>	<u>1,548,260</u>	<u>(142,071)</u>	<u>-</u>	<u>57,956,665</u>
Governmental activities capital assets, net	<u>\$ 401,777,741</u>	<u>\$ 31,330,910</u>	<u>\$ (15,503,583)</u>	<u>\$ -</u>	<u>\$ 417,605,068</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 5 – CAPITAL ASSETS – CONTINUED**

Business-type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, not being depreciated					
Land	\$ 4,797,218	\$ -	\$ -	\$ -	\$ 4,797,218
Construction in progress	12,674,628	12,840,339	(210,321)	(5,310,727)	19,993,919
Total capital assets, not being depreciated	<u>17,471,846</u>	<u>12,840,339</u>	<u>(210,321)</u>	<u>(5,310,727)</u>	<u>24,791,137</u>
Capital assets, being depreciated:					
Land improvements	156,978,219	1,854,480	-	-	158,832,699
Buildings, distribution systems, equipment	490,702,676	1,953,339	(258,655)	5,310,727	497,708,087
Office furniture and equipment	356,719	-	-	-	356,719
Vehicles	10,485,434	253,927	(125,725)	-	10,613,636
Total capital assets, being depreciated	<u>658,523,048</u>	<u>4,061,746</u>	<u>(384,380)</u>	<u>5,310,727</u>	<u>667,511,141</u>
Less accumulated depreciation for					
Land improvements	61,135,165	5,058,917	-	-	66,194,082
Buildings, distribution systems, equipment	291,341,942	14,799,802	(1,694,064)	-	304,447,680
Office furniture and equipment	321,379	35,341	-	-	356,720
Vehicles	8,257,140	307,780	(74,384)	-	8,490,536
Total accumulated depreciation	<u>361,055,626</u>	<u>20,201,840</u>	<u>(1,768,448)</u>	<u>-</u>	<u>379,489,018</u>
Total capital assets, being depreciated, net	<u>297,467,422</u>	<u>(16,140,094)</u>	<u>1,384,068</u>	<u>5,310,727</u>	<u>288,022,123</u>
Business-type activities capital assets, net	<u>\$ 314,939,268</u>	<u>\$ (3,299,755)</u>	<u>\$ 1,173,747</u>	<u>\$ -</u>	<u>\$ 312,813,260</u>

Depreciation and amortization expense was charged as follows:

Governmental activities	
General government	\$ 195,806
Public safety	1,223,553
Public works	577,582
Environment and leisure	1,913,463
Nondepartmental	<u>742,179</u>
Total depreciation expense - governmental	<u>\$ 4,652,583</u>
Business-type activities	
Electric	\$ 12,689,785
Water	1,220,469
Sewer	5,471,689
Landfill	<u>819,897</u>
Total depreciation expense - business-type activities	<u>\$ 20,201,840</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG-TERM DEBT**

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

	Balances at 10/1/2021	Additions	Retirements or Other Reductions	Balances at 9/30/2022	Amount Due Within One Year
<b>Governmental activities</b>					
Bonds payable	\$ 20,495,852	\$ -	\$ (2,178,967)	\$ 18,316,885	\$ 2,096,986
Bond premium	1,472,575	-	(147,258)	1,325,317	-
Notes payable - direct borrowings	3,400,583	-	(485,258)	2,915,325	498,509
Lease liability - direct borrowings	602,188	431,241	(295,967)	737,462	15,522
Compensated absences	2,896,407	-	(145,604)	2,750,803	224,339
<b>Total governmental activities</b>	<u>28,867,605</u>	<u>431,241</u>	<u>(3,253,054)</u>	<u>26,045,792</u>	<u>2,835,356</u>
<b>Business-type activities</b>					
Bonds payable	85,505,000	-	(6,810,000)	78,695,000	6,875,000
Bond premium	4,421,261	-	(232,698)	4,188,563	-
Compensated absences	2,273,189	-	(171,987)	2,101,202	161,823
Closure/post-closure liability	5,573,831	-	(47,514)	5,526,317	-
<b>Total business-type activities</b>	<u>97,773,281</u>	<u>-</u>	<u>(7,262,199)</u>	<u>90,511,082</u>	<u>7,036,823</u>
<b>Total primary government</b>	<u>126,640,886</u>	<u>431,241</u>	<u>(10,515,253)</u>	<u>116,556,874</u>	<u>9,872,179</u>
<b>Component units</b>					
Bonds payable	<u>385,000</u>	<u>-</u>	<u>(190,000)</u>	<u>195,000</u>	<u>195,000</u>
<b>Fiduciary funds</b>					
Lease liability - direct borrowings	<u>\$ -</u>	<u>\$ 404,320</u>	<u>\$ (40,052)</u>	<u>\$ 364,268</u>	<u>\$ 40,134</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Governmental Activities**

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

Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
<b>Governmental Activities</b>					
Bonds payable					
\$ 1,231,000	11/9/2015	General Obligation Various Purpose Bonds	1.10 - 2.30%	12/15/2024	\$ 432,000
4,435,000	12/23/2016	Public Safety Anticipation Bonds	2.90%	12/15/2036	2,640,000
3,728,681	4/5/2017	Refunding Building Bonds (Heartland Events Center Project)	1.80%	12/15/2024	1,459,885
15,000,000	11/19/2020	Highway Allocation Fund Pledge Bonds	3.0 - 4.0%	11/15/2030	<u>13,785,000</u>
Total Bonds Payable					<u>\$ 18,316,885</u>
<b>Notes Payable - Direct Borrowing</b>					
\$ 5,000,000	12/8/2016	Promissory Note	Variable	12/8/2028	<u>\$ 2,915,325</u>
<b>Lease Liability - Direct Borrowings</b>					
\$ 96,298	10/1/2021	Lease - Diers Avenue	0.33%	2/29/2024	\$ 16,653
299,557	12/6/2018	Lease - Combo Sewer/Cleaner	4.76%	12/6/2023	123,961
178,846	10/1/2021	Lease - Golf Car	0.41%	1/10/2025	124,041
103,840	10/1/2021	Lease - Golf Land	0.33%	4/30/2026	79,075
230,882	10/1/2021	Lease - Golf Equipment	0.00%	10/31/2026	176,439
387,176	11/13/2020	Lease - Combo Street Sweeper/Loader	3.45%	12/11/2025	<u>217,293</u>
Total Lease Liability					<u>\$ 737,462</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 lease agreements are secured by the related financed facilities and equipment.

**Business-type Activities**

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

<b>Business-Type Activities</b>					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Bonds payable					
\$ 92,760,000	11/10/2020	Combined Utilities Revenue Refunding Bonds	0.443 - 4.0%	8/15/2037	<u>\$ 78,695,000</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Component Units**

Component Units					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Bonds payable					
\$ 1,800,000	10/30/2012	Limited Tax Obligation Bonds	0.40 - 2.40%	12/15/2022	\$ <u>195,000</u>

**Debt Service Requirements**

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

**Bonds Payable**

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 2,096,986	\$ 575,748	\$ 6,875,000	\$ 1,876,180
2024	2,154,408	506,512	6,960,000	1,788,741
2025	2,225,491	435,022	7,065,000	1,683,835
2026	1,645,000	365,560	7,185,000	1,568,874
2027	1,705,000	301,448	7,325,000	1,432,426
2028-2032	7,515,000	711,260	22,210,000	5,090,979
2033-2037	975,000	72,138	21,075,000	2,093,125
Total	<u>\$ 18,316,885</u>	<u>\$ 2,967,688</u>	<u>\$ 78,695,000</u>	<u>\$ 15,534,160</u>

**Notes Payable – Direct Borrowings**

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 498,509	\$ 75,657
2024	512,110	62,056
2025	526,082	48,084
2026	540,435	33,730
2027	555,180	18,985
2028 - 2031	283,009	3,888
Total	<u>\$ 2,915,325</u>	<u>\$ 242,400</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements (Continued)**

Year ending September 30,	Capital Lease Obligations			
	Direct Borrowings			
	Governmental Activities		Fiduciary Funds	
	Principle	Interest	Principle	Interest
2023	\$ 263,017	\$ 15,522	\$ 40,134	\$ 4,566
2024	248,422	10,062	41,269	4,031
2025	133,294	4,508	42,120	3,480
2026	87,731	2,157	43,282	2,918
2027	4,998	2	44,160	2,340
2028 - 2031	-	-	153,303	3,497
Total	<u>\$ 737,462</u>	<u>\$ 32,252</u>	<u>\$ 364,268</u>	<u>\$ 20,832</u>

**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 \$1,036,220 at September 30, 2022, which is based on 41.55% usage (filled) of the ash disposal area. The remaining estimated liability for these costs is approximately \$1,457,700 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, 2022. 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, 2022, the City incurred a liability of \$4,490,097 for the municipal solid waste landfill, which represents the costs reported to date based on the approximately 39.7% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$6,800,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 39 years).



**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Closure and Post-closure Care Costs (Continued)**

The City meets the requirements of the *Local Government Financial* Test, so they are not subject to annual funding requirements. At September 30, 2022, funds of \$4,806,383 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 \$1,036,220 as of September 30, 2022. The amount on deposit in the closure/post-closure care account was \$2,493,912 at September 30, 2022.

**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".

Payable Fund	Receivable Fund						Total
	General	Nonmajor Governmental	Electric	Sewer	Landfill	Internal Service	
General	\$ -	\$ -	\$ 62,047	\$ 9,107	\$ 10	\$ 132,218	\$ 203,382
Streets	110,747	-	29,063	-	1,137	60,842	201,789
Nonmajor Governmental	65,606	1,371	1,012	-	-	206,491	274,480
Electric	809,258	-	-	-	45	29,477	838,780
Water	160,609	-	-	-	-	2,481	163,090
Sewer	197,989	-	48,104	-	12,197	14,692	272,982
Landfill	11,556	-	-	-	-	946	12,502
Internal Service	21,160	-	549	-	-	258	21,967
<b>Total</b>	<b>\$ 1,376,925</b>	<b>\$ 1,371</b>	<b>\$ 140,775</b>	<b>\$ 9,107</b>	<b>\$ 13,389</b>	<b>\$ 447,405</b>	<b>\$ 1,988,972</b>

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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 – INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)**

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:

<u>Name of Plan</u>	<u>Type of Plan</u>
City General Plan	Defined Contribution Plan
Police Plan	Defined Contribution Plan
Firefighters Plan	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan

**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 6.0-7.0% 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:

<b>Vested Year</b>	<b>Percentage</b>
1	60%
2	70%
3	80%
4	90%
5	100%

The plan members and the City contributed \$2,088,379 and \$1,977,645, respectively, for the fiscal year ended September 30, 2022.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 8 – DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)**

**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 \$528,266 and \$506,320, respectively, to the plan in fiscal 2022. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**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 \$339,746 and \$679,497, respectively, to the plan in fiscal 2022. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2022. 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.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**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. The Plan does not issue separate financial statements.

**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, 2022, plan membership consisted of the following:

Inactive members and beneficiaries receiving benefits	13
Active plan members - Police	-
Active plan members - Fire	-
	<hr/>
Total participants	<u>13</u>

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 9 – POLICE AND FIRE DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)**

**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.

**Actuarial Methods and Assumptions**

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

Valuation Date	September 30, 2022
Measurement Date	September 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.0% per year for defined contribution accounts
Rates	Mortality Pub-2010 Safety Retiree Mortality Table, projected generationally using Scale MP-2021

**Total Pension Liability**

The total pension liability of the City at September 30, 2022, was \$543,182.

**Discount Rate**

The discount rate used to measure the total pension liability as of September 30, 2022, was 3.82%, which is a increase from the discount rate of 2.17% used to measure the total pension liability at September 30, 2021. 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 3.82%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.82%) or 1% higher (4.82%) than the current rate:

Total Pension Liability		
1% Decrease Discount Rate 2.82%	Current Discount Rate 3.82%	1% Increase Discount Rate 4.82%
\$ 569,451	\$ 543,182	\$ 519,206

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 9 – POLICE AND FIRE DEFINED BENEFIT RETIREMENT PLANS (CONTINUED)**

**Changes in the Total Pension Liability**

	Total Pension Liability
	\$
Balance, Beginning of Year	656,788
Changes for the year	
Interest on total pension liability	13,230
Differences between expected and actual experience	12,651
Changes in assumptions	(44,719)
Benefit payments	(94,768)
Net changes	(113,606)
Balance, End of Year	\$ 543,182

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

Pension expense for the year ended September 30, 2022, was \$(18,838).

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, 2022, 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 Basic Financial Statements**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Plan Membership**

As of September 30, 2022, plan membership consisted of the following:

Disabled members currently receiving benefits	3
Active employees - Police	80
Active employees - Fire	<u>66</u>
 Total	 <u>149</u>

**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, 2021
Measurement Date	September 30, 2022
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-2010 Safety Employees Mortality Table, projected generationally using Scale MP-2021

**Total OPEB Liability**

The total OPEB liability of the City at September 30, 2022, was \$1,593,993.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of September 30, 2022, was 3.82%, which is an increase from the discount rate of 2.17% used to measure the total OPEB liability at September 30, 2021. 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 Basic Financial Statements**

**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 3.82%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.82%) or 1% higher (4.82%) than the current rate:

Total OPEB Liability		
1% Decrease Discount Rate 2.82%	Current Discount Rate 3.82%	1% Increase Discount Rate 4.82%
\$ 1,868,168	\$ 1,593,993	\$ 1,375,762

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance, Beginning of Year	\$ 2,395,420
Changes for the year	
Service cost	123,787
Interest	51,203
Differences between expected and actual experience	(414,139)
Changes of assumptions	(490,258)
Benefit payments	(72,020)
Net changes	(801,427)
Balance, End of Year	\$ 1,593,993

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

Total OPEB expense for the year ended September 30, 2022, was \$124,793.



**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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
Change in assumptions	\$ 454,281	\$ (561,027)
Differences between expected and actual experience	-	(524,763)
Total	\$ 454,281	\$ (1,085,790)

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
2023	\$ (50,197)
2024	(50,197)
2025	(50,197)
2026	(50,197)
2027	(50,197)
Thereafter	(380,524)
Total	\$ (631,509)

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**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.

**Power Supply**

The City currently has generation capacity of approximately 183 MW from coal-fired and gas/oil-fired electric generating stations. The peak load of the City during the fiscal years ended September 30, 2022 and 2021, respectively, was approximately 164 MW in August 2022 and 162 MW in June 2021.

The City is party to an agreement with the Department of Energy (DOE) pursuant to which the City 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 City at standard DOE wholesale firm power service rates. The agreement expires on December 31, 2050.

**City of Grand Island, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Purchased Power Agreements**

The City 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 City 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 City 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 City 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 City 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 City substation. This facility came online in October 2018.

The City'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 City into compliance with environmental regulations including mercury emissions. Environmental expenditures related to current operations are factored into the strategic planning process of the City and are considered when determining future energy rates. Financing of these expenditures is expected to be through available cash reserves and bonded debt.

**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, 2022, were approximately \$3.8 million.

**14. PRIOR PERIOD ADJUSTMENT**

During the year the City recorded a prior period adjustment increasing fund balance and net position in the General fund and governmental activities to recognize a prior year receivable related to in lieu of tax from the Water and Sewer funds in the amount of \$1,179,133. The City also recorded a prior period adjustment reducing governmental activities net position by \$547,324 reducing beginning construction in progress for capital assets already capitalized.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Grand Island, Nebraska**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended September 30, 2022**

	Original/Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 37,227,887	\$ 41,158,462	\$ 3,930,575
Licenses and permits	727,000	777,311	50,311
Intergovernmental revenues	3,156,629	3,373,375	216,746
Charges for services	8,026,541	12,108,362	4,081,821
Investment income (loss)	1,180,000	(259,583)	(1,439,583)
Miscellaneous	218,375	4,892,286	4,673,911
<b>Total Revenues</b>	<u>50,536,432</u>	<u>62,050,213</u>	<u>11,513,781</u>
<b>Expenditures</b>			
General government	5,039,952	4,465,826	(574,126)
Public works	2,085,612	1,582,205	(503,407)
Public safety	27,806,309	27,235,293	(571,016)
Environment and leisure	8,622,136	8,608,538	(13,598)
Nondepartmental	1,900,474	1,854,251	(46,223)
Debt principal and interest	696,815	697,150	335
<b>Total expenditures</b>	<u>46,151,298</u>	<u>44,443,263</u>	<u>(1,708,035)</u>
Excess of revenues over expenditures	<u>4,385,134</u>	<u>17,606,950</u>	<u>13,221,816</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sales of capital assets	40,000	13,691	(26,309)
Operating transfers, net	(16,741,726)	(13,342,634)	3,399,092
<b>Total other financing sources</b>	<u>(16,701,726)</u>	<u>(13,328,943)</u>	<u>3,372,783</u>
<b>Net Change in Fund Balances</b>	<u>\$ (12,316,592)</u>	<u>\$ 4,278,007</u>	<u>\$ 16,594,599</u>

**City of Grand Island, Nebraska**  
**Budgetary Comparison Schedule**  
**Streets Fund**  
**Year Ended September 30, 2022**

	Original/Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 1,700,000	\$ 2,622,455	\$ 922,455
Licenses and permits	15,000	19,053	4,053
Intergovernmental revenues	6,994,500	8,355,324	1,360,824
Charges for services	350,000	353,735	3,735
Miscellaneous	20,000	29,245	2,291,067
Total revenues	<u>9,079,500</u>	<u>11,379,812</u>	<u>4,582,134</u>
<b>Expenditures</b>			
Public works	26,125,476	22,723,695	3,401,781
Total expenditures	<u>26,125,476</u>	<u>22,723,695</u>	<u>3,401,781</u>
Excess of revenues over (under) expenditures	<u>(17,045,976)</u>	<u>(11,343,883)</u>	<u>1,180,353</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers, net	6,579,500	6,579,500	-
Total other financing sources	<u>6,579,500</u>	<u>6,579,500</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (10,466,476)</u>	<u>\$ (4,764,383)</u>	<u>\$ 1,180,353</u>

**City of Grand Island, Nebraska**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**Year Ended September 30, 2022**

	General Fund	Streets Fund
Net change in fund balances		
Balance on a GAAP basis	\$ 5,337,509	\$ (3,926,743)
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	(1,059,502)	(837,640)
Balance on a budget basis	\$ 4,278,007	\$ (4,764,383)

**City of Grand Island, Nebraska**  
**Schedule of Changes in the Total Pension Liability and Related Ratios**  
**Year Ended September 30, 2022**

	2022	2021	2020	2019	2018
Total Pension Liability					
Interest	\$ 13,230	\$ 16,209	\$ 20,926	\$ 36,990	\$ 41,278
Difference between expected and actual experience	12,651	(19,544)	51,334	(136,905)	-
Changes of assumptions	(44,719)	(18,209)	16,309	45,506	(29,917)
Benefit payments	(94,768)	(103,054)	(103,071)	(107,121)	(416,704)
Net Change in Total Pension Liability	(113,606)	(124,598)	(14,502)	(161,530)	(405,343)
Total Pension Liability - Beginning	656,788	781,386	795,888	957,418	1,362,761
Total Pension Liability - Ending	\$ 543,182	\$ 656,788	\$ 781,386	\$ 795,888	\$ 957,418
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:

**2022**

*Benefit changes - None*

*Changes of assumptions - The discount rate changed from 2.17% to 3.82%.*

**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, 2022**

	2022	2021	2020	2019	2018
Total OPEB					
Service Cost	\$ 123,787	\$ 129,037	\$ 106,742	\$ 75,756	\$ 83,394
Interest	51,203	50,316	60,763	68,028	62,099
Difference between expected and actual experience	(414,139)	-	(185,225)	-	-
Changes of assumptions	(490,258)	(14,372)	193,784	427,303	(149,831)
Benefit Payments	(72,020)	(71,727)	(72,034)	(71,759)	(72,056)
Net Change in Total OPEB Liability	(801,427)	93,254	104,030	499,328	(76,394)
Total OPEB Liability - Beginning	2,395,420	2,302,166	2,198,136	1,698,808	1,775,202
Total OPEB Liability - Ending	<u>\$ 1,593,993</u>	<u>\$ 2,395,420</u>	<u>\$ 2,302,166</u>	<u>\$ 2,198,136</u>	<u>\$ 1,698,808</u>
Covered-Employee Payroll	\$ 12,460,365	\$ 11,957,692	\$ 11,475,532	\$ 10,942,114	\$ 10,629,848
Total OPEB Liability as a Percentage of Covered-Employee Payroll	12.79%	20.03%	20.06%	20.09%	15.98%

Notes to schedule:

**2022**

*Benefit changes - None*

*Changes of assumptions - The discount rate changed from 2.17% to 3.82%.*

**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, 2022**

Special Revenue Funds

	Permanent Funds		Special Revenue Funds							Metropolitan Planning Organization		
	Library Trust	Cemetery Trust	Enhanced 911	PSC Wireless	Keno	Transportation	Community Youth Council	Program Income Reuse Fund	Housing Reuse Fund		Community Development	
<b>Assets</b>												
Cash and cash equivalents	\$ (14,252)	\$ 1,042,141	\$ 136,327	\$ 40,454	\$ 480,670	\$ 13,630	\$ 22,539	\$ 55,893	\$ 105,957	\$ (8,354)	\$ 89,814	
Restricted cash	-	-	-	4,435	-	-	-	-	-	25,543	-	
Investments	91,054	-	113,998	37,537	401,940	11,397	18,847	46,738	-	14,373	75,103	
County treasurer cash	-	-	-	-	-	-	-	-	-	-	-	
Receivables												
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	
Property tax	-	-	-	-	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	1,832	-	-	995	101	51	-	-	6	189	
Lease receivable	-	-	-	-	-	73,103	-	-	-	-	-	
Notes receivable	-	-	-	-	-	-	-	41,083	136,438	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	569	-	
Due from other governments	-	-	40,000	-	54,924	178,671	-	-	-	-	5,934	
Total assets	<u>76,802</u>	<u>1,043,973</u>	<u>290,325</u>	<u>82,426</u>	<u>938,529</u>	<u>276,902</u>	<u>41,437</u>	<u>143,714</u>	<u>242,395</u>	<u>32,137</u>	<u>171,040</u>	
<b>Liabilities</b>												
Accounts payable	-	-	-	-	4,937	117,780	-	41,083	-	-	-	
Accrued expenses	-	-	1,879	-	-	1,678	-	-	-	1,294	1,726	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	
Due to other funds	6,895	-	174,316	5,876	-	1,798	488	-	-	-	4,651	
Total liabilities	<u>6,895</u>	<u>-</u>	<u>176,195</u>	<u>5,876</u>	<u>4,937</u>	<u>121,256</u>	<u>488</u>	<u>41,083</u>	<u>-</u>	<u>1,294</u>	<u>6,377</u>	
<b>Deferred inflows of resources</b>												
Lease receivable	-	-	-	-	-	73,004	-	-	-	-	-	
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fund balances</b>												
Nonspendable												
Cemetery perpetual care	-	1,043,973	-	-	-	-	-	-	-	-	-	
Library trust	69,907	-	-	-	-	-	-	-	-	-	-	
Restricted for												
Economic development	-	-	-	-	-	-	-	102,631	-	-	-	
Federal programs	-	-	-	-	-	-	-	-	-	-	-	
Housing loans	-	-	-	-	-	-	-	-	242,395	-	-	
Community improvements	-	-	-	-	933,592	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	-	-	-	-	
Other purposes	-	-	-	-	-	-	-	-	-	-	-	
Assigned	-	-	114,130	76,550	-	82,642	40,949	-	-	30,843	164,663	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	
Total fund balances	<u>69,907</u>	<u>1,043,973</u>	<u>114,130</u>	<u>76,550</u>	<u>933,592</u>	<u>82,642</u>	<u>40,949</u>	<u>102,631</u>	<u>242,395</u>	<u>30,843</u>	<u>164,663</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 76,802</u>	<u>\$ 1,043,973</u>	<u>\$ 290,325</u>	<u>\$ 82,426</u>	<u>\$ 938,529</u>	<u>\$ 276,902</u>	<u>\$ 41,437</u>	<u>\$ 143,714</u>	<u>\$ 242,395</u>	<u>\$ 32,137</u>	<u>\$ 171,040</u>	

**City of Grand Island, Nebraska**  
**Combining Balance Sheet- Continued**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

	Special Revenue Funds								
	Police Grants	Occupation Tax	Parking District #1	Parking District #2	Local Assistance	Pioneer Consortium	HUD Entitlements	Economic Developments	Community Grants
<b>Assets</b>									
Cash and cash equivalents	\$ (3,606)	\$ 1,978,049	\$ 38,345	\$ 18,763	\$ 408,027	\$ -	\$ -	\$ 760,454	\$ 34,123
Restricted cash	-	213,525	-	12,572	-	-	-	-	-
Investments	(3,015)	1,832,613	32,065	26,202	411,382	-	-	635,898	28,533
County treasurer cash	-	-	-	499	-	-	-	-	-
Receivables									
Accounts receivable	-	106,837	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-
Special assessments	-	-	4,730	-	-	-	-	-	-
Interest	-	4,423	157	88	1,168	-	-	1,924	-
Lease receivable	-	-	35,133	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	378,501	-
Due from other funds	-	-	-	-	-	-	802	-	-
Due from other governments	16,518	-	-	-	-	-	27,985	-	-
Total assets	<u>9,897</u>	<u>4,135,447</u>	<u>110,430</u>	<u>58,124</u>	<u>820,577</u>	<u>-</u>	<u>28,787</u>	<u>1,776,777</u>	<u>62,656</u>
<b>Liabilities</b>									
Accounts payable	-	270,565	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	2,389	1,686	10,042	1,595	64,715	-	-	-	-
Total liabilities	<u>2,389</u>	<u>272,251</u>	<u>10,042</u>	<u>1,595</u>	<u>64,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>									
Lease receivable	-	-	33,992	-	-	-	-	-	-
Unavailable revenue	-	-	4,730	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>38,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>									
Nonspendable									
Cemetery perpetual care	-	-	-	-	-	-	-	-	-
Library trust	-	-	-	-	-	-	-	-	-
Restricted for									
Economic development	-	-	-	-	-	-	-	1,776,777	-
Federal programs	7,508	-	-	-	-	-	-	-	62,656
Housing loans	-	-	-	-	-	-	-	-	-
Community improvements	-	3,863,196	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	56,529	-	-	28,787	-	-
Assigned	-	-	61,666	-	755,862	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>7,508</u>	<u>3,863,196</u>	<u>61,666</u>	<u>56,529</u>	<u>755,862</u>	<u>-</u>	<u>28,787</u>	<u>1,776,777</u>	<u>62,656</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,897</u>	<u>\$ 4,135,447</u>	<u>\$ 110,430</u>	<u>\$ 58,124</u>	<u>\$ 820,577</u>	<u>\$ -</u>	<u>\$ 28,787</u>	<u>\$ 1,776,777</u>	<u>\$ 62,656</u>

**City of Grand Island, Nebraska**  
**Combining Balance Sheet-Continued**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

	Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Capital Projects	Special Assessments		
<b>Assets</b>				
Cash and cash equivalents	\$ 1,467,820	\$ 107,426	\$ 63,932	\$ 6,838,152
Restricted cash	-	-	-	256,075
Investments	1,227,403	89,830	53,460	5,145,358
County treasurer cash	-	-	-	499
Receivables				
Accounts receivable	-	-	-	106,837
Property tax	-	-	31,043	31,043
Special assessments	-	392,873	-	397,603
Interest	-	2,962	25	13,921
Lease receivable	-	-	-	108,236
Notes receivable	-	-	-	556,022
Due from other funds	-	-	-	1,371
Due from other governments	-	-	-	324,032
Total assets	<u>2,695,223</u>	<u>593,091</u>	<u>148,460</u>	<u>13,779,149</u>
<b>Liabilities</b>				
Accounts payable	38,415	-	-	472,780
Accrued expenses	-	-	-	6,577
Unearned revenue	-	-	-	-
Due to other funds	539	-	-	274,990
Total liabilities	<u>38,954</u>	<u>-</u>	<u>-</u>	<u>754,347</u>
<b>Deferred inflows of resources</b>				
Lease receivable	-	-	-	106,996
Unavailable revenue	-	402,534	31,043	438,307
Total deferred inflows of resources	<u>-</u>	<u>402,534</u>	<u>31,043</u>	<u>545,303</u>
<b>Fund balances</b>				
Nonspendable				
Cemetery perpetual care	-	-	-	1,043,973
Library trust	-	-	-	69,907
Restricted for				
Economic development	-	-	-	1,879,408
Federal programs	-	-	-	70,164
Housing loans	-	-	-	242,395
Community improvements	-	-	-	4,796,788
Debt service	-	-	117,417	117,417
Other purposes	-	-	-	85,316
Assigned	<u>2,656,269</u>	<u>190,557</u>	<u>-</u>	<u>4,174,131</u>
Unassigned	-	-	-	-
Total fund balances	<u>2,656,269</u>	<u>190,557</u>	<u>117,417</u>	<u>12,479,499</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 2,695,223</u>	 <u>\$ 593,091</u>	 <u>\$ 148,460</u>	 <u>\$ 13,779,149</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

	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									
<b>Revenues</b>											
Taxes											
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-	-	-	-	-	-	-	-
Occupation	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,105,394	-	-	-	-	114,762
Keno	-	-	-	-	377,298	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	50,640	165,500	119,588	-	-	-	-	-	-	-
Investment income (loss)	(2,019)	4,914	-	-	2,673	312	133	177	221	2	510
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	40,583	-	86,625	-
Total revenues	<u>(2,019)</u>	<u>55,554</u>	<u>165,500</u>	<u>119,588</u>	<u>379,971</u>	<u>1,105,706</u>	<u>133</u>	<u>40,760</u>	<u>221</u>	<u>86,627</u>	<u>115,272</u>
<b>Expenditures</b>											
Current											
General government	-	-	-	-	-	-	-	-	-	96,982	136,802
Public safety	-	-	191,358	103,104	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Environment and leisure	4,992	-	-	-	60,116	1,204,709	225	-	25,090	-	-
Capital outlay	-	-	-	-	155,761	71,414	-	-	-	-	-
Debt service											
Principal payments on long-term debt	-	-	-	-	-	39,890	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	110	-	-	-	-	-
Total expenditures	<u>4,992</u>	<u>-</u>	<u>191,358</u>	<u>103,104</u>	<u>215,877</u>	<u>1,316,123</u>	<u>225</u>	<u>-</u>	<u>25,090</u>	<u>96,982</u>	<u>136,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,011)</u>	<u>55,554</u>	<u>(25,858)</u>	<u>16,484</u>	<u>164,094</u>	<u>(210,417)</u>	<u>(92)</u>	<u>40,760</u>	<u>(24,869)</u>	<u>(10,355)</u>	<u>(21,530)</u>
Other financing sources (uses):											
Transfers in	-	-	-	23,815	-	272,000	-	-	-	25,000	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,815</u>	<u>-</u>	<u>272,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	<u>(7,011)</u>	<u>55,554</u>	<u>(25,858)</u>	<u>40,299</u>	<u>164,094</u>	<u>61,583</u>	<u>(92)</u>	<u>40,760</u>	<u>(24,869)</u>	<u>14,645</u>	<u>(21,530)</u>
Fund balances, beginning of year	<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>
Fund balances, ending	<u>\$ 69,907</u>	<u>\$ 1,043,973</u>	<u>\$ 114,130</u>	<u>\$ 76,550</u>	<u>\$ 933,592</u>	<u>\$ 82,642</u>	<u>\$ 40,949</u>	<u>\$ 102,631</u>	<u>\$ 242,395</u>	<u>\$ 30,843</u>	<u>\$ 164,663</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

	Special Revenue Funds								
	Police Grants	Occupation Tax	Parking District #1	Parking District #2	Local Assistance	Pioneer Consortium	HUD Entitlements	Economic Developments	Community Grants
<b>Revenues</b>									
Taxes									
Property	\$ -	\$ -	\$ -	\$ 8,881	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	25	-	-	-	-	-
Occupation	-	3,443,046	-	-	-	-	-	-	-
Intergovernmental	(3,844)	-	-	-	-	458,369	-	-	-
Keno	-	-	-	-	-	-	-	-	-
Special assessments	-	-	62,815	-	-	-	-	-	-
Charges for services	-	124,463	9,619	9,080	422,238	-	-	-	-
Investment income (loss)	-	21,963	453	253	2,239	70	-	5,215	-
Contributions and grants	-	-	-	-	39,892	-	-	-	-
Other revenue	31,041	86,000	-	-	25,486	-	-	-	-
Total revenues	<u>27,197</u>	<u>3,675,472</u>	<u>72,887</u>	<u>18,239</u>	<u>489,855</u>	<u>70</u>	<u>458,369</u>	<u>5,215</u>	<u>-</u>
Expenditures									
Current									
General government	-	1,178,449	32,342	52,645	-	-	325,572	579,332	-
Public safety	106,719	-	-	-	19,537	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Environment and leisure	-	385,540	-	-	70,507	93,083	-	-	-
Capital outlay	-	1,746,825	143,382	-	709,981	-	-	-	-
Debt Service									
Principal payments on long-term debt	-	485,258	-	-	-	-	-	-	-
Interest on long-term debt	-	88,908	-	-	-	-	-	-	-
Total expenditures	<u>106,719</u>	<u>3,884,980</u>	<u>175,724</u>	<u>52,645</u>	<u>800,025</u>	<u>93,083</u>	<u>325,572</u>	<u>579,332</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,522)</u>	<u>(209,508)</u>	<u>(102,837)</u>	<u>(34,406)</u>	<u>(310,170)</u>	<u>(93,013)</u>	<u>132,797</u>	<u>(574,117)</u>	<u>-</u>
Other financing sources (uses)									
Transfers in	-	-	65,000	-	-	-	-	750,000	-
Transfers out	-	(242,654)	-	-	(272,198)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(242,654)</u>	<u>65,000</u>	<u>-</u>	<u>(272,198)</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	<u>(79,522)</u>	<u>(452,162)</u>	<u>(37,837)</u>	<u>(34,406)</u>	<u>(582,368)</u>	<u>(93,013)</u>	<u>132,797</u>	<u>175,883</u>	<u>-</u>
Fund balances, beginning of year	<u>87,030</u>	<u>4,315,358</u>	<u>99,503</u>	<u>90,935</u>	<u>1,338,230</u>	<u>93,013</u>	<u>(104,010)</u>	<u>1,600,894</u>	<u>62,656</u>
Fund balances, ending	<u>\$ 7,508</u>	<u>\$ 3,863,196</u>	<u>\$ 61,666</u>	<u>\$ 56,529</u>	<u>\$ 755,862</u>	<u>\$ -</u>	<u>\$ 28,787</u>	<u>\$ 1,776,777</u>	<u>\$ 62,656</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Continued**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

	Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Capital Projects	Special Assessments		
<b>Revenues</b>				
Taxes				
Property	\$ -	\$ -	\$ 5	\$ 8,886
Motor vehicle	-	-	-	25
Occupation	-	-	-	3,443,046
Intergovernmental	-	-	-	1,674,681
Keno	-	-	-	377,298
Special assessments	-	161,459	-	224,274
Charges for services	-	-	-	901,128
Investment income (loss)	-	(1,323)	71	35,864
Contributions and grants	-	-	-	39,892
Other revenue	2,045	-	-	271,780
Total revenues	<u>2,045</u>	<u>160,136</u>	<u>76</u>	<u>6,976,874</u>
<b>Expenditures</b>				
Current				
General government	10,097	-	-	2,412,221
Public safety	-	-	-	420,718
Public works	3,255	-	-	3,255
Environment and leisure	-	-	-	1,844,262
Capital outlay	1,141,101	-	-	3,968,464
Debt Service				
Principal payments on long-term debt	-	-	304,158	829,306
Interest on long-term debt	-	-	93,663	182,681
Total expenditures	<u>1,154,453</u>	<u>-</u>	<u>397,821</u>	<u>9,660,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,152,408)</u>	<u>160,136</u>	<u>(397,745)</u>	<u>(2,684,033)</u>
Other financing sources (uses)				
Transfers in	1,819,139	-	392,936	3,347,890
Transfers out	-	(150,282)	-	(665,134)
Total other financing sources (uses)	<u>1,819,139</u>	<u>(150,282)</u>	<u>392,936</u>	<u>2,682,756</u>
Net change in fund balances	666,731	9,854	(4,809)	(1,277)
Fund balances, beginning of year	<u>1,989,538</u>	<u>180,703</u>	<u>122,226</u>	<u>12,480,776</u>
Fund balances, ending	<u>\$ 2,656,269</u>	<u>\$ 190,557</u>	<u>\$ 117,417</u>	<u>\$ 12,479,499</u>



**City of Grand Island, Nebraska**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2022**

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ (11,276)	\$ 81,046	\$ 3,668,699	\$ 218,203	\$ 3,956,672
Investments	(9,429)	67,772	2,975,395	182,464	3,216,202
Receivables					
Accounts, net	22,529	34,323	-	-	56,852
Interest	1,002	213	5,421	478	7,114
Due from other funds	197,394	175,279	74,732	-	447,405
Inventory	-	171,184	-	-	171,184
Total current assets	<u>200,220</u>	<u>529,817</u>	<u>6,724,247</u>	<u>401,145</u>	<u>7,855,429</u>
Noncurrent assets					
Capital assets					
Buildings and equipment	1,564,421	328,615	-	-	1,893,036
Less accumulated depreciation	<u>(1,479,409)</u>	<u>(266,138)</u>	<u>-</u>	<u>-</u>	<u>(1,745,547)</u>
Net capital assets	<u>85,012</u>	<u>62,477</u>	<u>-</u>	<u>-</u>	<u>147,489</u>
Total assets	<u>285,232</u>	<u>592,294</u>	<u>6,724,247</u>	<u>401,145</u>	<u>8,002,918</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	-	81,883	21,844	-	103,727
Accrued expenses	8,271	5,248	2,405,994	-	2,419,513
Due to other funds	-	806	20,143	1,018	21,967
Deferred revenue	14,929	-	-	-	14,929
Compensated absences- current	4,116	2,509	-	-	6,625
Total liabilities	<u>27,316</u>	<u>90,446</u>	<u>2,447,981</u>	<u>1,018</u>	<u>2,566,761</u>
Noncurrent liabilities					
Compensated absences- noncurrent	<u>50,941</u>	<u>27,283</u>	<u>-</u>	<u>-</u>	<u>78,224</u>
Total liabilities	<u>78,257</u>	<u>117,729</u>	<u>2,447,981</u>	<u>1,018</u>	<u>2,644,985</u>
<b>Net position</b>					
Net investment in capital assets	85,012	62,477	-	-	147,489
Unrestricted	<u>121,963</u>	<u>412,088</u>	<u>4,276,266</u>	<u>400,127</u>	<u>5,210,444</u>
Total net position	<u>\$ 206,975</u>	<u>\$ 474,565</u>	<u>\$ 4,276,266</u>	<u>\$ 400,127</u>	<u>\$ 5,357,933</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**September 30, 2022**

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
<b>Operating Revenues</b>					
Charges for services	\$ 1,697,426	\$ 1,555,076	\$ 11,091,321	\$ -	\$ 14,343,823
Total operating revenues	<u>1,697,426</u>	<u>1,555,076</u>	<u>11,091,321</u>	<u>-</u>	<u>14,343,823</u>
<b>Operating Expenses</b>					
Information technology	1,495,060	-	-	-	1,495,060
Central garage	-	1,418,169	-	-	1,418,169
Insurance and benefits	-	-	7,329,185	-	7,329,185
Building maintenance	-	-	-	65	65
Depreciation	20,741	8,467	-	-	29,208
Total operating expenditures	<u>1,515,801</u>	<u>1,426,636</u>	<u>7,329,185</u>	<u>65</u>	<u>10,271,687</u>
Operating income (loss)	<u>181,625</u>	<u>128,440</u>	<u>3,762,136</u>	<u>(65)</u>	<u>4,072,136</u>
<b>Nonoperating Revenues</b>					
Interest income	3,419	584	13,074	1,277	18,354
Intergovernmental	-	-	-	50,000	50,000
Total nonoperating revenues	<u>3,419</u>	<u>584</u>	<u>13,074</u>	<u>51,277</u>	<u>68,354</u>
Change in net position	185,044	129,024	3,775,210	51,212	4,140,490
Net Position, Beginning of Year	<u>21,931</u>	<u>345,541</u>	<u>501,056</u>	<u>348,915</u>	<u>1,217,443</u>
Net Position, End of Year	<u>\$ 206,975</u>	<u>\$ 474,565</u>	<u>\$ 4,276,266</u>	<u>\$ 400,127</u>	<u>\$ 5,357,933</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**September 30, 2022**

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
<b>Cash Flows from Operating Activities</b>					
Receipts from other funds	\$ 1,813,169	\$ 1,529,923	\$ 11,103,154	\$ -	\$ 14,446,246
Payments to suppliers	(1,006,056)	(1,131,876)	(8,100,193)	(1,018)	(10,239,143)
Payments to employees	(533,057)	(282,130)	-	-	(815,187)
Net cash provided by (used in) operating activities	<u>274,056</u>	<u>115,917</u>	<u>3,002,961</u>	<u>(1,018)</u>	<u>3,391,916</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Changes in interfund balances	<u>(277,355)</u>	<u>(69,738)</u>	<u>(54,589)</u>	<u>1,018</u>	<u>(400,664)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Cash paid for the purchase of capital assets	(19,841)	(38,027)	-	-	(57,868)
Intergovernmental receipts	-	-	-	50,000	50,000
Net cash provided by (used in) capital and related financing activities	<u>(19,841)</u>	<u>(38,027)</u>	<u>-</u>	<u>50,000</u>	<u>(7,868)</u>
<b>Cash Flows From Investing Activities</b>					
Change in allocation of pooled investments	9,429	(21,631)	(1,798,799)	(67,397)	(1,878,398)
Interest received	2,435	443	9,548	977	13,403
Net cash provided by (used in) investing activities	<u>11,864</u>	<u>(21,188)</u>	<u>(1,789,251)</u>	<u>(66,420)</u>	<u>(1,864,995)</u>
Increase (decrease) in cash and cash equivalents	<u>(11,276)</u>	<u>(13,036)</u>	<u>1,159,121</u>	<u>(16,420)</u>	<u>1,118,389</u>
Cash and Cash Equivalents- Beginning of the Year	-	94,082	2,509,578	234,623	2,838,283
Cash and Cash Equivalents- End of the Year	<u>(11,276)</u>	<u>81,046</u>	<u>3,668,699</u>	<u>218,203</u>	<u>3,956,672</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating income (loss)	181,625	128,440	3,762,136	(65)	4,072,136
Adjustments to reconciled operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	20,741	8,467	-	-	29,208
Change in assets and liabilities					
Accounts receivable	115,743	(25,153)	11,833	-	102,423
Inventories	-	(40,671)	-	-	(40,671)
Accounts payable and accrued expenses	(23,229)	41,704	(771,008)	(953)	(753,486)
Compensated absences	(20,824)	3,130	-	-	(17,694)
Total adjustments	<u>92,431</u>	<u>(12,523)</u>	<u>(759,175)</u>	<u>(953)</u>	<u>(680,220)</u>
Net cash provided by (used in) operating activities	<u>\$ 274,056</u>	<u>\$ 115,917</u>	<u>\$ 3,002,961</u>	<u>\$ (1,018)</u>	<u>\$ 3,391,916</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
<b>Assets</b>					
Cash	\$ 2,723	\$ 7,370	\$ 100,108	\$ 43,390	\$ 153,591
Investments	2,277	6,163	83,711	36,284	128,435
Interest receivable	-	-	52	-	52
Special assessments receivable	-	-	-	13,181	13,181
Right to use asset	-	-	361,000	-	361,000
Total assets	<u>5,000</u>	<u>13,533</u>	<u>544,871</u>	<u>92,855</u>	<u>656,259</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	13,181	13,181
Lease payable	-	-	364,268	-	364,268
Due to others	-	13,533	10,293	79,674	103,500
Total liabilities	<u>-</u>	<u>13,533</u>	<u>374,561</u>	<u>92,855</u>	<u>480,949</u>
<b>Fiduciary Net Position</b>					
Net position held for others	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 170,310</u>	<u>\$ -</u>	<u>\$ 175,310</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
<b>Additions</b>					
Employee withholdings	\$ 1,643,594	\$ -	\$ -	\$ -	\$ 1,643,594
Fees and licenses collected for others	-	43,980	-	-	43,980
Assessments collected for others	-	-	-	286,194	286,194
Other additions	-	-	209,364	-	209,364
Investment income	-	-	295	-	295
Total additions	<u>1,643,594</u>	<u>43,980</u>	<u>209,659</u>	<u>286,194</u>	<u>2,183,427</u>
<b>Deductions</b>					
Employee reimbursements	1,679,039	-	-	-	1,679,039
Owed to others	-	43,980	-	286,194	330,174
Other deductions	-	-	65,676	-	65,676
Total deductions	<u>1,679,039</u>	<u>43,980</u>	<u>65,676</u>	<u>286,194</u>	<u>2,074,889</u>
Change in fiduciary net position	(35,445)	-	143,983	-	108,538
Beginning Fiduciary Net Position	<u>40,445</u>	<u>-</u>	<u>26,327</u>	<u>-</u>	<u>66,772</u>
Ending Fiduciary Net Position	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 170,310</u>	<u>\$ -</u>	<u>\$ 175,310</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2022**

<b>Assets</b>	Business Improvement Districts	Community Redevelopment Authority	Total
<b>Current assets</b>			
Cash and cash equivalents	\$ 142,170	\$ 1,033,781	\$ 1,175,951
County treasurer cash	-	817,183	817,183
Receivables			
Special assessments	12,773	-	12,773
Interest	49	392	441
Current portion of notes from redevelopers	-	37,869	37,869
Property tax	-	234,897	234,897
Due from other governments	-	510	510
Total current assets	<u>154,992</u>	<u>2,124,632</u>	<u>2,279,624</u>
<b>Noncurrent assets</b>			
<b>Capital assets</b>			
Other capital assets, net of depreciation	32,490	490,486	522,976
Net capital assets	<u>32,490</u>	<u>490,486</u>	<u>522,976</u>
Total noncurrent assets	<u>32,490</u>	<u>490,486</u>	<u>522,976</u>
Total assets	<u>187,482</u>	<u>2,615,118</u>	<u>2,802,600</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	23,357	-	23,357
Accrued expenses	1,707	1,365	3,072
Due to other governments	134	6,273	6,407
Current portion of long-term obligations	-	195,000	195,000
Total current liabilities	<u>25,198</u>	<u>202,638</u>	<u>227,836</u>
Total liabilities	<u>25,198</u>	<u>202,638</u>	<u>227,836</u>
<b>Net Position</b>			
Net investment in capital assets	32,490	295,486	327,976
Unrestricted	<u>129,794</u>	<u>2,116,994</u>	<u>2,246,788</u>
Total net position	<u>\$ 162,284</u>	<u>\$ 2,412,480</u>	<u>\$ 2,574,764</u>

**City of Grand Island, Nebraska**  
**Combining Statement of Activities**  
**Discretely Presented Component Units**  
**September 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business Improvement Districts	Community Redevelopment Authority	Total
<b>Business Improvement Districts</b>							
Fonner Park Business Improvement District	\$ 49,580	\$ -	\$ -	\$ 49,829	\$ 249	\$ -	\$ 249
South Locust Business Improvement District	77,254	-	-	104,981	27,727	-	27,727
Downtown Business Improvement District	159,514	5,286	34,850	121,483	2,105	-	2,105
Total Business Improvement District	<u>286,348</u>	<u>5,286</u>	<u>34,850</u>	<u>276,293</u>	<u>30,081</u>	<u>-</u>	<u>30,081</u>
<b>Community Redevelopment Authority</b>							
General Government	221,784	-	-	-	-	(221,784)	(221,784)
Community Development	4,109,366	-	-	-	-	(4,109,366)	(4,109,366)
Interest on Long-term Debt	5,571	-	-	-	-	(5,571)	(5,571)
Total Community Redevelopment Authority	<u>4,336,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,336,721)</u>	<u>(4,336,721)</u>
<b>Total Component Units</b>	<u>\$ 4,623,069</u>	<u>\$ 5,286</u>	<u>\$ 34,850</u>	<u>\$ 276,293</u>	<u>30,081</u>	<u>(4,336,721)</u>	<u>(4,306,640)</u>
<b>General revenues</b>							
<b>Taxes</b>							
Property					-	5,346,298	5,346,298
Miscellaneous					-	254,872	254,872
Interest income					359	1,871	2,230
Total general revenues					<u>359</u>	<u>5,603,041</u>	<u>5,603,400</u>
Change in net position					30,440	1,266,320	1,296,760
Net position - Beginning of year					<u>131,844</u>	<u>1,146,160</u>	<u>1,278,004</u>
Net position - End of year					<u>\$ 162,284</u>	<u>\$ 2,412,480</u>	<u>\$ 2,574,764</u>

**City of Grand Island, Nebraska**  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended September 30, 2022**

Federal Grantor/Program or Cluster Title	Pass through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>Department of Housing and Urban Development</b>				
CDBG Entitlement Grants Cluster				
CDBG Entitlement Grant		14.218	B-21-MC-31-0004	\$ 404,226
CDBG Entitlement Grant		14.218		70,828
Total CDBG Entitlement Grants Cluster				<u>475,054</u>
Total Department of Housing and Urban Development				<u>475,054</u>
<b>Department of Justice</b>				
Coronavirus Emergency Supplemental Funding Program		16.034	2020-VD-BX-1521	<u>85,491</u>
Crime Victim Assistance	Nebraska Crime Commission	16.575	2022-VA-1029	<u>109,158</u>
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2019-DJ-BX-0924	<u>4,531</u>
Bulletproof Vest Partnership Program		16.607		<u>9,324</u>
Total Department of Justice				<u>208,504</u>
<b>Department of Transportation</b>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Nebraska Department of Transportation	20.205	FHWA PL Funding	<u>77,496</u>
Total Highway Planning and Construction Cluster				<u>77,496</u>
Metropolitan Transportation Planning	Nebraska Department of Transportation	20.505	FTA Funding	<u>30,696</u>
Federal Transit Cluster				
Federal Transit - Formula Grants		20.507		<u>811,933</u>
Total Federal Transit Cluster				<u>811,933</u>
Total Department of Transportation				<u>920,125</u>



**City of Grand Island, Nebraska**  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended September 30, 2022**

Federal Grantor/Program or Cluster Title	Pass through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>Department of Treasury</b>				
COVID-19 - American Rescue Plan Act		21.027		\$ 3,939,756
Total Department of Treasury				<u>3,939,756</u>
<b>Executive Office of the President</b>				
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	21HD06	55,336
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	22HD06	563
Total High Intensity Drug Trafficking Area Program				<u>55,899</u>
Total Executive Office of the President				<u>55,899</u>
<b>Department of Homeland Security/ Federal Emergency Management Agency</b>				
Disaster Grants- Public Assistance	Nebraska emergency Management Agency	97.036	4521	11,840
Disaster Grants- Public Assistance	Nebraska emergency Management Agency	97.036	4616	50,386
Total Disaster Grants - Public Assistance				<u>62,226</u>
Emergency Management Performance Grants	State of Nebraska	97.042	21-SR 8721-01	186,741
Total Department of Homeland Security				<u>248,967</u>
Total Federal Expenditures				<u>\$ 5,848,305</u>

**City of Grand Island, Nebraska  
 Schedule of Expenditures of Federal Awards  
 Continued Year Ended September 30, 2022**

**NOTE 1 – BASIS OF PRESENTATION**

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, 2022. 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.

**NOTE 2 – INDIRECT COST RATE**

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.

**NOTE 3 – PASS-THROUGH GRANT NUMBERS**

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, 2022, consists of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at 9/30/22
14.218	CDBG Entitlement Grant	\$ 136,438

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**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**

Honorable Mayor and Members  
of the 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, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 23, 2023

**Report on 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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness, 2022-001.

### **Report on 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*.

### **City's Responses to the Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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 result 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.

*BergankDV, LLC*

St. Cloud, Minnesota  
May 23, 2023

**Report on Compliance for each Major Federal Program  
and Report on Internal Control over Compliance Required by  
the Uniform Guidance**

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Grand Island  
Grand Island, Nebraska

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

**Opinion on Each Major Federal Program**

We have audited the City of Grand Island, Nebraska's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

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

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

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

**Responsibilities of Management for Compliance**

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## **Report on Internal Control over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

### **Report on Internal Control over Compliance (Continued)**

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

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

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

*BergankDV, LLC*

St. Cloud, Minnesota  
May 23, 2023



**City of Grand Island, Nebraska**  
**Schedule of Findings and Questioned Costs**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

**Identification of Major Programs**

Assistance Listing No.: 20.507  
 Name of Federal Program or Cluster: Federal Transit Cluster – Formula Grants (Urbanized Area Formula Program)

Assistance Listing No.: 21.027  
 Name of Federal Program or Cluster: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? No

**City of Grand Island, Nebraska  
Schedule of Findings and Questioned Costs**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2022-001**

***Material Weakness - Proposed Audit Adjustments***

*Criteria or Specific Requirement:*

Management is responsible for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

*Condition:*

The preparation of the City's financial statements required material proposed adjusting journal entries for proper financial statement presentation.

*Effect or Potential Effect:*

Auditor proposed current year adjustments were identified and proposed for proper financial statement presentation.

*Cause:*

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.

*Recommendation:*

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.

*Views of Responsible Officials and Planned Corrective Actions (Management's Response):*

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 2023.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**City of Grand Island, Nebraska**  
**Schedule of Findings and Questioned Costs**

**SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

***Finding – 2021-001***

The preparation of the City's financial statements required prior period adjustments and proposed adjusting journal entries for proper financial statement presentation.

*Update:*

Not Corrected. See Finding 2022-001.

*Reasons for Recurrence and Planned Corrective Action:*

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 2023.

***Finding – 2021-002***

City bank reconciliations were not completed on a routine basis with multiple months of activity not reconciled as of yearend. In addition, there is no formal review of completed reconciliations.

*Update:*

The Finance Department has resolved.