

CITY OF WAYNE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-21 and 86-90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Nebraska's financial statements. The nonmajor fund combining statements and the component unit combining statements are presented for purposes of additional analysis and are 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* Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards, and is also not a required part of the financial statements.

The nonmajor fund combining statements, the component unit combining statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2022, on our consideration of the City of Wayne, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wayne's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wayne, Nebraska's internal control over financial reporting and compliance.

AMGLPC.

Grand Island, Nebraska
January 6, 2022

**CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Wayne, we offer readers of the City of Wayne financial statements this narrative overview and analysis of the financial activities of the City of Wayne for the fiscal year ended September 30, 2021. For information on the Wayne Municipal Airport component unit included in these financial statements, please see the separate audit report for the Airport.

Financial Highlights

- The assets of the City of Wayne exceeded its liabilities at the close of the most recent fiscal year by \$54,850,093 (*net position*). Of this amount, \$16,618,339 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Wayne's governmental funds reported combined ending net position of \$30,697,260. Approximately 11.1 percent of this total amount, \$3,410,527, is *unrestricted net position*.
- At the end of the current fiscal year, the General Fund had unassigned fund balance of \$648,501, while total fund balance was \$4,108,752.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Wayne's basic financial statements. The City of Wayne's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Wayne's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Wayne's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wayne is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

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

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

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wayne can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-85 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Wayne's budgetary comparison schedules. Required supplementary information can be found on pages 86-90 of this report.

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wayne, assets exceeded liabilities by \$54,850,093 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2021			September 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 11,381,587	\$ 14,666,212	\$ 26,047,799	\$ 8,989,422	\$ 13,169,118	\$ 22,158,540
Capital Assets	23,803,245	19,322,823	43,126,068	22,552,418	19,852,462	42,404,880
Total Assets	<u>35,184,832</u>	<u>33,989,035</u>	<u>69,173,867</u>	<u>31,541,840</u>	<u>33,021,580</u>	<u>64,563,420</u>
Long-term Liabilities	3,297,653	8,320,146	11,617,799	4,113,545	8,997,176	13,110,721
Other Liabilities	1,189,919	1,516,056	2,705,975	1,156,671	1,510,225	2,666,896
Total Liabilities	<u>4,487,572</u>	<u>9,836,202</u>	<u>14,323,774</u>	<u>5,270,216</u>	<u>10,507,401</u>	<u>15,777,617</u>
Net Position:						
Net Investment in						
Capital Assets	20,078,245	10,370,485	30,448,730	18,027,418	10,235,077	28,262,495
Restricted	7,208,488	574,536	7,783,024	6,568,832	574,536	7,143,368
Unrestricted	3,410,527	13,207,812	16,618,339	1,675,374	11,704,566	13,379,940
Total Net Position	<u>\$ 30,697,260</u>	<u>\$ 24,152,833</u>	<u>\$ 54,850,093</u>	<u>\$ 26,271,624</u>	<u>\$ 22,514,179</u>	<u>\$ 48,785,803</u>

By far the largest portion of the City of Wayne's net position (55.5 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Wayne uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Wayne's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Wayne's net position (14.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$16,618,339) may be used to meet the government's ongoing obligations to citizens and creditors.

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 482,831	\$ 214,155	\$ 558,925	\$ 333,859
Public Safety	382,315	1,495,530	596,967	1,428,960
Public Works	1,677,198	567,519	1,142,202	623,657
Public Buildings	39,105	81,431	31,815	92,110
Recreation	1,495,507	631,336	104,813	425,944
Community Activity Center	132,177	317,487	115,562	301,902
Library	10,469	278,349	11,969	265,534
Senior Citizens Services	255,785	288,697	256,154	260,982
Interest	-	120,047	-	152,468
Depreciation	-	1,404,929	-	1,140,509
Total	<u>\$ 4,475,387</u>	<u>\$ 5,399,480</u>	<u>\$ 2,818,407</u>	<u>\$ 5,025,925</u>

Revenues by Source - Governmental Activities

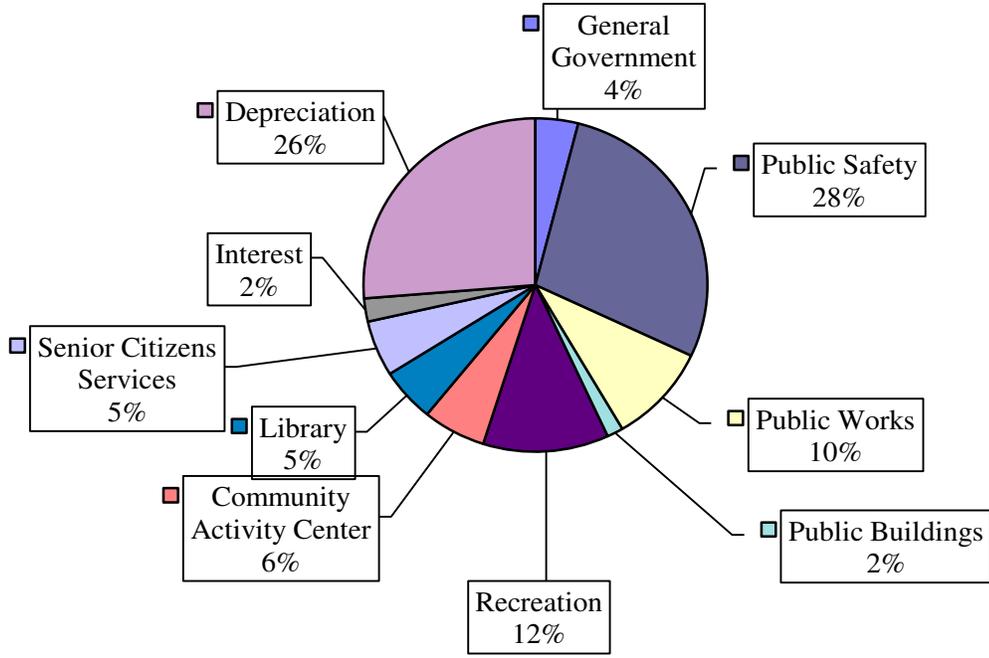
SOURCES OF REVENUE

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 781,338	7.95 %	\$ 598,952	7.56 %
Operating Grants and Contributions	697,304	7.10	1,017,171	12.85
Capital Grants and Contributions	2,996,745	30.50	1,202,284	15.18
Property Taxes	1,008,139	10.26	990,878	12.51
Motor Vehicle Taxes	103,257	1.05	98,123	1.24
Payments in Lieu of Taxes	1,036,899	10.55	1,044,649	13.19
Sales Tax	1,386,375	14.11	1,227,921	15.51
Franchise Taxes	166,288	1.69	181,974	2.30
State Allocation	1,391,684	14.17	1,226,197	15.48
Special Assessments	41,272	0.42	95,951	1.21
Keno Proceeds	27,414	0.28	15,513	0.20
Other	68,361	0.70	64,145	0.81
Interest	50,989	0.52	92,647	1.17
Gain on Sale of Assets	7,923	0.08	-	-
Interfund Transfers	61,128	0.62	62,602	0.79
Total	<u>\$ 9,825,116</u>	<u>100.00 %</u>	<u>\$ 7,919,007</u>	<u>100.00 %</u>

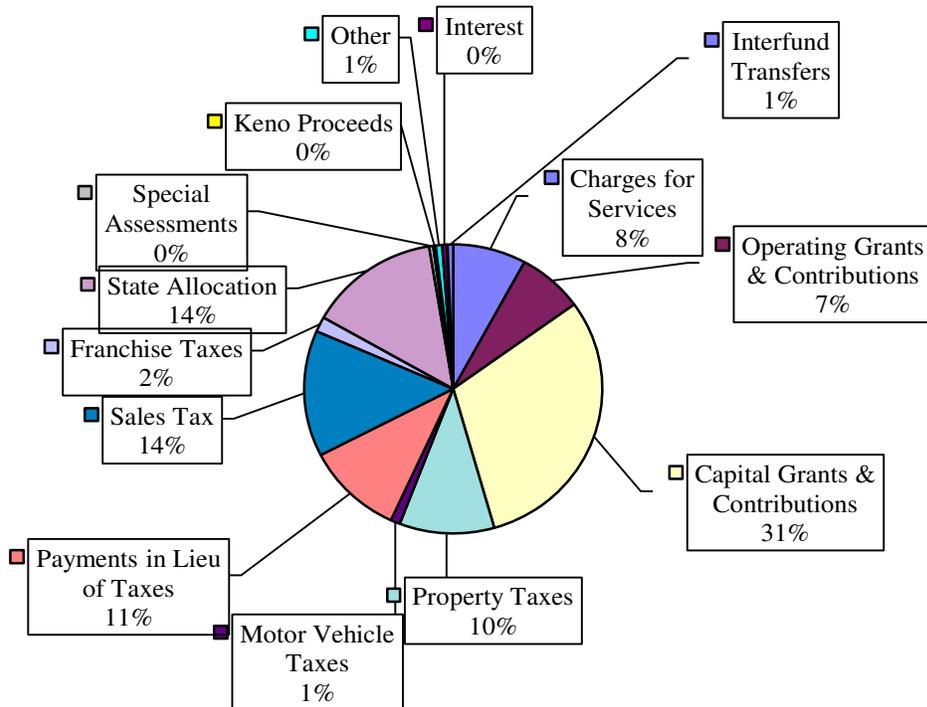
Net position increased \$4,425,636 in the governmental funds during the year ended September 30, 2021.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Governmental Activities - 2021 Expenses



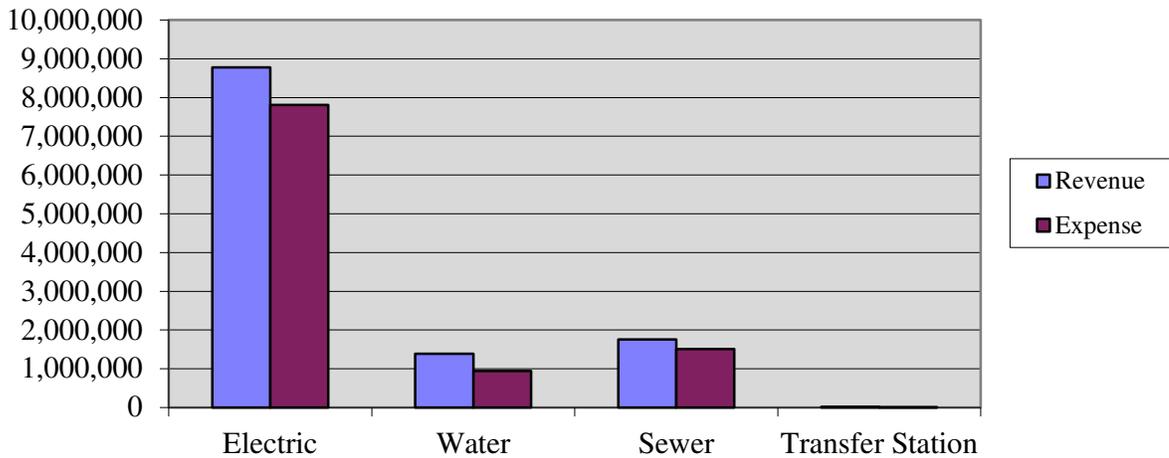
Governmental Activities - 2021 Revenue



CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Business-type activities. Business-type activities increased the City of Wayne's net position by \$1,638,654 for the year ended September 30, 2021. Key elements of this increase are as follows:

2021 Expenses and Program Revenues - Business-type Activities



Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 8,781,252	\$ 7,810,674	\$ 8,172,875	\$ 7,137,054
Water	1,388,059	944,683	1,584,442	746,109
Sewer	1,751,962	1,507,196	1,623,293	1,459,837
Transfer Station	12,400	7,573	11,800	11,067
Total	11,933,673	10,270,126	11,392,410	9,354,067
Interfund & CDA Transfer	-	89,772	-	77,236
	<u>\$ 11,933,673</u>	<u>\$ 10,359,898</u>	<u>\$ 11,392,410</u>	<u>\$ 9,431,303</u>

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Revenues by Source - Business-type Activities

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 11,924,657	100.13 %	\$ 11,388,817	99.50 %
Capital Grants and Contributions	9,016	0.08	3,593	0.03
Interest	64,879	0.54	130,848	1.14
Interfund Transfers	(89,772)	(0.75)	(77,236)	(0.67)
Total	<u>\$ 11,908,780</u>	<u>100.00 %</u>	<u>\$ 11,446,022</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Wayne's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Wayne's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wayne's governmental funds reported combined ending fund balances of \$9,893,655. Of this amount, \$648,501 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted to pay debt service (\$908,962), 2) restricted for Federal programs (\$664,050), 3) restricted for Community Activity Center expenditures (\$103,122), 4) restricted for economic development (\$2,171,008), 5) restricted for capital projects (\$1,346,971), 6) restricted for the swimming pool (\$192,886), 7) restricted for community betterment (\$82,833), 8) restricted for street improvements (\$1,738,656), 9) committed for capital projects (\$863,000), 10) assigned for budgetary stabilization (\$1,057,394), and 11) assigned for other purposes (\$116,272).

The General Fund is the chief operating fund of the City of Wayne. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$648,501, while total fund balance reached \$4,108,752. 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 11.4 percent of total General Fund expenditures, while total fund balance represents 72.0 percent of that same amount.

The fund balance of the City of Wayne's General Fund increased by \$1,632,513 during the current fiscal year.

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund - \$8,438,881, Water Fund - \$2,290,157, Sewer Fund - \$2,435,928, and Transfer Station – \$42,846. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$921,313, Water Fund – increase of \$453,829, Sewer Fund – increase of \$258,582, and Transfer Station – increase of \$4,930. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Wayne's business-type activities.

Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets. The City of Wayne's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$43,126,068 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Construction in progress on Pine Heights project - \$371,852
- Construction in progress on Centennial Road - \$134,700
- Construction in progress on Trail Phase II project - \$1,254,650 (with \$1,094,711 paid by NDOT)
- Greenwood Cemetery driveway project - \$82,211
- Auditorium windows and painting - \$25,941
- 2021 Chevy Silverado pickup with straight plow and flatbed - \$45,538
- Bressler Park rope course - \$32,869
- Bus purchased by NDOT - \$77,349
- Construction in progress on electric inner East/West conversion - \$70,046
- Electric distribution project - \$52,376
- 2020 AMR equipment for electric department - \$37,370
- 2021 RICE data collection project - \$32,778
- Power plant flood rehab project - \$181,551
- Cut in valve at water tower - \$99,739
- 2021 Chevy Silverado pickup with flatbed and crane - \$56,684
- Construction in progress on sewer lagoon decommissioning project - \$114,432

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

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

	Year Ended September 30, 2021			Year Ended September 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 800,375	\$ 426,695	\$ 1,227,070	\$ 775,970	\$ 426,695	\$ 1,202,665
Construction						
in progress	3,823,664	1,532,384	5,356,048	4,332,196	1,347,907	5,680,103
Infrastructure	7,649,355	-	7,649,355	6,697,121	-	6,697,121
Improvements	5,162,941	-	5,162,941	4,258,533	-	4,258,533
Buildings	5,049,001	8,734,982	13,783,983	5,197,362	9,178,348	14,375,710
Equipment	1,317,909	263,429	1,581,338	1,291,236	265,995	1,557,231
Distribution						
Systems	-	8,365,333	8,365,333	-	8,633,517	8,633,517
Total	<u>\$ 23,803,245</u>	<u>\$ 19,322,823</u>	<u>\$ 43,126,068</u>	<u>\$ 22,552,418</u>	<u>\$ 19,852,462</u>	<u>\$ 42,404,880</u>

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

Long-term debt. At the end of the current fiscal year, the City of Wayne had total long-term debt outstanding of \$12,677,338. Of this amount, \$2,420,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wayne's debt represents bonds and notes secured solely by specified revenue sources (i.e., sales tax bonds, revenue bonds and DEQ note payable).

City of Wayne's Outstanding Debt

	Year Ended September 30, 2021			Year Ended September 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General Obligation						
Bonds	\$ 530,000	\$ -	\$ 530,000	\$ 610,000	\$ -	\$ 610,000
Sales Tax Revenue						
Bonds	1,305,000	-	1,305,000	1,770,000	-	1,770,000
Highway Allocation						
Bonds	1,535,000	-	1,535,000	1,740,000	-	1,740,000
Public Safety						
Bonds	355,000	-	355,000	405,000	-	405,000
DEQ Notes	-	6,687,338	6,687,338	-	7,072,385	7,072,385
Revenue Bonds	-	2,265,000	2,265,000	-	2,545,000	2,545,000
Total	<u>\$ 3,725,000</u>	<u>\$ 8,952,338</u>	<u>\$ 12,677,338</u>	<u>\$ 4,525,000</u>	<u>\$ 9,617,385</u>	<u>\$ 14,142,385</u>

The City of Wayne's total debt decreased by \$1,465,047 (10.4 percent) during the current fiscal year, as the City made scheduled principal payments and refinanced the Series 2015 Swimming Pool Sales Tax Revenue Bonds by issuing \$1,455,000 of Series 2021 Swimming Pool Sales Tax Revenue Refunding Bonds.

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

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

Economic Factors and Next Year’s Budgets and Rates

The City of Wayne has maintained a strong financial position again this year. The budget adopted for 2021-2022 continues the City's practice of conservative financial planning.

Each year, the City Council has a retreat where they discuss short and long-term goals for the City. The budget adopted complies with the financial management policies approved by the City Council and is structured to meet the Council's priorities. Some of the goals below were completed in the 2020-2021 fiscal year and others are in the 2021-2022 budget year.

COUNCIL GOALS 2021
ONE-YEAR GOALS

- Continue to review terrace parking
- Research additional sales tax- options and timeline
- Continue planning for upgrades to the Community Activity Center (CCCCFF Planning Grant)
- Keep discussion active for additional renewable energy opportunities allowed by Big Rivers (BREC)
- Evaluate upgrades at Hank Overin Field- parking and new irrigation (field and terrace)
- Continue using bricks for City streets when there are minor repairs
- Review policy on utility repairs and timeliness of those repairs
- Help businesses affected by COVID 19 (LB840, etc)
- Begin interior demolition and planning of old bath house in College Hill Park for a trail head/restrooms/community space and apply for grant funding
- Restore regular meetings of the Problem Resolution Team with new members
- Replat cemetery with City ownership of the western most driveway
- Reevaluate engineering services
- Plan/Engineer for “Shovel Ready Projects”- Centennial Road to 21st Street to Claycomb Road; S. Sherman Street; 4th Street/Thorman/Tomar; Lagoon area (all in preparation of possible stimulus funding)
- Work with Wayne Area Economic Development to possibly relocate and partner for the creation of an entrepreneurial incubator space
- Investment in downtown housing, town centers, and meeting places
- Secure access to reliable high-speed broadband for residents
- Pursue public/private partnerships to increase the amount of available workforce housing

FUTURE GOALS

- Annex additional property into the City of Wayne (Pierson, North Highway 35, South Highway 35)- staff will prepare pros and cons of annexing
- Continue discussion on City Hall (stay and make improvements or build new...and if so, where?)
- Develop city land south of 4th Street

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

- Evaluate best locations for a future substation and begin discussions with possible land owner (s)

PERSONNEL

The Police Department hired two new officers in the past fiscal year. We are currently still looking to fill a dispatch position within the Police Department.

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

Jeff Triggs serves as the Chief of Electrical Production at the power plant. Future retirement of employees at the power plant are anticipated so we have started to advertise for a power plant worker. We also continue to cross train at the electric power plant. This cross training is necessary as we may be required to start up the plant when the power provided to the City is interrupted.

ECONOMY

A shortage of qualified employees and workforce housing continue to be a problem for Northeast Nebraska. In our area industrial businesses, call centers, manufacturing businesses, medical facilities, construction businesses, and many small businesses have been advertising employment positions. They are having problems attracting personnel to fill the positions.

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

The Wayne City Council and Community Redevelopment Authority continue to support the housing efforts in the community. The Housing Down Payment Loan Program continues to assist new homeowners within the City of Wayne. We also continue with the development of houses in the City's Western Ridge Subdivision. There have been many new apartment buildings within the last few years. There are also new houses going up in the subdivisions within the City.

The City valuation had \$4,396,141 of growth in the last year. The City has hired Hanna Keelan to perform an updated housing study. This updated housing study will be a valuable tool to determine the housing needs for the City of Wayne and it will also allow us to utilize Workforce Housing TIF. The downtown area of Wayne continues to grow and we have seen new businesses such as clothing boutiques, breweries, and coffee shops add to our local economy. The Wayne Providence Medical Center continues to expand and remodel their facilities to provide healthcare services to the residents of Wayne and surrounding communities.

Wayne State College continues to be an important part of the Wayne community. Enrollment figures for the college are currently at 3,865. The 2020-21 freshman class was the second largest class in

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

WSC history. The City of Wayne maintains a strong relationship with Wayne State College and their president Marysz Rames.

Concerns about the national, state and local economies due to the ongoing Covid-19 pandemic continue to be a concern for the City of Wayne and the possible impact it may have on our local economy.

GRANTS

Nebraska Department of Transportation has taken over the Trail and Underpass Grant Project and combined it into one project. The City was excited to move forward with the trail project and it has been a great asset to the City of Wayne. The trail totals approximately 6.75 miles including an underpass near the Community Activity Center to allow trail users to safely bypass the highway. The work on this project is complete but we are waiting for the final settlement from the State for this project.

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

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

We were awarded a CCCFF planning grant not to exceed \$10,000 for the Community Activity Center. The City has worked with Carlson West Pvondra to determine needs for the CAC to continue to be a key amenity of the Wayne community.

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

CAPITAL PROJECTS

Major projects completed and/or in progress in the City this year include the trail project, parallel taxiway at the airport, inner east/west conversion, Nebraska 2nd-7th Street project, Pine Heights project, new playground equipment and shade structure over stage at Bressler Park, updates to library/senior center common restrooms, improvements to the auditorium and engineering of the Centennial Road/21st Street project.

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

REVENUES

The City has a slight decrease in the total property tax levy requested for city support at \$0.449004 per \$100 of valuation for the upcoming fiscal year. The 2021 combined tax rate for the City of Wayne is 1.931000 per \$100 of valuation.

Revenues from the city sales tax have continued to grow at a larger rate than estimated during the last year. The Citizens Advisory Committee has processed several requests for the LB 840 plan projects. At this time, they have allocated the majority of the \$3.2 million dollar maximum. Council has established the Loan Committee for the initial loan repayments.

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

CAPITAL BUDGET 2021-2022

- Police department
 - a. Car Replacement- replace 2006 Expedition with full size SUV or pickup
 - b. Carpet and ceiling repair/replacement in basement
 - c. Digital citations equipment
- Fire Department
 - a. Primary pumper truck set aside
 - b. New locks and upgraded computer system
- Parks Department
 - a. ¾ ton gas flatbed truck
 - b. Toolcat
- Recreation/CAC/Pool
 - a. Annual maintenance to Hank Overin and Summer Sports Complex
 - b. Replace sprinkler system at Hank Overin field
 - c. Build 3 car shed/garage at Summer Sports Complex
 - d. Repair/possible replacement pool boiler system
- The Country Clubhouse project is a City project that allows individuals to make tax exempt donations for the renovation/enhancements of the Clubhouse.
- Public Buildings
 - a. Improvements/repairs at City Hall
 - b. Auditorium window replacement
 - c. Sound system in council chambers

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

- Senior Center
 - a. Van purchase
- Library
 - Carpet/painting in library
 - Repair/replace cupboards in staff workroom
 - Possible building addition
- City sales tax capital projects
 - a. Upgrades to the Library/Senior Center
 - b. Auditorium repairs
 - c. Police car replacement
 - d. Set aside for fire truck replacement
 - e. Playground equipment/park improvements
 - f. Pine Heights project
 - g. Public art
- Street Fund
 - a. Plate compactor
 - b. Roller drum for skid
 - c. Auger for skid
 - d. Skidloader
 - e. Street Projects are
 - i. Centennial Rd/21st Street
 - ii. Downtown alleys
 - iii. Pine Heights Road
- Electric Production
 - a. Normal capital items
 - b. Potential diesel fuel cost
 - c. New pickup- plan to purchase in FY 22-23
- Electric Distribution
 - a. Normal distribution system upgrades
 - b. Continued district improvements projects (inner east/west conversion)
 - c. Replacement of 2010 ¾ ton extended cab 4x4 pickup
 - d. Ditchwitch vac and backhoe (cost share with water/sewer)
 - e. Potential land acquisition costs
- Technology
 - a. Sound and video systems for the Council Chambers, servers and various computers
 - b. Phone system replacement City Hall/PD
- Water Fund
 - a. Safety chainsaw
 - b. Ditchwitch vac and backhoe (cost share with electric/sewer)
 - c. Water meters
- Sewer Fund
 - a. Upgrade jetter
 - b. Ditchwitch vac and backhoe (cost share with electric/water)

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

- c. Valve exerciser (½ water; ½ sewer)
- d. Replace old lift station pumps
- e. Manhole rehab and cleaning of sewer lines
- f. Sewer lagoon decommissioning

DEBT

We were able to refinance our NDEQ sewer loans in FY 20-21. This refinance brought both the interest rate and administration rate to 0.50%. This refinance will save the sewer fund approximately \$490,000 over the course of the loans.

We also did a pay down and refinance on the Swimming Pool Sales Tax Revenue Bond. This debt is amortized to be paid off in 2028 but we estimate it will be paid off early as the city sales tax figures continue to come in higher than estimated.

AIRPORT

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

The current Airport Authority strives to promote general aviation so they set their avgas price at a rate to cover the equipment costs and maintenance. This rate has been lower than most of the airports in the area and has increased traffic at the airport. The airport, in conjunction with Northeast Nebraska Aviators, hosted MAYDAY STOL in May 2021. This event was a great promotion to bring people to the airport and the Wayne community. Plans are being made to hold a similar event in 2022.

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

The second phase of the parallel taxiway project is nearing completion. This project is progressing nicely and the airport is excited for it to be complete.

COMMUNITY REDEVELOPMENT AUTHORITY

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

The Community Redevelopment Authority continues to support new housing construction with their \$10,000 down payment, 10-year, 0% interest assistance program. They also have recently purchased properties within town in the hopes of spurring economic development on lots that have sat vacant for several years.

Request for Information

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

CITY OF WAYNE, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,546,961	\$ 6,217,765	\$ 7,764,726	\$ 1,226,481
Investments	1,910,393	4,969,815	6,880,208	-
County treasurer cash	38,624	-	38,624	2,779
Receivables:				
Property tax	32,851	-	32,851	2,925
Special assessments	278,262	284,784	563,046	-
Accounts, net of allowance for doubtful accounts	3,641	1,109,238	1,112,879	1,754
Unbilled revenue	-	475,286	475,286	-
Grants	243,302	-	243,302	-
Interest	1,467	2,403	3,870	-
Current portion of TIF receivable	-	-	-	297,784
Current portion of notes	160,000	-	160,000	3,818
Due from other governments	244,066	-	244,066	-
Due (to)/from other funds	(40,000)	40,000	-	-
Due from component units	655	300,000	300,655	-
Prepaid insurance	-	-	-	7,091
Inventory	-	461,055	461,055	16,460
Total current assets	<u>4,420,222</u>	<u>13,860,346</u>	<u>18,280,568</u>	<u>1,559,092</u>
Noncurrent assets:				
Restricted cash and cash equivalents	4,669,430	323,148	4,992,578	-
Restricted investments	629,383	482,718	1,112,101	-
Noncurrent TIF receivable	-	-	-	2,115,264
Noncurrent notes receivable	1,662,552	-	1,662,552	214,676
Capital assets:				
Land and construction in progress	4,624,039	1,959,079	6,583,118	4,963,294
Other capital assets, net of depreciation	<u>19,179,206</u>	<u>17,363,744</u>	<u>36,542,950</u>	<u>5,540,410</u>
Net capital assets	<u>23,803,245</u>	<u>19,322,823</u>	<u>43,126,068</u>	<u>10,503,704</u>
Total noncurrent assets	<u>30,764,610</u>	<u>20,128,689</u>	<u>50,893,299</u>	<u>12,833,644</u>
Total assets	<u>35,184,832</u>	<u>33,989,035</u>	<u>69,173,867</u>	<u>14,392,736</u>
LIABILITIES				
Current liabilities:				
Accounts payable	145,629	289,640	435,269	16,838
Accrued expenses	223,636	229,987	453,623	225,422
Customer deposits	38,500	231,330	269,830	-
Due to the City of Wayne	-	-	-	300,655
Unavailable property tax	267,154	-	267,154	2,095
Current portion of long-term obligations	<u>515,000</u>	<u>765,099</u>	<u>1,280,099</u>	<u>569,089</u>
Total current liabilities	<u>1,189,919</u>	<u>1,516,056</u>	<u>2,705,975</u>	<u>1,114,099</u>
Noncurrent liabilities:				
Compensated absences - noncurrent	87,653	132,907	220,560	-
Noncurrent portion of long-term obligations	<u>3,210,000</u>	<u>8,187,239</u>	<u>11,397,239</u>	<u>2,042,231</u>
Total noncurrent liabilities	<u>3,297,653</u>	<u>8,320,146</u>	<u>11,617,799</u>	<u>2,042,231</u>
Total liabilities	<u>4,487,572</u>	<u>9,836,202</u>	<u>14,323,774</u>	<u>3,156,330</u>
NET POSITION				
Net investment in capital assets	20,078,245	10,370,485	30,448,730	10,305,432
Restricted for:				
Debt service	908,962	574,536	1,483,498	-
Economic development	2,171,008	-	2,171,008	-
Federal loan programs	664,050	-	664,050	-
Capital projects	1,346,971	-	1,346,971	-
Swimming pool	192,886	-	192,886	-
Community Activity Center	103,122	-	103,122	-
Community betterment	82,833	-	82,833	-
Street projects	1,738,656	-	1,738,656	-
Unrestricted	<u>3,410,527</u>	<u>13,207,812</u>	<u>16,618,339</u>	<u>930,974</u>
Total net position	<u>\$ 30,697,260</u>	<u>\$ 24,152,833</u>	<u>\$ 54,850,093</u>	<u>\$ 11,236,406</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 214,155	\$ 125,973	\$ 356,858
Public buildings	81,431	39,105	-
Public safety	1,495,530	240,926	141,389
Public works	567,519	4,080	-
Senior citizens services	288,697	78,083	177,702
Library	278,349	3,969	6,500
Recreation	631,336	161,150	14,855
Community Activity Center	317,487	128,052	-
Interest and related expenses	120,047	-	-
Depreciation - unallocated	1,404,929	-	-
Total governmental activities	5,399,480	781,338	697,304
Business-type activities:			
Electric	7,810,674	8,781,252	-
Water	944,683	1,379,043	-
Sewer	1,507,196	1,751,962	-
Transfer Station	7,573	12,400	-
Total business-type activities	10,270,126	11,924,657	-
Total primary government	\$ 15,669,606	\$ 12,705,995	\$ 697,304
Component units:			
Wayne Municipal Airport	\$ 755,236	\$ 184,877	\$ 2,569
Community Development Agency	167,639	-	-
Total component units	\$ 922,875	\$ 184,877	\$ 2,569

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Units
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
\$ -	\$ 268,676		\$ 268,676	
-	(42,326)		(42,326)	
-	(1,113,215)		(1,113,215)	
1,673,118	1,109,679		1,109,679	
-	(32,912)		(32,912)	
-	(267,880)		(267,880)	
1,319,502	864,171		864,171	
4,125	(185,310)		(185,310)	
-	(120,047)		(120,047)	
-	(1,404,929)		(1,404,929)	
<u>2,996,745</u>	<u>(924,093)</u>	<u>\$ -</u>	<u>(924,093)</u>	
-	-	970,578	970,578	
9,016	-	443,376	443,376	
-	-	244,766	244,766	
-	-	4,827	4,827	
<u>9,016</u>	<u>-</u>	<u>1,663,547</u>	<u>1,663,547</u>	
<u>\$ 3,005,761</u>	<u>(924,093)</u>	<u>1,663,547</u>	<u>739,454</u>	
\$ 1,947,720				\$ 1,379,930
-				(167,639)
<u>\$ 1,947,720</u>				<u>1,212,291</u>
General revenues:				
Taxes:				
Property	1,008,139	-	1,008,139	89,070
Motor vehicle	103,257	-	103,257	-
Payments in lieu of taxes	1,036,899	-	1,036,899	-
Sales tax	1,386,375	-	1,386,375	-
Franchise	166,288	-	166,288	-
TIF proceeds	-	-	-	96,127
State allocation	1,391,684	-	1,391,684	-
Special assessments	41,272	-	41,272	-
Keno proceeds	27,414	-	27,414	-
Miscellaneous	68,361	-	68,361	10
Interest income	50,989	64,879	115,868	6,931
Gain on sale of assets	7,923	-	7,923	45,463
Transfer between City and CDA	-	(28,644)	(28,644)	28,644
Interfund transfers	61,128	(61,128)	-	-
Total general revenues	<u>5,349,729</u>	<u>(24,893)</u>	<u>5,324,836</u>	<u>266,245</u>
Change in net position	4,425,636	1,638,654	6,064,290	1,478,536
Net position - September 30, 2020	<u>26,271,624</u>	<u>22,514,179</u>	<u>48,785,803</u>	<u>9,757,870</u>
Net position - September 30, 2021	<u>\$ 30,697,260</u>	<u>\$ 24,152,833</u>	<u>\$ 54,850,093</u>	<u>\$ 11,236,406</u>

CITY OF WAYNE, NEBRASKA

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

September 30, 2021

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 1,131,629	\$ -	\$ -	\$ -	\$ 93,016	\$ -	\$ 1,224,645
Investments	1,331,952	-	-	-	76,016	-	1,407,968
County treasurer cash	28,124	7,355	-	3,145	-	-	38,624
Receivables:							
Special assessments	-	-	-	278,262	-	-	278,262
Accounts, net of allowance for doubtful accounts	3,590	50	-	-	-	-	3,640
Grants	12,776	-	-	-	230,526	-	243,302
Notes receivable	-	-	1,724,396	-	98,156	-	1,822,552
Interest	793	9	-	331	63	-	1,196
Property tax	29,573	-	-	3,278	-	-	32,851
Due from other governments	244,066	-	-	-	-	-	244,066
Due from other funds	52,823	-	-	-	-	(52,823)	-
Due from component units	655	-	-	-	-	-	655
Restricted assets:							
Cash	1,539,857	1,675,459	486,628	363,459	604,027	-	4,669,430
Investments	-	107,141	-	522,242	-	-	629,383
Total assets	\$ 4,375,838	\$ 1,790,014	\$ 2,211,024	\$ 1,170,717	\$ 1,101,804	\$ (52,823)	\$ 10,596,574
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 29,668	\$ 21,257	\$ -	\$ -	\$ 82,704	\$ -	\$ 133,629
Accrued expenses	177,710	30,101	16	15,809	-	-	223,636
Customer deposits	38,500	-	-	-	-	-	38,500
Due to other funds	-	-	40,000	-	52,823	(52,823)	40,000
Unavailable property tax	21,208	-	-	245,946	-	-	267,154
Total liabilities	267,086	51,358	40,016	261,755	135,527	(52,823)	702,919
Fund balances:							
Restricted for:							
Debt service	-	-	-	908,962	-	-	908,962
Capital projects	1,346,971	-	-	-	-	-	1,346,971
Swimming pool	192,886	-	-	-	-	-	192,886
Community Activity Center	-	-	-	-	103,122	-	103,122
Community betterment	-	-	-	-	82,833	-	82,833
Federal programs	-	-	-	-	664,050	-	664,050
Economic development	-	-	2,171,008	-	-	-	2,171,008
Street expenditures	-	1,738,656	-	-	-	-	1,738,656
Committed for:							
Capital projects	863,000	-	-	-	-	-	863,000
Assigned for:							
Budgetary stabilization	1,057,394	-	-	-	-	-	1,057,394
Other purposes	-	-	-	-	116,272	-	116,272
Unassigned	648,501	-	-	-	-	-	648,501
Total fund balances	4,108,752	1,738,656	2,171,008	908,962	966,277	-	9,893,655
Total liabilities and fund balances	\$ 4,375,838	\$ 1,790,014	\$ 2,211,024	\$ 1,170,717	\$ 1,101,804	\$ (52,823)	\$ 10,596,574

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

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

September 30, 2021

Total fund balances - governmental funds		\$ 9,893,655
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$46,471,844, and the accumulated depreciation is \$22,668,599.		23,803,245
Internal service funds are used by management to charge the costs of employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		813,013
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Noncurrent compensated absences	\$ (87,653)	
Bonds payable	(3,725,000)	(3,812,653)
Total net position - governmental activities		<u>\$ 30,697,260</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2021

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 905,719	\$ 1,842	\$ -	\$ 100,578	\$ -	\$ 1,008,139
Motor vehicle	-	103,257	-	-	-	103,257
Payments in lieu of taxes	1,036,711	-	-	188	-	1,036,899
Sales tax	894,783	172,122	319,470	-	-	1,386,375
Franchise	166,288	-	-	-	-	166,288
Intergovernmental	923,449	791,026	-	-	-	1,714,475
Special assessments	-	-	-	41,272	-	41,272
Charges for services	706,217	3,230	-	-	73,818	783,265
Grant revenue	1,279,791	-	-	-	857,733	2,137,524
Keno proceeds	-	-	-	-	27,414	27,414
Interest income	10,233	4,963	15,393	13,011	1,546	45,146
Contributions	58,663	-	-	-	-	58,663
Bond/loan proceeds	1,455,000	-	-	-	-	1,455,000
Sale of property	-	7,923	-	-	-	7,923
Other income	69,262	182	-	-	-	69,444
Total revenues	<u>7,506,116</u>	<u>1,084,545</u>	<u>334,863</u>	<u>155,049</u>	<u>960,511</u>	<u>10,041,084</u>
EXPENDITURES						
General government	238,201	-	12,971	-	29,693	280,865
Public buildings	81,130	-	-	-	-	81,130
Public safety	1,452,684	-	-	-	10,390	1,463,074
Public works	-	561,167	-	-	-	561,167
Senior citizens services	288,697	-	-	-	-	288,697
Library	278,349	-	-	-	-	278,349
Recreation	626,388	-	-	-	4,948	631,336
Community Activity Center	317,487	-	-	-	-	317,487
Capital outlay	435,808	720,723	-	-	327,165	1,483,696
Principal payments on debt	1,920,000	-	-	335,000	-	2,255,000
Interest on long-term debt	43,622	-	1,783	54,332	-	99,737
Bond fees	20,310	-	-	-	-	20,310
Total expenditures	<u>5,702,676</u>	<u>1,281,890</u>	<u>14,754</u>	<u>389,332</u>	<u>372,196</u>	<u>7,760,848</u>
Excess (deficiency) of revenues over expenditures	1,803,440	(197,345)	320,109	(234,283)	588,315	2,280,236
OTHER FINANCING SOURCES (USES)						
Transfers in	29,073	200,000	-	213,168	-	442,241
Transfers out	(200,000)	(152,040)	-	-	(29,073)	(381,113)
Net transfers	<u>(170,927)</u>	<u>47,960</u>	<u>-</u>	<u>213,168</u>	<u>(29,073)</u>	<u>61,128</u>
Net change in fund balances	1,632,513	(149,385)	320,109	(21,115)	559,242	2,341,364
Fund balances - September 30, 2020	<u>2,476,239</u>	<u>1,888,041</u>	<u>1,850,899</u>	<u>930,077</u>	<u>407,035</u>	<u>7,552,291</u>
Fund balances - September 30, 2021	<u>\$ 4,108,752</u>	<u>\$ 1,738,656</u>	<u>\$ 2,171,008</u>	<u>\$ 908,962</u>	<u>\$ 966,277</u>	<u>\$ 9,893,655</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2021

Total net change in fund balances - governmental funds	\$ 2,341,364
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$2,655,756) exceeded depreciation expense (\$1,404,929) during the period. Nebraska Department of Transportation funded \$1,172,060 of the capital additions.	1,250,827
Internal service funds are used by management to charge the costs of employee insurance and post-employment benefits to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the statement of activities.	72,553
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	(39,108)
The issuance of bonds is reported as revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(1,455,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>2,255,000</u>
Change in net position of governmental activities	<u><u>\$ 4,425,636</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,813,092	\$ 1,363,267
Investments	3,274,757	613,485
Receivables:		
Accounts, net of allowance for doubtful accounts	818,660	130,904
Unbilled revenue	331,368	61,042
Special assessments	-	67,663
Interest	1,737	211
Due from other funds	40,000	51,601
Due from Community Development Agency	300,000	-
Inventory	405,669	55,386
Total current assets	8,985,283	2,343,559
Noncurrent assets:		
Restricted cash and cash equivalents	323,148	-
Restricted investments	482,718	-
Capital assets:		
Land	176,612	143,650
Construction in progress	1,417,953	-
Distribution systems	6,398,711	9,491,326
Buildings	8,371,640	311,174
Equipment	3,775,311	606,419
Less accumulated depreciation	(14,175,064)	(5,354,414)
Net capital assets	5,965,163	5,198,155
Total noncurrent assets	6,771,029	5,198,155
Total assets	15,756,312	7,541,714
LIABILITIES		
Current liabilities:		
Accounts payable	286,933	1,259
Customer deposits	231,330	-
Accrued interest payable	4,181	17,061
Other accrued expenses	143,363	29,851
Due to other funds	-	-
Current portion of long-term obligations	215,000	189,713
Total current liabilities	880,807	237,884
Noncurrent liabilities:		
Compensated absences - noncurrent	111,925	5,231
Noncurrent portion of long-term obligations	1,350,000	2,871,820
Total noncurrent liabilities	1,461,925	2,877,051
Total liabilities	2,342,732	3,114,935
NET POSITION		
Net investment in capital assets	4,400,163	2,136,622
Restricted for:		
Debt service	574,536	-
Unrestricted	8,438,881	2,290,157
Total net position	\$ 13,413,580	\$ 4,426,779

See notes to financial statements.

Enterprise Funds				Internal
Sewer Fund	Transfer Station	Eliminations	Total	Service Fund
\$ 998,560	\$ 42,846	\$ -	\$ 6,217,765	\$ 322,316
1,081,573	-	-	4,969,815	502,425
159,674	-	-	1,109,238	1
82,876	-	-	475,286	-
217,121	-	-	284,784	-
455	-	-	2,403	271
-	-	(51,601)	40,000	-
-	-	-	300,000	-
-	-	-	461,055	-
<u>2,540,259</u>	<u>42,846</u>	<u>(51,601)</u>	<u>13,860,346</u>	<u>825,013</u>
-	-	-	323,148	-
-	-	-	482,718	-
65,252	41,181	-	426,695	-
114,431	-	-	1,532,384	-
4,128,939	-	-	20,018,976	-
9,998,483	606,685	-	19,287,982	-
591,570	25,953	-	4,999,253	-
(6,922,961)	(490,028)	-	(26,942,467)	-
<u>7,975,714</u>	<u>183,791</u>	<u>-</u>	<u>19,322,823</u>	<u>-</u>
<u>7,975,714</u>	<u>183,791</u>	<u>-</u>	<u>20,128,689</u>	<u>-</u>
10,515,973	226,637	(51,601)	33,989,035	825,013
1,448	-	-	289,640	12,000
-	-	-	231,330	-
6,309	-	-	27,551	-
29,222	-	-	202,436	-
51,601	-	(51,601)	-	-
360,386	-	-	765,099	-
<u>448,966</u>	<u>-</u>	<u>(51,601)</u>	<u>1,516,056</u>	<u>12,000</u>
15,751	-	-	132,907	-
3,965,419	-	-	8,187,239	-
<u>3,981,170</u>	<u>-</u>	<u>-</u>	<u>8,320,146</u>	<u>-</u>
<u>4,430,136</u>	<u>-</u>	<u>(51,601)</u>	<u>9,836,202</u>	<u>12,000</u>
3,649,909	183,791	-	10,370,485	-
-	-	-	574,536	-
2,435,928	42,846	-	13,207,812	813,013
<u>\$ 6,085,837</u>	<u>\$ 226,637</u>	<u>\$ -</u>	<u>\$ 24,152,833</u>	<u>\$ 813,013</u>

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2021

	Enterprise Funds				Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Transfer Station		
Operating revenues:						
User charges	\$ 8,621,935	\$ 1,354,458	\$ 1,750,693	\$ 400	\$ 11,727,486	\$ -
Health insurance premiums	-	-	-	-	-	678,902
Hookup fees	-	560	-	-	560	-
Other revenue	159,317	24,025	1,269	12,000	196,611	-
Total operating revenues	<u>8,781,252</u>	<u>1,379,043</u>	<u>1,751,962</u>	<u>12,400</u>	<u>11,924,657</u>	<u>678,902</u>
Operating expenses:						
Cost of power	4,183,219	-	-	-	4,183,219	-
Personnel	1,438,576	288,812	307,562	-	2,034,950	-
Contract services	215,374	114,525	400,189	-	730,088	-
Commodities	703,583	120,193	128,112	7,573	959,461	-
Payments in lieu of taxes	760,640	85,627	108,679	-	954,946	-
Insurance claims and health premiums	-	-	-	-	-	612,192
Depreciation	494,012	268,339	464,601	-	1,226,952	-
Total operating expenses	<u>7,795,404</u>	<u>877,496</u>	<u>1,409,143</u>	<u>7,573</u>	<u>10,089,616</u>	<u>612,192</u>
Operating income	985,848	501,547	342,819	4,827	1,835,041	66,710
Nonoperating revenues (expenses):						
Interest income	40,507	10,453	13,816	103	64,879	5,843
Grant revenue	-	9,016	-	-	9,016	-
Interest expense	(15,270)	(57,754)	(55,906)	-	(128,930)	-
Loan administration fees	-	(9,433)	(42,147)	-	(51,580)	-
Total nonoperating revenues (expenses)	<u>25,237</u>	<u>(47,718)</u>	<u>(84,237)</u>	<u>103</u>	<u>(106,615)</u>	<u>5,843</u>
Income before interfund transfers	1,011,085	453,829	258,582	4,930	1,728,426	72,553
Interfund transfers:						
Transfer to Community Development Agency	(28,644)	-	-	-	(28,644)	-
Transfer from (to) other funds	(61,128)	-	-	-	(61,128)	-
Total transfers	<u>(89,772)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,772)</u>	<u>-</u>
Change in net position	921,313	453,829	258,582	4,930	1,638,654	72,553
Net position - September 30, 2020	<u>12,492,267</u>	<u>3,972,950</u>	<u>5,827,255</u>	<u>221,707</u>	<u>22,514,179</u>	<u>740,460</u>
Net position - September 30, 2021	<u>\$ 13,413,580</u>	<u>\$ 4,426,779</u>	<u>\$ 6,085,837</u>	<u>\$ 226,637</u>	<u>\$ 24,152,833</u>	<u>\$ 813,013</u>

See notes to financial statements.

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

For the year ended September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 8,662,071	\$ 1,375,748
Receipts from other funds	-	-
Payments to suppliers	(5,836,648)	(346,765)
Payments to employees	(1,368,134)	(283,122)
Net cash provided by operating activities	1,457,289	745,861
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to Community Development Agency	(28,644)	-
Transfers (to) from other funds	(61,128)	-
Net cash used by noncapital financing activities	(89,772)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(383,088)	(144,337)
Grant proceeds	-	9,016
Special assessments received	-	17,946
Proceeds from the issuance of long-term debt	-	7,483
Principal payments on capital debt	(220,000)	(140,248)
Interest paid on capital debt	(11,741)	(49,863)
Loan administration fees	-	(9,433)
Net cash used by capital and related financing activities	(614,829)	(309,436)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in investments	(27,429)	(4,754)
Increase in restricted investments	(2,625)	-
(Increase) decrease in due from/to other funds	140,000	-
Interest received	42,143	10,721
Net cash provided by investing activities	152,089	5,967
Increase in cash and cash equivalents	904,777	442,392
Cash and cash equivalents - beginning of the year	3,231,463	920,875
Cash and cash equivalents - end of the year	\$ 4,136,240	\$ 1,363,267
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 3,813,092	\$ 1,363,267
Restricted cash and cash equivalents	323,148	-
Total cash and cash equivalents	\$ 4,136,240	\$ 1,363,267

Enterprise Funds			Internal Service Fund
Sewer Fund	Transfer Station	Total	
\$ 1,744,210	\$ 12,900	\$ 11,794,929	\$ -
-	-	-	678,901
(638,670)	(7,573)	(6,829,656)	(607,192)
(297,741)	-	(1,948,997)	-
<u>807,799</u>	<u>5,327</u>	<u>3,016,276</u>	<u>71,709</u>
-	-	(28,644)	-
-	-	(61,128)	-
-	-	(89,772)	-
(169,888)	-	(697,313)	-
-	-	9,016	-
54,925	-	72,871	-
-	-	7,483	-
(312,282)	-	(672,530)	-
(74,397)	-	(136,001)	-
(42,147)	-	(51,580)	-
(543,789)	-	(1,468,054)	-
(9,373)	-	(41,556)	(5,568)
-	-	(2,625)	-
-	-	140,000	-
14,400	103	67,367	6,237
<u>5,027</u>	<u>103</u>	<u>163,186</u>	<u>669</u>
269,037	5,430	1,621,636	72,378
<u>729,523</u>	<u>37,416</u>	<u>4,919,277</u>	<u>249,938</u>
<u>\$ 998,560</u>	<u>\$ 42,846</u>	<u>\$ 6,540,913</u>	<u>\$ 322,316</u>
\$ 998,560	\$ 42,846	\$ 6,217,765	\$ 322,316
-	-	323,148	-
<u>\$ 998,560</u>	<u>\$ 42,846</u>	<u>\$ 6,540,913</u>	<u>\$ 322,316</u>

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 985,848	\$ 501,547
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	494,012	268,339
Change in assets and liabilities:		
Accounts receivable	(111,551)	(3,295)
Inventories	86,076	(10,614)
Accounts payable	(59,908)	(15,806)
Customer deposits	(7,630)	-
Accrued expenses	70,442	5,690
Net cash provided by operating activities	\$ 1,457,289	\$ 745,861

See notes to financial statements.

<u>Enterprise Funds</u>				<u>Internal Service Fund</u>
<u>Sewer Fund</u>	<u>Transfer Station</u>		<u>Total</u>	
\$ 342,819	\$ 4,827		\$ 1,835,041	\$ 66,710
464,601	-		1,226,952	-
(7,752)	500		(122,098)	(1)
-	-		75,462	-
(1,690)	-		(77,404)	5,000
-	-		(7,630)	-
9,821	-		85,953	-
<u>\$ 807,799</u>	<u>\$ 5,327</u>		<u>\$ 3,016,276</u>	<u>\$ 71,709</u>

CITY OF WAYNE, NEBRASKA

STATEMENT OF NET POSITION - FIDUCIARY FUND

September 30, 2021

	Custodial <u>Fund</u>
ASSETS	
Cash	\$ 124,726
Sales tax receivable	45,386
Total assets	<u>\$ 170,112</u>
LIABILITIES	
Agency liabilities	<u>\$ 170,112</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wayne, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

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

The City’s financial reporting entity comprises the following:

Primary Government:	City of Wayne
Discretely Presented Component Units:	Wayne Municipal Airport Community Development Agency

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

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

Brief Description of Activities and Relationship
to the City:

Wayne Municipal Airport

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

Community Development Agency

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

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Special Revenue Funds

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

Debt Service Fund

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

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fiduciary Funds (not included in government-wide statements)

Agency Funds

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

Major and Nonmajor Funds

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

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

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

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities and the discretely presented component units are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and fiduciary funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

All proprietary funds and discretely presented component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments

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

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

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

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

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

Due from Other Governments

The total due from other governments consists of the following:

<u>Fund</u>	<u>Amount</u>	<u>Service</u>
General	\$ <u>244,066</u>	Sales Tax

Inventory

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

Restricted Assets

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets

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

Government-wide Statements

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

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

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

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Fund Financial Statements

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

Unavailable Revenues

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

Compensated Absences

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

Long-term Debt

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt, continued

Government-wide Statements

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

Fund Financial Statements

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

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

Effective October 1, 2010, the City adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

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

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

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

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 24). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

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

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

Property Taxes

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

The tax levies for all political subdivisions in Wayne County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

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

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

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

Bonds Payable

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

5. Budgetary Data

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

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

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- c. Prior to September 20, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Wayne adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Investments

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2021. The categories of collateral are defined as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

1. Cash and Investments, continued

Deposits, continued

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name; or collateralized with no written or approved collateral agreement.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and money market accounts	\$ 14,404,422	\$ 750,000	\$ 13,654,422	\$ -	\$ <u>14,108,511</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –					
Unrestricted cash and cash equivalents					\$ 7,764,726
Restricted cash and cash equivalents					4,992,578
Component Unit –					
Unrestricted cash and cash equivalents					1,226,481
Agency Fund Cash (not included in government-wide statement)					<u>124,726</u>
					<u>\$ 14,108,511</u>

Investments

The City’s policies and applicable laws regarding investments are discussed in Notes A4 and B2. The table presented below is designed to disclose whether the investments are insured or registered and who holds the security at September 30, 2021. The categories of investments are defined as follows:

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

1. Cash and Investments, continued

Investments, continued

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

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

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

<u>Type of Investment</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Time Deposits	\$ 7,360,439	\$ -	\$ -	\$ <u>7,992,309</u>	\$ <u>7,992,309</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted investments	\$ 6,880,208
Restricted investments	<u>1,112,101</u>
	<u>\$ 7,992,309</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

2. Restricted Assets

The restricted assets as of September 30, 2021, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 4,669,430	\$ 323,148	\$ 4,992,578	\$ -
Investments	<u>629,383</u>	<u>482,718</u>	<u>1,112,101</u>	<u>-</u>
	<u>\$ 5,298,813</u>	<u>\$ 805,866</u>	<u>\$ 6,104,679</u>	<u>\$ -</u>

Restricted cash and investments for governmental activities consists of \$1,346,971 of General Fund cash restricted for capital projects, \$192,886 of General Fund cash restricted for the swimming pool, \$1,782,600 of Street Fund cash and investments restricted for street expenditures, \$103,122 of Sales Tax cash restricted for Community Activity Center, \$885,701 of Debt Service cash and investments restricted for debt service, \$417,017 of Community Development cash restricted for Federal programs, \$486,628 of LB840 cash restricted for economic development, and \$83,888 of Keno cash restricted for community betterment.

Restricted business-type assets consist of debt service reserves of \$574,536 for the Electric Fund. The Electric Fund also has \$231,330 restricted for customer deposits.

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of Community Activity Center memberships and other minor receivables. Accounts receivable for the component units consist of minor receivables. Receivables detail at September 30, 2021, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 3,641	\$ 1,109,238	\$ 1,112,879	\$ 1,754
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net accounts receivable	<u>\$ 3,641</u>	<u>\$ 1,109,238</u>	<u>\$ 1,112,879</u>	<u>\$ 1,754</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

3. Accounts and Notes Receivable, continued

Notes receivable for the governmental funds consist of the following at September 30, 2021:

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2021</u>	<u>Terms</u>
Community Develop- ment Fund	5 housing loans	\$ 98,156	0%; housing loans; due when property is sold
LB840 Fund	Wayne Area Events Center	350,000	3%; annual payments of \$29,322 March 1, 2021, through March 1, 2035 (deferred to 9/30/22)
LB840 Fund	RBDK, LLC	43,535	3%; annual payments of \$4,705 through November 30, 2021 when final balloon payment is due
LB840 Fund	Innovative Protectives	6,000	0%; annual payments of \$667 November 1, 2014, through November 1, 2028
LB840 Fund	Talon Capital	205,457	2.85%; annual payments of \$29,084 May 1, 2020, through May 1, 2029
LB840 Fund	Wayne Short Stop	83,171	3%; monthly payments of \$821 July 1, 2021, through June 1, 2031

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2021</u>	<u>Terms</u>
LB840 Fund	OCC Builders, LLC	18,500	0%; annual payments of \$2,643 November 1, 2014, through November 1, 2028
LB840 Fund	Sand Creek Post & Beam, Inc.	103,413	0%; annual payments of \$12,927 November 1, 2014, through November 1, 2028
LB840 Fund	Wayne Hospitality Group	150,000	0%; annual payments of \$16,667 due for 15 years through 2030
LB840 Fund	DRJ LLC/INET Library	74,186	3%; annual payments of \$10,568 plus interest May 10, 2013, through May 10, 2021
LB840 Fund	Lutt Oil	16,580	3%; annual payments of \$5,862 January 1, 2015, through January 1, 2024
LB840 Fund	Kory Leseberg	23,111	0%; monthly payments of \$222 June 1, 2014, through May 1, 2029
LB840 Fund	Kory Leseberg	21,380	3%; monthly payments of \$242 June 1, 2014, through May 1, 2029
LB840 Fund	Ken Jorgensen	69,167	3%; annual payments of \$10,471 September 1, 2015, through September 1, 2030
LB840 Fund	Pat Garvin	21,333	0%; annual payments of \$2,667 May 1, 2015, through May 1, 2029

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2021</u>	<u>Terms</u>
LB840 Fund	Hefti Trucking	26,667	0%; annual payments of \$3,333 September 1, 2015, through September 1, 2029
LB840 Fund	Ken Jorgensen	62,175	3%; forgivable at \$10,471 per year September 1, 2015, through September 1, 2029
LB840 Fund	Jen Claussen	14,760	3%; monthly payments of \$164 April 1, 2015, through March 1, 2030
LB840 Fund	Rainbow World	44,059	0%; monthly payments of \$313 over 120 months; 22 final balloon payment due November 17, 2022
LB840 Fund	Retail Reclaimers, LLC	200,000	0%; monthly payments of \$1,190 May 1, 2021, through April 1, 2035 (deferred to 9/30/22)
LB840 Fund	Wayne Country Club	168,000	0%; annual payments of \$14,000 August 15, 2019, through August 15, 2033
LB840 Fund	Julie Cull	10,712	3%; monthly payments of \$357 due over 120 months

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2021</u>	<u>Terms</u>
LB840 Fund	Crossroads-Atoll Productions, LLC	28,582	3%; annual payments of \$3,351 February 1, 2017, through February 1, 2031
LB840 Fund	Johnnie Byrd Brewing	37,714	2.625%; monthly payments of \$214 March 1, 2020, through February 1, 2040
LB840 Fund	Winning Finish Enterprises, Inc.	10,894	3%; annual payments of \$2,897 October 1, 2016, through October 1, 2025
LB840 Fund	Winning Finish Enterprises, Inc.	10,000	0%; forgivable at \$2,500 per year October 1, 2016, through October 1, 2025
LB840 Fund	Allowance for Uncollectible Note	<u>(75,000)</u>	
Total notes receivable		<u>\$ 1,822,552</u>	
Current portion		\$ 160,000	
Noncurrent portion		<u>1,662,552</u>	
		<u>\$ 1,822,552</u>	

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Capital Assets

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

	<u>Balance at</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2021</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 775,970	\$ 24,405	\$ -	\$ -	\$ 800,375
Construction in progress	<u>4,332,196</u>	<u>1,767,085</u>	<u>-</u>	<u>(2,275,617)</u>	<u>3,823,664</u>
Total capital assets not being depreciated	5,108,166	1,791,490	-	(2,275,617)	4,624,039
Other capital assets being depreciated:					
Infrastructure	17,861,441	496,753	-	908,225	19,266,419
Improvements	5,821,513	6,800	-	1,339,586	7,167,899
Buildings	10,325,368	69,233	-	-	10,394,601
Machinery and equipment	<u>4,699,600</u>	<u>291,480</u>	<u>-</u>	<u>27,806</u>	<u>5,018,886</u>
Total other capital assets at historical cost	38,707,922	864,266	-	2,275,617	41,847,805
Less accumulated depreciation for:					
Infrastructure	(11,164,320)	(452,744)	-	-	(11,617,064)
Improvements	(1,562,980)	(441,978)	-	-	(2,004,958)
Buildings	(5,128,006)	(217,594)	-	-	(5,345,600)
Machinery and equipment	<u>(3,408,364)</u>	<u>(292,613)</u>	<u>-</u>	<u>-</u>	<u>(3,700,977)</u>
Total accumulated depreciation	<u>(21,263,670)</u>	<u>(1,404,929)</u> *	<u>-</u>	<u>-</u>	<u>(22,668,599)</u>
Other capital assets, net	<u>17,444,252</u>	<u>(540,663)</u>	<u>-</u>	<u>2,275,617</u>	<u>19,179,206</u>
Governmental activities capital assets, net	<u>\$ 22,552,418</u>	<u>\$ 1,250,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,803,245</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Capital Assets, continued

Governmental Activities, continued:

General government/public buildings	\$	41,957
Public safety		206,145
Public works:		
Street		608,259
Library		5,428
Senior citizens services		16,312
Recreation		372,404
Community Activity Center:		<u>154,424</u>
Total governmental depreciation expense		\$ <u>1,404,929</u>

Construction in progress at September 30, 2021, consists of \$3,133,559 for the Hiking Trail – Phase II project, \$134,700 for the Centennial Road project, \$5,884 for the Fourth Street project, \$439,711 for the Pine Heights project, and \$109,810 for the trail slope stabilization project. See Note D3 for additional details on these projects.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Capital Assets, continued

	<u>Balance at</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2021</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 426,695	\$ -	\$ -	\$ -	\$ 426,695
Construction in progress	1,347,907	184,477	-	-	1,532,384
Total capital assets not being depreciated	1,774,602	184,477	-	-	1,959,079
Other capital assets being depreciated:					
Buildings	19,073,654	214,328	-	-	19,287,982
Distribution systems	19,786,976	232,000	-	-	20,018,976
Equipment	4,932,745	66,508	-	-	4,999,253
Total other capital assets at historical cost	43,793,375	512,836	-	-	44,306,211
Less accumulated depreciation for:					
Buildings	(9,895,306)	(657,694)	-	-	(10,553,000)
Distribution systems	(11,153,459)	(500,184)	-	-	(11,653,643)
Equipment	(4,666,750)	(69,074)	-	-	(4,735,824)
Total accumulated depreciation	(25,715,515)	(1,226,952) *	-	-	(26,942,467)
Other capital assets, net	18,077,860	(714,116)	-	-	17,363,744
Business-type capital assets, net	<u>\$ 19,852,462</u>	<u>\$ (529,639)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,322,823</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 494,012
Water	268,339
Sewer	464,601
Transfer Station	-
Total business-type activities depreciation expense	<u>\$ 1,226,952</u>

Construction in progress at September 30, 2021, consists of \$1,417,953 of costs on the electric inner East/West conversion project and \$114,431 of costs on the sewer lagoon decommissioning project. See Note D3 for additional details of the construction in progress at September 30, 2021.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

4. Capital Assets, continued

	<u>Balance at</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2021</u>
<u>Airport Authority:</u>					
Capital assets not being depreciated:					
Land	\$ 287,776	\$ -	\$ -	\$ -	\$ 287,776
Construction in progress	2,681,506	1,937,929	-	(25,000)	4,594,435
	<u>2,969,282</u>	<u>1,937,929</u>	<u>-</u>	<u>(25,000)</u>	<u>4,882,211</u>
Other capital assets being depreciated:					
Buildings	2,601,203	38,000	-	-	2,639,203
Improvements	5,406,310	-	-	-	5,406,310
Equipment	494,854	3,940	-	25,000	523,794
Total other capital assets at historical cost	8,502,367	41,940	-	25,000	8,569,307
Less accumulated depreciation for:					
Buildings	(555,854)	(72,643)	-	-	(628,497)
Improvements	(1,906,038)	(196,350)	-	-	(2,102,388)
Equipment	(264,640)	(33,372)	-	-	(298,012)
Total accumulated depreciation	<u>(2,726,532)</u>	<u>(302,365)</u>	<u>-</u>	<u>-</u>	<u>(3,028,897)</u>
Other capital assets, net	<u>5,775,835</u>	<u>(260,425)</u>	<u>-</u>	<u>25,000</u>	<u>5,540,410</u>
Airport Authority capital assets, net	<u>\$ 8,745,117</u>	<u>\$ 1,677,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,422,621</u>

Construction in progress at September 30, 2021 consists of \$4,594,435 of engineering and construction contractor costs for the parallel taxiway. See Note D3 for additional details of contractual commitments on these projects.

	<u>Balance at</u> <u>September 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2021</u>
<u>Community Development Agency:</u>				
Capital assets not being depreciated:				
Land	\$ <u>38,083</u>	\$ <u>50,052</u>	\$ <u>(7,052)</u>	\$ <u>81,083</u>

5. Accounts Payable

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt

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

Changes in Long-term Debt

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

<u>Type of Debt</u>	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds payable	\$ 4,525,000	\$ 1,455,000	\$ (2,255,000)	\$ 3,725,000	\$ 515,000
Business-type Activities:					
Bonds and notes payable	\$ 9,617,385	\$ 7,483	\$ (672,530)	\$ 8,952,338	\$ 765,099
Component Units:					
Airport Authority	\$ 229,148	\$ -	\$ (30,876)	\$ 198,272	\$ 30,876
Community Development Authority	2,419,683	195,021	(201,656)	2,413,048	538,213
Total component units	\$ 2,648,831	\$ 195,021	\$ (232,532)	\$ 2,611,320	\$ 569,089

Governmental Activities

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

Bonds payable:

Public safety bonds - series 2010, with original issue amount of \$490,000. Interest ranges from 1.00 to 3.10 percent with final maturity May 1, 2021. \$ -

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:

Highway allocation bonds – series 2019 with original issue amount of \$380,000 issued to refinance the Series 2013 and 2013B highway allocation bonds and provide funds for street construction. Interest ranges from 1.50 to 2.10 percent with final maturity June 15, 2028.	1,535,000
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Sales tax revenue bonds - series 2021, with original issue amount of \$1,455,000 issued to refinance the Series 2015 sales tax revenue bonds. Interest ranges from 0.30 to 1.15 percent with final maturity September 15, 2028.	1,305,000
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General obligation refunding bonds - series 2019, with original issue amount of \$690,000 issued to refinance the series 2013 various purpose bonds. Interest ranges from 1.90 to 2.60 percent with final maturity June 15, 2028.	<u>530,000</u>
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Total bonds payable	\$ <u>3,725,000</u>
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Current portion	\$ 515,000
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Noncurrent portion	<u>3,210,000</u>
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Total	\$ <u>3,725,000</u>
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The General Fund is making the bond payments on the sales tax revenue bonds. The Debt Service Fund is making the bond payments on all other outstanding governmental activities debt.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

6. Long-term Debt, continued

Business-type Activities

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

Bonds and notes payable:

Electric revenue refunding bonds - series 2020, with original issue amount of \$1,785,000. Interest ranges from 0.60 to 1.40 percent with final maturity June 15, 2031. \$ 1,565,000

Water revenue bonds - series 2019, with original issue amount of \$810,000. Interest ranges from 1.95 to 3.00 percent with final maturity June 1, 2031. 700,000

\$4,949,020 of Sewer DEQ Notes Payable. The note will be due in semi-annual principal and interest payments of \$151,154 commencing June 15, 2012, through December 15, 2031. The note bears interest of 2.0 percent. A one percent administration fee will also be due semi-annually. 2,862,737

\$1,838,650 of Sewer DEQ Notes Payable. The note will be due in semi-annual principal and interest payments of \$54,551 commencing June 15, 2017, through June 15, 2036. The note bears interest of 1.5 percent. A one percent administration fee will also be due semi-annually. 1,463,068

\$1,977,993 of Water DEQ Notes Payable. The note will be due in semi-annual principal and interest payments of \$57,421 commencing June 15, 2021, through December 15, 2040. The note bears interest of 1.5 percent. A 0.50 percent administration fee will also be due semi-annually. 1,942,728

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt, continued

Business-type Activities, continued

Bonds and notes payable, continued:

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

418,805

Total business-type activity bonds and notes payable

\$ 8,952,338

Current portion

\$ 765,099

Noncurrent portion

8,187,239

Total

\$ 8,952,338

Component Unit

Airport notes payable:

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

\$ 50,826

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

147,446

Total airport notes payable

198,272

Community Development Agency Bond Payable:

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

363,147

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2011, with original amount of \$84,700. Interest of 6.75 percent is due semi-annually commencing July 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 43,963

Tax increment revenue bond series 2009, with original amount of \$75,000. Principal and interest of 7 percent is due annually commencing December 31, 2010. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 40,925

Tax increment revenue bond series 2012, with original amount of \$135,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 86,386

Tax increment revenue bond series 2012, with original amount of \$467,000. Interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 297,614

Tax increment revenue bond series 2012, with original amount of \$190,000. Principal and interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 63,430

Tax increment revenue bond series 2013, with original amount of \$210,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 190,147

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2013, with original amount of \$50,000. Interest of 6.75 percent is due semi-annually commencing June 30, 2014. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 32,605

Tax increment revenue bond series 2012, with original amount of \$38,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. Semi-annual principal payments commence July 31, 2014 through December 31, 2027. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 29,439

Tax increment revenue bond series 2013, with original amount of \$130,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 111,323

Tax increment revenue bond series 2013, with original amount of \$150,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 1, 2016 through June 1, 2026. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 142,815

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2013, with original amount of \$93,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 6,167

Tax increment revenue bond series 2013, with original amount of \$40,000. Principal and interest of 5 percent is due annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 28,969

Tax increment revenue bond series 2013, with original amount of \$108,646. Interest of 5 percent is due semi-annually commencing December 31, 2015. Semi-annual principal payments commence June 30, 2015 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 96,157

Tax increment revenue bond series 2015, with original amount of \$200,000. Interest of 5 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence June 30, 2019 through June 30, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 183,574

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2014, with original amount of \$250,000. Interest of 6 percent is due semi-annually commencing June 1, 2016. Semi-annual principal payments commence December 31, 2017 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 219,606

Tax increment revenue bond series 2019, with original amount of \$120,258. Interest of 6 percent is due semi-annually commencing July 1, 2019. Semi-annual principal payments commence July 1, 2019 through December 31, 2033. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 102,038

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

Tax increment revenue bond series 2016, with original amount of \$50,000. Interest of 6 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence December 31, 2017 through December 31, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 179,722

Total Community Development Agency bonds payable 2,413,048

Total component unit notes and bond payable \$ 2,611,320

Current portion \$ 569,089

Noncurrent portion 2,042,231

Total \$ 2,611,320

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt, continued

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

Year Ending September 30,	Governmental Activities		Business-type Activities				
	Other Debt Issues		Direct Placement Debt			Other Debt Issues	
	Principal	Interest	Principal	Interest	Fees	Principal	Interest
2022	\$ 515,000	\$ 59,480	\$ 485,099	\$ 58,183	\$ 34,878	\$ 280,000	\$ 32,690
2023	510,000	52,953	488,974	54,307	32,255	285,000	29,928
2024	525,000	46,150	492,893	50,390	29,610	290,000	27,022
2025	530,000	38,477	496,856	46,425	26,940	285,000	23,808
2026	545,000	30,148	500,865	42,416	24,247	290,000	20,520
2027-2031	1,100,000	31,562	2,565,844	150,309	79,976	835,000	52,665
2032-2036	-	-	1,156,989	66,314	26,937	-	-
2037-2041	-	-	499,818	18,930	6,310	-	-
	<u>\$ 3,725,000</u>	<u>\$ 258,770</u>	<u>\$ 6,687,338</u>	<u>\$ 487,274</u>	<u>\$ 261,153</u>	<u>\$ 2,265,000</u>	<u>\$ 186,633</u>

Year Ending September 30,	Component Units			
	Airport Direct Placement		CDA Direct Placement	
	Principal	Interest	Principal	Interest
2022	\$ 30,876	\$ -	\$ 538,213	\$ 306,585
2023	30,876	-	223,191	104,504
2024	30,876	-	235,650	92,250
2025	24,966	-	240,596	78,337
2026	16,692	-	238,739	64,313
2027-2031	63,986	-	764,100	142,350
2032-2036	-	-	172,559	15,440
	<u>\$ 198,272</u>	<u>\$ -</u>	<u>\$ 2,413,048</u>	<u>\$ 803,779</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. Interfund Transactions and Balances

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Street Fund	\$ -	\$ 200,000
Wireless 911	23,073	-
E911	<u>6,000</u>	<u>-</u>
Total General Fund	29,073	200,000
Street Fund:		
General Fund	200,000	-
Debt Service Fund	<u>-</u>	<u>152,040</u>
Total Street Fund	200,000	152,040
Debt Service Fund:		
Electric Fund	61,128	-
Street Fund	<u>152,040</u>	<u>-</u>
Total Debt Service Fund	213,168	-
Nonmajor Governmental Funds:		
General Fund	-	29,073
Electric Fund:		
Debt Service Fund	<u>-</u>	<u>61,128</u>
Total Interfund Transfers	\$ <u>442,241</u>	\$ <u>442,241</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

7. Interfund Transactions and Balances, continued

Interfund balances:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Terms</u>
LB840-Tornado Relief	Electric	\$ <u>40,000</u>	Principal of \$40,000 is due annually, plus interest at 0.5% due semi-annually through March 1, 2022.
Airport	General	\$ 461	0%; will be repaid during year ending September 30, 2022.
CDA	General	194	0%; will be repaid during year ending September 30, 2022.
CDA	Electric	300,000	0%; on demand or upon sale of real estate.
Total		\$ <u>300,655</u>	

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

Under Nebraska statutes, the City is to maintain a retirement plan for City policemen. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited under a money purchase retirement plan with Ameritas Retirement. This plan requires that covered employees and the City contribute an amount equal to seven percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. The eligible and covered payroll amounted to \$472,680 for the year ended September 30, 2021. Both the City and the covered employees' required contributions of \$33,088 were made for the year ended September 30, 2021. The employees also contributed \$8,623 to a deferred compensation plan in accordance with Internal Revenue Code Section 457. The employer contributions vest at the following rate: 0 to 2 years - 0 percent, 2 to 3 years - 40 percent, 4 years - 60 percent, 5 to 6 years - 80 percent, 7 years - fully vested.

The City maintains a defined contribution plan for the City employees in accordance with Internal Revenue Code Sections 457 and 401(a). The plan is available to all full-time City employees. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited with the ICMA. This plan requires that covered employees contribute at least one percent to the deferred compensation savings plan and that the City contribute six percent of the employee's salary to the plan until such employee becomes eligible for regular retirement, at which time contributions shall cease. The total payroll amounted to \$2,720,544 and the covered payroll amounted to \$1,605,586 for the year ended September 30, 2021. The City and the employees contributed \$120,775 and \$140,099, respectively, for the year ended September 30, 2021.

2. Risk Management

Insurance

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Insurance, continued

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

Settled claims in the past three years have not exceeded the commercial coverages. The City has estimated unsubmitted claims on health insurance based on prior experience to be \$12,000; this amount represents two months of subsequent claims. This has been included as a current year expenditure. A reserve of \$813,013 is established in an internal service fund at September 30, 2021.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2021, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The certificate of deposit maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
January 2022	\$ 86,336
February 2022	1,094,851
March 2022	353,667
April 2022	1,248,903
May 2022	432,573
June 2022	1,078,183
July 2022	725,866
August 2022	816,361
September 2022	<u>2,155,569</u>
	<u>\$ 7,992,309</u>

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

Concentration of Credit Risk. The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2021, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Elkhorn Valley Bank	\$ 3,604,376
Farmers & Merchants Bank	816,361
State Nebraska Bank & Trust	<u>3,571,572</u>
	<u>\$ 7,992,309</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2021.

3. Commitments and Contingencies

Construction/Contractual Commitments

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

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/21</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Governmental Fund Projects:				
Pine Heights contractor	\$ 726,080	\$ 320,221	\$ 405,859	December 2021
Centennial Road engineering	169,710	132,007	37,703	January 2022
Lake feasibility study	19,750	6,700	13,050	January 2022
Business-type Fund Projects:				
NE engine certification	10,650	8,535	2,115	December 2021
Housing study	8,000	4,000	4,000	May 2022
Wayne Municipal Airport:				
Parallel taxiway – phase II:				
Engineering	530,432	409,257	121,175	May 2022
Contractor	1,980,673	1,643,397	337,276	May 2022
Mayday aviation events:				
Consultant	185,778	114,250	71,528	May 2023

Contingencies

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen worldwide. While the disruption this pandemic is causing is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the financial impact to the City that could occur as a result of this issue is unknown and cannot be reasonably estimated at this time.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Lease Commitments

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

The City paid rent of \$20,609 under these lease agreements during the year ended September 30, 2021.

Lease commitments as of September 30, 2021, are as follows:

<u>Year ending September 30,</u>	<u>Commitment</u>
2022	\$ 20,609
2023	20,118
2024	17,776
2025	<u>2,898</u>
	<u>\$ 61,401</u>

Airport Management Contract

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

Future commitments under this contract as of September 30, 2021, are as follows:

<u>Year ending September 30,</u>	<u>Commitment</u>
2022	\$ 36,000
2023	36,000
2024	<u>9,000</u>
	<u>\$ 81,000</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Electric Department

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

Concurrent with the execution of the capacity lease described above, the City entered into a wholesale power contract with NPPD. Under the terms of the agreement, the City is required to purchase all the electric power and energy in excess of power and energy supplied by NPPD needed in the operation of the City distribution system. Beginning in the year 2011, the City can start reducing power and energy purchases from NPPD and purchase these from other sources. Lease payments for the power plant from NPPD would reduce in the same ratio as power and energy purchases from NPPD. Power purchased under this agreement totaled \$370,178 for the year ended September 30, 2021.

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

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

4. Related-Party Transactions

The Electric Fund remits 10.5 percent of gross revenues, the Water Fund remits nine percent of gross revenues, and Sewer Funds remit seven percent of gross revenues to the General Fund annually as payments in lieu of taxes. The Electric Fund made payments in the amount of \$760,640, the Water Fund made payments of \$85,627, and the Sewer Fund made payments of \$108,679, for the year ended September 30, 2021.

During the year ended September 30, 2021, the City paid \$469,348 to Robert Woehler & Sons, for construction services. This company is owned by a council member.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2021:

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Western Area Power Admin	3/03/15	Update City’s transmission arrangements and the transmission path and delivery measurement conditions.
Northeast NE Public Power District	7/07/15	Potential litigation partnership with wholesale customers of NPPD.
Nebraska Regional Interoperability Network	12/15/2015	Enable separate political subdivision of NE to cooperate on the basis of mutual advantage to provide for joint undertakings, services & facilities.
Office of the Chief Information Officer, State of Nebraska	06/07/2016	Network Nebraska – Education and Network Nebraska-Education “Participant” for the purpose of outlining the service and responsibility of the OCI.
Nebraska Department of Roads	09/20/2016	LPA supplemental Program Agreement – Federal-Aid Funds which will out the various duties and funding responsibilities for the Federal Aid projects.
LNRD	05/17/2011	Logan Creek bank stabilization project.
NE Red Cross	04/07/2009	Local Emergency planning process.
Village of Concord	09/18/2018	Provide building inspections
Village of Carroll	12/04/2018	Provide building inspections

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

6. Tax Abatements

The Community Development Agency (CDA), 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 CDA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CDA for the year ended September 30, 2021 is as follows:

<u>TIF Project:</u>	Years Remaining on <u>TIF Agreements</u>	2021 TIF <u>Valuation</u>	TIF Proceeds Received during the year <u>9-30-2021</u>
Angel Acres	8	\$ 1,828,625	\$ 29,409
MZRB, LLC	8	370,330	6,528
Progressive Properties – First Street	7	157,465	5,417
Western Ridge – Pick/Meyer	8	1,068,230	19,884
Sebade	8	238,820	4,232
Progressive Properties – 6 th Street	9	438,570	15,043
Wayne Rentals	8	1,311,142	22,605
Mid Plains Grain	9	693,360	12,980
Bomgaars	4	1,494,575	27,778
Benscoter Development	3	1,339,980	25,325
Wayne Hospitality	4	2,179,230	40,797
Progressive Properties – Nebraska Street	8	505,340	17,357
Windom Ridge	3	586,350	5,491
Grainland Estates	12	1,501,210	22,691
Sebade Valley Drive	12	813,535	15,230
Wayne Crown	14	159,310	1,341
Jorgensen – The Jug Store	10	1,380,465	<u>25,676</u>
			<u>\$ 297,784</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

7. Subsequent Events

Management has evaluated subsequent events through January 6, 2022, the date on which the financial statements were available for issue.

On October 5, 2021, the City Council approved purchasing a Bobcat UW56 for \$61,501 and a Bobcat skidsteer loader with attachments for \$39,209 from Bobcat of Norfolk.

On November 2, 2021, the City Council approved a \$400,000 LB840 loan to Sanctuary Apartments, LLC. The loan will bear interest at one-half the rate set by the primary lender and the loan repayment period will be 10 years, based on a 20 year amortization.

On November 16, 2021, the City Council approved the purchase of a John Deere 310SL backhoe loader with related attachments for \$97,400, trading in the 1999 John Deere 310SE backhoe.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAYNE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended September 30, 2021

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 916,030	\$ 926,187	\$ 10,157
Payments in lieu of taxes	1,036,513	1,036,711	198
Sales tax	1,145,593	878,542	(267,051)
Franchise	232,500	166,288	(66,212)
Intergovernmental	1,269,509	923,449	(346,060)
Charges for services	574,345	715,120	140,775
Grant revenue	1,144,207	1,506,188	361,981
Interest income	10,000	10,353	353
Contributions	39,312	58,663	19,351
Bond proceeds	-	1,455,000	1,455,000
Other	49,500	69,262	19,762
	<u>6,417,509</u>	<u>7,745,763</u>	<u>1,328,254</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	1,835,147	238,201	(1,596,946)
Public buildings	407,678	81,130	(326,548)
Public safety	1,760,053	1,425,909	(334,144)
Senior citizens services	324,740	288,697	(36,043)
Library	334,208	278,349	(55,859)
Recreation	865,150	626,388	(238,762)
Community Activity Center	368,852	317,487	(51,365)
Capital outlay	1,095,000	552,158	(542,842)
Principal payments on debt	125,000	1,920,000	1,795,000
Interest and fees on debt	55,761	63,932	8,171
	<u>7,171,589</u>	<u>5,792,251</u>	<u>(1,379,338)</u>
Resources over (under) charges to appropriations	(754,080)	1,953,512	2,707,592
OTHER FINANCING SOURCES (USES)			
Transfers in	32,500	29,073	(3,427)
Transfers out	(575,000)	(200,000)	375,000
Net transfers	<u>(542,500)</u>	<u>(170,927)</u>	<u>371,573</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u>\$ (1,296,580)</u>	<u>\$ 1,782,585</u>	<u>\$ 3,079,165</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
STREET FUND**

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,200	\$ 1,842	\$ 642
Motor vehicle	85,000	103,257	18,257
Sales tax	115,000	172,122	57,122
Intergovernmental	665,222	791,026	125,804
Charges for services	2,200	3,230	1,030
Interest income	3,000	4,973	1,973
Sale of property	-	7,923	7,923
Other income	-	182	182
	<hr/>	<hr/>	<hr/>
Total resources	871,622	1,084,555	212,933
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	1,029,468	557,851	(471,617)
Capital projects	1,180,000	719,575	(460,425)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,209,468	1,277,426	(932,042)
Resources under charges to appropriations	(1,337,846)	(192,871)	1,144,975
OTHER FINANCING SOURCES			
Transfers in	200,000	200,000	-
Transfers out	(150,000)	(152,040)	(2,040)
	<hr/>	<hr/>	<hr/>
Net transfers	50,000	47,960	(2,040)
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	<u>\$ (1,287,846)</u>	<u>\$ (144,911)</u>	<u>\$ 1,142,935</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
LB840 FUND**

Year ended September 30, 2021

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 260,000	\$ 319,470	\$ 59,470
Interest income	800	15,393	14,593
Other income	143,847	34,900	(108,947)
	<hr/>	<hr/>	<hr/>
Total resources	404,647	369,763	(34,884)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government-economic development	634,123	12,971	(621,152)
Interest on long-term debt	-	1,800	1,800
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	634,123	14,771	(619,352)
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<u>\$ (229,476)</u>	<u>\$ 354,992</u>	<u>\$ 584,468</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND**

Year ended September 30, 2021

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 101,475	\$ 61,321	\$ (40,154)
Payments in lieu of taxes	225	188	(37)
Special assessments	37,754	93,206	55,452
Other revenue	194,968	-	(194,968)
Interest income	4,150	13,347	9,197
	<hr/>	<hr/>	<hr/>
Total resources	338,572	168,062	(170,510)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	1,187,879	335,000	(852,879)
Interest and fees	11,128	56,348	45,220
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,199,007	391,348	(807,659)
Resources under charges to appropriations	(860,435)	(223,286)	637,149
OTHER FINANCING SOURCES			
Transfer in	61,128	213,168	152,040
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	<u>\$ (799,307)</u>	<u>\$ (10,118)</u>	<u>\$ 789,189</u>

CITY OF WAYNE, NEBRASKA

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

Year ended September 30, 2021

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>LB840 Fund</u>	<u>Debt Service Fund</u>
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 7,745,763	\$ 1,084,555	\$ 369,763	\$ 168,062
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(239,647)</u>	<u>(10)</u>	<u>(34,900)</u>	<u>(13,013)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 7,506,116</u></u>	<u><u>\$ 1,084,545</u></u>	<u><u>\$ 334,863</u></u>	<u><u>\$ 155,049</u></u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 5,792,251	\$ 1,277,426	\$ 14,771	\$ 391,348
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(89,575)</u>	<u>4,464</u>	<u>(17)</u>	<u>(2,016)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,702,676</u></u>	<u><u>\$ 1,281,890</u></u>	<u><u>\$ 14,754</u></u>	<u><u>\$ 389,332</u></u>

SUPPLEMENTARY INFORMATION

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

September 30, 2021

	Special Revenue Funds					Total Nonmajor Governmental Funds
	<u>Community Development</u>	<u>Sales Tax</u>	<u>Keno</u>	<u>Wireless 911</u>	<u>E911</u>	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 70,024	\$ 22,992	\$ 93,016
Investments	-	-	-	64,679	11,337	76,016
Grants receivable	230,526	-	-	-	-	230,526
Notes receivable	98,156	-	-	-	-	98,156
Interest receivable	-	-	-	53	10	63
Restricted assets:						
Cash and cash equivalents	417,017	103,122	83,888	-	-	604,027
Total assets	\$ 745,699	\$ 103,122	\$ 83,888	\$ 134,756	\$ 34,339	\$ 1,101,804
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 81,649	\$ -	\$ 1,055	\$ -	\$ -	\$ 82,704
Due to other funds	-	-	-	47,613	5,210	52,823
Total liabilities	81,649	-	1,055	47,613	5,210	135,527
Fund balances:						
Restricted for:						
Federal programs	664,050	-	-	-	-	664,050
Community Activity Center	-	103,122	-	-	-	103,122
Community betterment	-	-	82,833	-	-	82,833
Assigned for:						
Other purposes	-	-	-	87,143	29,129	116,272
Total fund balances	664,050	103,122	82,833	87,143	29,129	966,277
Total liabilities and fund balances	\$ 745,699	\$ 103,122	\$ 83,888	\$ 134,756	\$ 34,339	\$ 1,101,804

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2021

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Community <u>Development</u>	Sales <u>Tax</u>	<u>Keno</u>	Wireless <u>911</u>	<u>E911</u>	
REVENUES						
Grant revenue	\$ 857,733	\$ -	\$ -	\$ -	\$ -	\$ 857,733
Charges for services	-	-	-	57,084	16,734	73,818
Keno proceeds	-	-	27,414	-	-	27,414
Interest income	433	182	181	605	145	1,546
Total revenues	<u>858,166</u>	<u>182</u>	<u>27,595</u>	<u>57,689</u>	<u>16,879</u>	<u>960,511</u>
EXPENDITURES						
General government	29,693	-	-	-	-	29,693
Public safety	-	-	-	8,599	1,791	10,390
Recreation	-	-	4,948	-	-	4,948
Capital outlay	327,165	-	-	-	-	327,165
Total expenditures	<u>356,858</u>	<u>-</u>	<u>4,948</u>	<u>8,599</u>	<u>1,791</u>	<u>372,196</u>
Excess of revenues over expenditures	501,308	182	22,647	49,090	15,088	588,315
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	(23,073)	(6,000)	(29,073)
Net change in fund balances	501,308	182	22,647	26,017	9,088	559,242
Fund balances - September 30, 2020	<u>162,742</u>	<u>102,940</u>	<u>60,186</u>	<u>61,126</u>	<u>20,041</u>	<u>407,035</u>
Fund balances - September 30, 2021	<u>\$ 664,050</u>	<u>\$ 103,122</u>	<u>\$ 82,833</u>	<u>\$ 87,143</u>	<u>\$ 29,129</u>	<u>\$ 966,277</u>

CITY OF WAYNE, NEBRASKA

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

September 30, 2021

	Wayne Municipal Airport	Community Development Agency	Total Component Units
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 815,363	\$ 411,118	\$ 1,226,481
County treasurer cash	2,779	-	2,779
Receivables:			
Property tax	2,925	-	2,925
Accounts receivable	1,754	-	1,754
TIF receivable-current portion	-	297,784	297,784
Note receivable-current portion	3,818	-	3,818
Fuel inventory	16,460	-	16,460
Prepaid insurance	7,091	-	7,091
Total current assets	<u>850,190</u>	<u>708,902</u>	<u>1,559,092</u>
Noncurrent assets:			
TIF receivable-noncurrent portion	-	2,115,264	2,115,264
Note receivable-noncurrent portion	92,476	122,200	214,676
Capital assets:			
Land	287,776	81,083	368,859
Construction in progress	4,594,435	-	4,594,435
Other capital assets, net of depreciation	5,540,410	-	5,540,410
Net capital assets	<u>10,422,621</u>	<u>81,083</u>	<u>10,503,704</u>
Total noncurrent assets	<u>10,515,097</u>	<u>2,318,547</u>	<u>12,833,644</u>
Total assets	11,365,287	3,027,449	14,392,736
LIABILITIES			
Current liabilities:			
Due to the City of Wayne	461	300,194	300,655
Accounts payable	16,838	-	16,838
Accrued interest payable	-	225,422	225,422
Unavailable property tax	2,095	-	2,095
Current portion of long-term debt	30,876	538,213	569,089
Total current liabilities	<u>50,270</u>	<u>1,063,829</u>	<u>1,114,099</u>
Noncurrent liabilities:			
Noncurrent portion of long-term debt	<u>167,396</u>	<u>1,874,835</u>	<u>2,042,231</u>
Total liabilities	<u>217,666</u>	<u>2,938,664</u>	<u>3,156,330</u>
NET POSITION			
Net investment in capital assets	10,224,349	81,083	10,305,432
Unrestricted	923,272	7,702	930,974
Total net position	<u>\$ 11,147,621</u>	<u>\$ 88,785</u>	<u>\$ 11,236,406</u>

CITY OF WAYNE, NEBRASKA

**COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS**

For the year ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Wayne Municipal Airport:			
Airport	\$ 755,236	\$ 184,877	\$ 2,569
Community Development Agency:			
Economic development	167,639	-	-
Total component units	\$ 922,875	\$ 184,877	\$ 2,569

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Airport Authority</u>	<u>Community Development Agency</u>	<u>Total Component Units</u>
\$ 1,947,720	\$ 1,379,930	\$ -	\$ 1,379,930
-	-	(167,639)	(167,639)
<u>\$ 1,947,720</u>	<u>1,379,930</u>	<u>(167,639)</u>	<u>1,212,291</u>
General revenues:			
Taxes:			
Property	89,070	-	89,070
TIF proceeds	-	96,127	96,127
Interest income	5,898	1,033	6,931
Gain on disposal of assets	2,880	42,583	45,463
Other income	-	10	10
Transfer from City of Wayne	-	28,644	28,644
Total general revenues	<u>97,848</u>	<u>168,397</u>	<u>266,245</u>
Change in net position	1,477,778	758	1,478,536
Net position - beginning of year	<u>9,669,843</u>	<u>88,027</u>	<u>9,757,870</u>
Net position - end of year	<u>\$ 11,147,621</u>	<u>\$ 88,785</u>	<u>\$ 11,236,406</u>

SINGLE AUDIT REPORTS

CITY OF WAYNE, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2021

<u>Federal Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-thru Identifying Number</u>	<u>Expenditures</u>
<u>Department of Transportation:</u>			
Passed Through Nebraska Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	32104	\$ 92,700
COVID-19 - Formula Grants for Other than Urbanized Areas	20.509	32104	66,089
Total CFDA 20.509			<u>158,789</u>
Airport Improvement Program	20.106	3-31-0086	1,935,401
COVID-19 - Airport Improvement Program	20.106	3-31-0086	13,000
Total CFDA 20.106			<u>1,948,401</u>
Total Department of Transportation			<u>2,107,190</u>
<u>Department of Environmental Quality</u>			
Passed Through Nebraska Department of Environment & Energy:			
Capitalization Grants for Drinking Water-State Revolving Fund	66.468	47-6006407	17,819
<u>Department of Homeland Security</u>			
Passed through Nebraska Emergency Management Association:			
Disaster Grants - Public Assistance	97.036	47-6006407	1,211,710 *
<u>Housing and Urban Development:</u>			
Passed Through Nebraska Department of Economic Development:			
Community Development Block Grants	14.228	47-6006407	331,858
<u>Department of Health and Human Services:</u>			
Passed Through Northeast Nebraska Area Agency on Aging:			
Aging Cluster:			
Special Programs for the Aging Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	47-6006407	3,357
Special Programs for the Aging Title III, Part C - Nutrition Services	93.045	47-6006407	17,004
COVID-19 - Special Programs for the Aging Title III, Part C - Nutrition Services	93.045	47-6006407	6,498
Total CFDA 93045			<u>23,502</u>
Nutrition Services Incentive Programs	93.053	47-6006407	9,321
Total Aging Cluster			<u>36,180</u>
National Family Caregiver Support, Title III, Part E	93.052	47-6006407	1,843
Total Department of Health and Human Services			<u>38,023</u>
Total Federal Awards			<u>\$ 3,706,600</u>

* Major Program

NOTE A - BASIS OF PRESENTATION

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

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

SHAREHOLDERS:

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

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated January 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wayne’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2021-001 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wayne's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Wayne's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AMGL, P.C.

Grand Island, Nebraska
January 6, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Wayne, Nebraska's compliance with the types of compliance requirements described 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, 2021. The City of Wayne, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wayne, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the City of Wayne, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

AMGL, P.C.

Grand Island, Nebraska
January 6, 2022

CITY OF WAYNE, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2021

1. A summary of auditor's results:
 - (i) Unmodified opinions were issued on all opinion units of the City of Wayne, Nebraska, as of September 30, 2021.
 - (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*." The deficiency is not reported as a material weakness.
 - (iii) The audit disclosed no instances of noncompliance which are material to the financial statements of the City of Wayne, Nebraska.
 - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Wayne, Nebraska.
 - (v) An unmodified opinion was issued on compliance for major programs.
 - (vi) The audit did not disclose any audit findings which are required to be reported under 2 CFR section 200.516(a).
 - (vii) Major Program: CFDA #97.036 – Disaster Grants – Public Assistance.
 - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
 - (ix) The City of Wayne, Nebraska, qualified as a low-risk auditee.

CITY OF WAYNE, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2021

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

2021-001

Condition: There is not adequate segregation of duties.

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

Cause: There are a limited number of accounting personnel.

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

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

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

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

None

CITY OF WAYNE, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2021

There were no prior audit findings for the year ended September 30, 2020.