

CITY OF WAYNE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2025

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Nebraska, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-21 and 87-91 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Nebraska's basic financial statements. The combining nonmajor governmental funds financial statements and the combining component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, 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
December 31, 2025

**CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2025**

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, 2025. 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 \$66,183,182 (*net position*). Of this amount, \$18,040,131 (*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 \$34,267,712. Approximately 6.3 percent of this total amount, \$2,144,821, is *unrestricted net position*.
- At the end of the current fiscal year, the General Fund had unassigned fund balance of \$229,433, while total fund balance was \$3,110,989.

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, 2025

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

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

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

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

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

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

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

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

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

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

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

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

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

The basic fiduciary fund financial statements can be found on page 32-33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-86 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Wayne's budgetary comparison schedules. Required supplementary information can be found on pages 87-91 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and the component units are presented immediately following the required supplementary information. Combining and individual fund statements and schedules (supplementary information) can be found on pages 92-95 of this report.

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

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 \$66,183,182 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2025			September 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 11,499,680	\$ 18,234,538	\$ 29,734,218	\$ 14,461,198	\$ 19,679,755	\$ 34,140,953
Capital Assets	34,920,794	21,137,885	56,058,679	31,300,079	19,288,954	50,589,033
Total Assets	<u>46,420,474</u>	<u>39,372,423</u>	<u>85,792,897</u>	<u>45,761,277</u>	<u>38,968,709</u>	<u>84,729,986</u>
Long-term Liabilities	10,801,260	5,203,249	16,004,509	11,138,591	5,992,342	17,130,933
Other Liabilities	1,351,502	2,253,704	3,605,206	1,341,809	1,674,228	3,016,037
Total Liabilities	<u>12,152,762</u>	<u>7,456,953</u>	<u>19,609,715</u>	<u>12,480,400</u>	<u>7,666,570</u>	<u>20,146,970</u>
Net Position:						
Net Investment in						
Capital Assets	23,900,794	15,289,368	39,190,162	19,935,079	12,658,581	32,593,660
Restricted	8,222,097	730,792	8,952,889	10,878,326	574,536	11,452,862
Unrestricted	2,144,821	15,895,310	18,040,131	2,467,472	18,069,022	20,536,494
Total Net Position	<u>\$ 34,267,712</u>	<u>\$ 31,915,470</u>	<u>\$ 66,183,182</u>	<u>\$ 33,280,877</u>	<u>\$ 31,302,139</u>	<u>\$ 64,583,016</u>

The largest portion of the City of Wayne’s net position (59.2 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 (13.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$18,040,131) 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, 2025

Expenses and Program Revenues - Governmental Activities

Function	Year Ended September 30, 2025		Year Ended September 30, 2024	
	Program Revenues	Program Expenses	Program Revenues	Program Expenses
General Government	\$ 152,250	\$ 356,688	\$ 147,284	\$ 270,269
Economic Development	367,275	395,561	346,978	352,842
Public Safety	712,368	1,941,437	437,781	1,810,618
Public Works	361,908	697,574	39,111	647,187
Public Buildings	256,240	198,428	190,652	148,214
Recreation	459,173	993,034	500,706	814,087
Community Activity Center	174,468	419,148	176,671	412,932
Library	23,561	426,056	15,503	392,275
Senior Citizens Services	280,101	414,283	279,546	387,449
Interest	-	436,112	-	506,728
Depreciation	-	2,175,601	-	1,730,135
Total	\$ 2,787,344	\$ 8,453,922	\$ 2,134,232	\$ 7,472,736

Revenues by Source - Governmental Activities

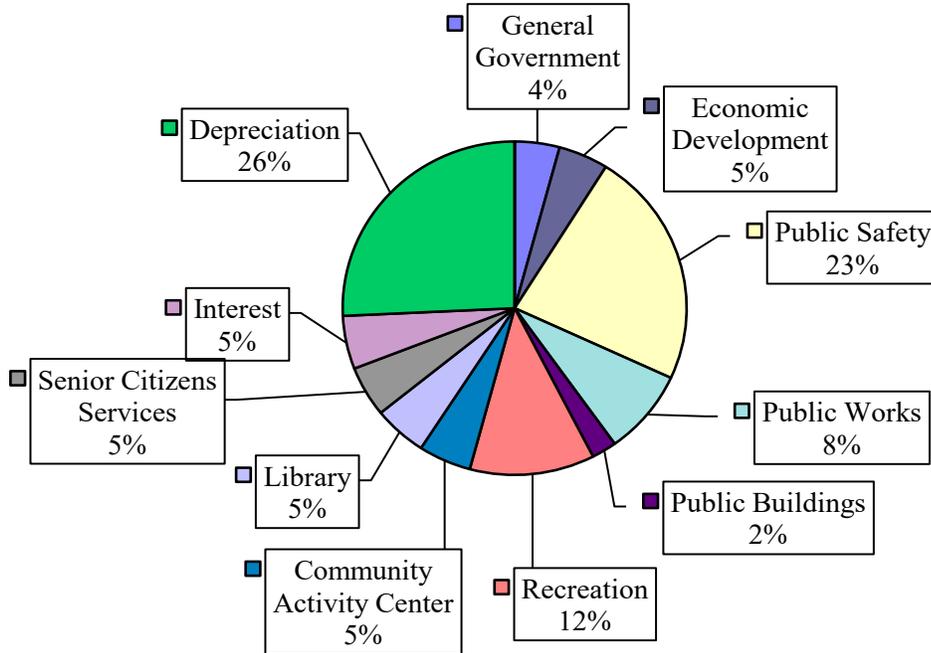
SOURCES OF REVENUE

	Year Ended September 30, 2025		Year Ended September 30, 2024	
Charges for Services	\$ 1,306,216	13.83 %	\$ 943,588	11.96 %
Operating Grants and Contributions	828,754	8.78	873,728	11.08
Capital Grants and Contributions	652,374	6.91	316,916	4.02
Property Taxes	1,216,994	12.89	1,174,778	14.90
Motor Vehicle Taxes	112,943	1.20	110,096	1.40
Payments in Lieu of Taxes	1,235,202	13.08	1,261,719	16.00
Sales Tax	1,626,360	17.23	1,637,281	20.76
Franchise Taxes	166,891	1.77	179,512	2.28
State Allocation	1,651,358	17.49	1,571,340	19.92
Special Assessments	9,671	0.10	10,593	0.13
Keno Proceeds	38,962	0.41	42,768	0.54
Other	54,393	0.58	51,069	0.65
Interest	364,495	3.86	532,249	6.75
Gain on Sale of Assets	119,801	1.27	11,690	0.15
Interfund Transfers	56,343	0.60	(830,855)	(10.54)
Total	\$ 9,440,757	100.00 %	\$ 7,886,472	100.00 %

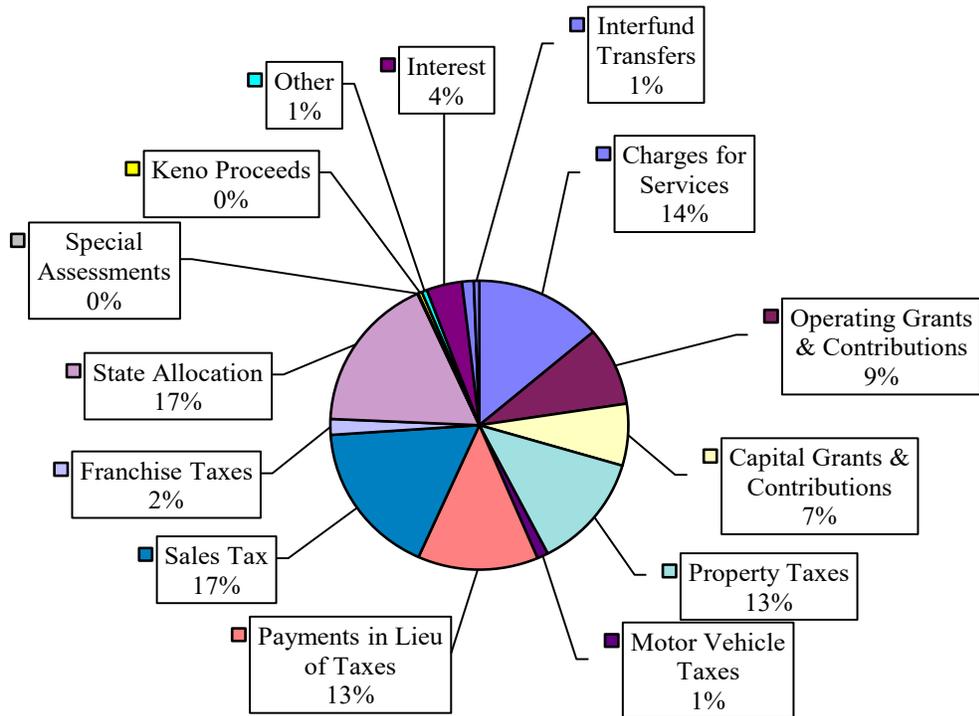
Net position increased \$986,835 in the governmental funds during the year ended September 30, 2025.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Governmental Activities - 2025 Expenses



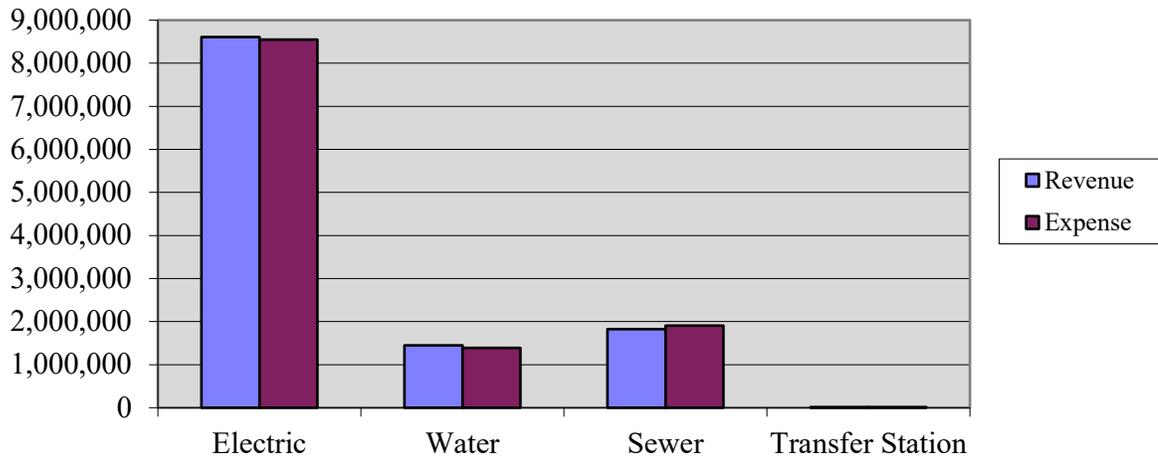
Governmental Activities - 2025 Revenue



CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Business-type activities. Business-type activities increased the City of Wayne’s net position by \$613,331 for the year ended September 30, 2025. Key elements of this increase are as follows:

2025 Expenses and Program Revenues - Business-type Activities



Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 8,612,273	\$ 8,550,473	\$ 8,161,251	\$ 7,802,935
Water	1,446,140	1,385,141	1,354,761	1,155,781
Sewer	1,825,022	1,905,437	1,831,832	1,686,266
Transfer Station	12,000	9,734	13,200	8,226
Total	11,895,435	11,850,785	11,361,044	10,653,208
Interfund Transfers	-	56,343	830,855	-
	<u>\$ 11,895,435</u>	<u>\$ 11,907,128</u>	<u>\$ 12,191,899</u>	<u>\$ 10,653,208</u>

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Revenues by Source - Business-type Activities

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for Services	\$ 11,895,435	95.44 %	\$ 11,361,044	88.45 %
Interest	614,471	4.93	641,090	4.99
Gain on Sale of Assets	10,553	0.08	11,690	0.09
Interfund Transfers	(56,343)	(0.45)	830,855	6.47
Total	<u>\$ 12,464,116</u>	<u>100.00 %</u>	<u>\$ 12,844,679</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 \$9,569,776. Of this amount, \$229,433 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 (\$670,001), 2) restricted for Federal programs (\$141,716), 3) restricted for economic development (\$3,243,384), 4) restricted for capital projects (\$674,031), 5) restricted for the municipal improvements (\$1,105,425), 6) restricted for community betterment (\$134,786), 7) restricted for street improvements (\$2,252,754), 8) committed for capital projects (\$54,394), 9) assigned for budgetary stabilization (\$1,047,706), and 10) assigned for other purposes (\$16,146).

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 \$229,433, while total fund balance reached \$3,110,989. 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 2.2 percent of total General Fund expenditures, while total fund balance represents 29.6 percent of that same amount.

The fund balance of the City of Wayne’s General Fund decreased by \$3,284,056 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, 2025

Unrestricted net position of the proprietary funds at the end of the year was as follows: Electric Fund - \$9,904,694, Water Fund - \$3,003,734, Sewer Fund - \$2,936,550, and Transfer Station – \$50,332. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$417,209, Water Fund – increase of \$166,053, Sewer Fund – increase of \$27,020, and Transfer Station – increase of \$3,049. 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, 2025, amounts to \$56,058,679 (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 costs on City Hall renovation project - \$2,010,236
- Construction in progress on Prairie Park development - \$1,526,362
- Construction in progress on building at Prairie Park - \$1,182,033
- Construction in progress on community sidewalk extension - \$257,260
- Lot 1, Riley's Addition - \$197,728
- Police radios and repeater - \$358,929
- Police radios – tech portion - \$152,097
- Construction in progress on Electric Energy Center - \$270,590
- Kardell/Cornerstone property - \$1,297,201
- Electric improvements, transformers, wire upgrades, and subdivision projects - \$340,775
- Digger derrick - \$196,026
- Construction in progress on water well #12 - \$171,453
- Construction in progress on Vintage Hills Subdivision water improvements - \$179,512
- Construction in progress on Vintage Hills Subdivision sewer improvements - \$284,078
- Sewer improvements extension - \$110,694

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

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

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 1,031,583	\$ 2,139,863	\$ 3,171,446	\$ 833,855	\$ 842,662	\$ 1,676,517
Construction						
in progress	5,462,315	1,163,885	6,626,200	5,114,142	268,669	5,382,811
Infrastructure	7,355,957	-	7,355,957	7,924,009	-	7,924,009
Improvements	6,053,723	-	6,053,723	6,602,280	-	6,602,280
Buildings	12,723,872	6,362,534	19,086,406	8,715,801	6,946,489	15,662,290
Equipment	2,293,344	1,796,111	4,089,455	2,109,992	1,483,583	3,593,575
Distribution						
Systems	-	9,675,492	9,675,492	-	9,747,551	9,747,551
Total	<u>\$ 34,920,794</u>	<u>\$ 21,137,885</u>	<u>\$ 56,058,679</u>	<u>\$ 31,300,079</u>	<u>\$ 19,288,954</u>	<u>\$ 50,589,033</u>

Additional information on the City of Wayne's capital assets can be found in Note C4 on pages 60-63 of this report.

Long-term debt. At the end of the current fiscal year, the City of Wayne had total long-term debt outstanding of \$16,868,517. Of this amount, \$11,020,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wayne's debt represents bonds and notes secured solely by specified revenue sources (i.e., revenue bonds and notes payable).

City of Wayne's Outstanding Debt

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
General Obligation						
Bonds	\$ 225,000	\$ -	\$ 225,000	\$ 300,000	\$ -	\$ 300,000
Highway Allocation						
Bonds	680,000	-	680,000	900,000	-	900,000
Public Safety						
Bonds	170,000	-	170,000	220,000	-	220,000
DEE Notes	-	4,723,517	4,723,517	-	5,220,373	5,220,373
Municipal Improvement						
Bonds	9,945,000	-	9,945,000	9,945,000	-	9,945,000
Revenue Bonds	-	1,125,000	1,125,000	-	1,410,000	1,410,000
Total	<u>\$ 11,020,000</u>	<u>\$ 5,848,517</u>	<u>\$ 16,868,517</u>	<u>\$ 11,365,000</u>	<u>\$ 6,630,373</u>	<u>\$ 17,995,373</u>

The City of Wayne's total debt decreased by \$1,126,856 (6.3 percent) during the current fiscal year as scheduled principal payments were made.

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

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Economic Factors and Next Year’s Budgets and Rates

The City of Wayne has maintained a strong financial position again this year, reflecting the continued prudent fiscal management and disciplined budgeting practices. The budget adopted for the 2025-2026 fiscal year continues the City’s long practice of conservative financial planning, ensuring resources aligned with both current needs and long-term objectives.

Each year, the City Council holds retreats to discuss and establish goals for the City. The goals guiding the 2025-2026 budget were developed during retreats held in July 2024, October 2024, and April 2025. The adopted budget complies with the financial management policies approved by the City Council and is structured to meet the Council’s priorities while maintaining the City’s fiscal stability.

COUNCIL GOALS 2025

- Long-Term Planning Goals Accomplished
 - Plan for another well
 - Adjusting water rates to help fund future water projects
 - CRA \$300,000 Loan from the City: Council approved a Memorandum of Understanding which credited the CRA with \$110,000 it paid to the City for Western Ridge streets (3 payments to the Street Fund- \$30k in 2014, \$30k in 2015, and \$50k in 2016). The remaining balance of \$190,000 will be paid back over approximately 10 years at 0% interest. Should any of the housing default, the City and CRA can renegotiate those terms.
 - New City Hall/Police Relocation Project
 - Keno Fund – used funds to install baby changing tables in park restrooms
 - 400 Chicago Street – sold
 - Downtown Curb Stops
 - Change Council meeting dates to first and third Mondays of the month
 - Ordinance clean-up

- Other Long-Term Planning Goals:
 - Transfer more city-owned property to the CRA for marketing/redevelopment
 - Keno Fund – use funds to repair fence at the Bark Park
 - Wayne Public Transit Update – proceed with having a transportation study done by Olsson
 - Water Service – Lead Service Lines
 - Downtown (Hwy 15) sidewalks and curb project
 - New home for the library
 - Start planning for a larger salt shed either at the same location or a new location
 - Old City Hall – Pursue all options – (e.g. keep the basement for the communication equipment; this could be a possible location for the Wayne transit; it could also be a possible location for library storage and/or the reread event; possibly rent/lease out space; or give to the CRA). Consensus was to table the discussion until June or whenever the building is empty
 - Auditorium (apartment renovation)
 - FNBO – Consensus was to not sell the building; include the Park and Rec Board if/when the City would pursue a new sales tax. Staff was directed to reach out to the community partners to gain their interest in collaborating with the City in exploring a new CAC/wellness center. Council thought the communication/promotion should be handled differently with the next sales tax, and more time should be taken to educate the public.

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

PERSONNEL

The Police Department, under the leadership of Chief Chinn, remains fully staffed with sworn officers and is operating effectively to meet the community’s public safety needs. Currently, the department has one vacancy for a dispatcher position. Due to potential future openings, the department may look to hire additional dispatchers as needed to maintain adequate staffing levels and ensure continuous service to the community.

The Public Works Department continues to be led by Joel Hansen, Street & Planning Director. Lowell Heggemeyer serves as the Parks and Recreation Director, supported by Zachary Braun as the Recreation Services Coordinator and Brian Hanson as Park/Recreation Supervisor. To address the increased workload associated with Prairie Park, the Parks Department plans to hire an additional employee in the spring.

The Senior Center continues to prepare meals in-house and has added part-time staff to support operations. Heather Headley serves as the Library Director and continues to report increased participation in the wide range of programs offered by the library.

The Electric Distribution Department is managed by Clayton Dredge, Electric Distribution Superintendent. Jeff Triggs serves as the Chief of Electrical Production at the power plant. New staff has been hired at the power plant due to retirement of veteran employees, ensuring continuity of operations. Cross-training efforts continue across the power plant positions to maintain operational readiness, particularly in the event that the plant must be started when power to the City is interrupted.

The Economic Development Department remains a City department and is managed by Luke Virgil. The City continues to receive financial support from Wayne County to assist with departmental operations. The department is committed to serving both the City and County through its economic development initiatives, membership services, housing programs, and tourism activities.

ECONOMY

Northeast Nebraska continues to experience shifting economic and workforce trends. In the local area, a major factory has undergone periods of layoffs and temporary plant shutdowns, contributing to employment instability in the manufacturing sector. At the same time, the community continues to face a significant need for affordable workforce housing, which remains a barrier to attracting and retaining workers. Changes in business operations have also reduced on-site staffing needs for several employers. Ameritas has closed its Wayne call center, transitioning employees to remote work, and the First National Bank of Omaha Center has similarly reduced its on-site workforce as more positions shift to remote arrangements. These operational changes have resulted in notable reductions in staff, including upper-management positions, within the Wayne office.

The Wayne City Council and Community Redevelopment Authority continue to support the housing and development efforts in the community. R Perry Construction, Inc. has completed construction on an apartment complex consisting of approximately 144 apartments in 4 apartment buildings. The developer has plans to add a clubhouse and pool area to the complex.

The City’s property valuation increased by 9.34% compared to the previous year. The downtown area of Wayne continues to experience growth, with new businesses - including clothing boutiques, breweries,

CITY OF WAYNE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

coffee shops and restaurants - contributing to the local economy. Additionally, the Wayne Providence Medical Center continues to expand and remodel its facilities, enhancing healthcare services for residents of Wayne and the surrounding communities.

Wayne State College (WSC) remains a vital institution in the Wayne community, with current enrollment for the 2024-2025 academic year reaching 4,666 students. Recent campus improvements include the completion of Stearns Hall, a new four-story dormitory that houses 276 students. Additionally, the \$30 million, multi-phased Athletic and Recreation Complex Rejuvenation and Addition project is progressing, which includes the construction of an air-supported structure featuring an indoor track and turf field, along with renovations to Rice Auditorium, the Rec Center, and the Kirk Gardner Indoor Athletic Complex. The City of Wayne continues to maintain a strong partnership with WSC and its president, Marysz Rames.

GRANTS

The City continues to work with the State and NDOT on the approved Community Development Block Grant up to \$433,000 to be used for park improvements - specifically, the continuation of the Wayne walking/biking trail. The City will provide matching funds in the amount of \$314,275. The City is utilizing JEO for engineer services on this project.

The City of Wayne has received a Rural Community Recovery Program (RCRP) grant in the amount of \$1,371,000 for the Prairie Park project. These grant funds will help towards continued progress of the Prairie Park project including baseball/softball field construction and paving.

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

CAPITAL PROJECTS

Major projects completed and/or in progress in the City this year include the Prairie Park project, City Hall building, park/recreation building, electric energy center (substation/generation), corporate hangar at the airport, sidewalk extension project and a new well.

REVENUES

The City had an increase in the total property tax levy requested for city support at \$0.437206 per \$100 of valuation for the upcoming fiscal year. The 2025 combined tax rate for the City of Wayne is \$1.566919 per \$100 of valuation.

With several years of above-estimated growth, the City’s sales tax revenues began to taper during the most recent fiscal year. With the approved ballot issue the allocation of LB 840 funds has been updated effective July 1, 2024 to 15% of 1% of city sales tax, compared to the previous allocation of 40% of 1% of city sales tax. The Citizens Advisory Committee continues to receive and process numerous requests for LB 840 plan projects.

Water and sewer rates for the City increased effective January 1, 2025, and are scheduled to increase annually in 2026 and 2027. These adjustments are intended to support planned capital improvements,

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

including well projects and water line replacements. In addition, preliminary discussions have begun regarding the need for an updated study for the Electric Department, particularly in light of the significant substation and generation project currently under development.

CAPITAL BUDGET 2025-2026

- Police department
 - a. Radar unit
 - b. Vehicle
 - c. Digital citations equipment
- Fire Department
 - a. Set aside for new truck
- Parks Department
 - a. Prairie Park
 - b. Park/Rec building
 - c. Skid-loader
- Recreation/CAC/Pool
 - a. Annual maintenance to Hank Overin, Summer Sports Complex, and soccer field
 - b. Repair/replace fence at Hank Overin field
 - c. Possible pool leak repair
 - d. CAC shower and HVAC repairs
- Public Buildings
 - a. Auditorium AC/heat unit replacement
- Senior Center
 - a. Transit vehicle purchase
- Library
 - a. Possible building addition
- City sales tax capital projects
 - a. Upgrades to the Library/Senior Center
 - b. Auditorium repairs
 - c. Community sidewalk/trail expansion - partially grant funded
 - d. Police vehicle replacement
 - e. Fire department equipment
 - f. Park improvements (Prairie Park & Park/Rec bldg.)
 - g. Public art
 - h. Municipal Improvement Bond debt
- Street Fund
 - a. Set aside for salt shed
 - b. Tar system
 - c. Street Sweeper
 - d. Dump truck (purchase in FY 26-27)
 - e. Street Projects:
 - i. Downtown alleys
 - ii. Prairie Park east ditch storm sewer
 - iii. 4th Street/Thorman

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

- Electric Production
 - a. Normal capital items
 - b. Boiler to heat engine water
 - c. Potential diesel fuel cost
- Electric Distribution
 - a. Normal distribution system upgrades
 - b. Electric distribution building - roof repair
 - c. Continued district improvement projects
 - d. Wire trailer
 - e. Fault finder
 - f. Forklift
 - g. Truck
 - h. Bucket truck (purchase in 26-27)
 - i. Electric Energy Center
- Technology
 - a. Servers, computers, normal capital items
- Water Fund
 - a. Well repairs
 - b. Water meters
 - c. Housing subdivision costs
 - d. Well project
 - e. Replacing lead service lines
 - f. New pickup (Split with Sewer; purchase 26-27)
 - g. 4th Street/Thorman project
- Sewer Fund
 - a. Dump truck
 - b. Replace old lift station pumps
 - c. Manhole rehab and cleaning of sewer lines
 - d. Housing subdivision costs
 - e. New pickup (Split with Water; purchase 26-27)

DEBT

As the City progresses with the Electric Energy Center project, staff continues to work with Andy Forney of DA Davidson on the related bonding arrangements. The Municipal Improvement Bond has been issued as long-term debt with a final maturity in 2038. This obligation is being serviced through a combination of sales tax revenues and debt service property tax collections.

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 Airport Authority continues to prioritize the promotion of general aviation by setting its avgas pricing at a level sufficient to cover equipment and maintenance costs. This pricing strategy has remained lower than that of many airports in the area, contributing to increased traffic at the facility. The Authority also

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

maintains a service agreement with Northeast Nebraska Aviators to manage promotion and advertising efforts for the airport. This partnership has been effective, as evidenced by growing interest in general aviation and increased activity at the Wayne Airport.

There is a growing demand for jet fuel at the airport, and in response, the Board purchased a jet fuel truck. The on-site manager hired by the FBO is currently working toward obtaining the necessary certification for the truck, and the Board is optimistic that jet fuel service will be available in the near future.

The corporate hangar project has been completed and is fully occupied by tenants. Only one t-hangar remains available for rent, and with an interested party already identified, the Board is hopeful that all hangar space will soon be fully leased.

COMMUNITY REDEVELOPMENT AUTHORITY

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

The Community Redevelopment Authority (CRA) continues to take an active role in promoting development within the City of Wayne. In recent years, the CRA has acquired and redeveloped several dilapidated properties. At the 7th & Main location, the CRA purchased a long-vacant lot/building and partnered with a developer to bring a Jimmy John's restaurant to the site. As part of that project, a house was relocated from the property to support development while also helping to address the community's housing needs.

Current initiatives include the purchase and demolition of a property at the 2nd & Logan/Nebraska location. The CRA has issued a Request for Proposals for this site and continues to pursue viable development opportunities. Another major undertaking involved relocating three homes acquired by Wayne State College for campus expansion. The CRA moved these homes to the Lincoln Street area, where all three have since been sold and now contribute positively to the local housing stock.

The City again approved a CRA tax levy of \$0.26, providing a dependable revenue source that allows the CRA to continue its redevelopment efforts while also making progress on repaying its outstanding debt to the City.

Request for Information

This financial report is designed to provide a general overview of the City of Wayne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Officer, City of Wayne, 513 Main Street, PO Box 8, Wayne, NE 68787.

CITY OF WAYNE, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 773,789	\$ 3,141,977	\$ 3,915,766	\$ 296,745
Investments	1,693,791	11,132,241	12,826,032	-
County treasurer cash	76,778	-	76,778	11,118
Receivables:				
Property tax	24,510	-	24,510	4,061
Special assessments	99,400	198,921	298,321	-
Accounts, net of allowance for doubtful accounts	13,301	995,911	1,009,212	-
Unbilled revenue	-	459,532	459,532	-
Grants	189,632	-	189,632	118,725
Interest	20,565	61,380	81,945	-
Current portion of TIF receivable	-	-	-	484,500
Current portion of notes	375,000	-	375,000	4,305
Due from other governments	282,689	-	282,689	-
Due from component units	2,194	473,763	475,957	-
Prepaid insurance	-	-	-	10,355
Inventory	-	790,516	790,516	22,197
Total current assets	<u>3,551,649</u>	<u>17,254,241</u>	<u>20,805,890</u>	<u>952,006</u>
Noncurrent assets:				
Restricted cash and cash equivalents	2,902,462	476,595	3,379,057	-
Restricted investments	2,539,051	503,702	3,042,753	-
Noncurrent TIF receivable	-	-	-	6,324,973
Noncurrent notes receivable	2,506,518	-	2,506,518	418,136
Capital assets:				
Land and construction in progress	6,493,898	3,303,748	9,797,646	1,044,627
Other capital assets, net of depreciation	28,426,896	17,834,137	46,261,033	9,794,484
Net capital assets	<u>34,920,794</u>	<u>21,137,885</u>	<u>56,058,679</u>	<u>10,839,111</u>
Total noncurrent assets	<u>42,868,825</u>	<u>22,118,182</u>	<u>64,987,007</u>	<u>17,582,220</u>
Total assets	<u>46,420,474</u>	<u>39,372,423</u>	<u>85,792,897</u>	<u>18,534,226</u>
LIABILITIES				
Current liabilities:				
Accounts payable	351,571	899,640	1,251,211	7,556
Accrued expenses	500,604	313,694	814,298	341,438
Customer deposits	41,000	249,505	290,505	-
Due to the City of Wayne	-	-	-	475,957
Unavailable property tax	103,327	-	103,327	1,884
Current portion of long-term obligations	355,000	790,865	1,145,865	1,160,156
Total current liabilities	<u>1,351,502</u>	<u>2,253,704</u>	<u>3,605,206</u>	<u>1,986,991</u>
Noncurrent liabilities:				
Compensated absences - noncurrent	136,260	145,597	281,857	-
Noncurrent portion of long-term obligations	10,665,000	5,057,652	15,722,652	5,729,995
Total noncurrent liabilities	<u>10,801,260</u>	<u>5,203,249</u>	<u>16,004,509</u>	<u>5,729,995</u>
Total liabilities	<u>12,152,762</u>	<u>7,456,953</u>	<u>19,609,715</u>	<u>7,716,986</u>
NET POSITION				
Net investment in capital assets	23,900,794	15,289,368	39,190,162	10,758,433
Restricted for:				
Debt service	670,001	730,792	1,400,793	-
Economic development	3,243,384	-	3,243,384	-
Federal loan programs	141,716	-	141,716	-
Capital projects	674,031	-	674,031	-
Municipal improvements	1,105,425	-	1,105,425	-
Community betterment	134,786	-	134,786	-
Street projects	2,252,754	-	2,252,754	-
Unrestricted	2,144,821	15,895,310	18,040,131	58,807
Total net position	<u>\$ 34,267,712</u>	<u>\$ 31,915,470</u>	<u>\$ 66,183,182</u>	<u>\$ 10,817,240</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025

<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	\$ 356,688	\$ 152,250	\$ -
Economic development	395,561	-	367,275
Public buildings	198,428	256,240	-
Public safety	1,941,437	456,310	256,058
Public works	697,574	2,068	-
Senior citizens services	414,283	77,300	198,921
Library	426,056	8,887	6,500
Recreation	993,034	178,693	-
Community Activity Center	419,148	174,468	-
Interest and related expenses	436,112	-	-
Depreciation - unallocated	2,175,601	-	-
Total governmental activities	8,453,922	1,306,216	828,754
Business-type activities:			
Electric	8,550,473	8,612,273	-
Water	1,385,141	1,446,140	-
Sewer	1,905,437	1,825,022	-
Transfer Station	9,734	12,000	-
Total business-type activities	11,850,785	11,895,435	-
Total primary government	\$ 20,304,707	\$ 13,201,651	\$ 828,754
Component units:			
Wayne Municipal Airport	\$ 831,940	\$ 167,476	\$ -
Community Redevelopment Authority	236,477	25,041	-
Total component units	\$ 1,068,417	\$ 192,517	\$ -

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (204,438)		\$ (204,438)	
-	(28,286)		(28,286)	
-	57,812		57,812	
-	(1,229,069)		(1,229,069)	
359,840	(335,666)		(335,666)	
3,880	(134,182)		(134,182)	
8,174	(402,495)		(402,495)	
280,480	(533,861)		(533,861)	
-	(244,680)		(244,680)	
-	(436,112)		(436,112)	
-	(2,175,601)		(2,175,601)	
<u>652,374</u>	<u>(5,666,578)</u>	<u>\$ -</u>	<u>(5,666,578)</u>	
-	-	61,800	61,800	
-	-	60,999	60,999	
-	-	(80,415)	(80,415)	
-	-	2,266	2,266	
<u>-</u>	<u>-</u>	<u>44,650</u>	<u>44,650</u>	
<u>\$ 652,374</u>	<u>(5,666,578)</u>	<u>44,650</u>	<u>(5,621,928)</u>	
\$ 269,856				\$ (394,608)
-				(211,436)
<u>\$ 269,856</u>				<u>(606,044)</u>
General revenues:				
Taxes:				
Property	1,216,994	-	1,216,994	200,112
Motor vehicle	112,943	-	112,943	-
Payments in lieu of taxes	1,235,202	-	1,235,202	-
Sales tax	1,626,360	-	1,626,360	-
Franchise	166,891	-	166,891	-
TIF proceeds	-	-	-	111,657
State allocation	1,651,358	-	1,651,358	-
Special assessments	9,671	-	9,671	-
Keno proceeds	38,962	-	38,962	-
Miscellaneous	54,393	-	54,393	2,724
Interest income	364,495	614,471	978,966	13,670
Gain on sale of assets	119,801	10,553	130,354	17,840
Interfund transfers	56,343	(56,343)	-	-
Total general revenues	<u>6,653,413</u>	<u>568,681</u>	<u>7,222,094</u>	<u>346,003</u>
Change in net position	986,835	613,331	1,600,166	(260,041)
Net position - September 30, 2024	<u>33,280,877</u>	<u>31,302,139</u>	<u>64,583,016</u>	<u>11,077,281</u>
Net position - September 30, 2025	<u>\$ 34,267,712</u>	<u>\$ 31,915,470</u>	<u>\$ 66,183,182</u>	<u>\$ 10,817,240</u>

CITY OF WAYNE, NEBRASKA

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

September 30, 2025

	<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	\$ 378,628	\$ -	\$ -	\$ -	\$ 30,085	\$ -	\$ 408,713
Investments	1,125,195	-	-	-	-	-	1,125,195
County treasurer cash	61,632	9,135	-	6,011	-	-	76,778
Receivables:							
Special assessments	-	-	-	99,400	-	-	99,400
Accounts, net of allowance for doubtful accounts	11,126	2,175	-	-	-	-	13,301
Grants	137,292	-	-	-	52,340	-	189,632
Notes receivable	-	-	2,810,053	-	71,465	-	2,881,518
Interest	8,939	6,881	-	2,515	-	-	18,335
Property tax	22,337	-	-	2,173	-	-	24,510
Due from other governments	282,689	-	-	-	-	-	282,689
Due from other funds	13,939	-	-	-	-	(13,939)	-
Due from component units	2,194	-	-	-	-	-	2,194
Restricted assets:							
Cash	1,105,425	1,016,722	433,331	189,054	157,930	-	2,902,462
Investments	674,031	1,274,793	-	590,227	-	-	2,539,051
Total assets	\$ 3,823,427	\$ 2,309,706	\$ 3,243,384	\$ 889,380	\$ 311,820	\$ (13,939)	\$ 10,563,778
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 336,376	\$ 7,462	\$ -	\$ -	\$ 5,233	\$ -	\$ 349,071
Accrued expenses	324,695	49,490	-	126,419	-	-	500,604
Customer deposits	41,000	-	-	-	-	-	41,000
Due to other funds	-	-	-	-	13,939	(13,939)	-
Unavailable property tax	10,367	-	-	92,960	-	-	103,327
Total liabilities	712,438	56,952	-	219,379	19,172	(13,939)	994,002
Fund balances:							
Restricted for:							
Debt service	-	-	-	670,001	-	-	670,001
Capital projects	674,031	-	-	-	-	-	674,031
Municipal improvements	1,105,425	-	-	-	-	-	1,105,425
Community betterment	-	-	-	-	134,786	-	134,786
Federal programs	-	-	-	-	141,716	-	141,716
Economic development	-	-	3,243,384	-	-	-	3,243,384
Street expenditures	-	2,252,754	-	-	-	-	2,252,754
Committed for:							
Capital projects	54,394	-	-	-	-	-	54,394
Assigned for:							
Budgetary stabilization	1,047,706	-	-	-	-	-	1,047,706
Other purposes	-	-	-	-	16,146	-	16,146
Unassigned	229,433	-	-	-	-	-	229,433
Total fund balances	3,110,989	2,252,754	3,243,384	670,001	292,648	-	9,569,776
Total liabilities and fund balances	\$ 3,823,427	\$ 2,309,706	\$ 3,243,384	\$ 889,380	\$ 311,820	\$ (13,939)	\$ 10,563,778

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

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

September 30, 2025

Total fund balances - governmental funds		\$ 9,569,776
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$64,784,116, and the accumulated depreciation is \$29,863,322.</p>		34,920,794
<p>Internal service funds are used by management to charge the costs of employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		933,402
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:</p>		
Noncurrent compensated absences	\$ (136,260)	
Bonds payable	(11,020,000)	<u>(11,156,260)</u>
Total net position - governmental activities		<u><u>\$ 34,267,712</u></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, 2025

	<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	\$ 1,107,710	\$ 1,419	\$ -	\$ 107,865	\$ -	\$ 1,216,994
Motor vehicle	-	112,943	-	-	-	112,943
Payments in lieu of taxes	1,235,023	-	-	179	-	1,235,202
Sales tax	1,292,649	191,171	142,540	-	-	1,626,360
Franchise	166,891	-	-	-	-	166,891
Intergovernmental	1,358,438	904,399	-	-	-	2,262,837
Special assessments	-	-	-	9,671	-	9,671
Charges for services	1,211,480	1,518	-	-	75,014	1,288,012
Grant revenue	150,000	-	-	-	214,820	364,820
Keno proceeds	-	-	-	-	38,962	38,962
Interest income	167,373	68,966	52,764	34,910	8,407	332,420
Contributions	514,859	-	-	-	-	514,859
Sale of property	359,619	4,379	-	-	-	363,998
Other income	19,294	99	35,000	-	-	54,393
Total revenues	<u>7,583,336</u>	<u>1,284,894</u>	<u>230,304</u>	<u>152,625</u>	<u>337,203</u>	<u>9,588,362</u>
EXPENDITURES						
General government	323,837	-	11,269	-	12,211	347,317
Economic development	395,561	-	-	-	-	395,561
Public buildings	198,428	-	-	-	-	198,428
Public safety	1,903,955	-	-	-	24,262	1,928,217
Public works	-	682,536	-	-	10,588	693,124
Senior citizens services	414,283	-	-	-	-	414,283
Library	426,056	-	-	-	-	426,056
Recreation	979,654	-	-	-	13,380	993,034
Community Activity Center	419,148	-	-	-	-	419,148
Capital outlay	5,441,114	174,801	-	-	416,425	6,032,340
Principal payments on debt	-	-	-	345,000	-	345,000
Interest on long-term debt	-	-	-	436,112	-	436,112
Total expenditures	<u>10,502,036</u>	<u>857,337</u>	<u>11,269</u>	<u>781,112</u>	<u>476,866</u>	<u>12,628,620</u>
Excess (deficiency) of revenues over expenditures	(2,918,700)	427,557	219,035	(628,487)	(139,663)	(3,040,258)
OTHER FINANCING SOURCES (USES)						
Transfers in	41,494	-	-	591,458	-	632,952
Transfers out	(406,850)	(128,265)	-	-	(41,494)	(576,609)
Net transfers	<u>(365,356)</u>	<u>(128,265)</u>	<u>-</u>	<u>591,458</u>	<u>(41,494)</u>	<u>56,343</u>
Net change in fund balances	(3,284,056)	299,292	219,035	(37,029)	(181,157)	(2,983,915)
Fund balances - September 30, 2024	<u>6,395,045</u>	<u>1,953,462</u>	<u>3,024,349</u>	<u>707,030</u>	<u>473,805</u>	<u>12,553,691</u>
Fund balances - September 30, 2025	<u>\$ 3,110,989</u>	<u>\$ 2,252,754</u>	<u>\$ 3,243,384</u>	<u>\$ 670,001</u>	<u>\$ 292,648</u>	<u>\$ 9,569,776</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, 2025

Total net change in fund balances - governmental funds	\$ (2,983,915)
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 (\$6,040,513) exceeded depreciation expense (\$2,175,601) during the period. Additions of \$8,173 were donated to the City's library.	3,864,912
Basis remaining of capital asset disposals does not impact the governmental funds, but the remaining basis reduces the gain on sale of capital assets in the statement of activities.	(244,197)
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.	22,704
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.	(17,669)
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>345,000</u>
Change in net position of governmental activities	<u><u>\$ 986,835</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
September 30, 2025

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,324,129	\$ 911,279
Investments	7,037,539	1,998,656
Receivables:		
Accounts, net of allowance for doubtful accounts	710,008	126,060
Unbilled revenue	310,254	66,742
Special assessments	-	96,550
Interest	42,724	9,912
Due from Community Redevelopment Authority	473,763	-
Inventory	733,238	57,278
Total current assets	10,631,655	3,266,477
Noncurrent assets:		
Restricted cash and cash equivalents	320,339	47,375
Restricted investments	503,702	-
Capital assets:		
Land	1,759,920	143,650
Construction in progress	525,562	354,246
Distribution systems	8,733,390	10,198,367
Buildings	8,546,886	333,447
Equipment	4,448,456	804,005
Less accumulated depreciation	(16,607,862)	(6,464,470)
Net capital assets	7,406,352	5,369,245
Total noncurrent assets	8,230,393	5,416,620
Total assets	18,862,048	8,683,097
LIABILITIES		
Current liabilities:		
Accounts payable	418,360	185,350
Customer deposits	249,505	-
Accrued interest payable	2,319	12,665
Other accrued expenses	201,339	47,552
Current portion of long-term obligations	220,000	203,208
Total current liabilities	1,091,523	448,775
Noncurrent liabilities:		
Compensated absences - noncurrent	104,943	17,176
Noncurrent portion of long-term obligations	465,000	2,086,907
Total noncurrent liabilities	569,943	2,104,083
Total liabilities	1,661,466	2,552,858
NET POSITION		
Net investment in capital assets	6,721,352	3,079,130
Restricted for:		
Debt service	574,536	47,375
Unrestricted	9,904,694	3,003,734
Total net position	\$ 17,200,582	\$ 6,130,239

See notes to financial statements.

Enterprise Funds				Internal Service Fund
Sewer Fund	Transfer Station	Eliminations	Total	
\$ 856,737	\$ 49,832	\$ -	\$ 3,141,977	\$ 365,076
2,096,046	-	-	11,132,241	568,596
159,343	500	-	995,911	-
82,536	-	-	459,532	-
102,371	-	-	198,921	-
8,744	-	-	61,380	2,230
-	-	-	473,763	-
-	-	-	790,516	-
<u>3,305,777</u>	<u>50,332</u>	<u>-</u>	<u>17,254,241</u>	<u>935,902</u>
108,881	-	-	476,595	-
-	-	-	503,702	-
195,112	41,181	-	2,139,863	-
284,077	-	-	1,163,885	-
4,864,068	-	-	23,795,825	-
10,039,986	606,685	-	19,527,004	-
1,824,419	25,953	-	7,102,833	-
(9,029,165)	(490,028)	-	(32,591,525)	-
<u>8,178,497</u>	<u>183,791</u>	<u>-</u>	<u>21,137,885</u>	<u>-</u>
<u>8,287,378</u>	<u>183,791</u>	<u>-</u>	<u>22,118,182</u>	<u>-</u>
<u>11,593,155</u>	<u>234,123</u>	<u>-</u>	<u>39,372,423</u>	<u>935,902</u>
295,930	-	-	899,640	2,500
-	-	-	249,505	-
4,190	-	-	19,174	-
45,629	-	-	294,520	-
367,657	-	-	790,865	-
<u>713,406</u>	<u>-</u>	<u>-</u>	<u>2,253,704</u>	<u>2,500</u>
23,478	-	-	145,597	-
2,505,745	-	-	5,057,652	-
<u>2,529,223</u>	<u>-</u>	<u>-</u>	<u>5,203,249</u>	<u>-</u>
<u>3,242,629</u>	<u>-</u>	<u>-</u>	<u>7,456,953</u>	<u>2,500</u>
5,305,095	183,791	-	15,289,368	-
108,881	-	-	730,792	-
2,936,550	50,332	-	15,895,310	933,402
<u>\$ 8,350,526</u>	<u>\$ 234,123</u>	<u>\$ -</u>	<u>\$ 31,915,470</u>	<u>\$ 933,402</u>

CITY OF WAYNE, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS

For the year ended September 30, 2025

	Enterprise Funds				Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Transfer Station		
Operating revenues:						
User charges	\$ 8,510,256	\$ 1,393,441	\$ 1,823,342	\$ -	\$ 11,727,039	\$ -
Health insurance premiums	-	-	-	-	-	774,096
Other revenue	102,017	52,699	1,680	12,000	168,396	-
Total operating revenues	<u>8,612,273</u>	<u>1,446,140</u>	<u>1,825,022</u>	<u>12,000</u>	<u>11,895,435</u>	<u>774,096</u>
Operating expenses:						
Cost of power	3,832,219	-	-	-	3,832,219	-
Personnel	1,820,532	389,275	363,347	-	2,573,154	-
Contract services	381,476	128,213	375,342	-	885,031	-
Commodities	981,023	337,765	295,463	9,734	1,623,985	-
Payments in lieu of taxes	808,130	144,753	195,232	-	1,148,115	-
Insurance claims and health premiums	-	-	-	-	-	783,466
Depreciation	717,896	330,292	645,108	-	1,693,296	-
Total operating expenses	<u>8,541,276</u>	<u>1,330,298</u>	<u>1,874,492</u>	<u>9,734</u>	<u>11,755,800</u>	<u>783,466</u>
Operating income (loss)	70,997	115,842	(49,470)	2,266	139,635	(9,370)
Nonoperating revenues (expenses):						
Interest income	401,199	105,054	107,435	783	614,471	32,074
Gain on disposal of capital assets	10,553	-	-	-	10,553	-
Interest expense	(9,197)	(43,642)	(15,206)	-	(68,045)	-
Loan administration fees	-	(11,201)	(15,739)	-	(26,940)	-
Total nonoperating revenues (expenses)	<u>402,555</u>	<u>50,211</u>	<u>76,490</u>	<u>783</u>	<u>530,039</u>	<u>32,074</u>
Income before interfund transfers	473,552	166,053	27,020	3,049	669,674	22,704
Interfund transfers:						
Transfer to other funds	<u>(56,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,343)</u>	<u>-</u>
Change in net position	417,209	166,053	27,020	3,049	613,331	22,704
Net position - September 30, 2024	<u>16,783,373</u>	<u>5,964,186</u>	<u>8,323,506</u>	<u>231,074</u>	<u>31,302,139</u>	<u>910,698</u>
Net position - September 30, 2025	<u>\$ 17,200,582</u>	<u>\$ 6,130,239</u>	<u>\$ 8,350,526</u>	<u>\$ 234,123</u>	<u>\$ 31,915,470</u>	<u>\$ 933,402</u>

See notes to financial statements.

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

For the year ended September 30, 2025

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 8,652,075	\$ 1,443,868
Receipts from other funds	-	-
Payments to suppliers	(5,949,864)	(626,469)
Payments to employees	(1,798,982)	(378,123)
Net cash provided (used) by operating activities	903,229	439,276
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Decrease in due from (to) other funds	-	51,601
Transfers to other funds	(56,343)	-
Net cash provided (used) by noncapital financing activities	(56,343)	51,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(2,539,951)	(293,683)
Proceeds from sale of capital assets	10,553	-
Special assessments received	-	(43,664)
Principal payments on capital debt	(220,000)	(196,032)
Interest paid on capital debt	(9,710)	(44,784)
Loan administration fees	-	(11,201)
Net cash used by capital and related financing activities	(2,759,108)	(589,364)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in investments	118,109	(287,230)
Increase in restricted investments	(8,045)	-
Increase in due from Community Redevelopment Authority	(28,200)	-
Interest received	410,836	105,310
Net cash provided (used) by investing activities	492,700	(181,920)
Increase (decrease) in cash and cash equivalents	(1,419,522)	(280,407)
Cash and cash equivalents - beginning of the year	3,063,990	1,239,061
Cash and cash equivalents - end of the year	\$ 1,644,468	\$ 958,654
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 1,324,129	\$ 911,279
Restricted cash and cash equivalents	320,339	47,375
Total cash and cash equivalents	\$ 1,644,468	\$ 958,654

Enterprise Funds			Internal Service Fund
Sewer Fund	Transfer Station	Total	
\$ 1,809,516	\$ 12,000	\$ 11,917,459	\$ -
-	-	-	775,896
(859,425)	(9,734)	(7,445,492)	(788,466)
(353,128)	-	(2,530,233)	-
<u>596,963</u>	<u>2,266</u>	<u>1,941,734</u>	<u>(12,570)</u>
(51,601)	-	-	-
-	-	(56,343)	-
(51,601)	-	(56,343)	-
(223,905)	-	(3,057,539)	-
-	-	10,553	-
99,650	-	55,986	-
(365,825)	-	(781,857)	-
(15,739)	-	(70,233)	-
(15,739)	-	(26,940)	-
(521,558)	-	(3,870,030)	-
(291,858)	-	(460,979)	(26,370)
-	-	(8,045)	-
-	-	(28,200)	-
107,739	783	624,668	32,422
<u>(184,119)</u>	<u>783</u>	<u>127,444</u>	<u>6,052</u>
(160,315)	3,049	(1,857,195)	(6,518)
<u>1,125,933</u>	<u>46,783</u>	<u>5,475,767</u>	<u>371,594</u>
<u>\$ 965,618</u>	<u>\$ 49,832</u>	<u>\$ 3,618,572</u>	<u>\$ 365,076</u>
\$ 856,737	\$ 49,832	\$ 3,141,977	\$ 365,076
108,881	-	476,595	-
<u>\$ 965,618</u>	<u>\$ 49,832</u>	<u>\$ 3,618,572</u>	<u>\$ 365,076</u>

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2025

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 70,997	\$ 115,842
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	717,896	330,292
Change in assets and liabilities:		
Accounts receivable	12,177	(2,272)
Inventories	28,914	(4,250)
Accounts payable	24,070	(11,488)
Customer deposits	27,625	-
Accrued expenses	21,550	11,152
Net cash provided (used) by operating activities	\$ 903,229	\$ 439,276

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>	
\$ (49,470)	\$ 2,266		\$ 139,635	\$ (9,370)
645,108	-		1,693,296	-
(15,506)	-		(5,601)	1,800
-	-		24,664	-
6,612	-		19,194	(5,000)
-	-		27,625	-
10,219	-		42,921	-
<u>\$ 596,963</u>	<u>\$ 2,266</u>		<u>\$ 1,941,734</u>	<u>\$ (12,570)</u>

CITY OF WAYNE, NEBRASKA
BALANCE SHEET - FIDUCIARY FUND

September 30, 2025

	Custodial <u>Fund</u>
ASSETS	
Cash	\$ 118,220
Sales tax receivable	34,920
Total assets	<u>153,140</u>
LIABILITIES	
Accounts payable	<u>52,236</u>
FUND BALANCE	
Custodial fund	<u><u>\$ 100,904</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

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

September 30, 2025

	<u>Custodial Fund</u>
REVENUES	
Custodial cash receipts	\$ 533,446
EXPENSES	
Custodial cash disbursements	<u>544,631</u>
Net change in fund balance	(11,185)
Fund balance - September 30, 2024	<u>112,089</u>
Fund balance - September 30, 2025	<u><u>\$ 100,904</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

The City’s financial reporting entity comprises the following:

Primary Government:	City of Wayne
Discretely Presented Component Units:	Wayne Municipal Airport Community Redevelopment Authority

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

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 Redevelopment Authority

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

2. Basis of Presentation

Government-wide Financial Statements

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

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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, 2025

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, 2025

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 37 for description.
Street	The Street Fund is a special revenue fund that accounts for the City’s share of highway allocation from the State of Nebraska.
LB840	The LB840 Fund is a special revenue fund that accounts for sales tax to be used for economic development under LB840.
Debt Service	See page 38 for description.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, and Transfer Station	See page 38 for description.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025

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, 2025

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, 2025

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>282,689</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, 2025

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, 2025

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

During the year ended September 30, 2025, the City adopted GASB No. 101, *Compensated Absences*. The City's policies regarding vacation time permit employees to accumulate earned but unused vacation and sick leave. A portion of the liability for these compensated absences, including estimated payroll taxes and retirement benefits on this accrued leave, is recorded as a long-term liability 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, 2025

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, 2025

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, 2025

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. The sales tax is allocated 15 percent of one cent to the LB840 Fund to be used for economic development and the balance of the sales tax to the General Fund to be used for capital projects. Sales tax collected on the sale of motor vehicles is restricted for street improvements as required by LB904.

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

Property Taxes

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

The tax levies for all political subdivisions in Wayne County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

Property taxes levied for 2024-2025 are recorded as revenue when expected to be collected within 60 days after September 30, 2025. 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, 2025

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, 2025

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, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Wayne adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Investments

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2025. The categories of collateral are defined as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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	\$ 7,980,917	\$ 1,000,000	\$ 6,980,917	\$ -	\$ <u>7,709,788</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	\$ 3,915,766
Restricted cash and cash equivalents	3,379,057
Component Unit –	
Unrestricted cash and cash equivalents	296,745
Agency Fund Cash (not included in government-wide statement)	<u>118,220</u>
	<u>\$ 7,709,788</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, 2025. The categories of investments are defined as follows:

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

1. Cash and Investments, continued

Investments, continued

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

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

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

<u>Type of Investment</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Time Deposits	\$ 15,868,785	\$ -	\$ -	\$ <u>15,868,785</u>	\$ <u>15,868,785</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted investments	\$ 12,826,032
Restricted investments	<u>3,042,753</u>
	<u>\$ 15,868,785</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

2. Restricted Assets

The restricted assets as of September 30, 2025, 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	\$ 2,902,462	\$ 476,595	\$ 3,379,057	\$ -
Investments	<u>2,539,051</u>	<u>503,702</u>	<u>3,042,753</u>	<u>-</u>
	<u>\$ 5,441,513</u>	<u>\$ 980,297</u>	<u>\$ 6,421,810</u>	<u>\$ -</u>

Restricted cash and investments for governmental activities consists of \$674,031 of General Fund cash and investments restricted for capital projects, \$1,105,425 of General Fund cash restricted for the municipal improvements, \$2,291,515 of Street Fund cash and investments restricted for street expenditures, \$779,281 of Debt Service cash and investments restricted for debt service, \$21,734 of Community Development cash restricted for Federal programs, \$433,331 of LB840 cash restricted for economic development, and \$136,196 of Keno cash restricted for community betterment.

Restricted business-type assets consist of debt service reserves of \$574,536 for the Electric Fund, \$47,375 for the Water Fund, and \$108,881 for the Sewer Fund. The Electric Fund also has \$249,505 restricted for customer deposits.

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of franchise fees, Community Activity Center memberships and other minor receivables. Receivables detail at September 30, 2025, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 13,301	\$ 995,911	\$ 1,009,212	\$ -
Allowance for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net accounts receivable	<u>\$ 13,301</u>	<u>\$ 995,911</u>	<u>\$ 1,009,212</u>	<u>\$ -</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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, 2025:

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2025</u>	<u>Terms</u>
Community Develop- ment Fund	5 housing loans	\$ 71,465	0%; housing loans; due when property is sold
LB840 Fund	Wayne Area Events Center	291,824	3%; annual payments of \$29,322 March 1, 2021, through March 1, 2035 (deferred to 9/30/22)
LB840 Fund	Rainbow World	32,810	0%; annual payments of \$313 over 120 months; final balloon payment due November 17, 2022
LB840 Fund	I Wet My Plants	32,921	3.75%; quarterly payments of \$1,197 October 1, 2023, through July 1, 2033
LB840 Fund	Talon Capital	108,496	2.85%; annual payments of \$29,084 May 1, 2020, through May 1, 2029
LB840 Fund	Wayne Short Stop	51,958	3%; monthly payments of \$821 July 1, 2021, through June 1, 2031
LB840 Fund	Kay Contracting	394,268	2%; quarterly payments of \$7,735 July 1, 2025, through April 1, 2035
LB840 Fund	Silver Silo Design	56,819	3%; monthly payments of \$565 June 1, 2025, through May 1, 2030

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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>2025</u>	<u>Terms</u>
LB840 Fund	OCC Builders, LLC	7,928	0%; annual payments of \$2,643 November 1, 2014, through November 1, 2028
LB840 Fund	Sand Creek Post & Beam, Inc.	51,707	0%; annual payments of \$12,927 November 1, 2014, through November 1, 2028
LB840 Fund	Wayne Hospitality Group	83,333	0%; annual payments of \$16,667 due for 15 years through 2030
LB840 Fund	DRJ LLC/INET Library	74,186	3%; annual payments of \$10,568 plus interest May 10, 2013, through May 10, 2021
LB840 Fund	Blends & Boards	7,000	3%; monthly payments of \$167 April 1, 2024, through March 1, 2029
LB840 Fund	Kory Leseberg	15,778	0%; monthly payments of \$222 June 1, 2014, through May 1, 2029
LB840 Fund	Kory Leseberg	14,916	0%; monthly payments of \$242 June 1, 2014, through May 1, 2029
LB840 Fund	Ken Jorgensen	34,042	3%; annual payments of \$10,471 September 1, 2015, through September 1, 2030
LB840 Fund	Sanctuary Apartments	365,144	1.5%; annual payments of \$23,298 March 1, 2024, through March 1, 2033 when a final balloon payment of \$238,159 is due

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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>2025</u>	<u>Terms</u>
LB840 Fund	Hefti Trucking	13,333	0%; annual payments of \$3,333 September 1, 2015, through September 1, 2029
LB840 Fund	Ken Jorgensen	47,953	3%; forgivable at \$10,471 per year September 1, 2015, through September 1, 2029
LB840 Fund	Jen Claussen	8,137	3%; monthly payments of \$164 April 1, 2015, through March 1, 2030
LB840 Fund	Nixon LLC (Jimmy Johns)	224,481	1%; monthly payments of \$2,750 April 1, 2023 through October 1, 2032
LB840 Fund	Retail Reclaimers, LLC	155,953	0%; monthly payments of \$1,190 May 1, 2021, through April 1, 2035 (deferred to 9/30/22)
LB840 Fund	Wayne Country Club	112,000	0%; annual payments of \$14,000 August 15, 2019, through August 15, 2033
LB840 Fund	Blazer Protective Products	115,781	2%; monthly payments of \$3,506 September 1, 2023, through August 1, 2028
LB840 Fund	Webber Hospitality	176,741	1.8%; monthly payments of \$1,822 July 1, 2024, through June 1, 2034
LB840 Fund	HIS Baking Co, LLC	125,529	2.5%; quarterly payments of \$2,704 September 1, 2024, through June 1, 2039

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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>2025</u>	<u>Terms</u>
LB840 Fund	Crossroads-Atoll Productions, LLC	18,151	3%; annual payments of \$3,351 February 1, 2017, through February 1, 2031
LB840 Fund	Wildcat Lanes, LLC	162,795	1%; annual payments of \$19,005 June 1, 2025, through June 1, 2034
LB840 Fund	Johnnie Byrd Brewing	30,731	2.625%; monthly payments of \$214 March 1, 2020, through February 1, 2040
LB840 Fund	Tom’s Auto Body	105,248	2%; monthly payments of \$708 February 1, 2025, through January 1, 2040
LB840 Fund	Pepper & Print	109,815	2%; monthly payments of \$569 March 1, 2025, through February 1, 2035
LB840 Fund	Wayne Auto Parts	145,275	0%; monthly payments of \$1,242 July 1, 2025, through June 1, 2035
LB840 Fund	Allowance for Uncollectible Notes	<u>(365,000)</u>	
Total notes receivable		\$ <u>2,881,518</u>	
Current portion		\$ 375,000	
Noncurrent portion		<u>2,506,518</u>	
		\$ <u>2,881,518</u>	

On October 1, 2020, the Airport Authority loaned \$100,000 to the Northeast Nebraska Aviators, Inc. The loan bears interest of 3.0 percent and is due in 240 monthly principal and interest payments of \$554.60 commencing October 1, 2020 through September 1, 2040. The note is secured by a Piper Cherokee 180 aircraft. The note receivable had a principal balance of \$80,309 at September 30, 2025.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

4. Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	<u>Balance at</u> <u>October 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2025</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 833,855	\$ 197,728	\$ -	\$ -	\$ 1,031,583
Construction in progress	<u>5,114,142</u>	<u>2,969,301</u>	<u>-</u>	<u>(2,621,128)</u>	<u>5,462,315</u>
Total capital assets not being depreciated	5,947,997	3,167,029	-	(2,621,128)	6,493,898
Other capital assets being depreciated:					
Infrastructure	21,120,539	-	-	-	21,120,539
Improvements	10,435,861	5,000	-	33,180	10,474,041
Buildings	14,839,326	2,199,937	(312,892)	2,616,128	19,342,499
Machinery and equipment	<u>6,723,094</u>	<u>668,547</u>	<u>(10,322)</u>	<u>(28,180)</u>	<u>7,353,139</u>
Total other capital assets at historical cost	53,118,820	2,873,484	(323,214)	2,621,128	58,290,218
Less accumulated depreciation for:					
Infrastructure	(13,196,530)	(568,052)	-	-	(13,764,582)
Improvements	(3,833,581)	(586,737)	-	-	(4,420,318)
Buildings	(6,123,525)	(563,797)	68,695	-	(6,618,627)
Machinery and equipment	<u>(4,613,102)</u>	<u>(457,015)</u>	<u>10,322</u>	<u>-</u>	<u>(5,059,795)</u>
Total accumulated depreciation	<u>(27,766,738)</u>	<u>(2,175,601) *</u>	<u>79,017</u>	<u>-</u>	<u>(29,863,322)</u>
Other capital assets, net	<u>25,352,082</u>	<u>697,883</u>	<u>(244,197)</u>	<u>2,621,128</u>	<u>28,426,896</u>
Governmental activities capital assets, net	<u>\$ 31,300,079</u>	<u>\$ 3,864,912</u>	<u>\$ (244,197)</u>	<u>\$ -</u>	<u>\$ 34,920,794</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

4. Capital Assets, continued

Governmental Activities, continued:

General government/public buildings	\$	320,485
Public safety		188,151
Public works:		
Street		703,934
Library		15,052
Senior citizens services		39,289
Recreation		786,993
Community Activity Center:		<u>121,697</u>
Total governmental depreciation expense		\$ <u>2,175,601</u>

Construction in progress at September 30, 2025, consists of \$79,564 for the Fourth Street project, \$333,673 for the community sidewalk extension project, \$3,646 for the library/senor center monument sign, \$1,356,666 for the park/rec building at Prairie Park, and \$3,688,766 for the Prairie Park development project. See Note D3 for additional details on these projects.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

4. Capital Assets, continued

	<u>Balance at</u> <u>October 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2025</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 842,662	\$ 1,297,201	\$ -	\$ -	\$ 2,139,863
Construction in progress	268,669	895,216	-	-	1,163,885
Total capital assets not being depreciated	1,111,331	2,192,417	-	-	3,303,748
Other capital assets being depreciated:					
Buildings	19,368,395	158,609	-	-	19,527,004
Distribution systems	23,217,252	578,573	-	-	23,795,825
Equipment	6,585,057	612,628	(94,852)	-	7,102,833
Total other capital assets at historical cost	49,170,704	1,349,810	(94,852)	-	50,425,662
Less accumulated depreciation for:					
Buildings	(12,421,906)	(742,564)	-	-	(13,164,470)
Distribution systems	(13,469,701)	(650,632)	-	-	(14,120,333)
Equipment	(5,101,474)	(300,100)	94,852	-	(5,306,722)
Total accumulated depreciation	(30,993,081)	(1,693,296) *	94,852	-	(32,591,525)
Other capital assets, net	18,177,623	(343,486)	-	-	17,834,137
Business-type capital assets, net	\$ 19,288,954	\$ 1,848,931	\$ -	\$ -	\$ 21,137,885

* Depreciation expense was charged to functions as follows:

Electric	\$ 717,896
Water	330,292
Sewer	645,108
Transfer Station	-
Total business-type activities depreciation expense	\$ 1,693,296

Construction in progress at September 30, 2025, consists of \$525,562 of costs on the electric energy center project, \$179,512 of costs on the Vintage Hills Subdivision water improvements, \$284,077 of costs on the Vintage Hills Subdivision sewer improvements, and \$174,734 of costs for water well #12. See Note D3 for additional details of the construction in progress at September 30, 2025.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

4. Capital Assets, continued

	<u>Balance at</u> <u>October 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2025</u>
<u>Airport Authority:</u>					
Capital assets not being depreciated:					
Land	\$ 287,776	\$ -	\$ -	\$ -	\$ 287,776
Construction in progress	1,173,408	-	-	(1,173,408)	-
	<u>1,461,184</u>	<u>-</u>	<u>-</u>	<u>(1,173,408)</u>	<u>287,776</u>
Other capital assets being depreciated:					
Buildings	2,639,203	403,873	-	1,173,408	4,216,484
Improvements	10,351,687	-	-	-	10,351,687
Equipment	523,794	6,515	-	-	530,309
Total other capital assets at historical cost	13,514,684	410,388	-	1,173,408	15,098,480
Less accumulated depreciation for:					
Buildings	(854,336)	(127,002)	-	-	(981,338)
Improvements	(3,486,404)	(392,020)	-	-	(3,878,424)
Equipment	(397,656)	(46,578)	-	-	(444,234)
Total accumulated depreciation	<u>(4,738,396)</u>	<u>(565,600)</u>	<u>-</u>	<u>-</u>	<u>(5,303,996)</u>
Other capital assets, net	<u>8,776,288</u>	<u>(155,212)</u>	<u>-</u>	<u>1,173,408</u>	<u>9,794,484</u>
Airport Authority capital assets, net	<u>\$ 10,237,472</u>	<u>\$ (155,212)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,082,260</u>

	<u>Balance at</u> <u>September 30, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2025</u>
<u>Community Redevelopment Agency:</u>				
Capital assets not being depreciated:				
Land	\$ <u>759,202</u>	\$ <u>-</u>	\$ <u>(2,351)</u>	\$ <u>756,851</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, 2025

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, 2025:

<u>Type of Debt</u>	Balance October 1, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2025</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds payable	\$ 11,365,000	\$ -	\$ (345,000)	\$ 11,020,000	\$ 355,000
Business-type Activities:					
Bonds and notes payable	\$ 6,630,373	\$ -	\$ (781,856)	\$ 5,848,517	\$ 790,865
Component Units:					
Airport Authority	\$ 105,644	\$ -	\$ (24,966)	\$ 80,678	\$ 16,692
Community Redevelop- ment Authority	2,107,050	4,856,077	(153,654)	6,809,473	1,143,464
Total component units	<u>\$ 2,212,694</u>	<u>\$ 4,856,077</u>	<u>\$ (178,620)</u>	<u>\$ 6,890,151</u>	<u>\$ 1,160,156</u>

Governmental Activities

The Debt Service Fund is making the bond payments on all outstanding governmental activities debt. As of September 30, 2025, the governmental long-term liabilities consisted of the following:

Bonds payable:

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

\$ 170,000

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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. 680,000

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

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

General obligation refunding bonds - series 2019, with original issue amount of \$690,000 issued to refinance the series 2013 various purpose bonds. Interest ranges from 1.90 to 2.60 percent with final maturity June 15, 2028. 225,000

Total bonds payable \$ 11,020,000

Current portion \$ 355,000

Noncurrent portion 10,665,000

Total \$ 11,020,000

Business-type Activities

As of September 30, 2025, 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. \$ 685,000

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

6. Long-term Debt, continued

Business-type Activities, continued

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.	440,000
\$4,949,020 of Sewer Department of Environment and Energy (DEE) Note Payable. The note will be due in semi-annual principal and interest payments of \$151,154 commencing June 15, 2012, through December 15, 2031. The note bears interest of 0.5 percent. A 0.5 percent administration fee will also be due semi-annually.	1,789,832
\$1,838,650 of Sewer DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$54,551 commencing June 15, 2017, through June 15, 2036. The note bears interest of 0.5 percent. A 0.5 percent administration fee will also be due semi-annually.	1,083,570
\$1,977,993 of Water DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$57,421 commencing June 15, 2021, through December 15, 2040. The note bears interest of 1.5 percent. A 0.50 percent administration fee will also be due semi-annually.	1,589,001
\$762,414 of Water DEE Note Payable. The note will be due in semi-annual principal and interest payments of \$23,220 commencing December 15, 2011, through June 30, 2031. The note bears interest of 2.0 percent. A one percent administration fee will also be due semi-annually.	<u>261,114</u>
Total business-type activity bonds and notes payable	<u>\$ 5,848,517</u>
Current portion	\$ 790,865
Noncurrent portion	<u>5,057,652</u>
Total	<u>\$ 5,848,517</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Long-term Debt, continued

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.	\$ -
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.	<u>80,678</u>
Total airport notes payable	80,678

Community Redevelopment Agency Bond Payable:

Tax increment revenue bond series 2018, with original amount of \$375,000. Principal and interest of 6 percent is due semi-annually commencing December 31, 2018. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds.	309,974
Tax increment revenue bond series 2011, with original amount of \$84,700. Interest of 6.75 percent is due semi-annually commencing July 1, 2013. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds.	7,060
Tax increment revenue bond series 2012, with original amount of \$135,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds.	27,261
Tax increment revenue bond series 2019, with original amount of \$120,258. Interest of 6 percent is due semi-annually commencing July 1, 2019. Semi-annual principal payments commence July 1, 2019 through December 31, 2033. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds.	56,086

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Long-term Debt, continued

Component Unit, continued

Community Redevelopment Agency Bond Payable,
continued:

Tax increment revenue bond series 2012, with original amount of \$467,000. Interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 198,684

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

Tax increment revenue bond series 2013, with original amount of \$210,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2029. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 131,245

Tax increment revenue bond series 2024, with original amount of \$4,880,000. Principal and interest of 3.5 percent is due semi-annually commencing June 30, 2025. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 4,880,000

Tax increment revenue bond series 2013, with original amount of \$50,000. Interest of 6.75 percent is due semi-annually commencing June 30, 2014. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 10,584

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Long-term Debt, continued

Component Unit, continued

Community Redevelopment Agency Bond Payable,
continued:

Tax increment revenue bond series 2012, with original amount of \$38,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. Semi-annual principal payments commence July 31, 2014 through December 31, 2027. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 23,017

Tax increment revenue bond series 2013, with original amount of \$130,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2028. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 88,023

Tax increment revenue bond series 2013, with original amount of \$150,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 1, 2016 through June 1, 2026. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 97,578

Tax increment revenue bond series 2021, with original amount of \$100,000. Interest of 6 percent is due semi-annually commencing June 30, 2022. Semi-annual principal payments commence December 31, 2022 through December 31, 2036. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 92,824

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Long-term Debt, continued

Component Unit, continued

Community Redevelopment Agency Bond Payable,
continued:

Tax increment revenue bond series 2013, with original amount of \$40,000. Principal and interest of 5 percent is due annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2015 through December 30, 2028. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 15,831

Tax increment revenue bond series 2013, with original amount of \$108,646. Interest of 5 percent is due semi-annually commencing December 31, 2015. Semi-annual principal payments commence June 30, 2015 through December 31, 2028. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 77,036

Tax increment revenue bond series 2015, with original amount of \$200,000. Interest of 5 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence June 30, 2019 through June 30, 2029. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 144,089

Tax increment revenue bond series 2014, with original amount of \$250,000. Interest of 6 percent is due semi-annually commencing June 1, 2016. Semi-annual principal payments commence December 31, 2017 through December 31, 2028. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 165,339

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

6. Long-term Debt, continued

Component Unit, continued

Community Redevelopment Agency Bond Payable, continued:

Tax increment revenue bond series 2019, with original amount of \$195,021. Interest of 5.50 percent is due semi-annually commencing July 1, 2019. Semi-annual principal payments commence July 1, 2019 through December 31, 2033. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 203,279

Tax increment revenue bond series 2016, with original amount of \$50,000. Interest of 6 percent is due semi-annually commencing June 30, 2017. Semi-annual principal payments commence December 31, 2017 through December 31, 2029. The bond is a limited obligation of the CRA payable exclusively from TIF proceeds. 106,563

Total Community Redevelopment Agency bonds payable 6,809,473

Total component unit notes and bond payable \$ 6,890,151

Current portion \$ 1,160,156

Noncurrent portion 5,729,995

Total \$ 6,890,151

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2025, 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
2026	\$ 355,000	\$ 431,298	\$ 500,865	\$ 42,416	\$ 24,247	\$ 290,000	\$ 20,520
2027	10,300,000	220,107	504,920	38,361	21,529	160,000	16,755
2028	365,000	8,610	509,022	34,259	18,787	160,000	13,980
2029	-	-	513,172	30,110	16,021	170,000	10,890
2030	-	-	517,369	25,913	13,228	170,000	7,310
2031-2035	-	-	1,470,786	78,904	34,070	175,000	3,730
2036-2040	-	-	650,173	27,577	9,445	-	-
2041	-	-	57,210	429	143	-	-
	<u>\$ 11,020,000</u>	<u>\$ 660,015</u>	<u>\$ 4,723,517</u>	<u>\$ 277,969</u>	<u>\$ 137,470</u>	<u>\$ 1,125,000</u>	<u>\$ 73,185</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Long-term Debt, continued

Year Ending September 30,	Component Units			
	Airport Direct Placement		CRA Direct Placement	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 16,692	\$ -	\$ 1,143,464	\$ 483,194
2027	16,692	-	525,863	262,051
2028	16,692	-	500,165	195,022
2029	16,692	-	453,706	172,299
2030	13,910	-	382,793	154,221
2031-2035	-	-	1,977,188	535,674
2036-2040	-	-	1,826,294	166,570
	<u>\$ 80,678</u>	<u>\$ -</u>	<u>\$ 6,809,473</u>	<u>\$ 1,969,031</u>

7. Compensated Absences

Accrued compensated absences for the City consisted of the following as of September 30, 2025:

	<u>Balance at 9/30/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 9/30/2025</u>	<u>Current Portion</u>
Accrued compensated absences:					
Governmental activities	<u>\$ 315,393</u>	<u>\$ 50,562</u>	<u>\$ -</u>	<u>\$ 365,955</u>	<u>\$ 229,695</u>
Business-type activities	<u>\$ 311,652</u>	<u>\$ 29,853</u>	<u>\$ -</u>	<u>\$ 341,505</u>	<u>\$ 195,908</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

8. Interfund Transactions and Balances

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Debt Service Fund	\$ -	\$ 406,850
Wireless 911	26,494	-
E911	<u>15,000</u>	<u>-</u>
Total General Fund	41,494	406,850
Street Fund:		
Debt Service Fund	-	128,265
Debt Service Fund:		
Electric Fund	56,343	-
General Fund	406,850	-
Street Fund	<u>128,265</u>	<u>-</u>
Total Debt Service Fund	591,458	-
Nonmajor Governmental Funds:		
General Fund	-	41,494
Electric Fund:		
Debt Service Fund	<u>-</u>	<u>56,343</u>
Total Interfund Transfers	\$ <u>632,952</u>	\$ <u>632,952</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

8. Interfund Transactions and Balances, continued

Interfund balances:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Terms</u>
Airport	General	\$ 2,114	0%; will be repaid during year ending September 30, 2025.
CRA	General	80	0%; will be repaid during year ending September 30, 2025.
CRA	Electric	105,900	0%; due as down payment assistance loans are collected by CRA.
CRA	Electric	55,800	0%; due in 10 annual payments of \$6,200.
CRA	Electric	312,063	0.5%; line of credit for projects.
Total		<u>\$ 475,957</u>	

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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 \$697,793 for the year ended September 30, 2025. Both the City and the covered employees' required contributions of \$48,845 were made for the year ended September 30, 2025. The employees also contributed \$10,865 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 seven 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 \$4,140,795 and the covered payroll amounted to \$2,536,679 for the year ended September 30, 2025. The City and the employees contributed \$177,756 and \$226,766, respectively, for the year ended September 30, 2025.

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, 2025

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 \$2,500; this amount represents two months of subsequent claims. This has been included as a current year expenditure. A reserve of \$933,402 is established in an internal service fund at September 30, 2025.

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, 2025, 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, 2025

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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

<u>Maturities by Month</u>	<u>Amount</u>
October 2025	\$ 627,511
November 2025	2,062,602
February 2026	2,698,857
March 2026	743,853
April 2026	725,650
May 2026	3,227,313
June 2026	1,216,193
July 2026	1,285,533
September 2026	<u>3,281,273</u>
	\$ <u>15,868,785</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, 2025, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Elkhorn Valley Bank	\$ 7,699,602
State Nebraska Bank & Trust	<u>8,169,183</u>
	\$ <u>15,868,785</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025.

3. Commitments

Construction/Contractual Commitments

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

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/25</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Governmental Fund Projects:				
Seventh St Trail engineering	\$ 140,895	\$ 132,323	\$ 8,572	May 2026
Seventh St Trail contractor	582,010	376,537	205,473	May 2026
Prairie Park engineering	220,000	156,200	63,800	April 2027
Prairie Park storm sewer	177,470	115,290	62,180	April 2026
Prairie Park paving	490,013	-	490,013	September 2026
Library/Senior Center sign	7,293	3,647	3,646	November 2025
Business-type Fund Projects:				
Electric energy center	592,000	426,240	165,760	September 2027
Water well engineering	102,985	60,478	42,507	May 2026
Water well contractor	989,986	30,430	959,556	May 2026
Water well drilling	299,474	38,976	260,498	May 2026
Vintage Hills contractor	463,590	-	463,590	October 2025

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Other Commitments

<u>Lessor</u>	<u>Leased Property</u>	<u>Term</u>	<u>Amount</u>
MailFinance, Inc.	Folding Machine	1/24/24 – 1/24/29	\$ 1,132/month
Quadient	Postage Machine	2/12/25 – 2/12/30	258/month
Eakes Office Plus	Copier-Police	5/17/23 – 5/17/28	99/month
Eakes Office Plus	Copier-Administration	4/10/24 – 4/10/29	276/month
Marco Technologies	Copier-Library	2/8/25 – 2/8/30	180/month

Airport Management Contract

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

Future commitments under this contract as of September 30, 2025, are \$36,000 for the years ending September 30, 2026 through 2030, and \$9,000 for the year ending September 30, 2031.

Electric Department

The City had an agreement that expired in 2022 with Nebraska Public Power District (NPPD) to sell to it 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 \$96,631 for the year ended September 30, 2025.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Electric Department, continued

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

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

4. Related-Party Transactions

The Electric Fund remits 10.5 percent of gross revenues, the Water Fund remits nine percent of gross revenues, and Sewer Funds remit seven percent of gross revenues to the General Fund annually as payments in lieu of taxes. The Electric Fund made payments in the amount of \$808,130, the Water Fund made payments of \$144,753, and the Sewer Fund made payments of \$195,232, for the year ended September 30, 2025.

During the year ended September 30, 2025, the City paid \$4,879 to Webber Hospitality, LLC, a business owned by a council member. Also, at September 30, 2025, the outstanding LB840 loan balance to Webber Hospitality, LLC was \$176,741. The terms of this loan are described in Note C3.

During the year ended September 30, 2025, the City paid \$14,621 to Ed M. Feld Equipment Co Inc. The City's fire chief is a salesman for this company.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2025:

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
City of Laurel	3/5/24	Provide assistance for water/wastewater services
Wayne County	8/19/17	Provide dispatch service for public safety in Wayne County
Wayne State College	6/7/22	Share law enforcement resources
Wayne County and Wayne County Library Association	2/18/20	Provide all library services and materials currently available through the public libraries to all residents of the county
Providence Medical Center	6/20/17	Provide funds to defray a part of the cost of the operation of the ambulance
Rural Enterprise Assistance Project	5/10/05	Use of the services of REAP to be available for start-up and existing entrepreneurs
ONELibrary Consortium	10/04/16	The mission of the consortium of public funded libraries in the northeastern part of the State of Nebraska is to enrich the collections, share the resources, enhance the services, and strengthen the support for its member libraries

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Elkhorn Valley Mutual Aid Association	9/19/14	Ensuring the safety of the lives and property of our citizens from fire loss, medical emergencies, and natural disasters
Northeast Nebraska Mutual Aid District	2/7/23	Ensuring the safety of lives and property of citizens from fire loss, medical emergencies, and natural disasters
Northeast Nebraska Public Power District	10/10/06	Services for planning, grant writing, grant management, etc.
Wayne State College	5/08/07	Contribution to Wayne Volunteer Fire Department in lieu of fine assessment for false alarms
Northeast Nebraska Public Power District	10/26/04	Service area extensions
Wayne County and Golf Club of Wayne	11/1/94	Golf courses maintenance agreement
Rural Fire Board	9/12/50	Sharing equipment and facilities
Nebraska Expressways for Economic Development	6/21/09	Nebraska State Highway Expressway System
Wayne Community Schools	8/1/23	Share law enforcement services – provide school resource officer
Wayne State College	6/20/17	Classroom use/facility & field use, tuition waivers, athletic events, real estate, athletic staff assistance, and internet services
Wayne Community Housing	5/8/08	Establish the energy saver program & provide for cost sharing set aside
LNRD and multiple jurisdictions	6/16/15	Hazard mitigation planning

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Northeast Nebraska Red Cross	6/18/13	Red Cross to provide physical facilities to support personnel who are providing services to individuals affected by disasters
Village of Carroll	5/05/09	Interlocal agreement for municipal water system for Carroll, NE
Wayne Public Schools, Wayne County, Wayne Area Economic Development	5/16/09	Collaboration for the creation of a joint web site
City of Wisner, Village of Winside, City of Ponca, Ponca Rural Fire District, and City of West Point	6/15/10	Mutual Fire Organization
Wayne Community Schools	3/15/11	Share facilities & equipment Hank Overin Field
Electric Transportation Partners - Nebraska	8/20/13	Participation in advancement of compressed natural gas and electric vehicle infrastructure
Wayne County and Wayne America	11/21/23	Assistance with funding of economic development
Nebraska Community Energy Alliance	6/17/14	Advancement of compressed natural gas and electric vehicle infrastructure
Wayne County	1/7/25	Support the new dispatch and communication center at new location
NE Game & Parks	1/20/15	Agreement to maintain signs for 10 years from start date of project
Western Area Power Admin	3/03/15	Assign specific rights, duties and obligations of City to NPPD for delivery of City's Federal power and energy
Western Area Power Admin	3/03/15	WSC requires service from NPPD for the delivery of their allocation from WAPA to the City's electrical system

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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
Wayne State College and NRIN	12/15/20	Agreement to place NRIN equipment on City and WSC towers
Nebraska Regional Interoperability Network	12/15/15	Enable separate political subdivision of NE to cooperate on the basis of mutual advantage to provide for joint undertakings, services & facilities
Office of the Chief Information Officer, State of Nebraska	6/07/16	Network Nebraska – Education and Network Nebraska-Education “Participant” for the purpose of outlining the service and responsibility of the OCI
Nebraska Department of Roads	9/20/16	LPA supplemental Program Agreement – Federal-Aid Funds which will outline the various duties and funding responsibilities for the Federal Aid projects
LENRD	5/1/24	Prairie Park project
NE Red Cross	4/07/09	Local Emergency planning process
Village of Concord	9/18/18	Provide building inspections
Village of Carroll	12/04/18	Provide building inspections
City of Norfolk, City of South Sioux City, Cedar County, Dakota County, Dixon County, Knox County	3/01/22	Share emergency 911 call handling software
Wayne Community School District	2/20/24	Agreement regarding recreational facilities

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

6. Tax Abatements

The Community Redevelopment Agency (CRA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CRA for the year ended September 30, 2025 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2025 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2025</u>
Angel Acres	4	\$ 3,773,900	\$ 44,384
MZRB, LLC	4	459,350	3,961
Progressive Properties -			
First Street	3	188,350	1,625
Sebade	4	294,115	4,101
Progressive Properties –			
6 th Street	5	541,165	4,612
Wayne Rentals	4	1,498,525	21,325
Mid Plains Grain	5	933,655	11,958
Benscoter Development	3	1,378,250	17,160
Wayne Hospitality	1	2,386,095	22,480
Progressive Properties –			
Nebraska Street	4	608,945	5,246
Windom Ridge	1	696,120	14,960
Grainland Estates	8	2,040,025	26,742
Sebade Valley Drive	8	1,199,235	16,835
Sebade NE St Apartments	12	650,655	8,960
Sanctuary Apartments	13	831,075	12,091
Wayne Crown	10	1,295,380	13,045
R Perry Apartments	14	14,804,425	12,776
Jorgensen – The Jug Store	6	1,502,145	<u>23,050</u>
			<u>\$ 265,311</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

7. Subsequent Events

Management has evaluated subsequent events through December 31, 2025, the date on which the financial statements were available for issue.

On October 16, 2025, the City issued \$9,670,000 of Series 2025 Municipal Improvement Refunding Bonds to refinance the Series 2023 and Series 2024 Municipal Improvement Bonds. The bonds bear interest of 5.0% with final maturity December 15, 2038.

On October 20, 2025, Council approved a \$400,000 LB840 loan to the 4th Jug, LLC d/b/a The Max with a repayment period of 15 years and interest of 2.0 percent.

On November 17, 2025, Council approved a \$74,250 LB840 loan to CG Taylor, LLC with a repayment period of 10 years and interest of 2.0 percent.

On December 1, 2025, Council approved the purchase of a 2026 Ford F-350 from Davis Ford for \$66,381 for the Electric department.

On December 15, 2025, Council approved a \$605,978 bid from Trachte, LLC for the furnishing and installation of a new control enclosure for the Northeast Substation project.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAYNE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,105,995	\$ 1,101,179	\$ (4,816)
Payments in lieu of taxes	1,234,681	1,235,023	342
Sales tax	1,327,500	1,282,857	(44,643)
Franchise	168,500	166,891	(1,609)
Intergovernmental	1,708,975	1,358,438	(350,537)
Charges for services	1,085,931	1,221,185	135,254
Grant revenue	50,000	32,784	(17,216)
Interest income	25,000	181,152	156,152
Contributions	370,275	514,859	144,584
Sale of property	-	359,619	359,619
Other	49,500	19,294	(30,206)
	7,126,357	7,473,281	346,924
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	327,568	323,837	(3,731)
Economic development	442,072	395,561	(46,511)
Public buildings	230,388	198,428	(31,960)
Public safety	2,133,944	1,860,744	(273,200)
Senior citizens services	434,943	414,283	(20,660)
Library	432,094	426,056	(6,038)
Recreation	942,113	979,654	37,541
Community Activity Center	461,179	419,148	(42,031)
Capital outlay	6,302,593	5,455,714	(846,879)
	11,706,894	10,473,425	(1,233,469)
Resources under charges to appropriations	(4,580,537)	(3,000,144)	1,580,393
OTHER FINANCING SOURCES (USES)			
Transfers in	33,000	41,494	8,494
Transfers out	(406,850)	(406,850)	-
Net transfers	(373,850)	(365,356)	8,494
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS			
	\$ (4,954,387)	\$ (3,365,500)	\$ 1,588,887

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
STREET FUND**

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,500	\$ 1,419	\$ (81)
Motor vehicle	95,000	112,943	17,943
Sales tax	150,000	191,171	41,171
Intergovernmental	923,044	904,399	(18,645)
Charges for services	2,200	1,568	(632)
Interest income	8,000	68,648	60,648
Sale of property	-	4,379	4,379
Other income	<u>350,000</u>	<u>99</u>	<u>(349,901)</u>
 Total resources	 1,529,744	 1,284,626	 (245,118)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	1,063,090	675,708	(387,382)
Capital projects	<u>2,398,500</u>	<u>190,713</u>	<u>(2,207,787)</u>
 Total charges to appropriations	 <u>3,461,590</u>	 <u>866,421</u>	 <u>(2,595,169)</u>
 Resources over (under) charges to appropriations	 (1,931,846)	 418,205	 2,350,051
OTHER FINANCING USES			
Transfers out	<u>(128,265)</u>	<u>(128,265)</u>	<u>-</u>
 RESOURCES AND OTHER FINANCING USES OVER (UNDER) CHARGES TO APPROPRIATIONS	 <u>\$ (2,060,111)</u>	 <u>\$ 289,940</u>	 <u>\$ 2,350,051</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
LB840 FUND**

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 147,500	\$ 142,540	\$ (4,960)
Interest income	2,000	52,764	50,764
Other income	319,565	321,529	1,964
	<hr/>	<hr/>	<hr/>
Total resources	469,065	516,833	47,768
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government-economic development	1,214,966	841,269	(373,697)
	<hr/>	<hr/>	<hr/>
RESOURCES UNDER CHARGES TO APPROPRIATIONS	<u>\$ (745,901)</u>	<u>\$ (324,436)</u>	<u>\$ 421,465</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND**

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 107,564	\$ 106,994	\$ (570)
Payments in lieu of taxes	225	179	(46)
Special assessments	37,754	8,618	(29,136)
Other revenue	15,051	-	(15,051)
Interest income	5,150	35,445	30,295
	<hr/>	<hr/>	<hr/>
Total resources	165,744	151,236	(14,508)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	1,078,299	345,000	(733,299)
Interest and fees	450,000	438,333	(11,667)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,528,299	783,333	(744,966)
Resources under charges to appropriations	(1,362,555)	(632,097)	730,458
OTHER FINANCING SOURCES			
Transfer in	591,458	591,458	-
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	<u>\$ (771,097)</u>	<u>\$ (40,639)</u>	<u>\$ 730,458</u>

CITY OF WAYNE, NEBRASKA

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

Year ended September 30, 2025

**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	\$ 7,473,281	\$ 1,284,626	\$ 516,833	\$ 151,236
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>110,055</u>	<u>268</u>	<u>(286,529)</u>	<u>1,389</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 7,583,336</u></u>	<u><u>\$ 1,284,894</u></u>	<u><u>\$ 230,304</u></u>	<u><u>\$ 152,625</u></u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 10,473,425	\$ 866,421	\$ 841,269	\$ 783,333
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>28,611</u>	<u>(9,084)</u>	<u>(830,000)</u>	<u>(2,221)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 10,502,036</u></u>	<u><u>\$ 857,337</u></u>	<u><u>\$ 11,269</u></u>	<u><u>\$ 781,112</u></u>

SUPPLEMENTARY INFORMATION

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

September 30, 2025

	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	\$ -	\$ -	\$ -	\$ 10,229	\$ 19,856	\$ 30,085
Grants receivable	52,340	-	-	-	-	52,340
Notes receivable	71,465	-	-	-	-	71,465
Restricted assets:						
Cash and cash equivalents	21,734	-	136,196	-	-	157,930
Total assets	<u>\$ 145,539</u>	<u>\$ -</u>	<u>\$ 136,196</u>	<u>\$ 10,229</u>	<u>\$ 19,856</u>	<u>\$ 311,820</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,823	\$ -	\$ 1,410	\$ -	\$ -	\$ 5,233
Due to other funds	-	-	-	12,612	1,327	13,939
Total liabilities	<u>3,823</u>	<u>-</u>	<u>1,410</u>	<u>12,612</u>	<u>1,327</u>	<u>19,172</u>
Fund balances:						
Restricted for:						
Federal programs	141,716	-	-	-	-	141,716
Community betterment	-	-	134,786	-	-	134,786
Assigned for:						
Other purposes	-	-	-	(2,383)	18,529	16,146
Total fund balances	<u>141,716</u>	<u>-</u>	<u>134,786</u>	<u>(2,383)</u>	<u>18,529</u>	<u>292,648</u>
Total liabilities and fund balances	<u>\$ 145,539</u>	<u>\$ -</u>	<u>\$ 136,196</u>	<u>\$ 10,229</u>	<u>\$ 19,856</u>	<u>\$ 311,820</u>

CITY OF WAYNE, NEBRASKA

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

For the year ended September 30, 2025

	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	\$ 214,820	\$ -	\$ -	\$ -	\$ -	\$ 214,820
Charges for services	-	-	-	53,098	21,916	75,014
Keno proceeds	-	-	38,962	-	-	38,962
Interest income	882	1,895	1,913	2,890	827	8,407
Total revenues	<u>215,702</u>	<u>1,895</u>	<u>40,875</u>	<u>55,988</u>	<u>22,743</u>	<u>337,203</u>
EXPENDITURES						
General government	12,211	-	-	-	-	12,211
Public safety	-	-	-	24,262	-	24,262
Public works	10,588	-	-	-	-	10,588
Recreation	6,150	-	7,230	-	-	13,380
Capital outlay	199,252	110,342	-	78,000	28,831	416,425
Total expenditures	<u>228,201</u>	<u>110,342</u>	<u>7,230</u>	<u>102,262</u>	<u>28,831</u>	<u>476,866</u>
Excess of revenues over expenditures	(12,499)	(108,447)	33,645	(46,274)	(6,088)	(139,663)
OTHER FINANCING USES						
Transfers out	-	-	-	(26,494)	(15,000)	(41,494)
Net change in fund balances	(12,499)	(108,447)	33,645	(72,768)	(21,088)	(181,157)
Fund balances - September 30, 2024	<u>154,215</u>	<u>108,447</u>	<u>101,141</u>	<u>70,385</u>	<u>39,617</u>	<u>473,805</u>
Fund balances - September 30, 2025	<u>\$ 141,716</u>	<u>\$ -</u>	<u>\$ 134,786</u>	<u>\$ (2,383)</u>	<u>\$ 18,529</u>	<u>\$ 292,648</u>

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

September 30, 2025

	Wayne Municipal Airport	Community Redevelopment Authority	Total Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 273,724	\$ 23,021	\$ 296,745
County treasurer cash	5,956	5,162	11,118
Receivables:			
Property tax	2,176	1,885	4,061
Grants receivable	118,725	-	118,725
TIF receivable-current portion	-	484,500	484,500
Note receivable-current portion	4,305	-	4,305
Fuel inventory	22,197	-	22,197
Prepaid insurance	10,355	-	10,355
Total current assets	437,438	514,568	952,006
Noncurrent assets:			
TIF receivable-noncurrent portion	-	6,324,973	6,324,973
Note receivable-noncurrent portion	76,004	342,132	418,136
Capital assets:			
Land	287,776	756,851	1,044,627
Other capital assets, net of depreciation	9,794,484	-	9,794,484
Net capital assets	<u>10,082,260</u>	<u>756,851</u>	<u>10,839,111</u>
Total noncurrent assets	10,158,264	7,423,956	17,582,220
Total assets	10,595,702	7,938,524	18,534,226
LIABILITIES			
Current liabilities:			
Due to the City of Wayne	2,114	473,843	475,957
Accounts payable	7,556	-	7,556
Accrued interest payable	-	341,438	341,438
Unavailable property tax	1,005	879	1,884
Current portion of long-term debt	16,692	1,143,464	1,160,156
Total current liabilities	27,367	1,959,624	1,986,991
Noncurrent liabilities:			
Noncurrent portion of long-term debt	63,986	5,666,009	5,729,995
Total liabilities	91,353	7,625,633	7,716,986
NET POSITION			
Net investment in capital assets	10,001,582	756,851	10,758,433
Unrestricted	502,767	(443,960)	58,807
Total net position	\$ 10,504,349	\$ 312,891	\$ 10,817,240

CITY OF WAYNE, NEBRASKA

**COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS**

For the year ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Wayne Municipal Airport:			
Airport	\$ 831,940	\$ 167,476	\$ -
Community Redevelopment Authority:			
Economic development	236,477	25,041	-
Total component units	\$ 1,068,417	\$ 192,517	\$ -

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Airport Authority</u>	<u>Community Redevelopment Authority</u>	<u>Total Component Units</u>
\$ 269,856	\$ (394,608)	\$ -	\$ (394,608)
-	-	(211,436)	(211,436)
<u>\$ 269,856</u>	<u>(394,608)</u>	<u>(211,436)</u>	<u>(606,044)</u>
General revenues:			
Taxes:			
Property	107,195	92,917	200,112
TIF proceeds	-	111,657	111,657
Interest income	13,473	197	13,670
Gain on disposal of assets	8,124	9,716	17,840
Other income	-	2,724	2,724
Total general revenues	<u>128,792</u>	<u>217,211</u>	<u>346,003</u>
Change in net position	(265,816)	5,775	(260,041)
Net position - beginning of year	<u>10,770,165</u>	<u>307,116</u>	<u>11,077,281</u>
Net position - end of year	<u>\$ 10,504,349</u>	<u>\$ 312,891</u>	<u>\$ 10,817,240</u>

**ADDITIONAL INFORMATION REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



**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, 2025, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
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A PROFESSIONAL
CORPORATION

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Report on Compliance and Other Matters

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

City of Wayne's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Wayne's response to the findings identified in our audit and described above. The City's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

AMGL, PC,

Grand Island, Nebraska
December 31, 2025