

City of Grand Island, Nebraska

**Independent Auditor's Reports and
Basic Financial Statements**

September 30, 2023

**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, 2023, and the related notes to the basic 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, 2023, 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 96

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. 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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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's 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 2, 2024, 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's internal control over financial reporting and compliance.

Beyan KBV, LLC

Omaha, Nebraska
May 2, 2024

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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, 2023.

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 \$841,165,042 (*net position*). Of this amount, \$158,990,126 (*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 \$496,410,777. Approximately 12.7% of this total amount, \$62,809,312 is *unrestricted net position*.
- ◆ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$45,463,560, or 82.8% 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).

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.

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

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements (Continued) 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 18 - 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.

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 22-26 of this report.

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

Overview of the Financial Statements (Continued)

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 27-31 of this report.

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

The basic fiduciary fund financial statements can be found on page 32 of this report.

Notes to the Basic 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 72-90 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 \$841,165,042 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 98,549,047	\$ 89,870,845	\$ 111,232,161	\$ 126,395,246	\$ 209,781,208	\$ 216,266,091
Capital assets	428,972,286	417,605,068	321,038,216	312,813,260	750,010,502	730,418,328
Total assets	527,521,333	507,475,913	432,270,377	439,208,506	959,791,710	946,684,419
Deferred outflows of resources	408,853	454,281	4,020,677	4,488,543	4,429,530	4,942,824
Total assets and deferred outflows	527,930,186	507,930,194	436,291,054	443,697,049	964,221,240	951,627,243
Current liabilities	8,593,414	12,746,616	14,865,480	14,471,825	23,458,894	27,218,441
Long-term liabilities	21,824,161	25,084,591	76,671,309	83,474,259	98,495,470	108,558,850
Total liabilities	30,417,575	37,831,207	91,536,789	97,946,084	121,954,364	135,777,291
Deferred inflows of resources	1,101,834	1,192,789	-	-	1,101,834	1,192,789
Total liabilities and deferred inflows	31,519,409	39,023,996	91,536,789	97,946,084	123,056,198	136,970,080
Net position						
Net invested in capital assets	408,597,573	394,310,079	245,351,494	229,929,697	653,949,067	624,239,776
Restricted	25,003,892	21,573,436	3,221,957	3,457,508	28,225,849	25,030,944
Unrestricted	62,809,312	53,022,683	96,180,814	112,363,760	158,990,126	165,386,443
Total net position	\$ 496,410,777	\$ 468,906,198	\$ 344,754,265	\$ 345,750,965	\$ 841,165,042	\$ 814,657,163

By far, the largest portion of the City of Grand Island's net position (77.7%) 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 (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$158,990,126 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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 14,086,307	\$ 14,729,857	\$ 121,228,264	\$ 130,782,626	\$ 135,314,571	\$ 145,512,483
Operating grants and contributions	7,706,073	6,036,592	2,251,631	1,981,355	9,957,704	8,017,947
Capital grants and contributions	10,330,588	9,183,090	2,000,266	3,502,708	12,330,854	12,685,798
General revenues						
Property taxes	12,238,026	11,553,957	-	-	12,238,026	11,553,957
Other taxes	38,014,346	35,963,317	-	-	38,014,346	35,963,317
State allocation	2,566,714	2,102,931	-	-	2,566,714	2,102,931
Other	4,601,817	1,475,870	1,887,917	459,023	6,489,734	1,934,893
Total revenues	<u>89,543,871</u>	<u>81,045,614</u>	<u>127,368,078</u>	<u>136,725,712</u>	<u>216,911,949</u>	<u>217,771,326</u>
Expenses						
General government	6,885,447	4,958,727	-	-	6,885,447	4,958,727
Public safety	29,902,045	26,081,501	-	-	29,902,045	26,081,501
Public works	6,034,854	7,880,790	-	-	6,034,854	7,880,790
Environment and leisure	14,186,532	10,760,386	-	-	14,186,532	10,760,386
Nondepartmental	8,077,779	2,573,515	-	-	8,077,779	2,573,515
Interest on long term debt	419,226	555,786	-	-	419,226	555,786
Electric	-	-	98,200,986	105,366,741	98,200,986	105,366,741
Water	-	-	7,253,196	6,685,499	7,253,196	6,685,499
Sewer	-	-	15,015,334	14,629,410	15,015,334	14,629,410
Landfill	-	-	4,428,671	3,999,690	4,428,671	3,999,690
Total expenses	<u>65,505,883</u>	<u>52,810,705</u>	<u>124,898,187</u>	<u>130,681,340</u>	<u>190,404,070</u>	<u>183,492,045</u>
Increase in net position before transfers	24,037,988	28,234,909	2,469,891	6,044,372	26,507,879	34,279,281
Transfers, net	3,466,591	(4,080,378)	(3,466,591)	4,080,378	-	-
Increase in net position	<u>27,504,579</u>	<u>24,154,531</u>	<u>(996,700)</u>	<u>10,124,750</u>	<u>26,507,879</u>	<u>34,279,281</u>
Net position, beginning of year	468,906,198	444,119,858	345,750,965	335,626,215	814,657,163	779,746,073
Prior period adjustment	-	631,809	-	-	-	631,809
Net position, end of year	<u>\$ 496,410,777</u>	<u>\$ 468,906,198</u>	<u>\$ 344,754,265</u>	<u>\$ 345,750,965</u>	<u>\$ 841,165,042</u>	<u>\$ 814,657,163</u>

Governmental Activities Revenues exceeded expenses and net transfers out by \$27,504,579. Revenues increased from the previous fiscal year by approximately \$8.5 million. Sales taxes increased approximately \$3.3 million from 2022. Increase in revenues and expenses were primarily driven by increased Public Private Partnerships that helped facilitate some significant capital projects.

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

Government-Wide Financial Analysis (Continued)

Business-Type Activities Business-type activities decreased the City of Grand Island's net position \$996,700 during 2023, as compared to 10,124,750 during 2022. Revenues decreased from the previous fiscal year by approximately \$9.6 million and expenses also decreased approximately \$6.1 million, this was primarily because of lower energy requirements across the City compared to the prior year.

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 \$84,220,276. Approximately 53.3% of this total amount (\$45,463,560) 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 (\$1,114,721), 2) placed in a nonspendable trust for library expenditures (\$93,312), 3) restricted for street improvements (\$8,140,566), 4) restricted for debt service (\$404,950), 5) restricted for economic development (\$1,919,288), 6) restricted for Federal programs (\$88,211), 7) restricted to fund housing loans (\$213,776), 8) restricted for community improvements (\$12,091,949), 9) restricted for other purposes (\$1,116,490), 10) assigned for a variety of other purposes (\$13,491,663).

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 \$45,463,560, while total fund balance reached \$61,505,057. 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 82.8% of total General Fund expenditures, while total fund balance represents 112.0% of that same amount.

The fund balance of the City of Grand Island's General Fund increased by \$8,245,478 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, 2023, amounts to \$750,010,502 (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 with work 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. 2023 City expenditures were \$4,756.10.
- ◆ 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 2023 expenditures were \$14,299.46.
- ◆ 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 2023 expenditures were \$35,847.03.
- ◆ 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 2023 expenses were \$63,769.36.
- ◆ 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 2023 expenditures were \$13,220.66.
- ◆ 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 2023 expenditures were \$137,589.90.
- ◆ Circle Drive Drainage Improvements; Project No. 2022-D-1 consisted of the northwest area of Stewart Place Subdivision. FY 2023 expenditures were \$64,187.03.
- ◆ Citywide Drainage/Storm Water Modeling Project is to plan, design, and build several small projects identified through evaluations or other problems that arise to improve drainage in areas of Grand Island if a yearly budget would allow. FY 2023 expenditures were \$28,601.60.
- ◆ 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. Construction is planned for FY 2024. FY 2023 expenditures were \$37,532.50.

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

Budgetary Highlights (Continued)

Capital Assets (Continued)

- ◆ Street/Fleet Service Facility Improvement Study is to address any identified existing deficiencies and determine a site that would combine all existing facilities to meet future needs (30+ years) for the Streets & Fleet Service Division. FY 2024 expenditures were \$122,891.76
- ◆ The Handicap Ramp project consists of the ADA compliant curb ramps in the 2023-CR-1 project, which was for the installation of handicap ramps along 2nd St & Grant St, Adams St & John St, Louise St & Greenwich St, 6th St & Greenwich St, Locust St- 12th to 14th St, Wheeler Ave- 12th to 14th St, Adams St & Hedde St, and Adams St & Bike Trail. 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 20 years. FY 2023 expenditures for Project No. 2023-CR-1 were \$206,191.37.
- ◆ Webb Road Paving Assessments are annual payments that were paid in full FY 2023 for the City's Park Department share of roadway improvements from Stolley Park Road north to the Union Pacific Railroad tracks. FY 2023 expenses were \$157,110.05.
- ◆ 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 2023 expenditures were \$5,246.59.
- ◆ 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. Construction took place FY 2023. FY 2023 expenses were \$681,019.69.
- ◆ The Old Potash Highway Roadway Improvements; Project No. 2019-P-1 included 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 were needed to allow the corridor to safely handle the ever-increasing traffic in this area. Project completion was FY 2023, with expenses of \$23,236.88.
- ◆ US 30 Realignment is for improvements to US Highway 30 from just west of Monitor Road east to the existing four-lane divided section west of the US-281/N-2/US-30 interchange in Grand Island for a distance of 3.4 miles, with the City cost sharing on the portion within City limits. The project was awarded FY 2023 with construction to begin FY 2024. FY 2023 expenditures were \$2,029,997.92.

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 3rd Street. A program agreement between the City and the Nebraska Department of Transportation was approved by City Council FY2023. FY 2023 expenditures were \$21,699.85.

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

Budgetary Highlights (Continued)

Capital Assets (Continued)

- ◆ North Road; Old Potash to 13th will improve this roadway by providing a concrete curb and gutter roadway section with associated sidewalk, traffic control, drainage and all other related improvements. Project completion will be FY 2024, due to final restoration work. FY 2023 expenditures were \$1,371,515.28.
- ◆ North Road; 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 2024. FY 2023 expenditures were \$1,487,009.22.
- ◆ Capital Avenue; Moores Creek to North Road provided improvements from the Moores Creek Drainway to the roundabout at North Road. The project included a concrete curb and gutter roadway section with associated sidewalk, traffic control, drainage and all other related improvements necessary. Project completion was FY 2023, with expenditures of \$168,187.70.
- ◆ 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 FY 2024. FY 2023 expenditures were \$645,463.99.
- ◆ 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. Completion is anticipated FY 2024. FY 2023 expenditures were \$1,256,475.04.
- ◆ Locust St; 2nd 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 2023 expenditures were \$105,241.65.
- ◆ 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. Construction is planned for FY 2024. FY 2023 expenditures were \$494,188.13.

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

Budgetary Highlights (Continued)

Capital Assets (Continued)

- ◆ Veterans Legacy Development Improvements; Project No. 2022-P-7 is for the improvement of the Custer Avenue and Sheridan Street corridors north of Capital Avenue and South of Old Highway 2, within the Veterans Legacy South Subdivision. FY 2023 expenditures were \$14,578.04.
- ◆ 18th Street- Moores Creek Drainway to Diers Avenue is one of the connections to Diers Avenue, as part of the overall Claude Road extension from just north of Faidley Avenue to State Street. This project will allow for improvements to the Diers Avenue corridor intended to control access and improve traffic performance and safety. Construction got underway FY 2023, with expenditures of \$903,728.65.
- ◆ Sanitary Sewer: For fiscal year 2023 expenses were incurred on the following projects:
- ◆ Final Clarifier No 1 Renovation; Project No. 2021-WWTP-1 consisted of labor and installation of parts procured, as well as painting of both existing and new clarifier components. FY 2023 expenditures were \$57,289.15.
- ◆ Facility Security is an ongoing improvement at the Wastewater Treatment Plant, with FY 2023 expenditures of \$9,679.67.
- ◆ 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 2023 expenditures were \$5,647,970.66.
- ◆ 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 2023 expenditures were \$48,485.98.
- ◆ Sanitary Sewer Rehabilitation; Project No. 2022-S-1 focused on the area north of the Union Pacific Railroad (UPRR) tracks in the area around Broadwell Ave and North Front St. Spot locations were evaluated for sanitary sewer rehabilitation, with the thought that cured in place pipe (CIPP) would be the ideal solution as existing pipe segments are mostly within constricted areas, however other solutions were considered. Manhole rehabilitation was also completed if necessary to reinforce structural integrity. FY 2023 expenditures were \$711,304.33.
- ◆ 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 2024. FY 2023 expenditures were \$3,990,898.42.
- ◆ 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. Completion of this project is anticipated FY 2024. FY 2023 expenditures were \$1,036,824.16

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

Budgetary Highlights (Continued)

Capital Assets (Continued)

- ◆ 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. Completion of this project is anticipated FY 2024. FY 2023 expenditures were \$1,936,733.59.
- ◆ Lift Station No. 1 Rehabilitation; Project No. 2022-S-2 was for the rehabilitation of existing Lift Station No. 1, which was located at 312 N Tilden St in a portion of an old building owned by the Grand Island Parks Department. The building was rehabilitated for the lift station area, with the Parks Department portion of the building demolished. Construction was completed FY 2023, with expenditures of \$136,637.33

City of Grand Island Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and land improvements	\$ 40,122,903	\$ 40,102,693	\$ 170,793,614	\$ 163,629,917	\$ 210,916,517	\$ 203,732,610
Infrastructure	344,360,515	312,915,213	-	-	344,360,515	312,915,213
Construction in progress	18,803,578	38,001,451	28,933,496	19,993,919	47,737,074	57,995,370
Buildings and systems	67,177,817	65,767,023	508,742,906	497,708,087	575,920,723	563,475,110
Machinery and equipment	13,412,241	11,983,775	-	-	13,412,241	11,983,775
Office furniture and equipment	3,135,805	3,135,805	356,719	356,719	3,492,524	3,492,524
Vehicles	12,274,775	12,073,186	10,732,819	10,613,636	23,007,594	22,686,822
Substription right-to-use assets	197,781	-	-	-	197,781	-
Accumulated depreciation	(70,513,129)	(66,374,078)	(398,521,338)	(379,489,018)	(469,034,467)	(445,863,096)
Net totals	<u>\$ 428,972,286</u>	<u>\$ 417,605,068</u>	<u>\$ 321,038,216</u>	<u>\$ 312,813,260</u>	<u>\$ 750,010,502</u>	<u>\$ 730,418,328</u>

Additional information on the City of Grand Island's capital assets can be found in Note 5 on pages 48-50 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 \$90,930,599. Of this amount, \$16,219,699 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 and SBITA obligations.

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

Budgetary Highlights (Continued)

City of Grand Island Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 16,219,699	\$ 18,316,885	\$ -	\$ -	\$ 16,219,699	\$ 18,316,885
Revenue bonds	-	-	71,820,000	78,695,000	71,820,000	78,695,000
Notes payable	2,416,456	2,915,325	-	-	2,416,456	2,915,325
Leases	474,444	737,462	-	-	474,444	737,462
SBITA	112,828	-	-	-	112,828	-
Totals	<u>\$ 19,223,427</u>	<u>\$ 21,969,672</u>	<u>\$ 71,820,000</u>	<u>\$ 78,695,000</u>	<u>\$ 90,930,599</u>	<u>\$ 100,664,672</u>

The City of Grand Island’s total debt decreased by \$9,734,073 (9.7%) during the current fiscal year due to scheduled repayments on outstanding obligations exceeding additions to leases and SBITAs.

Additional information on the City of Grand Island’s long-term debt can be found in Note 6 starting on page 51 of this report.

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.

- ◆ Grand Island has not been immune to the global economic impacts of the COVID-19 health pandemic, inflation, and supply line challenges. However, thanks to smart planning during previous years, we have been able to mitigate many of those impacts, keeping taxes and fees low for our taxpayers and residents, and maintaining fiscally prudent fund balances for unforeseen circumstances. A great deal of prioritizing, analysis, and scrutinizing has gone into preparation of the FY2024 Budget in order to ensure that expenditures result in the best return on the investment of public funds. We achieve this balance while meeting the highest standards for the delivery of services to Grand Island residents.
- ◆ Overall, the FY2024 budget appropriation is 17.3% or \$45,508,299 higher than the Fiscal Year 2023 (FY2023) adopted budget. The difference is mainly due to increased costs from inflation, delayed capital purchases from FY2023 resulting from supply chain issues, a tax credit funded capital project that will more than double our solar electric power generation capacity, and a new Grants placeholder appropriation that provides project spending authority should we be successful in achieving any of our planned grant applications.
- ◆ Over the past three years, five department directors retired from the City. These vacancies have now been filled either permanently or with an interim appointment during the search process. With these organizational changes, the Administration implemented some structural modifications to departmental organizational charts during FY2023 and planned for additional modifications in the FY2024 Budget.

All of these factors were considered in preparing the City of Grand Island’s budget for the 2024 fiscal year.

BASIC FINANCIAL STATEMENTS

City of Grand Island, Nebraska
Statement of Net Position
September 30, 2023

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 43,326,373	\$ 58,448,302	\$ 101,774,675	\$ 1,076,187
Investments	42,081,152	2,656,201	44,737,353	-
Cash with county treasurer	609,872	-	609,872	915,930
Receivables				
Accounts, net of allowance for doubtful accounts	1,839,923	8,863,964	10,703,887	-
Unbilled revenue	-	4,909,653	4,909,653	-
Property taxes	828,814	-	828,814	243,347
Special assessments	230,526	887,239	1,117,765	4,545
Interest	552,192	656,182	1,208,374	5,984
Current portion of lease receivable	39,856	-	39,856	-
Current portion of notes receivable	-	120,000	120,000	13,240
Internal balances	755,319	(755,319)	-	-
Due from other governments	7,391,259	242,049	7,633,308	1,425,443
Prepaid expense	21,147	10,709	31,856	-
Inventory	208,553	15,600,435	15,808,988	-
Total current assets	<u>97,884,986</u>	<u>91,639,415</u>	<u>189,524,401</u>	<u>3,684,676</u>
Noncurrent assets				
Restricted cash and cash equivalents	189,100	4,203,716	4,392,816	-
Restricted investments	-	13,403,106	13,403,106	-
Noncurrent portion of lease receivable	45,964	-	45,964	-
Noncurrent portion of note receivable	428,997	1,409,723	1,838,720	-
Costs recoverable in future periods	-	576,201	576,201	-
Capital assets				
Land, infrastructure, and construction in progress	371,300,949	199,727,110	571,028,059	-
Right of use assets, net of amortization	639,653	-	639,653	-
Other capital assets, net of depreciation	57,031,684	121,311,106	178,342,790	520,783
Net capital assets	<u>428,972,286</u>	<u>321,038,216</u>	<u>750,010,502</u>	<u>520,783</u>
Total noncurrent assets	<u>429,636,347</u>	<u>340,630,962</u>	<u>770,267,309</u>	<u>520,783</u>
Total assets	<u>527,521,333</u>	<u>432,270,377</u>	<u>959,791,710</u>	<u>4,205,459</u>
Deferred Outflows of Resources				
Deferred loss on debt refunding	-	4,020,677	4,020,677	-
Deferred outflows for OPEB	408,853	-	408,853	-
Total deferred outflows of resources	<u>408,853</u>	<u>4,020,677</u>	<u>4,429,530</u>	<u>-</u>

See notes to basic financial statements.

Liabilities	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
Current liabilities				
Accounts payable	1,735,189	6,247,012	7,982,201	1,469,738
Accrued expenses	1,613,604	1,272,843	2,886,447	2,671
Due to other governments	1,425,418	-	1,425,418	-
Unearned revenue	227,106	-	227,106	-
Compensated absences- current	590,994	385,625	976,619	-
Current portion of lease liability	248,422	-	248,422	-
Current portion of IT subscription liability	86,163	-	86,163	-
Current portion of total pension liability	-	-	-	-
Current portion of total OPEB liability	-	-	-	-
Total current liabilities	8,593,414	14,865,480	23,458,894	1,472,409
Noncurrent liabilities				
Compensated absences- noncurrent	2,363,978	1,767,090	4,131,068	-
Closure/post-closure liability	-	6,177,497	6,177,497	-
Noncurrent portion of lease liability	226,022	-	226,022	-
Total pension liability	450,659	-	450,659	-
Total OPEB liability	1,635,914	-	1,635,914	-
Noncurrent portion of long-term obligations	15,969,637	64,860,000	80,829,637	-
Unamortized bond premiums	1,151,286	3,866,722	5,018,008	-
Total noncurrent liabilities	21,824,161	76,671,309	98,495,470	-
Total liabilities	30,417,575	91,536,789	121,954,364	1,472,409
Deferred Inflows of Resources				
Deferred inflows for OPEB	1,016,113	-	1,016,113	-
Total deferred inflows of resources	1,101,834	-	1,101,834	-
Net Position				
Net investment in capital assets	408,597,573	245,351,494	653,949,067	520,783
Restricted for				
Debt service	409,020	1,458,124	1,867,144	-
Closure/post-closure costs	-	1,538,833	1,538,833	-
Library trust and cemetery perpetual care-permanent	1,208,033	-	1,208,033	-
Street improvements	7,984,285	-	7,984,285	-
Economic development	1,919,288	-	1,919,288	-
Community improvements	12,064,789	-	12,064,789	-
Other purposes	1,418,477	225,000	1,643,477	-
Unrestricted	62,809,312	96,180,814	158,990,126	2,212,267
Total net position	\$ 496,410,777	\$ 344,754,265	\$ 841,165,042	\$ 2,733,050

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City of Grand Island, Nebraska
Statement of Activities
Year Ended Spetember 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Governmental activities								
General government	\$ 6,885,447	\$ 3,442,265	\$ 724,886	\$ 101,043	\$ (2,617,253)	\$ -	\$ (2,617,253)	\$ -
Public safety	29,902,045	6,986,705	6,583,642	-	(16,331,698)	-	(16,331,698)	-
Public works	6,034,854	1,048,628	-	9,054,266	4,068,040	-	4,068,040	-
Enviornment and leisure	14,186,532	2,608,709	347,545	1,175,279	(10,054,999)	-	(10,054,999)	-
Non-departmental	8,077,779	-	50,000	-	(8,027,779)	-	(8,027,779)	-
Interest and fees on long-term debt	419,226	-	-	-	(419,226)	-	(419,226)	-
Total governmental activities	65,505,883	14,086,307	7,706,073	10,330,588	(33,382,915)	-	(33,382,915)	-
Business-type activities								
Electric	98,200,986	94,215,687	-	-	-	(3,985,299)	(3,985,299)	-
Water	7,253,196	7,173,223	-	907,896	-	827,923	827,923	-
Sewer	15,015,334	15,925,694	2,251,631	1,092,370	-	4,254,361	4,254,361	-
Landfill	4,428,671	3,913,660	-	-	-	(515,011)	(515,011)	-
Total business-type activities	124,898,187	121,228,264	2,251,631	2,000,266	-	581,974	581,974	-
Total primary government	190,404,070	135,314,571	9,957,704	12,330,854	(33,382,915)	581,974	(32,800,941)	-
Component units								
Business Improvement Districts	302,890	12,640	6,912	285,168	-	-	-	1,830
Community Redevelopment Authority	12,341,161	-	-	-	-	-	-	(12,341,161)
Total component units	\$ 12,644,051	\$ 12,640	\$ 6,912	\$ 285,168	-	-	-	(12,339,331)
General revenues								
Taxes								
Property					12,238,026	-	12,238,026	6,234,352
Motor vehicle taxes					1,279,442	-	1,279,442	-
Occupation					4,298,543	-	4,298,543	-
Sales taxes					31,008,734	-	31,008,734	-
Franchise					1,427,627	-	1,427,627	-
Casino					493,810	-	493,810	-
State allocation					2,566,714	-	2,566,714	-
Miscellaneous					1,479,061	-	1,479,061	6,233,118
Investment income (loss)					2,604,000	1,887,917	4,491,917	30,147
Gain on sale of capital assets					24,946	-	24,946	-
Interfund transfers					3,466,591	(3,466,591)	-	-
Total general revenues and transfers					60,887,494	(1,578,674)	59,308,820	12,497,617
Change in net position					27,504,579	(996,700)	26,507,879	158,286
Net position, beginning of year					468,906,198	345,750,965	814,657,163	2,574,764
Net position, end of year					\$496,410,777	\$344,754,265	\$841,165,042	\$ 2,733,050

See notes to basic financial statements.

City of Grand Island, Nebraska
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 26,274,191	\$ 4,064,181	\$ 8,294,029	\$ 38,632,401
Investments	28,628,401	3,420,981	6,173,680	38,223,062
County treasurer cash	609,645	-	227	609,872
Restricted cash	52,723	-	136,377	189,100
Receivables				
Accounts, net of allowance and doubtful accounts	1,665,347	23,601	125,560	1,814,508
Property taxes	797,771	-	31,043	828,814
Special assessments	-	1,050	229,476	230,526
Interest	434,577	207	62,914	497,698
Lease receivable	-	-	85,820	85,820
Notes receivable	-	-	428,997	428,997
Prepaid expenses	21,147	-	-	21,147
Inventory	60,643	-	-	60,643
Due from other funds	1,513,716	-	1,722	1,515,438
Due from other governments	5,733,628	1,211,980	445,651	7,391,259
Total assets	<u>\$ 65,791,789</u>	<u>\$ 8,722,000</u>	<u>\$ 16,015,496</u>	<u>\$ 90,529,285</u>
Liabilities				
Accounts payable	\$ 424,667	\$ 310,124	\$ 570,964	\$ 1,305,755
Accrued expenses	552,179	41,659	8,996	602,834
Unearned revenue	224,308	-	1,279	225,587
Due to other governments	1,425,418	-	-	1,425,418
Due to other funds	212,019	229,651	510,853	952,523
Total liabilities	<u>2,838,591</u>	<u>581,434</u>	<u>1,092,092</u>	<u>4,512,117</u>

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources				
Lease receivable	-	-	85,721	85,721
Unavailable revenues	1,448,141	-	263,030	1,711,171
Total deferred inflows of resources	<u>1,448,141</u>	<u>-</u>	<u>348,751</u>	<u>1,796,892</u>
Fund Balances				
Nonspendable				
Cemetery perpetual care	-	-	1,114,721	1,114,721
Library trust	-	-	93,312	93,312
Prepaid and inventory items	81,790	-	-	81,790
Restricted				
Street improvements	-	8,140,566	-	8,140,566
Debt service	-	-	404,950	404,950
Economic development	-	-	1,919,288	1,919,288
Federal programs	-	-	88,211	88,211
Housing loans	-	-	213,776	213,776
Community improvements	7,217,296	-	4,874,653	12,091,949
Other purposes	-	-	1,116,490	1,116,490
Public safety	-	-	61,221	61,221
Transportation programs	-	-	110,886	110,886
Future employee benefits	6,146,583	-	-	6,146,583
Other purposes	-	-	1,232,701	1,232,701
Unassigned	<u>45,463,560</u>	<u>-</u>	<u>-</u>	<u>45,463,560</u>
Total fund balances	<u>61,505,057</u>	<u>8,140,566</u>	<u>14,574,653</u>	<u>84,220,276</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,791,789</u>	<u>\$ 8,722,000</u>	<u>\$ 16,015,496</u>	<u>\$ 90,529,285</u>

City of Grand Island, Nebraska
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
September 30, 2023

Total fund balance - governmental funds	\$ 84,220,276
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.	428,780,307
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.	1,711,171
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.	7,792,750
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.	(2,693,833)
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	(2,862,888)
Accrued interest payable	(222,833)
Lease liability	(474,444)
SBITA liability	(52,288)
Note payable	(2,416,456)
General obligation bonds payable	(16,219,699)
Bond premium	(1,151,286)
Total net position - governmental activities	\$ 496,410,777

City of Grand Island, Nebraska
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended September 31, 2023

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property	\$ 12,121,618	\$ -	\$ 8,276	\$ 12,129,894
Motor vehicle	1,279,413	-	29	1,279,442
Occupation	266,262	-	4,032,281	4,298,543
Sales tax	28,125,497	2,883,237	-	31,008,734
Franchise	1,413,192	-	-	1,413,192
Casino	493,810	-	-	493,810
Intergovernmental	9,353,351	9,014,256	1,966,979	20,334,586
Keno	-	-	313,651	313,651
Special assessments	-	-	278,272	278,272
Charges for services	13,697,167	363,980	521,762	14,582,909
Investment income (loss)	2,263,911	-	191,351	2,455,262
Contributions and grants	-	-	115,794	115,794
Other revenue	311,535	52,938	800,937	1,165,410
Total revenues	<u>69,325,756</u>	<u>12,314,411</u>	<u>8,229,332</u>	<u>89,869,499</u>
Expenditures				
Current				
General government	4,812,932	-	2,995,380	7,808,312
Public safety	28,560,055	-	499,766	29,059,821
Public works	1,416,068	2,958,631	525,142	4,899,841
Environment and leisure	7,576,240	-	4,112,138	11,688,378
Non-departmental	7,149,360	-	-	7,149,360
Capital outlay	4,591,574	12,746,819	551,432	17,889,825
Debt service				
Principal payments on debt	747,848	1,320,000	816,585	2,884,433
Interest on long-term debt	39,976	443,551	163,595	647,122
Total expenditures	<u>54,894,053</u>	<u>17,469,001</u>	<u>9,664,038</u>	<u>82,027,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,431,703</u>	<u>(5,154,590)</u>	<u>(1,434,706)</u>	<u>7,842,407</u>
Other Financing Sources (Uses)				
Proceeds from sales of capital asset	24,946	-	-	24,946
Subscription proceeds	61,788	-	15,860	77,648
Transfers in	5,912,591	6,825,550	3,824,936	16,563,077
Transfers out	(12,185,550)	(600,000)	(310,936)	(13,096,486)
Total other financing sources (uses)	<u>(6,186,225)</u>	<u>6,225,550</u>	<u>3,529,860</u>	<u>3,569,185</u>
Net change in fund balances	8,245,478	1,070,960	2,095,154	11,411,592
Fund balances, beginning of year	53,259,579	7,069,606	12,479,499	72,808,684
Fund balances, end of year	<u>\$ 61,505,057</u>	<u>\$ 8,140,566</u>	<u>\$ 14,574,653</u>	<u>\$ 84,220,276</u>

See notes to basic financial statements.

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, 2023

Total net change in fund balances - governmental funds	\$ 11,411,592
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 (\$17,471,220) exceeded depreciation and amortization expense (\$6,148,492).	11,322,728
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.	(563,747)
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.	2,434,817
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.	(122,083)
The issuance of long-term debt is reported as revenue in the governmental funds, but the issuance of bonds increases long-term liabilities in the statement of net position.	(77,648)
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>3,098,920</u>
Change in net position of governmental activities	<u><u>\$ 27,504,579</u></u>

City of Grand Island, Nebraska
Statement of Net Position - Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds					Internal Service Fund
	Major funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
Assets						
Current assets						
Cash and cash equivalents	\$ 45,043,880	\$ 6,686,517	\$ 5,934,227	\$ 783,678	\$ 58,448,302	\$ 4,693,972
Investments	-	-	1,996,548	659,653	2,656,201	3,858,090
Receivables						
Accounts, net of allowance for doubtful accounts	6,204,860	641,549	1,674,435	343,120	8,863,964	25,415
Unbilled revenue	3,758,694	469,524	681,435	-	4,909,653	-
Interest	372,064	54,051	150,525	79,542	656,182	54,494
Special assessments	-	51,450	835,789	-	887,239	-
Current portion of note receivable	-	-	120,000	-	120,000	-
Due from other funds	198,242	30	2,198	25,547	226,017	221,185
Due from other governments	-	-	242,049	-	242,049	-
Inventory	15,162,947	437,488	-	-	15,600,435	147,910
Prepaid expenses	10,709	-	-	-	10,709	-
Total current assets	<u>70,751,396</u>	<u>8,340,609</u>	<u>11,637,206</u>	<u>1,891,540</u>	<u>92,620,751</u>	<u>9,001,066</u>
Noncurrent assets						
Restricted cash and cash equivalents	3,206,531	301,901	695,284	-	4,203,716	-
Restricted investments	-	-	3,331,250	10,071,856	13,403,106	-
Noncurrent portion of note receivable	-	-	1,409,723	-	1,409,723	-
Costs recoverable in future periods	576,201	-	-	-	576,201	-
Capital assets						
Land and improvements	6,069,593	-	156,113,066	8,610,955	170,793,614	-
Construction in progress	9,508,234	437,732	18,987,530	-	28,933,496	-
Distribution and collection systems	342,019,343	88,498,479	8,660,937	-	439,178,759	-
Buildings and equipment	46,035,845	4,322,464	22,687,402	7,607,972	80,653,683	1,893,036
Subscription right of use asset	-	-	-	-	-	75,083
Less accumulated depreciation	<u>(281,273,091)</u>	<u>(24,375,197)</u>	<u>(83,412,777)</u>	<u>(9,460,271)</u>	<u>(398,521,336)</u>	<u>(1,776,140)</u>
Net capital assets	<u>122,359,924</u>	<u>68,883,478</u>	<u>123,036,158</u>	<u>6,758,656</u>	<u>321,038,216</u>	<u>191,979</u>
Total noncurrent assets	<u>126,142,656</u>	<u>69,185,379</u>	<u>128,472,415</u>	<u>16,830,512</u>	<u>340,630,962</u>	<u>191,979</u>
Total assets	<u>196,894,052</u>	<u>77,525,988</u>	<u>140,109,621</u>	<u>18,722,052</u>	<u>433,251,713</u>	<u>9,193,045</u>
Deferred Outflows of Resources						
Deferred loss on debt refunding	<u>1,316,525</u>	<u>206,300</u>	<u>2,497,852</u>	<u>-</u>	<u>4,020,677</u>	<u>-</u>
Liabilities						
Current liabilities						
Accounts payable	5,130,037	79,606	975,578	61,791	6,247,012	429,434
Due to other funds	551,772	136,811	270,488	22,265	981,336	28,781
Deferred revenue	-	-	-	-	-	1,519
Accrued expenses	823,816	116,762	309,058	23,207	1,272,843	787,937
Compensated absences-current	134,393	10,622	162,206	78,404	385,625	58,554
Current portion of long-term obligation	<u>3,830,000</u>	<u>345,000</u>	<u>2,785,000</u>	<u>-</u>	<u>6,960,000</u>	<u>-</u>
Total current liabilities	<u>10,470,018</u>	<u>688,801</u>	<u>4,502,330</u>	<u>185,667</u>	<u>15,846,816</u>	<u>1,306,225</u>
Noncurrent Liabilities						
Subscription liability	-	-	-	-	-	60,540
Compensated absences- noncurrent	1,528,444	153,834	49,050	35,762	1,767,090	33,530
Closure/post-closure liability	1,095,449	-	-	5,082,048	6,177,497	-
Noncurrent portion of long-term obligations	<u>15,800,000</u>	<u>5,110,000</u>	<u>43,950,000</u>	<u>-</u>	<u>64,860,000</u>	<u>-</u>
Unamortized bond premiums	-	-	3,866,722	-	3,866,722	-
Total noncurrent liabilities	<u>18,423,893</u>	<u>5,263,834</u>	<u>47,865,772</u>	<u>5,117,810</u>	<u>76,671,309</u>	<u>94,070</u>
Total liabilities	<u>28,893,911</u>	<u>5,952,635</u>	<u>52,368,102</u>	<u>5,303,477</u>	<u>92,518,125</u>	<u>1,400,295</u>
Net Position						
Net investment in capital assets	102,729,924	63,428,478	72,434,436	6,758,656	245,351,494	191,979
Restricted for						
Debt service	685,939	76,901	695,284	-	1,458,124	-
Uranium removal	-	225,000	-	-	225,000	-
Closure/post-closure costs	1,425,143	-	-	113,690	1,538,833	-
Unrestricted	<u>64,475,660</u>	<u>8,049,274</u>	<u>17,109,651</u>	<u>6,546,229</u>	<u>96,180,814</u>	<u>7,600,771</u>
Total net position	<u>\$ 169,316,666</u>	<u>\$ 71,779,653</u>	<u>\$ 90,239,371</u>	<u>\$ 13,418,575</u>	<u>\$ 344,754,265</u>	<u>\$ 7,792,750</u>

City of Grand Island, Nebraska
Statement of Revenues, Expenditures,
and Changes in Net Position - Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds			
	Major funds			Nonmajor Landfill Fund
	Electric Fund	Water Fund	Sewer Fund	
Operating Revenues				
Sales				
Consumers	\$ 64,452,218	\$ 6,765,797	\$ 15,550,857	\$ 3,909,649
Municipal and interdepartmental	1,998,937	223,412	-	-
Wholesale	24,695,564	-	-	-
Total sales	91,146,719	6,989,209	15,550,857	3,909,649
Tap fees	-	190	131,136	-
Other revenue	3,068,968	183,824	243,701	4,011
Total operating revenues	94,215,687	7,173,223	15,925,694	3,913,660
Operating Expenses				
Cost of power	72,992,518	-	-	-
Production	-	3,311,036	-	-
Operation of system	3,513,940	1,152,736	6,236,582	1,693,038
Maintenance of system	3,222,171	-	194,764	276,424
Consumer accounting and collection	1,768,555	670,679	716,759	213,363
General office expense	1,876,289	215,139	870,068	410,589
Special services	526,963	180,995	35,648	118,024
Information technology	-	-	-	-
Central garage	-	-	-	-
Insurance	737,007	16,873	144,221	66,172
Miscellaneous	134,982	359,878	-	-
Change in closure/ post-closure liability	59,229	-	-	591,951
Depreciation	12,786,175	1,212,264	5,513,570	787,161
Total operating expenses	97,617,829	7,119,600	13,711,612	4,156,722
Operating income (loss)	(3,402,142)	53,623	2,214,082	(243,062)
Nonoperating Revenues (Expenses)				
Interst income	1,041,542	137,525	286,989	421,861
Intergovernmental/grants	-	-	2,251,631	-
Interest expense	(583,157)	(133,596)	(1,294,522)	-
Debt issuance costs	-	-	(9,200)	-
Gain (loss) on disposal of assets	-	-	-	(271,949)
Special assessments	-	-	(33,496)	-
Total nonoperating revenues (expenses)	458,385	3,929	1,201,402	149,912
Change in net positon before contributions and transfers	(2,943,757)	57,552	3,415,484	(93,150)
Captial contribution	-	907,896	1,125,866	-
Transfers in (out)	(3,325,366)	(141,225)	-	-
Change in net position	(6,269,123)	824,223	4,541,350	(93,150)
Net position, beginning	175,585,789	70,955,430	85,698,021	13,511,725
Net position, ending	\$ 169,316,666	\$ 71,779,653	\$ 90,239,371	\$ 13,418,575

See notes to basic financial statements.

Enterprise Funds	
Total	Internal Service Fund
\$ 90,678,521	\$ -
2,222,349	15,515,950
24,695,564	-
<u>117,596,434</u>	<u>15,515,950</u>
131,326	-
3,500,504	-
<u>121,228,264</u>	<u>15,515,950</u>
72,992,518	-
3,311,036	-
12,596,296	-
3,693,359	-
3,369,356	-
3,372,085	-
861,630	-
-	1,304,125
-	1,510,658
964,273	10,370,673
494,860	18,772
651,180	-
20,299,170	75,643
<u>122,605,763</u>	<u>13,279,871</u>
<u>(1,377,499)</u>	<u>2,236,079</u>
1,887,917	148,738
2,251,631	50,000
(2,011,275)	-
(9,200)	-
(271,949)	-
<u>(33,496)</u>	<u>-</u>
<u>1,813,628</u>	<u>198,738</u>
436,129	2,434,817
2,033,762	-
(3,466,591)	-
<u>(996,700)</u>	<u>2,434,817</u>
<u>345,750,965</u>	<u>5,357,933</u>
<u>\$ 344,754,265</u>	<u>\$ 7,792,750</u>

City of Grand Island, Nebraska
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds					Internal Service Fund
	Major funds			Nonmajor Landfill Fund	Total	
	Electric Fund	Water Fund	Sewer Fund			
Cash Flows from Operating Activities						
Receipts from customers	\$ 92,295,314	\$ 7,083,550	\$ 15,435,549	\$ 3,857,365	\$ 118,671,778	\$ -
Receipts from other funds	-	-	-	-	-	15,532,458
Payments to suppliers	(82,019,944)	(5,511,588)	(7,187,251)	(1,745,763)	(96,464,546)	(13,732,806)
Payments to employees	(3,640,468)	(471,191)	(2,455,126)	(1,056,913)	(7,623,698)	(746,782)
Net cash provided by operating activities	<u>6,634,902</u>	<u>1,100,771</u>	<u>5,793,172</u>	<u>1,054,689</u>	<u>14,583,534</u>	<u>1,052,870</u>
Cash Flows from Noncapital Financing Activities						
Payments in lieu of taxes	(3,586,928)	(205,829)	-	-	(3,792,757)	-
Transfer from (to) other funds	12,854	-	-	-	12,854	-
Change in interfund balances	(95,767)	38,295	4,415	(2,395)	(55,452)	234,552
Net cash provided by (used in) noncapital financing activities	<u>(3,669,841)</u>	<u>(167,534)</u>	<u>4,415</u>	<u>(2,395)</u>	<u>(3,835,355)</u>	<u>234,552</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of property and equipment	(11,730,353)	(1,110,946)	(12,501,751)	(1,081,118)	(26,424,168)	-
Proceeds from sale of property and equipment	-	-	-	240,500	240,500	-
Intergovernmental receipts	-	-	2,376,747	-	2,376,747	50,000
Special assessment collections	-	-	(33,496)	-	(33,496)	-
Principal payments on capital debt	(3,805,000)	(345,000)	(2,725,000)	-	(6,875,000)	-
Interest paid on capital debt	(314,363)	(118,683)	(1,444,995)	-	(1,878,041)	(59,593)
Net cash provided by (used in) capital and related financing activities	<u>(15,849,716)</u>	<u>(1,574,629)</u>	<u>(14,328,495)</u>	<u>(840,618)</u>	<u>(32,593,458)</u>	<u>(9,593)</u>
Cash Flows from Investing Activities						
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	-	-	3,842,583	236,740	4,079,323	(641,888)
Collections on notes receivable	-	-	120,000	-	120,000	-
Interest received	1,000,571	98,981	231,211	374,753	1,705,516	101,359
Net cash provided by (used in) investing activities	<u>1,000,571</u>	<u>98,981</u>	<u>4,193,794</u>	<u>(148,829)</u>	<u>5,144,517</u>	<u>(540,529)</u>
Net increase (decrease) in cash and cash equivalents	(11,884,084)	(542,411)	(4,337,114)	62,847	(16,700,762)	737,300
Cash and cash equivalents, beginning	60,134,495	7,530,829	10,966,625	720,831	79,352,780	3,956,672
Cash and cash equivalents, ending	<u>48,250,411</u>	<u>6,988,418</u>	<u>6,629,511</u>	<u>783,678</u>	<u>62,652,018</u>	<u>4,693,972</u>
Composition of Cash and Cash Equivalents						
Cash and cash equivalents	45,043,880	6,686,517	5,934,227	783,678	58,448,302	4,693,972
Restricted cash and cash equivalents	3,206,531	301,901	695,284	-	4,203,716	-
Total	<u>\$ 48,250,411</u>	<u>\$ 6,988,418</u>	<u>\$ 6,629,511</u>	<u>\$ 783,678</u>	<u>\$ 62,652,018</u>	<u>\$ 4,693,972</u>

City of Grand Island, Nebraska
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Major funds			Nonmajor Landfill Fund	Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund			
Reconciliation of Operating Income to Net Cash Flows - Provided by Operating Activities						
Operating income (loss)	\$ (3,402,142)	\$ 53,623	\$ 2,214,082	\$ (243,062)	\$ (1,377,499)	\$ 2,236,079
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation expense	12,786,175	1,212,264	5,513,570	787,161	20,299,170	75,643
Change in assets and liabilities						
Accounts receivable	(1,920,373)	(89,673)	(490,145)	(56,295)	(2,556,486)	16,508
Inventories	(3,217,145)	(21,580)	-	-	(3,238,725)	23,274
Prepaid expenses	534,846	16,873	-	-	551,719	-
Costs recoverable in future periods	692,863	-	-	-	692,863	-
Accounts payable and accrued expenses	1,101,449	(70,736)	(1,444,335)	(25,066)	(438,688)	(1,298,634)
Closure/post-closure	59,229	-	-	591,951	651,180	-
Net cash provided by operating activities	<u>\$ 6,634,902</u>	<u>\$ 1,100,771</u>	<u>\$ 5,793,172</u>	<u>\$ 1,054,689</u>	<u>\$ 14,583,534</u>	<u>\$ 1,052,870</u>
Supplemental Cash Flow Information						
Capital contributions	\$ -	\$ 907,896	\$ 1,125,866	\$ -	\$ 2,033,762	\$ -
Accounts payable incurred for capital asset purchase	\$ -	\$ -	\$ 578,645	\$ -	\$ 578,645	\$ -

City of Grand Island, Nebraska
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Custodial Funds
Assets	
Cash	\$ 166,191
Investments	139,891
Interest receivable	349
Special assessments receivable	4,955
Right to use asset	317,680
Due from others	11
Total assets	629,077
Liabilities	
Accounts payable	8,255
Lease payable	324,135
Due to others	92,512
Total liabilities	424,902
Fiduciary Net Position	
Net position held for others	\$ 204,175

City of Grand Island, Nebraska
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Custodial Funds
Additions	
Employee withholdings	\$ 1,685,534
Fees and licenses collected for others	49,545
Assessments collected for others	295,277
Other additions	73,631
Investment income	2,781
Total additions	2,106,768
Deductions	
Employee reimbursements	1,671,539
Owed to others	344,822
Other deduction	61,542
Total deductions	2,077,903
Change in fiduciary net position	28,865
Beginning fiduciary net position	175,310
Ending fiduciary net position	\$ 204,175

**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.

A. 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. The 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

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.

1. 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)

A. Financial Reporting Entity (Continued)

2. 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:

Component Unit	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.

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

B. Basis of Presentation

1. 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.

2. 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 proprietary 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)

B. Basis of Presentation (Continued)

2. 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 proprietary fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Description of Funds:

Governmental Funds:

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund and is 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 - This 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 - These 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, 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, Public Safety Stabilization, Parking District #1, Parking District #2, and Local Assistance funds.

Capital Projects Funds - These nonmajor 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 - This 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 proprietary funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

Permanent Funds - These 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)

B. Basis of Presentation (Continued)

Description of Funds: (Continued)

Proprietary Funds - Non-Major:

Non-Major Fund Types:

Enterprise Funds - These 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 - These 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.

Proprietary Funds - Major:

Electric Fund - This fund accounts for the revenues and expenses of the electric utility.

Water Fund - This fund accounts for the revenues and expenses of the water utility.

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

Enterprise Fund - Non-Major:

Landfill Fund - This fund accounts for the revenues and expenses for the maintenance and operation of the landfill.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Description of Funds: (Continued)

Fiduciary Funds:

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

Fund	Brief Description
Cafeteria Plan	Accounts for voluntary employee contributions as a tax-free reimbursement for medical and child care expenses.
Other Agencies	Accounts for fines and fees collected by the City which are ultimately remitted to Grand Island Public Schools.
Tri City Task Force	Accounts for the collection of grand monies and seized funds, which are used for the operation of the task force or ultimately remitted to the task force members.

C. 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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

D. 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.

E. 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.

F. 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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables (Continued)

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.

G. 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.

H. Restricted Assets

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

I. 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.

J. 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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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:

	Years
Buildings	25 - 50
Improvements	10 - 50
Machinery and equipment	3 - 20
Utility system	25 - 50

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.

K. 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 Other Post Employment Benefits (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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. 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.

N. Long-Term Debt

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

- ◆ Government-Wide Statements - All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and closure/post-closure liabilities.
- ◆ Fund Financial Statements - Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

O. 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."

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Classification

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

- ◆ Nonspendable - These are amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- ◆ Restricted - These are 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 - These are amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.
- ◆ Assigned - These are 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.

Q. 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 2023 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."

R. 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 2022-23 are recorded as revenue when expected to be collected within 60 days after September 30, 2023. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

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

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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.

T. Interfund Transfers

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

U. Implementation of New Accounting Standards

During 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription-based information technology arrangements. This statement establishes a single model for accounting for these arrangements based on the principle that these arrangements are financings of the right to use an underlying computer software or hardware asset. Under this Statement, an entity is required to recognize a subscription liability and an intangible right-to-use subscription asset.

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:

A. 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.

B. 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.

C. Revenue Restrictions

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

D. 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)

E. 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.

F. 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.

1. 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.
2. The budget is published with subsequent public hearings to obtain taxpayer comments.
3. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
4. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
5. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
6. 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.
7. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
8. The City of Grand Island adopts a budget by resolution for all fund types.

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk - This 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, 2023, 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)

B. 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: This 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 rising interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The 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	\$ 41,829,274	\$ 41,829,274	\$ -	\$ -	Not Rated
U.S. Treasury securities	79,034	-	79,034	-	AAA/Not Rated
Corporate bonds	867,969	-	867,969	-	BA1 to A1/BBB- to BBB+
Domestic common stocks	5,108,241	5,108,241	-	-	Not Rated
Mutual funds	247,228	247,228	-	-	Not Rated
Money markets	10,148,604	10,148,604	-	-	Not Rated
Total	\$ 58,280,350	\$ 57,333,347	\$ 947,003	\$ -	

Custodial Credit Risk - Investment: This 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, 2023, 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: This 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.

C. 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 in active markets; quoted prices in markets that are not active; or other inputs that are observable
- Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value of Investments (Continued)

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.

D. 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, 2023:

Investments by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasury securities	\$ 79,034	\$ -	\$ 79,034
Corporate bonds	867,969	-	867,969
Domestic common stocks	5,108,241	5,108,281	-
Total	\$ 6,055,244	\$ 5,108,281	\$ 947,003

E. Summary of Carrying Values

The carrying values of deposits and investments are as follows:

Deposits	\$ 106,333,682
Investments	58,280,350
Total	\$ 164,614,032

Included in the following Statement of Net Position captions:

	Statement of Net Position		Total
	Government Wide	Fiduciary Funds	
Cash and cash equivalents	\$ 101,774,675	\$ 166,191	\$ 101,940,866
Restricted cash and cash equivalents	4,392,816	-	4,392,816
Investments	44,737,353	139,891	44,877,244
Restricted investments	13,403,106	-	13,403,106
Total	\$ 164,307,950	\$ 306,082	\$ 164,614,032

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 4 - ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable at September 30, 2023, consist of the following:

Fund	Taxes	Accounts	Special Assessments	Interest	Notes	Lease	Gross Receivables	Allowance	Net
General	\$ 797,771	\$ 1,665,347	\$ -	\$ 434,577	\$ -	\$ -	\$ 2,897,695	\$ -	\$ 2,897,695
Streets	-	23,601	1,050	207	-	-	24,858	-	24,858
Nonmajor	31,043	125,560	229,476	62,914	428,997	85,820	963,810	-	963,810
Electric	-	10,464,154	-	372,064	-	-	10,836,218	(500,600)	10,335,618
Water	-	1,111,073	51,450	54,051	-	-	1,216,574	-	1,216,574
Sewer	-	2,405,333	835,789	150,525	1,529,723	-	4,921,370	(49,463)	4,871,907
Landfill	-	343,120	-	79,542	-	-	422,662	-	422,662
Internal Service	-	25,415	-	54,494	-	-	79,909	-	79,909
Total	<u>\$ 828,814</u>	<u>\$ 16,163,603</u>	<u>\$ 1,117,765</u>	<u>\$ 1,208,374</u>	<u>\$ 1,958,720</u>	<u>\$ 85,820</u>	<u>\$ 21,363,096</u>	<u>\$ (550,063)</u>	<u>\$ 20,813,033</u>

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 8,731,739	\$ 279,599	\$ (1,011,801)	\$ 137,319	\$ 8,136,856
Infrastructure	312,915,213	2,101,103	-	29,344,199	344,360,515
Construction in progress	38,001,451	11,981,322	(746,697)	(30,432,498)	18,803,578
Total capital assets, not being depreciated	<u>359,648,403</u>	<u>14,362,024</u>	<u>(1,758,498)</u>	<u>(950,980)</u>	<u>371,300,949</u>
Capital assets, being depreciated					
Land improvements	31,267,114	74,936	-	540,157	31,882,207
Right-to-use - land	103,840	-	-	-	103,840
Buildings	65,710,480	1,703,770	(531,979)	239,003	67,121,274
Right-to-use - buildings	56,543	-	-	-	56,543
Machinery and equipment	11,289,575	1,589,337	(332,691)	171,820	12,718,041
Right-to-use - machinery and equipment	694,200	-	-	-	694,200
Office furniture and equipment	3,135,805	-	-	-	3,135,805
Vehicles	11,894,340	410,202	(208,613)	-	12,095,929
Right-to-use - vehicles	178,846	-	-	-	178,846
Right-to-use - subscriptions	-	197,781	-	-	197,781
Total capital assets, being depreciated	<u>124,330,743</u>	<u>3,976,026</u>	<u>(1,073,283)</u>	<u>950,980</u>	<u>128,184,466</u>
Less accumulated depreciation for					
Land improvements	12,145,997	1,960,967	(1,011,801)	-	13,095,163
Buildings	33,753,335	2,318,077	(531,979)	-	35,539,433
Machinery and equipment	8,430,555	769,181	(332,691)	-	8,867,045
Office furniture and equipment	3,034,316	39,986	-	-	3,074,302
Vehicles	8,735,118	819,124	(208,613)	-	9,345,629
Right-to-use	274,757	316,800	-	-	591,557
Total accumulated depreciation	<u>66,374,078</u>	<u>6,224,135</u>	<u>(2,085,084)</u>	<u>-</u>	<u>70,513,129</u>
Total capital assets, being depreciated, net	<u>57,956,665</u>	<u>(2,248,109)</u>	<u>1,011,801</u>	<u>950,980</u>	<u>57,671,337</u>
Governmental activities capital assets, net	<u>\$ 417,605,068</u>	<u>\$ 12,113,915</u>	<u>\$ (746,697)</u>	<u>\$ -</u>	<u>\$ 428,972,286</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	19,993,919	24,331,823	(805,762)	(14,586,484)	28,933,496
Total capital assets, not being depreciated	<u>24,791,137</u>	<u>24,331,823</u>	<u>(805,762)</u>	<u>(14,586,484)</u>	<u>33,730,714</u>
Capital assets, being depreciated					
Land improvements	158,832,699	1,125,867	-	6,037,830	165,996,396
Buildings, distribution systems, equipment	497,708,087	3,149,550	(863,384)	8,748,653	508,742,906
Office furniture and equipment	356,719	-	-	-	356,719
Vehicles	10,613,636	292,835	(173,652)	-	10,732,819
Total capital assets, being depreciated	<u>667,511,141</u>	<u>4,568,252</u>	<u>(1,037,036)</u>	<u>14,786,483</u>	<u>685,828,840</u>
Less accumulated depreciation for					
Land improvements	66,194,082	5,101,012	-	-	71,295,094
Buildings, distribution systems, equipment	304,447,680	14,883,508	(1,155,810)	-	318,175,378
Office furniture and equipment	356,720	-	-	-	356,720
Vehicles	8,490,536	314,650	(111,040)	-	8,694,146
Total accumulated depreciation	<u>379,489,018</u>	<u>20,299,170</u>	<u>(1,266,850)</u>	<u>-</u>	<u>398,521,338</u>
Total capital assets, being depreciated, net	<u>288,022,123</u>	<u>(15,730,918)</u>	<u>229,814</u>	<u>14,786,483</u>	<u>287,307,502</u>
Business-type activities capital assets, net	<u>\$ 312,813,260</u>	<u>\$ 8,600,905</u>	<u>\$ (575,948)</u>	<u>\$ 199,999</u>	<u>\$ 321,038,216</u>

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged as follows:

Governmental activities	
General government	\$ 325,662
Public safety	1,556,904
Public works	847,288
Environment and leisure	2,556,825
Nondepartmental	<u>937,456</u>
 Total depreciation expense - governmental	 <u><u>\$ 6,224,135</u></u>
 Business-type activities	
Electric	\$ 12,786,175
Water	1,212,264
Sewer	5,513,570
Landfill	<u>787,161</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 20,299,170</u></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, 2023:

	Balances at 10/1/2022	Additions	Retirements or Other Reductions	Balances at 9/30/2023	Amount Due Within One Year
Governmental activities					
Bonds payable	\$ 18,316,885	\$ -	\$ (2,097,186)	\$ 16,219,699	\$ 2,154,408
Bond premium	1,325,317	-	(174,031)	1,151,286	-
Notes payable - direct borrowings	2,915,325	-	(498,869)	2,416,456	512,110
SBITA liability - direct borrowing	-	197,781	(84,953)	112,828	86,163
Lease liability - direct borrowings	737,462	-	(263,018)	474,444	248,422
Compensated absences	2,750,803	204,169	-	2,954,972	590,994
Total governmental activities	<u>26,045,792</u>	<u>401,950</u>	<u>(3,118,057)</u>	<u>23,329,685</u>	<u>3,592,097</u>
Business-type activities					
Bonds payable	78,695,000	-	(6,875,000)	71,820,000	6,960,000
Bond premium	4,188,563	-	(321,841)	3,866,722	-
Compensated absences	2,101,202	51,513	-	2,152,715	385,625
Closure/post-closure liability	5,526,317	651,180	-	6,177,497	-
Total business-type activities	<u>90,511,082</u>	<u>702,693</u>	<u>(7,196,841)</u>	<u>84,016,934</u>	<u>7,345,625</u>
Total primary government	<u>\$116,556,874</u>	<u>\$ 1,104,643</u>	<u>\$ (10,314,898)</u>	<u>\$107,346,619</u>	<u>\$ 10,937,722</u>
Component units					
Bonds payable	<u>\$ 195,000</u>	<u>\$ -</u>	<u>\$ (195,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary funds					
Lease liability - direct borrowings	<u>\$ 364,268</u>	<u>\$ -</u>	<u>\$ (40,133)</u>	<u>\$ 324,135</u>	<u>\$ 41,269</u>

A. Governmental Activities

As of September 30, 2023, the governmental activities long-term debt consisted of the following:

Governmental Activities					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Bonds payable					
\$ 1,231,000	11/9/2015	General Obligation Various Purpose Bonds	2.30%	12/15/2024	\$ 291,000
4,435,000	12/23/2016	Public Safety Anticipation Bonds	2.90%	12/15/2036	2,484,800
3,728,681	4/5/2017	Refunding Building Bonds (Heartland Events Center Project)	1.80%	12/15/2024	978,899
15,000,000	11/19/2020	Highway Allocation Fund Pledge Bonds	3.0 - 4.0%	11/15/2030	12,465,000
Total Bonds Payable					<u>\$ 16,219,699</u>

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 6 - LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Notes Payable - Direct Borrowing					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
\$ 5,000,000	12/8/2016	Promissory Note	Various	12/8/2028	\$ <u>2,416,456</u>
Lease and SBITA Liability - Direct Borrowings					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
\$ 299,557	12/6/2018	Lease - Combo Sewer/Cleaner	4.76%	12/6/2023	\$ 63,421
178,846	10/1/2021	Lease - Golf Car	0.41%	1/10/2025	69,052
103,840	10/1/2021	Lease - Golf Land	0.33%	4/30/2026	53,686
230,882	10/1/2021	Lease - Golf Equipment	0.71%	10/31/2026	122,583
387,176	11/13/2020	Lease - Combo Street Sweeper/Loader	3.45%	10/10/2026	165,702
120,133	10/1/2022	SBITA - ESRI	0.00%	5/31/2025	60,540
12,767	12/19/2022	SBITA - Filevine License	0.00%	12/18/2025	8,375
49,021	10/1/2022	SBITA - SIP Communication Software	0.00%	8/31/2026	33,115
15,860	10/1/2022	SBITA - GIS Map Data	0.00%	4/30/2026	<u>10,798</u>
Total Lease Liability					<u>\$ 587,272</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 various funds are paying the capital lease obligations. The lease agreements are secured by the related financed facilities and equipment.

B. Business-Type Activities

As of September 30, 2023, the long-term debt payable from proprietary fund resources consisted of the following:

Business-Type Activities					
Original Amount	Issued	Issue	Interest Rate	Final Maturity	Outstanding
Bonds payable					
\$ 92,760,000	11/10/2020	Combined Utilities Revenue Refunding Bonds	0.443 - 4.00%	8/15/2037	<u>\$ 71,820,000</u>

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 6 - LONG-TERM DEBT (CONTINUED)

C. Debt Service Requirements

Annual debt service requirement to maturity, including principal and interest, for long-term debt as of September 30, 2023, are as follows:

Bonds Payable

Year Ended September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 2,154,408	\$ 479,112	\$ 6,960,000	\$ 1,788,741
2025	2,225,491	406,522	7,065,000	1,683,835
2026	1,645,000	335,860	7,185,000	1,568,874
2027	1,705,000	278,348	7,325,000	1,432,426
2028	1,755,000	226,613	7,475,000	1,278,769
2029-2033	5,944,800	410,565	18,695,000	4,488,705
2034-2038	790,000	46,545	17,115,000	1,416,630
Total	<u>\$ 16,219,699</u>	<u>\$ 2,183,565</u>	<u>\$ 71,820,000</u>	<u>\$ 13,657,980</u>

Notes Payable - Direct Borrowings

Year Ended September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 512,110	\$ 62,056
2025	526,082	48,084
2026	540,435	33,730
2027	555,181	18,985
2028	282,648	3,888
Total	<u>\$ 2,416,456</u>	<u>\$ 166,743</u>

Lease and SBITA Payable - Direct Borrowings

Year ended September 30,	Governmental Activities		Fiduciary Funds	
	Principle	Interest	Principle	Interest
2024	\$ 334,585	\$ 10,062	\$ 41,269	\$ 4,031
2025	159,960	4,508	42,120	3,480
2026	87,731	2,157	43,282	2,918
2027	4,996	2	44,160	2,340
2028	-	-	44,747	1,753
2029-2033	-	-	108,557	1,744
Total	<u>\$ 587,272</u>	<u>\$ 32,252</u>	<u>\$ 324,135</u>	<u>\$ 20,832</u>

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 6 - LONG-TERM DEBT (CONTINUED)

D. 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 \$1,095,449 at September 30, 2023, which is based on 43.46% usage (filled) of the ash disposal area. The remaining estimated liability for these costs is approximately \$1,425,200 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, 2023. 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, 2023, the City incurred a liability of \$5,082,048 for the municipal solid waste landfill, which represents the costs reported to date based on the approximately 41.5% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$7,200,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 35 years).

The City meets the requirements of the *Local Government Financial Test*, so they are not subject to annual funding requirements. At September 30, 2023, funds of \$5,195,738 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 by 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 \$1,095,449 as of September 30, 2023. The amount on deposit in the closure/post-closure care account was \$2,520,592 at September 30, 2023. These funds are presented on the City's statement of net position as "restricted for landfill closure/post-closure costs."

City of Grand Island, Nebraska
Notes to Basic Financial Statements

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	Water	Sewer	Landfill	Internal Service	
General	\$ -	\$ -	\$ 116,087	\$ -	\$ -	\$ 6,985	\$ 88,947	\$ 212,019
Streets	104,887	-	34,542	-	2,198	1,499	86,525	229,651
Nonmajor Governmental	507,895	1,722	1,236	-	-	-	-	510,853
Electric	518,988	-	-	-	-	-	32,784	551,772
Water	133,267	-	23	-	-	-	3,521	136,811
Sewer	199,873	-	45,781	30	-	17,063	7,741	270,488
Landfill	20,770	-	23	-	-	-	1,472	22,265
Internal Service	28,036	-	550	-	-	-	195	28,781
Total	\$ 1,513,716	\$ 1,722	\$ 198,242	\$ 30	\$ 2,198	\$ 25,547	\$ 221,185	\$ 1,962,640

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 5% 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. For the year ended September 30, 2023, \$3,325,366 are included in transfers.

The Water Fund remits 2% 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. For the year ended September 30, 2023, \$141,225 are included in transfers.

NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLANS

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

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

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

NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)

A. 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 participant 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:

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

The plan members and the City contributed \$2,104,332 and \$2,018,323, respectively, for the fiscal year ended September 30, 2023.

B. Police Plan

All regular full-time sworn officers of the City are covered by a defined contribution plan. 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 \$537,950 and \$518,205, respectively, to the plan in fiscal 2023. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2023. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

C. 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 \$332,323 and \$664,647, respectively, to the plan in fiscal 2023. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2023. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)

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

NOTE 9 - POLICE AND FIRE DEFINED BENEFIT RETIREMENT PLAN

A. 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.

B. 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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

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

C. Plan Membership

As of September 30, 2023, plan membership consisted of the following:

Inactive members and beneficiaries receiving benefits	12
Active plan members - Police	-
Active plan members - Fire	-
	-
Total participants	12

D. 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.

E. Actuarial Methods and Assumptions

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

Valuation Date	September 30, 2023
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.0% per year for defined contribution accounts
Mortality Rates	Pub-2010 Safety Retiree Mortality Table, projected generationally using Scale MP-2021

F. Total Pension Liability

The total pension liability of the City at September 30, 2023, was \$450,659.

G. Discount Rate

The discount rate used to measure the total pension liability as of September 30, 2023, was 3.93%, which is an increase from the discount rate of 3.82% used to measure the total pension liability at September 30, 2022. As an unfunded plan, the discount rate reflects the monthly average for 20-year, tax exempt 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 9 - POLICE AND FIRE DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

H. 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 3.93%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current rate:

Total Pension Liability		
1% Decrease in Discount Rate 2.93%	Current Discount Rate 3.93%	1% Increase in Discount Rate 4.93%
\$ 470,251	\$ 450,659	\$ 432,657

I. Changes in the Total Pension Liability

	Total Pension Liability
Balance, beginning of year	\$ 543,182
Changes for the year	
Interest on total pension liability	19,070
Net collective differences between expected and actual experience	(20,733)
Changes in assumptions	(2,074)
Benefit payments	(88,786)
Net changes	(92,523)
Balance, end of year	\$ 450,659

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

Pension expense for the year ended September 30, 2023, was \$(3,737).

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, 2023, there were no deferred items related to the Plan.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

A. 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.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. 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.

C. Plan Membership

As of September 30, 2023, plan membership consisted of the following:

Disabled members currently receiving benefits	3
Active employees - Police	80
Active employees - Fire	66
Total	149

D. 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.

E. Actuarial Methods and Assumptions

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

Valuation Date	September 30, 2021
Measurement Date	September 30, 2023
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

F. Total OPEB Liability

The total OPEB liability of the City at September 30, 2023, was \$1,635,914.

G. Discount Rate

The discount rate used to measure the total OPEB liability as of September 30, 2023, was 3.93%, which is an increase from the discount rate of 3.82% used to measure the total OPEB liability at September 30, 2022. As an unfunded plan, the discount rate reflects the monthly average for 20-year, tax exempt 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 POST EMPLOYMENT BENEFITS (CONTINUED)

H. 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 3.93%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current rate:

Total OPEB Liability		
1% Decrease in Discount Rate 2.93%	Current Discount Rate 3.93%	1% Increase in Discount Rate 4.93%
\$ 1,919,983	\$ 1,635,914	\$ 1,410,172

I. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, beginning of Year	\$ 1,593,993
Changes for the year	
Service cost	82,135
Interest	59,535
Net collective differences between expected and actual experience	-
Changes of assumptions	(28,110)
Benefit payments	(71,639)
Net changes	41,921
Balance, end of Year	\$ 1,635,914

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

Total OPEB expense for the year ended September 30, 2023, was \$89,311.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

**J. 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	\$ 408,853	\$ (537,455)
Net collective differences between expected and actual experience	-	(478,658)
Total	\$ 408,853	\$ (1,016,113)

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	\$ (52,359)
2024	(52,359)
2025	(52,359)
2026	(52,359)
2027	(52,359)
Thereafter	(345,465)
Total	\$ (607,260)

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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 11 - RISK MANAGEMENT (CONTINUED)

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. 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.

D. 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, 2023 and 2022, respectively, was approximately 173 MW in August 2023 and 164 MW in August 2022.

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.

E. 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. 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.

City of Grand Island, Nebraska
Notes to Basic Financial Statements

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Purchased Power Agreements (Continued)

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 Authority (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, 2023, were approximately \$6.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

City of Grand Island, Nebraska
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2023

	Original/Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 39,263,632	\$ 43,241,543	\$ 3,977,911
Licenses and permits	765,000	766,506	1,506
Intergovernmental revenues	6,060,709	4,107,225	(1,953,484)
Charges for services	4,800,458	12,368,082	7,567,624
Investment income (loss)	1,180,000	1,894,999	714,999
Miscellaneous	2,805,740	306,491	(2,499,249)
Total Revenues	<u>54,875,539</u>	<u>62,684,846</u>	<u>7,809,307</u>
Expenditures			
General government	5,909,455	3,297,345	(2,612,110)
Public works	2,567,571	1,537,863	(1,029,708)
Public safety	29,978,255	30,660,572	682,317
Environment and leisure	8,651,076	9,002,650	351,574
Nondepartmental	1,870,474	8,797,371	6,926,897
Debt principal and interest	501,185	504,186	3,001
Total expenditures	<u>49,478,016</u>	<u>53,799,987</u>	<u>4,321,971</u>
Excess of revenues over expenditures	<u>5,397,523</u>	<u>8,884,859</u>	<u>3,487,336</u>
Other Financing Sources (Uses)			
Proceeds from sales of capital assets	40,000	77,188	37,188
Operating transfers, net	(519,000)	(6,272,959)	(5,753,959)
Total other financing sources	<u>(479,000)</u>	<u>(6,195,771)</u>	<u>(5,716,771)</u>
Net Change in Fund Balances	<u>\$ 4,918,523</u>	<u>\$ 2,689,088</u>	<u>\$ (2,229,435)</u>

City of Grand Island, Nebraska
 Budgetary Comparison Schedule
 Streets Fund
 Year Ended September 30, 2023

	Original/Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 1,700,000	\$ 2,881,016	\$ 1,181,016
Licenses and permits	15,000	16,731	1,731
Intergovernmental revenues	8,337,471	8,965,137	627,666
Charges for services	350,000	356,437	6,437
Miscellaneous	40,000	52,938	1,816,850
Total revenues	<u>10,442,471</u>	<u>12,272,259</u>	<u>3,633,700</u>
Expenditures			
Public works	21,136,917	17,697,891	3,439,026
Total expenditures	<u>21,136,917</u>	<u>17,697,891</u>	<u>3,439,026</u>
Excess of revenues over (under) expenditures	<u>(10,694,446)</u>	<u>(5,425,632)</u>	<u>194,674</u>
Other Financing Sources (Uses)			
Operating transfers, net	6,225,550	6,225,550	-
Total other financing sources	<u>6,225,550</u>	<u>6,225,550</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (4,468,896)</u>	<u>\$ 799,918</u>	<u>\$ 194,674</u>

City of Grand Island, Nebraska
Budgetary Comparison Schedule
Note to Required Supplementary Information
Year Ended September 30, 2023

	General Fund	Streets Fund
Net change in fund balances	\$ 8,245,478	\$ 1,070,960
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	(5,556,390)	(271,042)
Balance on a budget basis	\$ 2,689,088	\$ 799,918

City of Grand Island, Nebraska
Schedule of Changes in the Total Pension
Liability and Related Ratios
Year Ended September 30, 2023

	2023	2022	2021	2020	2019	2018
Total pension liability						
Interest	\$ 19,070	\$ 13,230	\$ 16,209	\$ 20,926	\$ 36,990	\$ 41,278
Difference between expected and actual experience	(20,733)	12,651	(19,544)	51,334	(136,905)	-
Changes of assumptions	(2,074)	(44,719)	(18,209)	16,309	45,506	(29,917)
Benefit payments	(88,786)	(94,768)	(103,054)	(103,071)	(107,121)	(416,704)
Net change in total pension liability	(92,523)	(113,606)	(124,598)	(14,502)	(161,530)	(405,343)
Total pension liability Beginning of year	543,182	656,788	781,386	795,888	957,418	1,362,761
Total pension liability Ending of year	\$ 450,659	\$ 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

2023

Benefit changes - None

Changes of assumptions - The discount rate changed from 3.82% to 3.93%.

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB						
Service cost	\$ 82,135	\$ 123,787	\$ 129,037	\$ 106,742	\$ 75,756	\$ 83,394
Interest	59,535	51,203	50,316	60,763	68,028	62,099
Difference between expected and actual experience	-	(414,139)	-	(185,225)	-	-
Changes of assumptions	(28,110)	(490,258)	(14,372)	193,784	427,303	(149,831)
Benefit Payments	(71,639)	(72,020)	(71,727)	(72,034)	(71,759)	(72,056)
Net change in total OPEB liability	<u>41,921</u>	<u>(801,427)</u>	<u>93,254</u>	<u>104,030</u>	<u>499,328</u>	<u>(76,394)</u>
Total OPEB liability						
Beginning of year	<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>	<u>1,775,202</u>
Total OPEB liability						
Ending of year	<u>\$ 1,635,914</u>	<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	\$ 12,565,816	\$ 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	13.02%	12.79%	20.03%	20.06%	20.09%	15.98%

Notes to schedule

2023

Benefit changes - None

Changes of assumptions - The discount rate changed from 3.82% to 3.93%.

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, 2023

	Special Revenue Funds			
	Permanent Funds		Enhanced 911	PSC Wireless
	Library Trust	Cemetery Trust		
Assets				
Cash and cash equivalents	\$ -	\$ 1,103,665	\$ 148,077	\$ 47,216
Restricted cash	-	-	-	4,435
Investments	119,452	-	124,642	43,476
County treasurer cash	-	-	-	-
Receivables				
Accounts receivable	-	-	-	-
Property tax	-	-	-	-
Special assessments	-	-	-	-
Interest	-	11,056	-	-
Lease receivable	-	-	-	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>119,452</u>	<u>1,114,721</u>	<u>272,719</u>	<u>95,127</u>
Liabilities				
Accounts payable	-	-	-	-
Accrued expenses	-	-	2,282	-
Unearned revenue	-	-	-	-
Due to other funds	26,140	-	209,216	5,876
Total liabilities	<u>26,140</u>	<u>-</u>	<u>211,498</u>	<u>5,876</u>
Deferred Inflows of Resources				
Lease receivable	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable				
Cemetery perpetual care	-	1,114,721	-	-
Library trust	93,312	-	-	-
Restricted for				
Economic development	-	-	-	-
Federal programs	-	-	-	-
Housing loans	-	-	-	-
Community improvements	-	-	-	-
Debt service	-	-	-	-
Other purposes	-	-	-	-
Assigned	-	-	61,221	89,251
Unassigned	-	-	-	-
Total fund balances	<u>93,312</u>	<u>1,114,721</u>	<u>61,221</u>	<u>89,251</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 119,452</u>	 <u>\$ 1,114,721</u>	 <u>\$ 272,719</u>	 <u>\$ 95,127</u>

Special Revenue Funds

Keno	Transportation	Community Youth Council	Program Income Reuse Fund	Housing Reuse Fund	Community Development	Metropolitan Planning Organization
\$ 513,380	\$ 27,009	\$ 22,769	\$ 63,220	\$ 111,533	\$ -	\$ 71,471
-	-	-	-	-	25,543	-
432,132	22,735	19,165	53,215	-	(12,393)	60,161
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,784	838	290	-	-	-	1,466
-	33,283	-	-	-	-	-
-	-	-	28,583	102,243	-	-
-	-	-	-	-	-	-
26,631	198,172	-	-	-	-	-
<u>978,927</u>	<u>282,037</u>	<u>42,224</u>	<u>145,018</u>	<u>213,776</u>	<u>13,150</u>	<u>133,098</u>
3,042	135,133	-	28,583	-	-	-
-	2,553	-	-	-	1,865	2,296
-	-	-	-	-	-	-
1,576	281	488	-	-	41,506	4,494
<u>4,618</u>	<u>137,967</u>	<u>488</u>	<u>28,583</u>	<u>-</u>	<u>43,371</u>	<u>6,790</u>
-	33,184	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>33,184</u>	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	116,435	-	-	-
-	-	-	-	-	-	-
-	-	-	-	213,776	-	-
974,309	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	110,886	41,736	-	-	(30,221)	126,308
-	-	-	-	-	-	-
<u>974,309</u>	<u>110,886</u>	<u>41,736</u>	<u>116,435</u>	<u>213,776</u>	<u>(30,221)</u>	<u>126,308</u>
<u>\$ 978,927</u>	<u>\$ 282,037</u>	<u>\$ 42,224</u>	<u>\$ 145,018</u>	<u>\$ 213,776</u>	<u>\$ 13,150</u>	<u>\$ 133,098</u>

City of Grand Island, Nebraska
Combining Balance Sheet- Continued
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds			
	Police Grants	Occupation Tax	Parking District #1	Parking District #2
Assets				
Cash and cash equivalents	\$ 1,691	\$ 2,156,033	\$ 99,484	\$ 23,231
Restricted cash	-	86,742	-	19,657
Investments	1,423	1,887,833	83,740	19,554
County treasurer cash	-	-	-	227
Receivables				
Accounts receivable	5,000	120,560	-	-
Property tax	-	-	-	-
Special assessments	-	-	515	-
Interest	-	21,088	1,232	417
Lease receivable	-	-	52,537	-
Notes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	20,621	-	-	227
Total assets	<u>28,735</u>	<u>4,272,256</u>	<u>237,508</u>	<u>63,313</u>
Liabilities				
Accounts payable	-	363,212	-	-
Accrued expenses	-	-	-	-
Unearned revenue	-	-	1,279	-
Due to other funds	3,180	8,700	9,661	2,529
Total liabilities	<u>3,180</u>	<u>371,912</u>	<u>10,940</u>	<u>2,529</u>
Deferred Inflows of Resources				
Lease receivable	-	-	52,537	-
Unavailable revenue	-	-	515	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>53,052</u>	<u>-</u>
Fund Balances				
Nonspendable				
Cemetery perpetual care	-	-	-	-
Library trust	-	-	-	-
Restricted for				
Economic development	-	-	-	-
Federal programs	25,555	-	-	-
Housing loans	-	-	-	-
Community improvements	-	3,900,344	-	-
Debt service	-	-	-	-
Other purposes	-	-	-	60,784
Assigned	-	-	173,516	-
Unassigned	-	-	-	-
Total fund balances	<u>25,555</u>	<u>3,900,344</u>	<u>173,516</u>	<u>60,784</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 28,735</u>	 <u>\$ 4,272,256</u>	 <u>\$ 237,508</u>	 <u>\$ 63,313</u>

Special Revenue Funds						Capital Projects Funds	
Local Assistance	Pioneer Consortium	HUD Entitlements	Economic Developments	Community Grants	Public Safety Stabilization	Capital Projects	Special Assessments
\$ 461,626	\$ -	\$ -	\$ 810,388	\$ 34,020	542,965	\$ 1,699,248	\$ 138,406
-	-	-	-	-	-	-	-
419,909	-	-	682,136	28,636	457,035	1,430,325	116,502
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	228,961
1,360	-	-	12,158	-	-	-	3,874
-	-	-	-	-	-	-	-
-	-	-	298,171	-	-	-	-
-	-	1,722	-	-	-	-	-
-	-	200,000	-	-	-	-	-
<u>882,895</u>	<u>-</u>	<u>201,722</u>	<u>1,802,853</u>	<u>62,656</u>	<u>1,000,000</u>	<u>3,129,573</u>	<u>487,743</u>
-	-	-	-	-	-	40,994	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,784	-	146,016	-	-	-	406	-
<u>50,784</u>	<u>-</u>	<u>146,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,400</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	231,472
-	-	-	-	-	-	-	<u>231,472</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,802,853	-	-	-	-
-	-	-	-	62,656	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	55,706	-	-	1,000,000	-	-
832,111	-	-	-	-	-	3,088,173	256,271
-	-	-	-	-	-	-	-
<u>832,111</u>	<u>-</u>	<u>55,706</u>	<u>1,802,853</u>	<u>62,656</u>	<u>1,000,000</u>	<u>3,088,173</u>	<u>256,271</u>
<u>\$ 882,895</u>	<u>\$ -</u>	<u>\$ 201,722</u>	<u>\$ 1,802,853</u>	<u>\$ 62,656</u>	<u>\$ 1,000,000</u>	<u>\$ 3,129,573</u>	<u>\$ 487,743</u>

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

	Debt Service Fund	Total Nonmajor Governmental Funds
Assets		
Cash and cash equivalents	\$ 218,597	\$ 8,294,029
Restricted cash	-	136,377
Investments	184,002	6,173,680
County treasurer cash	-	227
Receivables		
Accounts receivable	-	125,560
Property tax	31,043	31,043
Special assessments	-	229,476
Interest	2,351	62,914
Lease receivable	-	85,820
Notes receivable	-	428,997
Due from other funds	-	1,722
Due from other governments	-	445,651
Total assets	435,993	16,015,496
Liabilities		
Accounts payable	-	570,964
Accrued expenses	-	8,996
Unearned revenue	-	1,279
Due to other funds	-	510,853
Total liabilities	-	1,092,092
Deferred Inflows of Resources		
Lease receivable	-	85,721
Unavailable revenue	31,043	263,030
Total deferred inflows of resources	31,043	348,751
Fund Balances		
Nonspendable		
Cemetery perpetual care	-	1,114,721
Library trust	-	93,312
Restricted for		
Economic development	-	1,919,288
Federal programs	-	88,211
Housing loans	-	213,776
Community improvements	-	4,874,653
Debt service	404,950	404,950
Other purposes	-	1,116,490
Assigned	-	4,749,252
Unassigned	-	-
Total fund balances	404,950	14,574,653
Total liabilities, deferred inflows of resources, and fund balances	\$ 435,993	\$ 16,015,496

City of Grand Island, Nebraska
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds			
	Permanent Funds		Enhanced 911	PSC Wireless
	Library Trust	Cemetery Trust		
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-
Occupation	-	-	-	-
Intergovernmental	-	-	-	-
Keno	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	40,620	110,500	119,588
Investment income (loss)	28,398	30,128	-	-
Contributions and grants	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>28,398</u>	<u>70,748</u>	<u>110,500</u>	<u>119,588</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	158,044	106,887
Public works	-	-	-	-
Environment and leisure	4,993	-	-	-
Capital outlay	-	-	15,860	-
Debt service				
Principal payments on long-term debt	-	-	5,063	-
Interest on long-term debt	-	-	302	-
Total expenditures	<u>4,993</u>	<u>-</u>	<u>179,269</u>	<u>106,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,405</u>	<u>70,748</u>	<u>(68,769)</u>	<u>12,701</u>
Other Financing Sources (Uses)				
Subscription proceeds	-	-	15,860	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,860</u>	<u>-</u>
Net change in fund balances	23,405	70,748	(52,909)	12,701
Fund balances, beginning of year	<u>69,907</u>	<u>1,043,973</u>	<u>114,130</u>	<u>76,550</u>
Fund balances, ending	<u>\$ 93,312</u>	<u>\$ 1,114,721</u>	<u>\$ 61,221</u>	<u>\$ 89,251</u>

Special Revenue Funds

Keno	Transportation	Community Youth Council	Program Income Reuse Fund	Housing Reuse Fund	Community Development	Metropolitan Planning Organization
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,175,279	-	-	-	-	114,366
313,651	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,708	2,439	791	1,768	1,718	123	4,679
-	-	-	-	-	-	-
-	0	-	12,500	4,056	35,251	-
<u>332,359</u>	<u>1,177,718</u>	<u>791</u>	<u>14,268</u>	<u>5,774</u>	<u>35,374</u>	<u>119,045</u>
942	-	-	464	-	121,438	157,400
-	-	-	-	-	-	-
-	-	-	-	-	-	-
243,439	1,462,807	4	-	34,393	-	-
47,261	-	-	-	-	-	-
-	16,653	-	-	-	-	-
-	14	-	-	-	-	-
<u>291,642</u>	<u>1,479,474</u>	<u>4</u>	<u>464</u>	<u>34,393</u>	<u>121,438</u>	<u>157,400</u>
<u>40,717</u>	<u>(301,756)</u>	<u>787</u>	<u>13,804</u>	<u>(28,619)</u>	<u>(86,064)</u>	<u>(38,355)</u>
-	-	-	-	-	-	-
-	330,000	-	-	-	25,000	-
-	-	-	-	-	-	-
-	<u>330,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
40,717	28,244	787	13,804	(28,619)	(61,064)	(38,355)
933,592	82,642	40,949	102,631	242,395	30,843	164,663
<u>\$ 974,309</u>	<u>\$ 110,886</u>	<u>\$ 41,736</u>	<u>\$ 116,435</u>	<u>\$ 213,776</u>	<u>\$ (30,221)</u>	<u>\$ 126,308</u>

City of Grand Island, Nebraska
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds				
	Police Grants	Occupation Tax	Parking District #1	Parking District #2	Local Assistance
Revenues					
Taxes					
Property	\$ -	\$ -	\$ -	\$ 8,276	\$ -
Motor vehicle	-	-	-	29	-
Occupation	-	4,032,055	226	-	-
Intergovernmental	149,213	-	-	-	47,849
Keno	-	-	-	-	-
Special assessments	-	-	67,200	-	-
Charges for services	-	125,988	702	8,970	115,394
Investment income (loss)	-	36,385	9,522	1,112	9,013
Contributions and grants	-	-	-	-	115,794
Other revenue	25,500	721,584	-	-	-
Total revenues	<u>174,713</u>	<u>4,916,012</u>	<u>77,650</u>	<u>18,387</u>	<u>288,050</u>
Expenditures					
Current					
General government	-	1,423,518	65,800	14,132	-
Public safety	156,666	-	-	-	78,169
Public works	-	-	-	-	-
Environment and leisure	-	2,267,870	-	-	98,632
Capital outlay	-	488,311	-	-	-
Debt Service					
Principal payments on long-term debt	-	498,869	-	-	-
Interest on long-term debt	-	75,296	-	-	-
Total expenditures	<u>156,666</u>	<u>4,753,864</u>	<u>65,800</u>	<u>14,132</u>	<u>176,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,047</u>	<u>162,148</u>	<u>11,850</u>	<u>4,255</u>	<u>111,249</u>
Other Financing Sources (Uses)					
Subscription proceeds	-	-	-	-	-
Transfers in	-	-	100,000	-	-
Transfers out	-	(125,000)	-	-	(35,000)
Total other financing sources (uses)	<u>-</u>	<u>(125,000)</u>	<u>100,000</u>	<u>-</u>	<u>(35,000)</u>
Net change in fund balances	18,047	37,148	111,850	4,255	76,249
Fund balances, beginning of year	<u>7,508</u>	<u>3,863,196</u>	<u>61,666</u>	<u>56,529</u>	<u>755,862</u>
Fund balances, ending of year	<u>\$ 25,555</u>	<u>\$ 3,900,344</u>	<u>\$ 173,516</u>	<u>\$ 60,784</u>	<u>\$ 832,111</u>

Special Revenue Funds					Capital Projects Funds	
Pioneer Consortium	HUD Entitlements	Economic Developments	Community Grants	Public Safety Stabilization	Capital Projects	Special Assessments
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	480,272	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	211,072
-	-	34,409	-	-	-	5,578
-	-	-	-	-	-	-
-	-	-	-	-	2,046	-
-	480,272	34,409	-	-	2,046	216,650
-	453,353	758,333	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	525,142	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	453,353	758,333	-	-	525,142	-
-	26,919	(723,924)	-	-	(523,096)	216,650
-	-	-	-	-	-	-
-	-	750,000	-	1,000,000	955,000	-
-	-	-	-	-	-	(150,936)
-	-	750,000	-	1,000,000	955,000	(150,936)
-	26,919	26,076	-	1,000,000	431,904	65,714
-	28,787	1,776,777	62,656	-	2,656,269	190,557
\$ -	\$ 55,706	\$ 1,802,853	\$ 62,656	\$ 1,000,000	\$ 3,088,173	\$ 256,271

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City of Grand Island, Nebraska
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
September 30, 2023

	<u>Debt Service Fund</u>
Revenues	
Taxes	
Property	\$ -
Motor vehicle	-
Occupation	-
Intergovernmental	-
Keno	-
Special assessments	-
Charges for services	-
Investment income (loss)	6,580
Contributions and grants	-
Other revenue	-
Total revenues	<u>6,580</u>
Expenditures	
Current	
General government	-
Public safety	-
Public works	-
Environment and leisure	-
Capital outlay	-
Debt Service	
Principal payments on long-term debt	296,000
Interest on long-term debt	87,983
Total expenditures	<u>383,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(377,403)</u>
Other Financing Sources (Uses)	
Subscription proceeds	-
Transfers in	664,936
Transfers out	-
Total other financing sources (uses)	<u>664,936</u>
Net change in fund balances	287,533
Fund balances, beginning of year	<u>117,417</u>
Fund balances, ending	<u>\$ 404,950</u>

City of Grand Island, Nebraska
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Assets					
Current assets					
Cash and cash equivalents	\$ 280,915	\$ 158,517	\$ 4,017,377	\$ 237,163	\$ 4,693,972
Investments	236,458	133,430	3,288,572	199,630	3,858,090
Receivables					
Accounts, net	1,519	8,856	15,040	-	25,415
Interest	4,936	1,902	44,551	3,105	54,494
Due from other funds	16,605	178,862	25,718	-	221,185
Inventory	-	147,910	-	-	147,910
Total current assets	540,433	629,477	7,391,258	439,898	9,001,066
Noncurrent assets					
Capital assets					
Buildings and equipment	1,564,421	328,615	-	-	1,893,036
Subscription right of use asset	75,083	-	-	-	75,083
Less accumulated depreciation	(1,500,195)	(275,945)	-	-	(1,776,140)
Net capital assets	139,309	52,670	-	-	191,979
Total assets	679,742	682,147	7,391,258	439,898	9,193,045
Liabilities					
Current liabilities					
Accounts payable	-	56,544	372,890	-	429,434
Accrued expenses	10,924	6,673	770,340	-	787,937
Due to other funds	12	5,959	22,810	-	28,781
Deferred revenue	1,519	-	-	-	1,519
Compensated absences- current	39,725	18,829	-	-	58,554
Total current liabilities	52,180	88,005	1,166,040	-	1,306,225
Noncurrent liabilities					
Subscription liability	60,540	-	-	-	60,540
Compensated absences- noncurrent	20,691	12,839	-	-	33,530
Total liabilities	133,411	100,844	1,166,040	-	1,400,295
Net Position					
Net investment in capital assets	139,309	52,670	-	-	191,979
Unrestricted	407,022	528,633	6,225,218	439,898	7,600,771
Total net position	\$ 546,331	\$ 581,303	\$ 6,225,218	\$ 439,898	\$ 7,792,750

City of Grand Island, Nebraska
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
September 30, 2023

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Operating Revenues					
Charges for services	\$ 1,693,988	\$ 1,622,059	\$ 12,199,903	\$ -	\$ 15,515,950
Total operating revenues	<u>1,693,988</u>	<u>1,622,059</u>	<u>12,199,903</u>	<u>-</u>	<u>15,515,950</u>
Operating Expenses					
Information technology	1,304,125	-	-	-	1,304,125
Central garage	-	1,510,658	-	-	1,510,658
Insurance and benefits	-	-	10,370,673	-	10,370,673
Building maintenance	-	-	-	18,772	18,772
Depreciation	65,836	9,807	-	-	75,643
Total operating expenditures	<u>1,369,961</u>	<u>1,520,465</u>	<u>10,370,673</u>	<u>18,772</u>	<u>13,279,871</u>
Operating income (loss)	<u>324,027</u>	<u>101,594</u>	<u>1,829,230</u>	<u>(18,772)</u>	<u>2,236,079</u>
Nonoperating Revenues					
Interest income	15,329	5,144	119,722	8,543	148,738
Intergovernmental	-	-	-	50,000	50,000
Total nonoperating revenues	<u>15,329</u>	<u>5,144</u>	<u>119,722</u>	<u>58,543</u>	<u>198,738</u>
Change in net position	339,356	106,738	1,948,952	39,771	2,434,817
Net Position, beginning of year	<u>206,975</u>	<u>474,565</u>	<u>4,276,266</u>	<u>400,127</u>	<u>5,357,933</u>
Net Position, end of year	<u>\$ 546,331</u>	<u>\$ 581,303</u>	<u>\$ 6,225,218</u>	<u>\$ 439,898</u>	<u>\$ 7,792,750</u>

City of Grand Island, Nebraska
Combining Statement of Cash Flows
Internal Service Funds
September 30, 2023

	Internal Service Funds				Total
	Information Technology	Fleet Services	Insurance	Equipment Reserve	
Cash Flows from Operating Activities					
Receipts from other funds	\$ 1,700,069	\$ 1,647,526	\$ 12,184,863	\$ -	\$ 15,532,458
Payments to suppliers	(855,846)	(1,202,907)	(11,655,281)	(18,772)	(13,732,806)
Payments to employees	(440,267)	(306,515)	-	-	(746,782)
Net cash provided by (used in) operating activities	<u>403,956</u>	<u>138,104</u>	<u>529,582</u>	<u>(18,772)</u>	<u>1,052,870</u>
Cash Flows From Noncapital Financing Activities					
Changes in interfund balances	<u>182,320</u>	<u>1,570</u>	<u>51,680</u>	<u>(1,018)</u>	<u>234,552</u>
Cash Flows From Capital and Related Financing Activities					
Principal payments on subscription liability	(59,593)				(59,593)
Intergovernmental receipts	-	-	-	50,000	50,000
Net cash provided by (used in) capital and related financing activities	<u>(59,593)</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>(9,593)</u>
Cash Flows From Investing Activities					
Change in allocation of pooled investments	(245,887)	(65,658)	(313,177)	(17,166)	(641,888)
Interest received	11,395	3,455	80,593	5,916	101,359
Net cash provided by (used in) investing activities	<u>(234,492)</u>	<u>(62,203)</u>	<u>(232,584)</u>	<u>(11,250)</u>	<u>(540,529)</u>
Increase (decrease) in cash and cash equivalents	<u>292,191</u>	<u>77,471</u>	<u>348,678</u>	<u>18,960</u>	<u>737,300</u>
Cash and Cash Equivalents					
Beginning of Year	<u>(11,276)</u>	<u>81,046</u>	<u>3,668,699</u>	<u>218,203</u>	<u>3,956,672</u>
End of Year	<u>\$ 280,915</u>	<u>\$ 158,517</u>	<u>\$ 4,017,377</u>	<u>\$ 237,163</u>	<u>\$ 4,693,972</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	324,027	101,594	1,829,230	(18,772)	2,236,079
Adjustments to reconciled operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization expense	65,836	9,807	-	-	75,643
Change in assets and liabilities					
Accounts receivable	6,081	25,467	(15,040)	-	16,508
Inventories	-	23,274	-	-	23,274
Accounts payable and accrued expenses	2,653	(23,914)	(1,284,608)	-	(1,305,869)
Compensated absences	5,359	1,876	-	-	7,235
Total adjustments	<u>79,929</u>	<u>36,510</u>	<u>(1,299,648)</u>	<u>-</u>	<u>(1,183,209)</u>
Net cash provided by (used in) operating activities	<u>\$ 403,956</u>	<u>\$ 138,104</u>	<u>\$ 529,582</u>	<u>\$ (18,772)</u>	<u>\$ 1,052,870</u>
Noncash Investing, Capital, and Financing Activities					
Acquisition of subscription right-of-use and liability	<u>\$ 120,133</u>				<u>\$ 120,133</u>

City of Grand Island, Nebraska
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
Assets					
Cash	\$ 10,313	\$ 7,524	\$ 103,856	\$ 44,498	\$ 166,191
Investments	8,682	6,334	87,419	37,456	139,891
Interest receivable	-	-	349	-	349
Special assessments receivable	-	-	-	4,955	4,955
Right to use asset	-	-	317,680	-	317,680
Due from others	-	-	11	-	11
Total assets	<u>18,995</u>	<u>13,858</u>	<u>509,315</u>	<u>86,909</u>	<u>629,077</u>
Liabilities					
Accounts payable	-	3,300	-	4,955	8,255
Lease payable	-	-	324,135	-	324,135
Due to others	-	10,558	-	81,954	92,512
Total liabilities	<u>-</u>	<u>13,858</u>	<u>324,135</u>	<u>86,909</u>	<u>424,902</u>
Fiduciary Net Position					
Net position held for others	<u>\$ 18,995</u>	<u>\$ -</u>	<u>\$ 185,180</u>	<u>\$ -</u>	<u>\$ 204,175</u>

City of Grand Island, Nebraska
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Custodial Funds				Total Custodial Funds
	Cafeteria Plan	Other Agencies	Tri City Task Force	BID Assessment	
Additions					
Employee withholdings	\$ 1,685,534	\$ -	\$ -	\$ -	\$ 1,685,534
Fees and licenses collected for others	-	49,545	-	-	49,545
Assessments collected for others	-	-	-	295,277	295,277
Other additions	-	-	73,631	-	73,631
Investment income	-	-	2,781	-	2,781
Total additions	<u>1,685,534</u>	<u>49,545</u>	<u>76,412</u>	<u>295,277</u>	<u>2,106,768</u>
Deductions					
Employee reimbursements	1,671,539	-	-	-	1,671,539
Owed to others	-	49,545	-	295,277	344,822
Other deductions	-	-	61,542	-	61,542
Total deductions	<u>1,671,539</u>	<u>49,545</u>	<u>61,542</u>	<u>295,277</u>	<u>2,077,903</u>
Change in fiduciary net position	13,995	-	14,870	-	28,865
Beginning fiduciary net position	<u>5,000</u>	<u>-</u>	<u>170,310</u>	<u>-</u>	<u>175,310</u>
Ending fiduciary net position	<u>\$ 18,995</u>	<u>\$ -</u>	<u>\$ 185,180</u>	<u>\$ -</u>	<u>\$ 204,175</u>

City of Grand Island, Nebraska
Combining Statement of Net Position
Discretely Presented Component Units
September 30, 2023

Assets	Business Improvement Districts	Community Redevelopment Authority	Total
Current assets			
Cash and cash equivalents	\$ 172,996	\$ 903,191	\$ 1,076,187
County treasurer cash	-	915,930	915,930
Receivables			
Special assessments	4,545	-	4,545
Interest	398	5,586	5,984
Current portion of notes from redevelopers	-	13,240	13,240
Property tax	-	243,347	243,347
Due from other governments	26	1,425,417	1,425,443
Total current assets	<u>177,965</u>	<u>3,506,711</u>	<u>3,684,676</u>
Noncurrent assets			
Capital assets			
Other capital assets, net of depreciation	30,297	490,486	520,783
Net capital assets	<u>30,297</u>	<u>490,486</u>	<u>520,783</u>
Total noncurrent assets	<u>30,297</u>	<u>490,486</u>	<u>520,783</u>
Total assets	<u>208,262</u>	<u>3,997,197</u>	<u>4,205,459</u>
Liabilities			
Current liabilities			
Accounts payable	37,104	1,425,417	1,462,521
Accrued expenses	2,671	-	2,671
Due to other governments	-	7,217	7,217
Current portion of long-term obligations	-	-	-
Total current liabilities	<u>39,775</u>	<u>1,432,634</u>	<u>1,472,409</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>39,775</u>	<u>1,432,634</u>	<u>1,472,409</u>
Net Position			
Net investment in capital assets	30,297	490,486	520,783
Unrestricted	<u>138,190</u>	<u>2,074,077</u>	<u>2,212,267</u>
Total net position	<u>\$ 168,487</u>	<u>\$ 2,564,563</u>	<u>\$ 2,733,050</u>

City of Grand Island, Nebraska
Combining Statement of Activities
Discretely Presented Component Units
September 30, 2023

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
Business Improvement Districts							
Fonner Park Business Improvement District	\$ 41,926	\$ -	\$ -	\$ 49,383	\$ 7,457	\$ -	\$ 7,457
South Locust Business Improvement District	110,637	-	-	101,950	(8,687)	-	(8,687)
Downtown Business Improvement District	150,327	12,640	6,912	133,835	3,060	-	3,060
Total business improvement district	<u>302,890</u>	<u>12,640</u>	<u>6,912</u>	<u>285,168</u>	<u>1,830</u>	<u>-</u>	<u>1,830</u>
Community Redevelopment Authority							
General government	134,748	-	-	-	-	(134,748)	(134,748)
Community development	12,205,438	-	-	-	-	(12,205,438)	(12,205,438)
Interest on long-term debt	975	-	-	-	-	(975)	(975)
Total community redevelopment authority	<u>12,341,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,341,161)</u>	<u>(12,341,161)</u>
Total component units	<u>\$ 12,644,051</u>	<u>\$ 12,640</u>	<u>\$ 6,912</u>	<u>\$ 285,168</u>	<u>1,830</u>	<u>(12,341,161)</u>	<u>(12,339,331)</u>
General revenues							
Taxes							
Property							
					-	6,234,352	6,234,352
Miscellaneous							
					-	6,233,118	6,233,118
Interest income							
					4,373	25,774	30,147
Total general revenues							
					<u>4,373</u>	<u>12,493,244</u>	<u>12,497,617</u>
Change in net position							
					6,203	152,083	158,286
Net position - beginning of year							
					<u>162,284</u>	<u>2,412,480</u>	<u>2,574,764</u>
Net position - end of year							
					<u>\$ 168,487</u>	<u>\$ 2,564,563</u>	<u>\$ 2,733,050</u>

See notes to schedule of expenditures of federal awards.

City of Grand Island, Nebraska
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Grantor/Program or Cluster Title	Pass through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Department of Housing and Urban Development				
CDBG Entitlement Grants Cluster				
CDBG Entitlement Grant		14.218		\$ 618,206
CDBG Entitlement Grant		14.218		70,828
Total CDBG Entitlement Grants Cluster				<u>689,034</u>
Total Department of Housing and Urban Development				<u>689,034</u>
Department of Justice				
Crime Victim Assistance	Nebraska Crime Commission	16.575	2022-VA-1029	<u>84,839</u>
Public Safety Partnership and Community Policing Grants		16.710		<u>500,000</u>
Edward Byrne Memorial Justice Assistance Grant Program		16.738		<u>36,269</u>
Bulletproof Vest Partnership Program		16.607		<u>15,232</u>
Total Department of Justice				<u>636,340</u>
Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Nebraska Department of Transportation	20.205	FHWA PL Funding	104,299
Surface Transportation Block Grant - Transportation Alternatives Set-Aside Program	Nebraska Department of Transportation	20.205	TAP-40(70) 43028	<u>30,845</u>
Total Highway Planning and Construction Cluster				<u>135,144</u>

See notes to schedule of expenditures of federal awards.

City of Grand Island, Nebraska
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Grantor/Program or Cluster Title	Pass through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Metropolitan Transportation Planning	Nebraska Department of Transportation	20.505	FTA Funding	\$ 16,001
Federal Transit Cluster				
Federal Transit - Formula Grants		20.507		927,153
Total Federal Transit Cluster				<u>927,153</u>
Highway Safety Cluster:				
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0908872	4,000
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0912831	3,488
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0925091	4,000
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0932500	2,400
State and Community Highway Safety	Nebraska Department of Transportation	20.600	0934381	1,403
National Priority Safety Programs	Nebraska Department of Transportation	20.616	0938383	7,695
Total Highway Safety Cluster				<u>22,986</u>
Total Department of Transportation				<u>1,101,284</u>
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds		21.027		<u>5,000,000</u>
Total Department of the Treasury				<u>5,000,000</u>
Executive Office of the President				
High Intensity Drug Trafficking Area Program	Nebraska State Patrol	95.001	22HD06	<u>82,898</u>
Total Executive Office of the President				<u>82,898</u>

See notes to schedule of expenditures of federal awards.

City of Grand Island, Nebraska
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Grantor/Program or Cluster Title	Pass through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Department of Homeland Security/ Federal Emergency Management Agency				
Disaster Grants- Public Assistance	Nebraska emergency Management Agency	97.036	4521	\$ 63,431
Disaster Grants- Public Assistance	Nebraska emergency Management Agency	97.036	4616	5,098
Total Disaster Grants - Public Assistance				<u>68,529</u>
Emergency Management Performance Grants	State of Nebraska	97.042	21-SR 8721-02	9,500
Emergency Management Performance Grants	State of Nebraska	97.042	22-SR 8721-01	180,823
Total Emergency Management Performance Grants				<u>190,323</u>
Assistance to Firefighters Grant		97.044		<u>352,545</u>
Homeland Security Grant	City of North Platte	97.067	22SHP733	<u>46,342</u>
Total Department of Homeland Security				<u>657,739</u>
Total Federal Expenditures				<u><u>\$ 8,167,295</u></u>

See notes to schedule of expenditures of federal awards.

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City of Grand Island, Nebraska
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

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, 2023. 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 accrual 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 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - LOAN PROGRAMS

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City’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, 2023, consists of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at 9/30/23
14.218	CDBG Entitlement Grant	\$ 102,243

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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, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 2, 2024.

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, 2023-001.

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.

Beyan K DV, LLC

Omaha, Nebraska
May 2, 2024



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
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, 2023. 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, 2023.

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.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Report on Internal Control over Compliance (Continued)

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.

Beyan KDV, LLC

Omaha, Nebraska
May 2, 2024

**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 (U.S. 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.:	16.710
Name of Federal Program or Cluster:	Public Safety Partnership and Community Policing Grants
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 2023-001

Material Weakness - Proposed Audit Adjustments

Criteria:

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:

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 2024.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

**City of Grand Island, Nebraska
Summary Schedule of Prior Audit Findings**

SECTION I - FINANCIAL STATEMENT FINDINGS

Finding - 2022-001

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

Update:

Not Corrected. See Finding 2023-001.

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 2024.