

CITY OF ALLIANCE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2021

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
Statement of Fund Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	68
Street Fund	69
Sales Tax Fund	70
Debt Service Fund	71
Redevelopment Fund	72
Airport Fund	73
Note to Required Supplementary Information	74
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	77
Combining Statement of Net Position - Internal Service Funds	79
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	80
Combining Statement of Cash Flows - Internal Service Funds	81

TABLE OF CONTENTS, Continued

	Page
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 <i>Government Auditing Standards</i>	82



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INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-15 and 68-74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alliance, Nebraska's basic financial statements. The nonmajor governmental funds combining statements and the internal service funds combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor governmental funds combining statements and the internal service funds combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph 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 January 19, 2022, on our consideration of the City of Alliance, 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 Alliance'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 Alliance, Nebraska's internal control over financial reporting and compliance.

AMGL, PC -

Grand Island, Nebraska
January 19, 2022

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The assets of the City of Alliance exceeded its liabilities at the close of the most recent fiscal year by \$90,950,327 (*net position*). Of this amount, \$21,581,982 (*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 Alliance governmental funds reported combined ending net position of \$52,510,323. Approximately 11.4 percent of this total amount, \$6,000,720, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,976,001, or 43.7 percent of total General Fund expenditures.

Overview of the Financial Statements

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

The *statement of net position* presents information on all of the City of Alliance’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 Alliance is improving or deteriorating.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City of Alliance 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 Alliance include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the City of Alliance include the Electric, Water, Sewer and Refuse Funds. The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Alliance, 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 Alliance can be divided into two categories: governmental funds and proprietary 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 Alliance maintains 24 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, Street Fund, Sales Tax Fund, Debt Service Fund, Redevelopment Fund, and Airport Fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

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

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

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

Proprietary funds. The City of Alliance 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 Alliance uses enterprise funds to account for its Electric, Water, Sewer and Refuse Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Alliance's various functions. The City of Alliance uses internal service funds to account for its employee health insurance and shared departmental expenses. Because these services predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 22-25 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 26-67 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 Alliance's budgetary comparison schedules. Required supplementary information can be found on pages 68-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75-81 of this report.

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 Alliance, assets exceeded liabilities by \$90,950,327 at the close of the most recent fiscal year.

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

Summary Statements of Net Position

	September 30, 2021			September 30, 2020		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Current and Other Assets	\$ 14,094,206	\$ 19,582,356	\$ 33,676,562	\$ 13,471,904	\$ 18,864,905	\$ 32,336,809
Capital Assets	41,680,547	24,887,225	66,567,772	42,591,662	23,213,135	65,804,797
Total Assets	<u>55,774,753</u>	<u>44,469,581</u>	<u>100,244,334</u>	<u>56,063,566</u>	<u>42,078,040</u>	<u>98,141,606</u>
Long-term Liabilities	1,519,656	4,053,849	5,573,505	1,565,613	4,490,800	6,056,413
Other Liabilities	1,744,774	1,975,728	3,720,502	1,931,183	1,440,375	3,371,558
Total Liabilities	<u>3,264,430</u>	<u>6,029,577</u>	<u>9,294,007</u>	<u>3,496,796</u>	<u>5,931,175</u>	<u>9,427,971</u>
Net Position:						
Net Investment in						
Capital Assets	41,350,718	22,762,225	64,112,943	42,132,313	20,666,346	62,798,659
Restricted	5,158,885	96,517	5,255,402	4,264,312	-	4,264,312
Unrestricted	6,000,720	15,581,262	21,581,982	6,170,145	15,480,519	21,650,664
Total Net Position	<u>\$ 52,510,323</u>	<u>\$ 38,440,004</u>	<u>\$ 90,950,327</u>	<u>\$ 52,566,770</u>	<u>\$ 36,146,865</u>	<u>\$ 88,713,635</u>

By far the largest portion of the City of Alliance's net position (70.5 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Alliance uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Alliance'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 Alliance's net position (5.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$21,581,982) 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 Alliance is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities.

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

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 58,241	\$ 600,567	\$ 9,711	\$ 572,205
Public Safety	406,402	3,139,942	800,478	2,804,698
Public Works	1,235,063	1,518,390	271,755	1,070,239
Environment and Leisure	1,473,189	3,947,959	2,324,218	2,964,304
Economic Development	5,450	564,683	450	523,820
Interest	-	21,561	-	37,567
Depreciation	-	2,850,326	-	2,645,627
Total	<u>\$ 3,178,345</u>	<u>\$ 12,643,428</u>	<u>\$ 3,406,612</u>	<u>\$ 10,618,460</u>

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 1,461,167	11.61 %	\$ 1,066,092	8.59 %
Operating Grants and Contributions	721,342	5.73	1,105,657	8.91
Capital Grants and Contributions	995,836	7.91	1,234,863	9.95
Property Taxes	1,720,358	13.67	1,710,674	13.78
Motor Vehicle Taxes	183,699	1.46	182,226	1.47
Sales Tax	2,372,593	18.85	2,087,006	16.81
Franchise Taxes	154,701	1.23	182,062	1.47
Occupation Taxes	194,599	1.54	180,067	1.45
TIF Proceeds	408,655	3.25	397,927	3.21
State Allocation	1,571,226	12.48	1,382,953	11.14
Special Assessments	8,867	0.07	9,404	0.07
Keno	14,684	0.12	13,422	0.11
Other	34,841	0.28	11,175	0.09
Interest	95,661	0.76	136,834	1.10
Gain on Sale of Assets	537,152	4.27	610,495	4.92
Interfund Transfer	2,111,600	16.77	2,101,000	16.93
Total	<u>\$ 12,586,981</u>	<u>100.00 %</u>	<u>\$ 12,411,857</u>	<u>100.00 %</u>

Net position decreased \$56,447 in the governmental funds during the year ended September 30, 2021.

In addition to utility fund transfers, the governmental funds are financed by revenues from property tax, state aid, municipal equalization, mutual fire organization aid, grants, user and license fees and sales tax.

The City received \$1,720,358 in property tax for fiscal year 2021 compared to \$1,710,674 in 2020. Levies are expressed in dollars and cents per \$100 of valuation. The 2020 tax year levies

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

were collected in the City's Fiscal Year 2021. The following table shows the levies and valuations for the past ten years:

	<u>City</u>	<u>MFO</u>	<u>Public Safety</u>	<u>Airport</u>	<u>Airport Sinking</u>	<u>Total Levy</u>	<u>Assessed Valuation</u>
2011	.27642	.03395	.03000	.03140	.01210	.38387	\$ 361,080,370
2012	.27273	.03395	.03000	.03711	.00600	.37979	\$ 376,786,766
2013	.27211	.03395	.03000	.03710	.00600	.37916	\$ 390,837,023
2014	.27210	.03395	.03000	.03100	.01210	.37915	\$ 410,520,412
2015	.27107	.03395	.02976	.03088	.01206	.37772	\$ 418,676,703
2016	.26617	.03395	-	.05898	.01229	.37139	\$ 438,650,352
2017	.26880	.03395	-	.05950	.01239	.37464	\$ 443,537,145
2018	.23704	.03395	-	.05326	.01109	.33534	\$ 505,420,246
2019	.22848	.03395	-	.05157	.01074	.32474	\$ 521,910,994
2020	.22584	.03395	-	.05106	.01063	.32148	\$ 527,217,168

The Nebraska Legislature allows for cities to levy property taxes up to a maximum of forty-five cents. Because the citizens of Alliance approved a local sales tax, the City has been able to keep its levy well below the maximum limit.

Business-type activities. Business-type activities increased the City of Alliance's net position by \$2,293,139. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 14,222,764	\$ 10,707,276	\$ 14,235,400	\$ 10,754,400
Water	1,984,635	1,404,967	1,863,715	1,296,918
Sewer	508,165	464,844	498,052	461,801
Refuse	1,413,173	1,300,223	1,193,915	1,134,841
Total	18,128,737	13,877,310	17,791,082	13,647,960
Interfund Transfer	-	2,111,600	-	2,101,000
	<u>\$ 18,128,737</u>	<u>\$ 15,988,910</u>	<u>\$ 17,791,082</u>	<u>\$ 15,748,960</u>

Revenues by Source - Business-type Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 18,061,216	98.79 %	\$ 17,771,082	98.54 %
Capital Grants and Contributions	67,521	0.37	20,000	0.11
Interest	109,401	0.60	183,263	1.02
Miscellaneous	3,219	0.02	18,034	0.10
Gain on Sale of Assets	40,692	0.22	41,652	0.23
Total	<u>\$ 18,282,049</u>	<u>100.00 %</u>	<u>\$ 18,034,031</u>	<u>100.00 %</u>

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

The largest source of receipts for the City is user fees in the Utility Departments. The Utility Departments transferred \$2,111,600 in revenues to the operations of the governmental funds.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Alliance'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 Alliance'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 Alliance's governmental funds reported combined ending fund balances of \$9,023,350. Approximately 31.2 percent of this total amount (\$2,817,420) 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 (\$158,057), 2) restricted for street improvements (\$376,592), 3) restricted for Federal programs (\$747,062), 4) restricted to fund capital projects (\$955,608), 5) restricted for economic development (\$1,587,886), 6) restricted for maintenance expenses (\$12,784), 7) restricted for tourism promotion (\$424,318), 8) restricted for community betterment (\$74,346), 9) endowed as nonspendable for cemetery perpetual care (\$462,879), 10) restricted for museum projects (\$14,640), 11) restricted for general tax support (\$344,713), 12) assigned for budgetary stabilization (\$816,839), 13) assigned for nuisance clean up (\$50,000), 14) assigned for public transit (\$25,252), or 15) assigned for golf course operations (\$154,954).

The General Fund is the chief operating fund of the City of Alliance. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$2,976,001 and total fund balance was \$3,792,840. 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 43.7 percent of total General Fund expenditures, while total fund balance was 55.7 percent of total General Fund expenditures.

The fund balance of the City of Alliance's General Fund decreased by \$227,742 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund – \$12,601,979, Water Fund – \$2,099,299, Sewer Fund – \$537,072, and Refuse Fund – \$342,912. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$1,946,199, Water Fund – increase of \$356,938, Sewer Fund – decrease of \$(5,480), and Refuse Fund – decrease of \$(4,518). Other factors concerning the finances of these four

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

funds have already been addressed in the discussion of the City of Alliance’s business-type activities.

Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets. The City of Alliance’s investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$66,567,772 (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:

- Airport foam testing equipment - \$29,096
- Two Lucas CPR devices with cases - \$30,165
- 2021 Ford F150 fire command vehicle with accessories - \$51,338
- Sunken Gardens pillars project - \$577,414
- Construction in progress on police Motorola dispatch consoles - \$594,515
- Two 2013 Ford Interceptors for police - \$51,600
- Two 2021 Ford Econoline transit buses - \$154,698 (received through grants)
- Black Hills Avenue asphalt project - \$375,285
- Emerson Avenue asphalt project - \$277,615
- Colorado Avenue asphalt project - \$42,366
- Burlington Avenue concrete street project - \$246,342
- 4th Street and 5th Street concrete projects - \$147,348
- Construction in progress on 2021 asphalt overlay project - \$53,195
- Construction in progress on Electric Nova 15 amp 3-phase recloser - \$43,175
- 2021 electric improvement projects - \$691,776
- Construction in progress on public works annex - \$1,170,775
- 2021 Freightliner with Altec double bucket - \$268,554
- Construction in progress on landfill baler conveyor belt - \$69,025
- Landfill portable airburners - \$134,452
- Construction in progress on sewer lift station - \$418,523
- Water SCADA system upgrades - \$37,061
- Construction in progress on water AMI system project - \$54,027
- Water bulk fill station - \$48,608
- Big Horn water main project - \$143,583

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

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

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</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	\$ 2,071,204	\$ 566,827	\$ 2,638,031	\$ 2,114,120	\$ 566,827	\$ 2,680,947
Construction in Progress	805,095	1,800,221	2,605,316	825,046	242,671	1,067,717
Infrastructure	12,449,064	-	12,449,064	12,062,708	-	12,062,708
Improvements	13,104,859	-	13,104,859	13,421,933	-	13,421,933
Buildings	9,711,109	1,500,518	11,211,627	10,439,604	1,554,506	11,994,110
Equipment	3,539,216	8,059,960	11,599,176	3,728,251	8,206,529	11,934,780
Distribution Systems	-	12,959,699	12,959,699	-	12,642,602	12,642,602
Total	<u>\$ 41,680,547</u>	<u>\$ 24,887,225</u>	<u>\$ 66,567,772</u>	<u>\$ 42,591,662</u>	<u>\$ 23,213,135</u>	<u>\$ 65,804,797</u>

Additional information on the City of Alliance's capital assets can be found in Note C4 on pages 50-52 of this report.

Long-term debt. At the end of the current fiscal year, the City of Alliance had total long-term debt outstanding of \$2,454,829. Of this amount, \$329,829 comprises debt backed by the full faith and credit of the government. The remainder of the City of Alliance's debt represents obligation secured solely by specified revenue sources (i.e., utility revenue bonds and utility certificates of participation).

City of Alliance's Outstanding Debt

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</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>
Notes	\$ 329,829	\$ -	\$ 329,829	\$ 459,349	\$ 2,341,789	\$ 2,801,138
Revenue Bonds	-	1,970,000	1,970,000	-	-	-
Certificates of Participation	-	155,000	155,000	-	205,000	205,000
Total	<u>\$ 329,829</u>	<u>\$ 2,125,000</u>	<u>\$ 2,454,829</u>	<u>\$ 459,349</u>	<u>\$ 2,546,789</u>	<u>\$ 3,006,138</u>

The City of Alliance's total debt decreased by \$551,309 (18.3 percent) during the current fiscal year, as scheduled principal payments were made. Water DEQ notes payable were refinanced with the issuance of \$1,970,000 of Series 2021 Water Revenue Refunding Bonds.

Additional information on the City of Alliance's long-term debt can be found in Note C6 on pages 53-55 of this report.

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

Economic Factors and Next Year's Budgets and Rates

Recent business and commercial investments will be added to the tax rolls when the projects are completed, including:

- Goodwill Industries will be opening a store in the Alliance Plaza mall
- A new Runza Restaurant will open near the City's west entrance in the spring of 2022
- A Mexican restaurant will open in a building that has been vacant for over two years
- Buyers from outside the area are buying housing units, raising valuations and rents

The low unemployment and COVID pandemic continue to make it difficult for businesses to find adequate staff to remain full service. BNSF Railway and Parker activity has increased with both hiring again. The farm and ranch economy continues to be challenged.

The City's taxable property valuation grew by \$11,649,679 (2.2 percent) to an all-time high in 2022 as a result of the continued building activity and additional adjustments of the City valuations. The property tax request for the year ending September 30, 2022 is \$1,853,047, an increase of \$158,166 (9.3 percent) over the prior year.

The City will borrow \$3.2 million to complete the Third Street construction and asphalt overlay projects in the spring of 2022. Over \$2.5 million in damages from July 2020 and July 2021 storms remain to be repaired. The City is seeking grant funding to assist with the \$1 million upgrade of HVAC system at the library/learning center. Another 90% FAA-funded airport project is estimated near \$5 million.

Electric, water, sewer, and refuse rates were increased 1.0 percent at the start of the new fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City of Alliance's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager or Finance Director, City of Alliance, P.O. Box D, Alliance, NE 69301.

CITY OF ALLIANCE, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,120,377	\$ 12,536,611	\$ 19,656,988
Certificates of deposit	-	504,500	504,500
County treasurer cash	68,615	-	68,615
Receivables:			
Property tax	27,383	-	27,383
Special assessments	486,903	-	486,903
Accounts, net of allowance for doubtful accounts	186,305	1,110,129	1,296,434
Unbilled revenue	-	765,259	765,259
Interest	2,553	1,137	3,690
Current portion of notes	83,051	-	83,051
Current portion of TIF	146,252	-	146,252
Due from other governments	654,191	67,521	721,712
Due (to) from other funds	(559,179)	559,179	-
Inventory	49,957	1,359,669	1,409,626
Prepaid expenses	74,430	-	74,430
Total current assets	8,340,838	16,904,005	25,244,843
Noncurrent assets:			
Restricted cash and cash equivalents	3,939,065	519,793	4,458,858
Restricted certificates of deposit	-	2,158,558	2,158,558
Noncurrent notes receivable	768,788	-	768,788
Noncurrent TIF receivable	1,045,515	-	1,045,515
Capital assets:			
Land and construction in progress	2,876,299	2,367,048	5,243,347
Other capital assets, net of depreciation	38,804,248	22,520,177	61,324,425
Net capital assets	41,680,547	24,887,225	66,567,772
Total noncurrent assets	47,433,915	27,565,576	74,999,491
Total assets	55,774,753	44,469,581	100,244,334
LIABILITIES			
Current liabilities:			
Accounts payable	203,268	967,907	1,171,175
Accrued expenses	179,331	124,942	304,273
Unredeemed gift certificates	18,851	-	18,851
Customer deposits	804	399,515	400,319
Police custodial funds	9,425	-	9,425
Current portion of TIF payables	146,252	-	146,252
Unspent insurance proceeds	647,940	163,364	811,304
Unavailable special assessments	486,903	-	486,903
Current portion of long-term obligations	52,000	320,000	372,000
Total current liabilities	1,744,774	1,975,728	3,720,502
Noncurrent liabilities:			
Compensated absences - noncurrent	196,312	84,882	281,194
Landfill closure costs	-	2,163,967	2,163,967
Noncurrent TIF payables	1,045,515	-	1,045,515
Noncurrent portion of long-term obligations	277,829	1,805,000	2,082,829
Total noncurrent liabilities	1,519,656	4,053,849	5,573,505
Total liabilities	3,264,430	6,029,577	9,294,007
NET POSITION			
Net investment in capital assets	41,350,718	22,762,225	64,112,943
Restricted for:			
Capital projects/community betterment	1,029,954	-	1,029,954
Debt service	158,057	-	158,057
Cemetery perpetual care	462,879	-	462,879
Economic development	1,587,886	-	1,587,886
Federal programs	747,062	-	747,062
General tax support	344,713	-	344,713
Landfill closure costs	-	96,517	96,517
Street improvements	376,592	-	376,592
Maintenance expenses	12,784	-	12,784
Museum projects	14,640	-	14,640
Tourism promotion	424,318	-	424,318
Unrestricted	6,000,720	15,581,262	21,581,982
Total net position	\$ 52,510,323	\$ 38,440,004	\$ 90,950,327

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 600,567	\$ 17,113	\$ 961
Public safety	3,139,942	277,874	125,152
Public works	1,518,390	167,193	197,080
Environment and leisure	3,947,959	993,537	398,149
Economic development	564,683	5,450	-
Interest and related expenses	21,561	-	-
Depreciation - unallocated	2,850,326	-	-
Total governmental activities	12,643,428	1,461,167	721,342
Business-type activities:			
Electric	10,707,276	14,222,764	-
Water	1,404,967	1,984,635	-
Sewer	464,844	508,165	-
Refuse	1,300,223	1,345,652	67,521
Total business-type activities	13,877,310	18,061,216	67,521
Total primary government	\$ 26,520,738	\$ 19,522,383	\$ 788,863

See notes to financial statements.

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 40,167	\$ (542,326)		\$ (542,326)
3,376	(2,733,540)		(2,733,540)
870,790	(283,327)		(283,327)
81,503	(2,474,770)		(2,474,770)
-	(559,233)		(559,233)
-	(21,561)		(21,561)
-	(2,850,326)		(2,850,326)
<u>995,836</u>	<u>(9,465,083)</u>	<u>\$ -</u>	<u>(9,465,083)</u>
-	-	3,515,488	3,515,488
-	-	579,668	579,668
-	-	43,321	43,321
-	-	112,950	112,950
<u>-</u>	<u>-</u>	<u>4,251,427</u>	<u>4,251,427</u>
<u>\$ 995,836</u>	<u>(9,465,083)</u>	<u>4,251,427</u>	<u>(5,213,656)</u>
General revenues:			
Taxes:			
Property	1,720,358	-	1,720,358
Motor vehicle	183,699	-	183,699
Sales tax	2,372,593	-	2,372,593
Franchise	154,701	-	154,701
Occupation	194,599	-	194,599
TIF proceeds	408,655	-	408,655
State allocation	1,571,226	-	1,571,226
Special assessments	8,867	-	8,867
Keno	14,684	-	14,684
Miscellaneous	34,841	3,219	38,060
Interest income	95,661	109,401	205,062
Gain on sale of assets	537,152	40,692	577,844
Interfund transfers	2,111,600	(2,111,600)	-
Total general revenues	<u>9,408,636</u>	<u>(1,958,288)</u>	<u>7,450,348</u>
Change in net position	(56,447)	2,293,139	2,236,692
Net position - September 30, 2020	<u>52,566,770</u>	<u>36,146,865</u>	<u>88,713,635</u>
Net position - September 30, 2021	<u>\$ 52,510,323</u>	<u>\$ 38,440,004</u>	<u>\$ 90,950,327</u>

CITY OF ALLIANCE, NEBRASKA
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2021

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>	<u>Debt Service</u>
ASSETS				
Cash and cash equivalents	\$ 4,001,694	\$ -	\$ -	\$ -
Restricted cash	-	211,392	344,713	17,611
County treasurer cash	58,526	-	-	-
Receivables:				
Special assessments	-	-	-	486,903
Accounts, net of allowance for doubtful accounts	73,217	-	-	-
Notes receivable	-	-	-	-
Interest	-	-	-	-
Property tax	22,128	-	-	-
TIF	-	-	-	-
Inventory	26,650	-	-	-
Prepaid insurance	3,457	-	-	-
Due from other funds	281,483	64,784	-	-
Due from other governments	956	117,750	450,433	-
Total assets	\$ 4,468,111	\$ 393,926	\$ 795,146	\$ 504,514
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 25,643	\$ 8,358	\$ -	\$ -
Accrued expenses	120,282	8,281	-	-
Unredeemed gift certificates	-	-	-	-
Due to other funds	154,960	695	450,433	-
Unspent insurance proceeds	364,961	-	-	-
Customer deposits	-	-	-	-
Police custodial funds	9,425	-	-	-
TIF payables	-	-	-	-
Unavailable special assessments	-	-	-	486,903
Total liabilities	675,271	17,334	450,433	486,903
Fund balances (deficit):				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Debt service	-	-	-	17,611
Economic development	-	-	-	-
Federal programs	-	-	-	-
General tax support	-	-	344,713	-
Street improvements	-	376,592	-	-
Maintenance expenses	-	-	-	-
Museum projects	-	-	-	-
Tourism promotion	-	-	-	-
Assigned for:				
Budgetary stabilization	816,839	-	-	-
Other purposes	-	-	-	-
Unassigned	2,976,001	-	-	-
Total fund balances	3,792,840	376,592	344,713	17,611
Total liabilities and fund balances	\$ 4,468,111	\$ 393,926	\$ 795,146	\$ 504,514

See notes to financial statements.

<u>Redevelopment</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
\$ -	\$ 336,705	\$ 344,183	\$ -	\$ 4,682,582
352	-	3,364,997	-	3,939,065
-	8,350	1,739	-	68,615
-	-	-	-	486,903
-	39,006	53,405	-	165,628
-	-	851,839	-	851,839
-	-	2,553	-	2,553
-	4,349	906	-	27,383
1,191,767	-	-	-	1,191,767
-	-	23,307	-	49,957
-	5,174	1,376	-	10,007
-	-	104,167	(450,434)	-
-	-	85,052	-	654,191
<u>\$ 1,192,119</u>	<u>\$ 393,584</u>	<u>\$ 4,833,524</u>	<u>\$ (450,434)</u>	<u>\$ 12,130,490</u>
\$ -	\$ -	\$ 1,674	\$ -	\$ 35,675
-	9,319	19,471	-	157,353
-	-	18,851	-	18,851
-	400,989	1,779	(450,434)	558,422
-	141,053	141,926	-	647,940
-	804	-	-	804
-	-	-	-	9,425
1,191,767	-	-	-	1,191,767
-	-	-	-	486,903
<u>1,191,767</u>	<u>552,165</u>	<u>183,701</u>	<u>(450,434)</u>	<u>3,107,140</u>
-	-	462,879	-	462,879
-	-	955,608	-	955,608
-	-	74,346	-	74,346
-	-	140,446	-	158,057
352	-	1,587,534	-	1,587,886
-	-	747,062	-	747,062
-	-	-	-	344,713
-	-	-	-	376,592
-	-	12,784	-	12,784
-	-	14,640	-	14,640
-	-	424,318	-	424,318
-	-	-	-	816,839
-	-	230,206	-	230,206
-	(158,581)	-	-	2,817,420
<u>352</u>	<u>(158,581)</u>	<u>4,649,823</u>	<u>-</u>	<u>9,023,350</u>
<u>\$ 1,192,119</u>	<u>\$ 393,584</u>	<u>\$ 4,833,524</u>	<u>\$ (450,434)</u>	<u>\$ 12,130,490</u>

CITY OF ALLIANCE, NEBRASKA

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

September 30, 2021

Total fund balances - governmental funds		\$ 9,023,350
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$83,184,897 and the accumulated depreciation is \$41,504,350.		41,680,547
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.		2,332,567
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Noncurrent compensated absences	\$ (196,312)	
Long-term notes payable	(329,829)	(526,141)
Total net position - governmental activities		<u>\$ 52,510,323</u>

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended September 30, 2021

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>
REVENUES			
Taxes:			
Property	\$ 1,385,163	\$ -	\$ -
Motor vehicle	183,699	-	-
Sales tax	-	299,341	1,677,419
Franchise	154,701	-	-
Occupation	-	-	-
TIF proceeds	-	-	-
Intergovernmental	421,308	1,413,964	-
Grants	5,852	-	-
Keno	-	-	-
Special assessments	-	-	-
Charges for services	743,209	-	-
Contributions	11,430	-	-
Interest income	52,509	1,755	637
Sale of property/insurance proceeds	256,234	2,420	-
Other income	27,159	691	-
Total revenues	<u>3,241,264</u>	<u>1,718,171</u>	<u>1,678,056</u>
EXPENDITURES			
General government	569,102	-	-
Public safety	3,076,499	-	-
Public works	229,912	1,276,712	-
Environment and leisure	1,863,122	-	-
Economic development	-	-	-
Capital outlay	1,038,025	352,993	-
Principal payments on debt	36,000	-	-
Interest on long-term debt	-	-	-
Total expenditures	<u>6,812,660</u>	<u>1,629,705</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(3,571,396)	88,466	1,678,056
OTHER FINANCING SOURCES (USES)			
Transfers in	3,608,654	-	-
Transfers out	(265,000)	-	(1,436,154)
Net transfers	<u>3,343,654</u>	<u>-</u>	<u>(1,436,154)</u>
Net change in fund balances	(227,742)	88,466	241,902
Fund balances - September 30, 2020	<u>4,020,582</u>	<u>288,126</u>	<u>102,811</u>
Fund balances - September 30, 2021	<u>\$ 3,792,840</u>	<u>\$ 376,592</u>	<u>\$ 344,713</u>

See notes to financial statements.

<u>Debt Service</u>	<u>Redevelopment</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 278,715	\$ 56,480	\$ 1,720,358
-	-	-	-	183,699
-	-	-	395,833	2,372,593
-	-	-	-	154,701
-	-	-	194,599	194,599
-	408,655	-	-	408,655
-	-	-	776,403	2,611,675
-	-	42,095	415,603	463,550
-	-	-	14,684	14,684
-	-	-	8,867	8,867
-	-	237,852	480,106	1,461,167
-	-	-	6,884	18,314
54	56	4,642	24,156	83,809
-	-	566,648	10,713	836,015
-	-	-	6,991	34,841
<u>54</u>	<u>408,711</u>	<u>1,129,952</u>	<u>2,391,319</u>	<u>10,567,527</u>
-	-	-	25,582	594,684
-	-	-	43,120	3,119,619
-	-	-	-	1,506,624
-	-	1,041,958	1,027,370	3,932,450
-	408,655	-	156,028	564,683
-	-	46,640	605,551	2,043,209
42,520	-	51,000	-	129,520
4,871	-	16,690	-	21,561
<u>47,391</u>	<u>408,655</u>	<u>1,156,288</u>	<u>1,857,651</u>	<u>11,912,350</u>
(47,337)	56	(26,336)	533,668	(1,344,823)
50,000	-	60,000	222,500	3,941,154
-	-	-	(128,400)	(1,829,554)
<u>50,000</u>	<u>-</u>	<u>60,000</u>	<u>94,100</u>	<u>2,111,600</u>
2,663	56	33,664	627,768	766,777
14,948	296	(192,245)	4,022,055	8,256,573
<u>\$ 17,611</u>	<u>\$ 352</u>	<u>\$ (158,581)</u>	<u>\$ 4,649,823</u>	<u>\$ 9,023,350</u>

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

For the year ended September 30, 2021

Total net change in fund balances - governmental funds	\$ 766,777
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$2,238,074) was exceeded by depreciation expense (\$2,850,326) during the period. A portion of capital asset additions (\$40,167) were paid for by the Internal Service Fund and a portion (\$154,698) were paid directly by grants.	(612,252)
Losses on the disposal of capital assets are not recognized in the governmental fund statements. However, losses on disposal of capital assets are recognized in the statement of activities.	(298,863)
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.	(37,372)
The change in noncurrent compensated absences is reported as an expense in the statement of activities. Noncurrent compensated absences are not reported in the governmental funds.	(4,257)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	129,520
Change in net position of governmental activities	\$ (56,447)

See notes to financial statements.

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

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,753,875	\$ 1,926,424
Certificates of deposit	504,500	-
Receivables:		
Accounts, net of allowance for doubtful accounts	855,270	152,027
Unbilled revenue	570,352	128,987
Interest	856	-
Due from other funds	587,392	11,660
Due from other governments	-	-
Inventory	1,290,401	66,386
Prepaid expenses	-	-
Total current assets	13,562,646	2,285,484
Noncurrent assets:		
Restricted cash and cash equivalents	60,855	-
Restricted certificates of deposit	357,012	-
Capital assets:		
Land	33,070	361,099
Construction in progress	1,221,724	55,192
Distribution systems	15,757,153	10,651,089
Buildings	1,045,060	640,400
Equipment	9,897,056	3,238,708
Less accumulated depreciation	(14,829,853)	(7,384,931)
Net capital assets	13,124,210	7,561,557
Total noncurrent assets	13,542,077	7,561,557
Total assets	27,104,723	9,847,041
LIABILITIES		
Current liabilities:		
Accounts payable	799,336	69,106
Customer deposits	399,515	-
Accrued interest payable	-	4,884
Sales tax payable	74,035	90
Other accrued expenses	24,036	8,354
Due to other funds	-	38,055
Unspent insurance proceeds	32,671	46,719
Current portion of long-term obligations	-	270,000
Total current liabilities	1,329,593	437,208
Noncurrent liabilities:		
Compensated absences - noncurrent	48,941	18,977
Landfill closure costs	-	-
Noncurrent portion of long-term obligations	-	1,700,000
Total noncurrent liabilities	48,941	1,718,977
Total liabilities	1,378,534	2,156,185
NET POSITION		
Net investment in capital assets	13,124,210	5,591,557
Restricted for:		
Landfill closure costs	-	-
Unrestricted	12,601,979	2,099,299
Total net position	\$ 25,726,189	\$ 7,690,856

See notes to financial statements.

Enterprise Funds				Internal
Sewer	Refuse		Total	Service
Fund	Fund	Eliminations		Funds
\$ 520,712	\$ 335,600	\$ -	\$ 12,536,611	\$ 2,437,795
-	-	-	504,500	-
18,975	83,857	-	1,110,129	20,677
25,462	40,458	-	765,259	-
-	281	-	1,137	-
-	602	(40,475)	559,179	-
-	67,521	-	67,521	-
2,882	-	-	1,359,669	-
-	-	-	-	64,423
<u>568,031</u>	<u>528,319</u>	<u>(40,475)</u>	<u>16,904,005</u>	<u>2,522,895</u>
-	458,938	-	519,793	-
-	1,801,546	-	2,158,558	-
60,978	111,680	-	566,827	-
439,043	84,262	-	1,800,221	-
4,592,387	2,010,189	-	33,010,818	-
505,607	561,861	-	2,752,928	-
1,244,051	3,566,177	-	17,945,992	-
<u>(4,800,871)</u>	<u>(4,173,906)</u>	<u>-</u>	<u>(31,189,561)</u>	<u>-</u>
<u>2,041,195</u>	<u>2,160,263</u>	<u>-</u>	<u>24,887,225</u>	<u>-</u>
<u>2,041,195</u>	<u>4,420,747</u>	<u>-</u>	<u>27,565,576</u>	<u>-</u>
<u>2,609,226</u>	<u>4,949,066</u>	<u>(40,475)</u>	<u>44,469,581</u>	<u>2,522,895</u>
11,390	88,075	-	967,907	167,593
-	-	-	399,515	-
-	904	-	5,788	-
-	2	-	74,127	-
2,950	9,687	-	45,027	21,978
2,080	340	(40,475)	-	757
9,319	74,655	-	163,364	-
-	50,000	-	320,000	-
<u>25,739</u>	<u>223,663</u>	<u>(40,475)</u>	<u>1,975,728</u>	<u>190,328</u>
5,220	11,744	-	84,882	-
-	2,163,967	-	2,163,967	-
-	105,000	-	1,805,000	-
<u>5,220</u>	<u>2,280,711</u>	<u>-</u>	<u>4,053,849</u>	<u>-</u>
<u>30,959</u>	<u>2,504,374</u>	<u>(40,475)</u>	<u>6,029,577</u>	<u>190,328</u>
2,041,195	2,005,263	-	22,762,225	-
-	96,517	-	96,517	-
<u>537,072</u>	<u>342,912</u>	<u>-</u>	<u>15,581,262</u>	<u>2,332,567</u>
<u>\$ 2,578,267</u>	<u>\$ 2,444,692</u>	<u>\$ -</u>	<u>\$ 38,440,004</u>	<u>\$ 2,332,567</u>

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

For the year ended September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
Operating revenues:		
User charges	\$ 14,037,088	\$ 1,974,775
Interdepartmental charges	-	-
Other reimbursements	-	-
Rent income	185,676	9,860
Total operating revenues	14,222,764	1,984,635
Operating expenses:		
Cost of power	8,203,036	-
Personnel	1,044,256	397,888
Contract services	139,928	423,771
Commodities	310,924	108,850
Generation	95,090	-
Customer service	-	-
Meter reading	-	-
Warehouse	-	-
Risk management	-	-
Management information systems	-	-
Administration/finance	262,520	77,166
Insurance claims and health premiums	-	-
Landfill closure	-	-
Depreciation	651,522	343,657
Total operating expenses	10,707,276	1,351,332
Operating income (loss)	3,515,488	633,303
Nonoperating revenues (expenses):		
Interest income	74,714	9,457
Grant revenue	-	-
Interest expense	-	(17,353)
Bond fees	-	(23,640)
DEQ loan fees	-	(12,642)
Gain on sale of capital assets/insurance proceeds	34,177	1,958
Other revenue	2,420	55
Total nonoperating revenues (expenses)	111,311	(42,165)
Income (loss) before interfund transfers	3,626,799	591,138
Interfund transfers:		
Transfer to other funds	(1,680,600)	(234,200)
Change in net position	1,946,199	356,938
Net position - September 30, 2020	23,779,990	7,333,918
Net position - September 30, 2021	\$ 25,726,189	\$ 7,690,856

See notes to financial statements.

Enterprise Funds			Internal
Sewer Fund	Refuse Fund	Total	Service Funds
\$ 472,015	\$ 1,345,352	\$ 17,829,230	\$ -
-	-	-	2,940,430
-	-	-	5,855
36,150	300	231,986	1,380
<u>508,165</u>	<u>1,345,652</u>	<u>18,061,216</u>	<u>2,947,665</u>
-	-	8,203,036	-
132,833	454,440	2,029,417	168,592
39,841	345,584	949,124	-
28,190	119,139	567,103	-
-	-	95,090	-
-	-	-	213,674
-	-	-	48,217
-	-	-	153,806
-	-	-	441,315
-	-	-	249,453
68,030	90,841	498,557	410,969
-	-	-	1,310,863
-	43,696	43,696	-
195,950	242,715	1,433,844	-
<u>464,844</u>	<u>1,296,415</u>	<u>13,819,867</u>	<u>2,996,889</u>
43,321	49,237	4,241,349	(49,224)
3,802	21,428	109,401	11,852
-	67,521	67,521	-
-	(3,808)	(21,161)	-
-	-	(23,640)	-
-	-	(12,642)	-
4,086	471	40,692	-
11	733	3,219	-
<u>7,899</u>	<u>86,345</u>	<u>163,390</u>	<u>11,852</u>
51,220	135,582	4,404,739	(37,372)
<u>(56,700)</u>	<u>(140,100)</u>	<u>(2,111,600)</u>	<u>-</u>
(5,480)	(4,518)	2,293,139	(37,372)
<u>2,583,747</u>	<u>2,449,210</u>	<u>36,146,865</u>	<u>2,369,939</u>
<u>\$ 2,578,267</u>	<u>\$ 2,444,692</u>	<u>\$ 38,440,004</u>	<u>\$ 2,332,567</u>

CITY OF ALLIANCE, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the year ended September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 14,197,546	\$ 1,944,845
Receipts from other funds	-	-
Payments to suppliers	(8,938,730)	(494,367)
Payments to employees	(1,036,760)	(391,156)
Net cash provided by operating activities	4,222,056	1,059,322
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(1,680,600)	(234,200)
(Increase) decrease in due from other funds	180,346	(1,442)
Increase (decrease) in due to other funds	-	1,015
Net cash provided (used) by noncapital financing activities	(1,500,254)	(234,627)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(2,182,053)	(283,278)
Proceeds from sale of capital assets	48,097	1,958
Increase in landfill closure costs	-	-
Proceeds from issuance of long-term debt	-	1,970,000
Payment of bond fees	-	(23,640)
Payment of DEQ loan fees	-	(12,642)
Principal payments on capital debt	-	(2,341,789)
Interest paid on capital debt	-	(32,959)
Net cash used by capital and related financing activities	(2,133,956)	(722,350)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in certificates of deposit	(4,500)	-
Increase in restricted certificates of deposit	(5,299)	-
Interest received	74,838	9,457
Net cash provided by investing activities	65,039	9,457
Increase (decrease) in cash and cash equivalents	652,885	111,802
Cash and cash equivalents - beginning of the year	9,161,845	1,814,622
Cash and cash equivalents - end of the year	\$ 9,814,730	\$ 1,926,424
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 9,753,875	\$ 1,926,424
Restricted cash and cash equivalents	60,855	-
Total cash and cash equivalents	\$ 9,814,730	\$ 1,926,424

Enterprise Funds			Internal
Sewer	Refuse	Total	Service
Fund	Fund		Funds
\$ 503,509	\$ 1,323,627	\$ 17,969,527	\$ -
-	-	-	3,072,357
(115,471)	(439,468)	(9,988,036)	(2,974,969)
(130,928)	(455,952)	(2,014,796)	-
<u>257,110</u>	<u>428,207</u>	<u>5,966,695</u>	<u>97,388</u>
(56,700)	(140,100)	(2,111,600)	-
-	108	179,012	-
150	1	1,166	14
<u>(56,550)</u>	<u>(139,991)</u>	<u>(1,931,422)</u>	<u>14</u>
(418,523)	(238,000)	(3,121,854)	-
4,086	471	54,612	-
-	43,696	43,696	-
-	-	1,970,000	-
-	-	(23,640)	-
-	-	(12,642)	-
-	(50,000)	(2,391,789)	-
-	(4,100)	(37,059)	-
<u>(414,437)</u>	<u>(247,933)</u>	<u>(3,518,676)</u>	<u>-</u>
-	-	(4,500)	-
-	(17,848)	(23,147)	-
3,802	21,425	109,522	11,852
<u>3,802</u>	<u>3,577</u>	<u>81,875</u>	<u>11,852</u>
(210,075)	43,860	598,472	109,254
<u>730,787</u>	<u>750,678</u>	<u>12,457,932</u>	<u>2,328,541</u>
<u>\$ 520,712</u>	<u>\$ 794,538</u>	<u>\$ 13,056,404</u>	<u>\$ 2,437,795</u>
\$ 520,712	\$ 335,600	\$ 12,536,611	\$ 2,437,795
-	458,938	519,793	-
<u>\$ 520,712</u>	<u>\$ 794,538</u>	<u>\$ 13,056,404</u>	<u>\$ 2,437,795</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2021

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 3,515,488	\$ 633,303
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	651,522	343,657
Other cash receipts	2,420	55
Change in assets and liabilities:		
Accounts receivable	(31,786)	(39,821)
Inventories	(104,559)	(405)
Prepaid expenses	-	-
Accounts payable	144,656	69,106
Customer deposits	6,080	-
Sales tax payable	(1,932)	(24)
Unspent insurance proceeds	32,671	46,719
Accrued expenses	7,496	6,732
Net cash provided by operating activities	\$ 4,222,056	\$ 1,059,322

See notes to financial statements.

<u>Enterprise Funds</u>				<u>Internal Service Funds</u>
<u>Sewer Fund</u>	<u>Refuse Fund</u>		<u>Total</u>	
\$ 43,321	\$ 49,237		\$ 4,241,349	\$ (49,224)
195,950	242,715		1,433,844	-
11	733		3,219	-
(4,667)	(22,753)		(99,027)	124,692
(119)	-		(105,083)	-
-	-		-	(8,768)
11,390	85,137		310,289	26,713
-	-		6,080	-
-	(5)		(1,961)	-
9,319	74,655		163,364	-
1,905	(1,512)		14,621	3,975
<u>\$ 257,110</u>	<u>\$ 428,207</u>		<u>\$ 5,966,695</u>	<u>\$ 97,388</u>

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

INDEX

	Page
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
1. Financial Reporting Entity	27
2. Basis of Presentation	28
3. Measurement Focus and Basis of Accounting	34
4. Assets, Liabilities, and Equity	35
5. Revenues, Expenditures, and Expenses	41
NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
1. Fund Accounting Requirements	42
2. Deposit Laws and Regulations	43
3. Revenue Restrictions	43
4. Debt Restrictions and Covenants	43
5. Budgetary Data	43
NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS	
1. Cash and Certificates of Deposit	45
2. Restricted Assets	46
3. Accounts and Notes Receivable	46
4. Capital Assets	50
5. Accounts Payable	53
6. Long-term Debt	53
7. TIF Receivables/Payables	55
8. Interfund Transactions and Balances	56
NOTE D – OTHER NOTES	
1. Employee Pension and Other Benefit Plans	58
2. Risk Management	59
3. Commitments and Contingencies	61
4. Interlocal Agreements	62
5. Landfill Closure and Postclosure Care Costs	65
6. Tax Abatements	66
7. Subsequent Events	66

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Alliance, 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 Alliance, Nebraska, was incorporated in 1888. The City operates under a Mayor-Council form of government. The City Council is composed of five members elected at large by the citizens. The Council members elect the Mayor from their membership. The administration of the City government is performed under the direction of the Mayor by the City Manager. Services provided to residents include public safety; highways and streets; planning and zoning; parks; recreation; development; electric, water, and sanitary sewer systems; landfill; and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of Alliance
Discretely Presented Component Units:	None

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 ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The City has no discretely presented component units.

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 ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

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.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Capital Projects Funds

Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects. The reporting entity includes one Capital Projects Fund to account for the acquisition of capital assets with transfers made from Governmental Funds and another to account for the special assessments.

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.

Permanent Fund

The Permanent Fund is used to account for assets held by the City pursuant to a trust agreement. The principal portion of the fund must remain intact, but the earnings may be used to achieve the objectives of the fund.

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 ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
Governmental:	
General	See page 29 for description.
Street	The Street Fund is a special revenue fund that accounts for revenues and expenditures for the maintenance, construction, and improvements of the streets and alleys of the City.
Sales Tax	The Sales Tax Fund is a special revenue fund that accounts for local sales tax collected.
Debt Service	See page 30 for description.
Redevelopment	Accounts for tax increment financing to encourage and promote building and redevelopment in substandard and blighted areas.
Airport	Accounts for airport operations and capital improvements.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, and Refuse	See page 30 for description.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor:</i>	
Special Revenue:	
HUD Loan and CDBG	Accounts for Community Development Block Grant proceeds for housing rehabilitation.
Business Improvement District (BID)	Accounts for capital improvements and beautification in the downtown area and Box Butte Avenue.
Economic Development	Accounts for the City’s support of the Box Butte Development Corporation utilizing sales tax and General Fund transfers.
LB840	Accounts for sales tax designated for economic development by LB840.
RSVP	Accounts for federal grant revenue to run the Retired and Senior Volunteer Program.
Handyman	Accounts for state grant revenue to run the Handyman Program.
Community Betterment	Accounts for keno lottery proceeds to be used for community betterment.
Public Safety Tax	Accounts for public safety tax used to purchase equipment.
E911	Accounts for E911 charges to be used to purchase emergency 911 and geographic information system or mapping upgrades.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor, continued:</i>	
Special Revenue, continued:	
Airport Sinking	Accounts for property taxes levied to pay principal and interest obligations of the airport.
Marketing	Accounts for hotel occupation tax used for marketing the city.
Museum Exhibit	Accounts for contributions for museum exhibits.
Nuisance Cleanup	Accounts for nuisance cleanup costs.
Golf	Accounts for golf course operations and capital improvements.
Public Transit	Accounts for public transit operations.
ARPA	Accounts for Federal ARPA grant.
Permanent Fund:	
Cemetery Perpetual Care	Accounts for assets held for generation of income to support cemetery perpetual care.
Capital Projects Fund:	See page 30 for description.
Internal Service:	
Insurance	Accounts for the City’s self-insurance for health insurance premiums and claims administration.
Administration	Accounts for governmental administration costs.
Enterprise	Accounts for enterprise customer service, meter reading and warehouse costs.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities 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 is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

In the fund financial statements, governmental 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.

All proprietary funds 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 purposes of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purposes 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 ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments, sales tax, 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>Type of Revenue</u>
General	\$ 956	Federal Payroll Tax Credit
Street	95,971	Highway Allocation
Street	21,779	Motor Vehicle Fees
Sales Tax	450,433	Sales Tax
RSVP	1,731	Federal Grant
Public Transit	45,017	Federal/State Grant
Handyman	1,966	State Grant
Capital Projects	<u>36,338</u>	State Grant
	<u>\$ 654,191</u>	

Inventory

All inventories are valued at cost using the average cost method.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

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.

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Government-wide Statements, continued

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

Fund Financial Statements

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

Unavailable Assessments

Unavailable assessments consist of special assessments expected to be collected after 60 days.

Compensated Absences

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt

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

Government-wide Statements

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Government-wide Statements, continued

- c. Unrestricted net position – All other net position that do 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.

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 18). 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 ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a 1 1/2-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 used for property tax relief, economic development, and capital improvements. As of October 1, 2006, sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

Sales taxes collected by the State 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 Box Butte County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

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 the use of economic resources.

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 Permanent Funds.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

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.

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.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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 Certificates of Deposit

Deposits

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

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 certificates of deposit	\$ 28,562,179	\$ 2,428,232	\$ 23,617,713	\$ 2,516,234	\$ <u>26,778,904</u>

Reconciliation to Government-wide Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 19,656,988
Unrestricted certificates of deposit	504,500
Restricted cash and cash equivalents	4,458,858
Restricted certificates of deposit	<u>2,158,558</u>
	\$ <u>26,778,904</u>

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

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

2. Restricted Assets

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

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	\$ 3,939,065	\$ 519,793	\$ 4,458,858
Certificates of deposit	<u>-</u>	<u>2,158,558</u>	<u>2,158,558</u>
	<u>\$ 3,939,065</u>	<u>\$ 2,678,351</u>	<u>\$ 6,617,416</u>

Restricted cash and certificates of deposit for governmental activities consists of \$211,392 of Street Fund cash restricted for street improvements; \$344,713 of Sales Tax Fund cash restricted for general tax support; \$17,611 of Debt Service Fund cash restricted for debt service; \$352 of Redevelopment Fund cash, \$111,893 of Economic Development cash, and \$598,802 of LB840 Fund cash restricted for economic development; \$462,879 of Cemetery Perpetual Care Fund cash restricted for perpetual care; \$12,037 of HUD Loan and CDBG Fund cash restricted for Federal loans; \$12,789 of BID Fund cash restricted for maintenance expenses; \$14,030 of RSVP Fund cash restricted for Federal programs; \$359 of Handyman cash restricted for Federal programs; \$71,354 of Community Betterment Fund cash restricted for community betterment; \$170,831 of Public Safety Tax Fund cash restricted for capital projects; \$137,801 of cash restricted for Airport Sinking Fund debt service; \$14,640 of Museum Exhibit Fund cash restricted for museum projects; \$154,279 of E911 Fund cash restricted for emergency equipment; \$371,358 of Marketing Fund cash restricted for tourism promotion; \$716,952 of ARPA Fund cash restricted for Federal programs; and \$514,993 of Capital Projects Fund cash restricted for capital projects.

Restricted business-type assets consist of \$417,867 restricted for customer deposits in the Electric Fund. The Refuse Fund has \$2,260,484 restricted for future landfill closure costs.

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of ambulance, insurance, grants, and other minor receivables. Receivables detail at September 30, 2021, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>
Accounts receivable	\$ 304,237	\$ 1,238,439	\$ 1,542,676
Allowance for doubtful accounts	(<u>117,932</u>)	(<u>128,310</u>)	(<u>246,242</u>)
Net accounts receivable	<u>\$ 186,305</u>	<u>\$ 1,110,129</u>	<u>\$ 1,296,434</u>

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

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

3. Accounts and Notes Receivable, continued

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

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2021</u>	<u>Terms</u>
LB840 Fund	Steph’s Studio	\$ 173	1.5%; amortized over a period of five years
LB840 Fund	Steph’s Studio	5,000	0%; forgivable loan – will be forgiven if company remains in business for three years
LB840 Fund	Prairie Sky	29,200	0%; forgivable loan – will receive a job credit of \$2,000 per FTE off of the loan balance (maximum of \$10,000 per calendar year)
LB840 Fund	Prairie Sky	23,390	1.5%; amortized over a period of ten years
LB840 Fund	Tridāko Energy Systems, Inc.	43,359	1.5%; amortized over a period of ten years
LB840 Fund	Alliance Lodging	20,425	1.5%; amortized over a period of five years
LB840 Fund	Alliance Lodging	123,000	0%; forgivable loan – will receive a job credit of \$1,000 per FTE off of the loan balance (maximum of \$20,000 per calendar year)
LB840 Fund	Box Butte Development Corporation	245,705	0%; due when real estate purchased with the loan proceeds is sold
LB840 Fund	A&L Bakery	3,220	1.5%; amortized over a period of five years
LB840 Fund	Senior Services, Inc.	1,500	0%; forgivable loan – will be forgiven if company remains in business for three years.
LB840 Fund	Steph’s Studio, Inc.	1,250	0%; forgivable loan – will be forgiven if company remains in business for three years.

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

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

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2021</u>	<u>Terms</u>
LB840 Fund	Western Potatoes	160,265	2.0%; amortized over a period of ten years
LB840 Fund	1 dash 5 Enterprises	2,198	1.5%; amortized over a period of five years
LB840 Fund	1 dash 5 Enterprises	6,000	0%; forgivable loan – will receive a job credit of \$2,000 per FTE off of the loan balance (maximum of \$2,000 per calendar year)
LB840 Fund	Alliance Pharmacy	8,281	2.0%; amortized over a period of five years
LB840 Fund	Alliance Pharmacy	9,000	0%; forgivable loan – will receive a job credit of \$1,000 per FTE off of the loan balance (maximum of \$3,000 per calendar year); \$5,000 forgivable if in business three years
LB840 Fund	Dave’s Pharmacy (Alliance)	5,000	0%; forgivable loan – will be forgiven if company remains in business for three years
LB840 Fund	Mischnick Construction	5,000	0%; forgivable loan – will be forgiven if company remains in the CNC routing and wood-working business for three years
LB840 Fund	Brewery 719	5,000	0%; forgivable loan – will be forgiven if company remains in business for three years
LB840 Fund	GNL, Inc.	30,000	0%; forgivable loan – will receive a job credit of \$2,000 per FTE off of the loan balance (maximum of \$10,000 per calendar year)
LB840 Fund	Sandilly	1,590	0%; forgivable loan – will be forgiven if company remains in business for three years.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2021</u>	<u>Terms</u>
LB840 Fund	Jelinek Custom Cleaning	60,000	2.0%; amortized over a period of five years
LB840 Fund	Jelinek Custom Cleaning	53,800	0%; forgivable loan – will receive a job credit of \$2,000 per FTE off of the loan balance (maximum of \$12,000 per calendar year)
LB840 Fund	Dave’s Pharmacy (Hemingford)	1,775	0%; forgivable loan – will be forgiven if company remains in business for three years
LB840 Fund	Rossa Zaffiro, LLC	5,000	0%; forgivable loan – will be forgiven if company remains in business for three years
LB840 Fund	Valor General Store, LLC	1,092	0%; forgivable loan – will be forgiven if company remains in business for three years.
LB840 Fund	3 Little Birds Health	1,616	0%; forgivable loan – will be forgiven if company remains in business for three years
		<u>\$ 851,839</u>	
	Current portion	\$ 83,051	
	Noncurrent portion	<u>768,788</u>	
	Total	<u>\$ 851,839</u>	

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Capital Assets

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

	Balance at October 1, <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2021</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,114,120	\$ -	\$ (42,916)	\$ -	\$ 2,071,204
Construction in progress	825,046	684,115	(3,496)	(700,570)	805,095
Total capital assets not being depreciated	2,939,166	684,115	(46,412)	(700,570)	2,876,299
Other capital assets being depreciated:					
Infrastructure	27,784,501	454,496	(224,409)	651,090	28,665,678
Improvements	23,066,382	589,732	(933,133)	53,175	22,776,156
Buildings	19,280,537	-	(412,986)	-	18,867,551
Equipment and vehicles	10,080,618	509,731	(587,441)	(3,695)	9,999,213
Total other capital assets at historical cost	80,212,038	1,553,959	(2,157,969)	700,570	80,308,598
Less accumulated depreciation for:					
Infrastructure	(15,721,793)	(719,230)	224,409	-	(16,216,614)
Improvements	(9,644,449)	(959,981)	933,133	-	(9,671,297)
Buildings	(8,840,933)	(476,457)	160,948	-	(9,156,442)
Equipment and vehicles	(6,352,367)	(694,658)	587,028	-	(6,459,997)
Total accumulated depreciation	(40,559,542)	(2,850,326) *	1,905,518	-	(41,504,350)
Other capital assets, net	39,652,496	(1,296,367)	(252,451)	700,570	38,804,248
Governmental activities capital assets, net	<u>\$ 42,591,662</u>	<u>\$ (612,252)</u>	<u>\$ (298,863)</u>	<u>\$ -</u>	<u>\$ 41,680,547</u>

* Depreciation expense was charged to governmental activities as follows:

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

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

4. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government	
City manager's office	\$ 1,473
Warehouse/purchasing	7,579
Management information systems	46,765
Facility maintenance	50
Municipal buildings	50,742
Accounting	449
Utility customer service	<u>1,503</u>
Total general government	108,561
Public safety	
Fire	96,114
Ambulance	53,686
Police	<u>144,483</u>
Total public safety	294,283
Public services	
Building and zoning	2,355
Cemetery	28,429
Fleet services	<u>1,642</u>
Total public services	32,426
Environment and leisure	
Library	108,038
Parks	143,495
Museum	145,181
Carhenge	4,784
Swimming pool	<u>92,106</u>
Total environment and leisure	<u>493,604</u>
Total General Fund	928,874
Street Fund	
Street Fund	835,695
BID Fund	1,928
RSVP Fund	4,055
Public Transit Fund	37,255
Airport Fund	974,394
Golf Fund	<u>68,125</u>
Total governmental activities depreciation	<u>\$ 2,850,326</u>

Construction in progress at September 30, 2021, consists of \$53,195 of costs incurred on the 2021 street overlay project; \$110,000 of engineering on the public works facility project; \$594,515 of costs incurred on the police Motorola dispatch consoles; \$9,627 of costs incurred on the library HVAC project; \$12,900 downpayment on the digital display sign; \$14,424 of engineering on phase 2 of the softball field grading project; and \$10,434 of engineering on the tennis court project. See Note D3 for details of commitments in place on these projects as of September 30, 2021.

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

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

4. Capital Assets, continued

	Balance at October 1, <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2021</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 566,827	\$ -	\$ -	\$ -	\$ 566,827
Construction in progress	242,671	1,763,299	-	(205,749)	1,800,221
Total capital assets not being depreciated	809,498	1,763,299	-	(205,749)	2,367,048
Other capital assets being depreciated:					
Buildings	2,752,928	-	-	-	2,752,928
Distribution systems	32,067,538	835,359	(97,828)	205,749	33,010,818
Equipment	18,130,961	523,197	(708,166)	-	17,945,992
Total other capital assets at historical cost	52,951,427	1,358,556	(805,994)	205,749	53,709,738
Less accumulated depreciation for:					
Buildings	(1,198,422)	(53,988)	-	-	(1,252,410)
Distribution systems	(19,424,936)	(710,090)	83,907	-	(20,051,119)
Equipment	(9,924,432)	(669,766)	708,166	-	(9,886,032)
Total accumulated depreciation	(30,547,790)	(1,433,844) *	792,073	-	(31,189,561)
Other capital assets, net	22,403,637	(75,288)	(13,921)	205,749	22,520,177
Business-type capital assets, net	<u>\$ 23,213,135</u>	<u>\$ 1,688,011</u>	<u>\$ (13,921)</u>	<u>\$ -</u>	<u>\$ 24,887,225</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 651,522
Water	343,657
Sewer	195,950
Refuse	242,715
Total business-type activities depreciation expense	<u>\$ 1,433,844</u>

Construction in progress at September 30, 2021, consists of \$1,170,775 of costs incurred for the public works annex project; \$7,774 of costs incurred for the Parker electric project; \$43,175 of costs incurred for the Nova 15 amp 3-phase reclosure project; \$55,192 of costs incurred on the water AMI project; \$15,237 of costs incurred on the landfill breakroom project; \$69,025 of costs incurred on the landfill baler conveyor belt project; and \$439,043 of costs incurred on the sewer lift station project. See Note D3 for details of commitments in place on these projects as of September 30, 2021.

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

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

5. Accounts Payable

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

6. Long-term Debt

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

Changes in Long-term Debt

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

<u>Type of Debt</u>	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Notes payable	\$ 459,349	\$ -	\$ (129,520)	\$ 329,829	\$ 52,000
Business-type Activities:					
Notes payable	\$ 2,546,789	\$ 1,970,000	\$ (2,391,789)	\$ 2,125,000	\$ 320,000

Governmental Activities

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

Notes payable:

Ambulance and fire truck note payable to Sandhills State Bank, with original principal balance of \$250,000, due in monthly installments of \$2,294, bearing interest of 1.9 percent with a final balloon payment due July 1, 2021. The note is secured by an ambulance and fire truck.

\$ -

Airport note payable with First National Bank, with original principal balance of \$525,000. Interest is due semi-annually on April 15 and October 15 commencing October 15, 2017. Principal is due annually on April 15. The unsecured note bears interest of 2.35 percent and matures April 15, 2027.

329,829

Total

\$ 329,829

Current Portion

\$ 52,000

Noncurrent Portion

277,829

Total

\$ 329,829

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

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

6. Long-term Debt, continued

Governmental Activities, continued

The Debt Service Fund is making the principal and interest payments on the ambulance/fire truck note. The Airport Fund will make the principal and interest payments on the airport note.

Business-type Activities

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

Certificates of participation and notes payable:

Certificates of participation – series 2019, with original issue amount of \$255,000, issued to provide refuse equipment financing. Interest is 2.0 percent with final maturity on June 15, 2024.	\$ 155,000
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DEQ water note – project D311511, with original issue amount of \$595,224. Interest of 2.00 percent and administration fees of 1.00 percent are due semi-annually with semi-annual principal payments commencing December 15, 2010, through June 15, 2030. This note was refinanced during the year ended September 30, 2021.	-
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DEQ water note – project D311496, with total loan principal of \$3,894,789. Interest of 2.00 percent and administration fees of 1.00 percent are due semi-annually with semi-annual principal payments commencing June 15, 2011, through December 15, 2030. This note was refinanced during the year ended September 30, 2021.	-
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Series 2021 Water Revenue Refunding Bonds with original principal amount of \$1,970,000, issued to refinance the two water DEQ notes payable. Interest of 0.85 percent and is due semi-annually commencing June 15, 2021, with semi-annual principal payments commencing December 15, 2021, through June 15, 2028.	<u>1,970,000</u>
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Total business-type activity debt	\$ <u>2,125,000</u>
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CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

6. Long-term Debt, continued

Business-type Activities, continued

Current portion	\$ 320,000
Noncurrent portion	<u>1,805,000</u>
Total	<u>\$ 2,125,000</u>

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

Year Ending <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Direct Placement Debt</u>		<u>Other Debt Issues</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 52,000	\$ 7,755	\$ 320,000	\$ 19,271
2023	53,000	6,533	330,000	15,955
2024	54,000	5,288	335,000	12,575
2025	56,000	4,018	290,000	9,074
2026	57,000	2,703	290,000	6,609
2027-2031	57,829	1,363	560,000	5,865
	<u>\$329,829</u>	<u>\$ 27,660</u>	<u>\$ 2,125,000</u>	<u>\$ 69,349</u>

7. TIF Receivables/Payables

The City has the following receivables and payables under Tax Increment Financing (TIF) agreements.

<u>Redeveloper</u>	<u>Receivable</u>	<u>Payable</u>
Otto	\$ 16,882	\$ 16,882
Pepsi-Cola of Western Nebraska	294,501	294,501
1dash5 Enterprises (Scooters)	34,384	34,384
Alliance Lodging, LLC	<u>846,000</u>	<u>846,000</u>
	<u>\$ 1,191,767</u>	<u>\$ 1,191,767</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

8. Interfund Transactions and Balances

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
From Electric	\$ 1,680,600	\$ -
From Refuse	140,100	-
From Water	234,200	-
From Sewer	56,700	-
From Debt Service	-	50,000
From Sales Tax	1,436,154	-
From Tourism	60,900	-
To Public Transit	-	15,000
To Golf	-	<u>200,000</u>
Total General Fund	<u>3,608,654</u>	<u>265,000</u>
Sales Tax Fund:		
To General	-	1,436,154
Debt Service Fund:		
From General	50,000	-
Airport Fund:		
From Sinking	60,000	-
Nonmajor Governmental Funds:	222,500	128,400
Electric Fund:		
To General	-	1,680,600
Water Fund:		
To General	-	234,200
Sewer Fund:		
To General	-	56,700
Refuse Fund:		
To General	<u>-</u>	<u>140,100</u>
	<u>\$ 3,941,154</u>	<u>\$ 3,941,154</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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>
General	Electric	\$ 143,171
General	Water	11,325
General	Refuse	464
Sales Tax	General	281,483
Sales Tax	Street	64,784
Sales Tax	Economic Development	16,667
Sales Tax	LB840	8,333
Sales Tax	Capital Projects	79,166
Street	Electric	556
Street	Refuse	139
Airport	Electric	400,989
Golf	Electric	1,444
Golf	Water	335
Water	Electric	38,055
Sewer	Electric	2,080
Refuse	Electric	340
Enterprise Internal Service	Electric	<u>757</u>
		<u>\$ 1,050,088</u>

The Electric Fund loaned \$320,000 to the General Fund on January 31, 2020 to refinance the parks garage note payable. The outstanding balance of \$125,000 is included in the balance due from the General Fund to the Electric Fund shown above. The loan bears interest of 1.75 percent and is due within 60 months (January 31, 2025).

The Electric Fund loaned \$500,000 to the Airport Fund on August 20, 2019 to pay for the City's portion of the snow plow and runway improvements. The outstanding balance of \$400,000 is included in the balance due from the Airport Fund to the Electric Fund shown above. The loan bears interest of 1.75 percent and is due October 1, 2022.

The interest rate on the two interfund loans described above was changed to 0.90 percent effective October 1, 2021 per Council resolution.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

City employees are covered by one of four retirement plans in effect, covering general city employees, firefighters, police officers and the City Manager, respectively.

General City Employees – General city employees are covered by a defined contribution plan. Under the terms of the plan, an employee must be age 19 or older and have completed six months of service. Participating employees are required to contribute three percent of their earnings, but not more than 13 percent of their earnings to the plan. The City is required to match contributions to the plan up to six percent. Employees are 100 percent vested in the plan after they complete seven years of service, reach normal retirement age (65), meet the requirements for early retirement date, become totally disabled, or die, whichever occurs first. The covered payroll was \$3,522,136 for the year ended September 30, 2021. Both the City and the covered employees' required contributions of \$105,664 and \$105,664, respectively, were made for the year ended September 30, 2021.

Firefighters – Firefighters are covered by a defined contribution plan. Eligible employees are required to contribute 6 ½ percent of their monthly salary to the plan, to which the City then contributes with 13 percent of the participant's monthly salary. Employees are fully vested after seven years of service. Normal retirement benefit becomes nonforfeitable. A participant's normal retirement age is the date he or she attains age 55 and completes 21 years of service. Nebraska state statutes govern the coverage afforded to participants under this plan. The covered payroll was \$283,209, with the City contributing \$36,817 and the employees contributing \$18,409 for the year ended September 30, 2021.

Police Officers – Under Nebraska statutes, the City is required to maintain a retirement plan for City policemen. The total contributions under this plan are deposited under a money purchase retirement plan. 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. Total covered payroll was \$1,021,980. Both the City's contribution of \$71,504 and the matching employees' contributions of \$71,504 were made for the year ended September 30, 2021.

On January 1, 1984, the retirement systems for police officers and firefighters of first-class cities in the State of Nebraska were revised. The system that became effective was a defined contribution plan with the employees and the City each making annual contributions to the pension plans.

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

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police Officers, continued –

Police officers and firefighters who participated in the prior systems were assured of receiving retirement benefits under the new systems at least as great as those that would have been available under the prior systems, which were defined benefit plans. The City paid out its final defined benefit amount for the last remaining pre-84 hire during the year ended September 30, 2018, so there is no remaining pension liability for the pre-1984 pension obligation.

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 claims up to \$50,000 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 \$50,000. The maximum out-of-pocket cost for employees ranges from \$5,400 to \$10,800 for family plans. The City pays \$10,200 annually per full-time employee.

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 \$146,039; this amount represents two months of subsequent claims. The City also has accrued a \$17,409 reinsurance receivable as of September 30, 2021. These amounts have been included as current-year expenditures.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

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

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 investment maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
December 2021	\$ 776,930
January 2022	1,670,695
March 2022	<u>215,433</u>
	\$ <u>2,663,058</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, money market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City's investment portfolio.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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

<u>Financial Institution</u>	<u>Amount</u>
Farmers State Bank	\$ <u>2,663,058</u>

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 held no investments denominated in foreign currency at September 30, 2021.

3. Commitments and Contingencies

Litigation

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Contingencies

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

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

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Construction Commitments

	<u>Contract Amount</u>	<u>Incurred as of 9/30/21</u>	<u>Balance</u>	<u>Expected Completion</u>
Street Overlay Project				
Engineering	\$ 196,375	\$ 53,195	\$ 143,180	
Contractor	998,220	-	998,220	
	<u>\$ 1,194,595</u>	<u>\$ 53,195</u>	<u>\$ 1,141,400</u>	July 2022
Tourism Fund				
Digital Display Sign	\$ 25,800	\$ 12,900	\$ 12,900	October 2021
Golf Storm Repairs				
Contractor	\$ 107,752	\$ -	\$ 107,752	December 2021
Airport Storm Repairs				
Contractor	\$ 1,383,951	\$ 522,643	\$ 861,308	December 2021
VIPER 911 System	\$ 89,908	\$ -	\$ 89,908	January 2022
Police Dispatch Consoles	\$ 695,000	\$ 590,750	\$ 104,250	November 2021
Tennis Court Resurfacing	\$ 298,600	\$ -	\$ 298,600	June 2022
Softball Grading	\$ 140,838	\$ -	\$ 140,838	May 2022
Library HVAC Study	\$ 10,580	\$ 9,627	\$ 953	November 2021
Sewer Lift Station Rehab				
Contractor	\$ 623,522	\$ 395,210	\$ 228,312	February 2022
Electric Public Works Expansion				
Contractor	\$ 1,616,073	\$ 1,107,096	\$ 508,977	
Engineer	121,000	119,400	1,600	
	<u>\$ 1,737,073</u>	<u>\$ 1,226,496</u>	<u>\$ 510,577</u>	January 2022
Refuse Conveyor Belt				
Contractor	\$ 178,500	\$ 62,475	\$ 116,025	
Engineer	10,100	6,550	3,550	
	<u>\$ 188,600</u>	<u>\$ 69,025</u>	<u>\$ 119,575</u>	February 2022

4. Interlocal Agreements

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

Parties to Agreement	Agreement Period	Descriptions
Box Butte County	December 5, 1975 (usable life of the building)	Law enforcement facilities
Alliance Public Schools	June 16, 1994 (Three year Automatic Renewal)	Shared conference room & televising equipment

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Alliance Public Schools (Box Butte Co SD 6)	June 1, 2012 (One-year Automatic Renewal)	Cooperative Purchase of Goods and Services
Western Nebraska Community College	December 1, 2016 (Fifty years)	Provision of Lineman Training Facility
Nebraska Department of Roads STP Project Management	July 16, 2019	Third Street – Cody to Elkhorn
Box Butte General Hospital	January 15, 2009 (perpetual)	Shared Tower for Radio Antenna
Nebraska Department of Aeronautics Federal Aviation Administration Projects	May 19, 2020 (until project is completed)	AFF Input Based Testing Equipment Project
Nebraska Department of Roads	January 20, 2011 (Annual Renewal)	Maintenance of State Highways within City Limits
Nebraska Water and Wastewater Agency Response Network	11/20/2008 through 1/31/2058	Water, Wastewater and Stormwater Mutual Aid Agreement
Box Butte County	1999 (Perpetual)	Deputize City Police Officers for Assistance of the County Sheriff
Box Butte County, Alliance RFD, Village of Hemingford and Hemingford RFD	April 19, 1996 (Annual Renewal)	Joint E911 Emergency Telephone Communications
Alliance Rural Fire District (RFD)	July 1, 1982 (Initial 25-year with 10-year renewals)	Fire Station and Equipment Cost Sharing Agreement
Heart of the Hills Rural Fire District and Alliance (RFD)	February 29, 2001 (Perpetual)	Fire Protection Mutual Aid Agreement
Central Panhandle Mutual Aid District Inc. Communities and Rural Fire Districts of Alliance, Banner County, Bayard, Bridgeport, Dalton, Gurley, Heart of the Hills, Lisco, Oshkosh and Rackett	February 23, 2000 (Perpetual)	Fire Protection Mutual Aid Agreement
Box Butte County	December 17, 2019 (Until completed)	Court House Sidewalk, Curb, Water Main and Lighting Rehabilitation Cost Sharing
Western Nebraska Community College	January 20, 2005 (Five-year renewable)	Joint Use of the Library/ Learning Center

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

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Pine Ridge Mutual Aid Association including Communities and Rural Fire Districts of Alliance, Crawford, Ardmore, Chadron, Harrison, North Sioux RFD, Hay Springs, Hemingford, Merriman, Rushville	September 24, 2009 (Perpetual)	Fire Protection Mutual Aid Agreement
Western Intelligence and Narcotics Group (WING)	February 7, 2013 (Perpetual)	Cooperative Efforts in Drug Trafficking Investigations
Region 23 Emergency Management Agency	March 22, 2012 (Perpetual)	Microwave Equipment Placement on Tower for Nebraska Regional Interoperability Network (NRIN)
State of Nebraska and Nebraska Forest Service Wildland Fire Division	January 1, 2019 (Perpetual)	Single Engine Aircraft Tank (SEAT) Base at Airport
Nebraska State Patrol	June 1, 1992 (Perpetual)	Police Protection Mutual Aid Agreement
City of Alliance, Village of Hemingford, Alliance RFD and Hemingford RFD	April 30, 2019 (Renewed Annually)	Box Butte County Mutual Finance Organization
Nebraska Cooperative Government	August 24, 2010 (Perpetual until Cancelled)	Regulate and Administer a Joint Gaming (Keno) Enterprise
Nebraska Department of Roads STP Project Management (until projects completed)	October 4, 2015	Heartland Expressway (385 South) Construction
Aging Office of Western Nebraska	July 1, 2018	Nutrition Program Site Lease in Senior Center
Alliance Public Schools	May 7, 2019 to August 31, 2020	Provision of School Resource Officer
Educational Service Unit Coordinating Council (ESUCC)	December 1, 2015 (Perpetual)	Cooperative Purchasing Agreement
Western Nebraska Community College	November 1, 2020	Cooperative Training of EMS Students
Transportation Safety Administration and Government Services Agency	August 2, 2017 to August 1, 2027	Operational Space Rental in Alliance Airport Terminal
Immigration and Customs Enforcement	April 28, 2021 (Perpetual)	Joint Operations Expense Reimbursement

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements, continued

Public Alliance for Community Energy	March 12, 1998 (Perpetual)	Cooperative Delivery of Energy Supplies
Box Butte County	June 7, 2004 (Perpetual)	Sweetwater Road Maintenance (North 18 th to 25 th)
Box Butte County	March 2, 2011 (Perpetual)	Otoe Road Maintenance and Hwy 385 Maintenance
Box Butte County Box Butte General Hospital	June 30, 2015 (One-year renewable)	Cooperative Operation of Public Transit System in Box Butte County
Village of Hemingford	May 1, 2020	Utility Support Agreement

5. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the City of Alliance to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities at the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure is \$1,185,699, with postclosure care costs of \$690,783, for a total of \$1,876,482 as of September 30, 2021, which is based on 35.07 percent usage of the landfill, with a remaining estimated life of 73.17 years. The estimated liability for construction and demolition landfill closure is \$239,633, with postclosure care costs of \$47,852, for a total of \$287,485 as of September 30, 2021.

It is estimated that an additional \$2,111,380 and \$1,011,021, respectively, will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care of \$4,998,883 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2021. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2021, restricted funds of \$2,260,484 are set aside to finance closure and postclosure care of the City's landfill. It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

6. Tax Abatements

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

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

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

<u>TIF Project</u>	<u>Years Remaining on TIF Agreements</u>	<u>TIF Proceeds Received during the year 9-30-2021</u>
Otto	4	\$ 4,279
Pepsi-Cola of Western Nebraska	5	60,478
West Plains, LLC	-	262,403
ldash5 Enterprises	13	3,006
Alliance Lodging, LLC	14	<u>78,489</u>
		<u>\$ 408,655</u>

7. Subsequent Events

Management has evaluated subsequent events through January 19, 2022, the date on which the financial statements were available for issue.

On October 15, 2021, Council issued \$300,000 of Series 2021 lease purchase obligations for landfill air burner and conveyor equipment.

On November 2, 2021, Council approved the issuance of \$3.2 million of Series 2021 GO Highway Allocation Bonds.

On November 16, 2021, Council approved a \$202,031 proposal from Layne Christensen for well valves and filter media replacement for water wells.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

7. Subsequent Events, continued

On November 16, 2021, Council approved the purchase of a 2022 Freightliner Refuse Truck from KOIS Brothers Equipment Co.

On November 16, 2021, Council approved the purchase of a John Deere 310SL backhoe front-end loader from Murphy Tractor & Equipment for \$127,620.

On November 16, 2021, Council also approved the purchase of a fire training structure from Fire Training Structures, LLC for \$284,971.

On December 21, 2021, Council approved the purchase of Musco lighting system for the tennis courts for \$103,000.

On January 4, 2022, Council approved a \$100,000 agreement with Prochaska & Associates and Engineering Technologies for engineering and design of the HVAC system replacement for the Alliance Public Library/Alliance Learning Center.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,420,400	\$ 1,371,432	\$ (48,968)
Motor vehicle	180,000	183,699	3,699
Franchise	194,000	154,701	(39,299)
Intergovernmental	439,900	421,308	(18,592)
Grants	1,546,000	428,704	(1,117,296)
Charges for services	632,400	732,668	100,268
Contributions	21,700	11,430	(10,270)
Interest income	16,800	52,510	35,710
Sale of property/insurance proceeds	12,500	621,195	608,695
Other	26,300	27,159	859
Total resources	4,490,000	4,004,806	(485,194)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	856,500	557,326	(299,174)
Public safety	5,062,100	3,859,741	(1,202,359)
Public works	602,200	425,902	(176,298)
Environment and leisure	2,254,900	1,957,118	(297,782)
Total charges to appropriations	8,775,700	6,800,087	(1,975,613)
Resources under charges to appropriations	(4,285,700)	(2,795,281)	1,490,419
OTHER FINANCING SOURCES (USES)			
Transfers in	3,915,200	3,608,654	(306,546)
Transfers out	(315,000)	(265,000)	50,000
Net transfers	3,600,200	3,343,654	(256,546)
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ (685,500)	\$ 548,373	\$ 1,233,873

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
STREET FUND

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 250,000	\$ 311,696	\$ 61,696
Intergovernmental	1,200,000	1,413,964	213,964
Charges for services	20,600	-	(20,600)
Interest income	2,500	1,755	(745)
Sale of property/insurance proceeds	7,000	2,420	(4,580)
Bond/loan proceeds	3,250,000	-	(3,250,000)
Other income	100	691	591
	<hr/>	<hr/>	<hr/>
Total resources	4,730,200	1,730,526	(2,999,674)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	2,871,600	1,275,992	(1,595,608)
Capital outlay	2,055,000	870,040	(1,184,960)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	4,926,600	2,146,032	(2,780,568)
RESOURCES OVER (UNDER)			
CHARGES TO APPROPRIATIONS	<u>\$ (196,400)</u>	<u>\$ (415,506)</u>	<u>\$ (219,106)</u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
SALES TAX FUND

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 1,400,000	\$ 1,590,748	\$ 190,748
Interest income	<u>100</u>	<u>637</u>	<u>537</u>
Total resources	1,400,100	1,591,385	191,285
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
	<u>-</u>	<u>-</u>	<u>-</u>
Resources over charges to appropriations	1,400,100	1,591,385	191,285
OTHER FINANCING USES			
Transfers out	<u>(1,400,000)</u>	<u>(1,436,154)</u>	<u>(36,154)</u>
RESOURCES AND OTHER FINANCING USES OVER CHARGES TO APPROPRIATIONS	<u><u>\$ 100</u></u>	<u><u>\$ 155,231</u></u>	<u><u>\$ 155,131</u></u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Interest income	\$ -	\$ 54	\$ 54
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments on debt	42,000	42,520	520
Interest on long-term debt	<u>9,100</u>	<u>4,921</u>	<u>(4,179)</u>
Total charges to appropriations	<u>51,100</u>	<u>47,441</u>	<u>(3,659)</u>
Resources under charges to appropriations	(51,100)	(47,387)	3,713
OTHER FINANCING SOURCES			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u><u>\$ (1,100)</u></u>	<u><u>\$ 2,613</u></u>	<u><u>\$ 3,713</u></u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
REDEVELOPMENT FUND

Year ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
TIF proceeds	\$ 475,000	\$ 408,655	\$ (66,345)
Interest income	-	56	56
Bond/loan proceeds	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Total resources	875,000	408,711	(466,289)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	<u>875,000</u>	<u>408,655</u>	<u>(466,345)</u>
RESOURCES OVER CHARGES TO APPROPRIATIONS			
	<u><u>\$ -</u></u>	<u><u>\$ 56</u></u>	<u><u>\$ 56</u></u>

CITY OF ALLIANCE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
AIRPORT FUND**

Year ended September 30, 2021

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	\$ 279,100	\$ 276,016	\$ (3,084)
Grant revenue	4,980,000	42,095	(4,937,905)
Charges for services	230,500	397,208	166,708
Interest income	1,000	4,642	3,642
Sale of property/insurance proceeds	185,000	707,701	522,701
	<hr/>	<hr/>	<hr/>
Total resources	5,675,600	1,427,662	(4,247,938)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Operating expenses	562,800	1,042,668	479,868
Capital outlay	5,515,000	46,640	(5,468,360)
Principal payments	51,000	51,000	-
Interest expense	9,000	16,690	7,690
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	6,137,800	1,156,998	(4,980,802)
Resources over (under) charges to appropriations	(462,200)	270,664	732,864
OTHER FINANCING SOURCES			
Transfers in	310,000	60,000	(250,000)
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ (152,200)	\$ 330,664	\$ 482,864
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF ALLIANCE, NEBRASKA

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

Year ended September 30, 2021

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

	<u>General</u> <u>Fund</u>	<u>Street</u> <u>Fund</u>	<u>Sales Tax</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Redevelopment</u> <u>Fund</u>	<u>Airport</u> <u>Fund</u>
Sources/inflows of resources:						
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 4,004,806	\$ 1,730,526	\$ 1,591,385	\$ 54	\$ 408,711	\$ 1,427,662
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>763,542</u>	<u>12,355</u>	<u>(86,671)</u>	<u>-</u>	<u>-</u>	<u>297,710</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,241,264</u>	<u>\$ 1,718,171</u>	<u>\$ 1,678,056</u>	<u>\$ 54</u>	<u>\$ 408,711</u>	<u>\$ 1,129,952</u>
Uses/outflows of resources:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 6,800,087	\$ 2,146,032	\$ -	\$ 47,441	\$ 408,655	\$ 1,156,998
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>(12,573)</u>	<u>516,327</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>710</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,812,660</u>	<u>\$ 1,629,705</u>	<u>\$ -</u>	<u>\$ 47,391</u>	<u>\$ 408,655</u>	<u>\$ 1,156,288</u>
Other financing sources/uses:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 3,343,654	\$ -	\$ (1,436,154)	\$ 50,000	\$ -	\$ 60,000
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,343,654</u>	<u>\$ -</u>	<u>\$ (1,436,154)</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>

SUPPLEMENTARY INFORMATION

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

September 30, 2021

	Permanent Fund	Special Revenue Funds	
	Cemetery Perpetual Care	HUD Loan & CDBG	BID
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	462,879	12,037	12,789
County treasurer cash	-	-	-
Receivables:			
Accounts, net of allowance for doubtful accounts	-	-	(5)
Property tax	-	-	-
Interest	-	-	-
Notes	-	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	<u>\$ 462,879</u>	<u>\$ 12,037</u>	<u>\$ 12,784</u>
Total assets	\$ 462,879	\$ 12,037	\$ 12,784
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unredeemed gift certificates	-	-	-
Accrued expenses	-	-	-
Unspent insurance proceeds	-	-	-
Total liabilities	-	-	-
Fund balances:			
Nonspendable:			
Cemetery perpetual care	462,879	-	-
Restricted for:			
Capital projects	-	-	-
Community betterment	-	-	-
Debt service	-	-	-
Economic development	-	-	-
Federal programs	-	12,037	-
Maintenance expenses	-	-	12,784
Museum projects	-	-	-
Tourism promotion activities	-	-	-
Assigned for:			
Other purposes	-	-	-
Total fund balances	<u>462,879</u>	<u>12,037</u>	<u>12,784</u>
Total liabilities and fund balances	\$ 462,879	\$ 12,037	\$ 12,784

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Handyman</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111,893	598,802	14,030	359	71,354	170,831
-	-	-	-	-	-
-	-	-	11	2,992	-
-	-	-	-	-	-
-	851,839	-	-	-	-
-	-	-	-	-	-
-	-	1,376	-	-	-
16,667	8,333	-	-	-	-
-	-	1,731	1,966	-	-
<u>\$ 128,560</u>	<u>\$ 1,458,974</u>	<u>\$ 17,137</u>	<u>\$ 2,336</u>	<u>\$ 74,346</u>	<u>\$ 170,831</u>
\$ -	\$ -	\$ -	\$ 48	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,064	288	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,064</u>	<u>336</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	170,831
-	-	-	-	74,346	-
-	-	-	-	-	-
128,560	1,458,974	-	-	-	-
-	-	16,073	2,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>128,560</u>	<u>1,458,974</u>	<u>16,073</u>	<u>2,000</u>	<u>74,346</u>	<u>170,831</u>
<u>\$ 128,560</u>	<u>\$ 1,458,974</u>	<u>\$ 17,137</u>	<u>\$ 2,336</u>	<u>\$ 74,346</u>	<u>\$ 170,831</u>

CITY OF ALLIANCE, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS, Continued

September 30, 2021

	Special Revenue Funds			
	Airport <u>Sinking</u>	Museum <u>Exhibit</u>	Nuisance <u>Cleanup</u>	E911 <u>Fund</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 50,000	\$ -
Restricted cash	137,801	14,640	-	154,279
County treasurer cash	1,739	-	-	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	-	-	-
Property tax	906	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 140,446</u>	<u>\$ 14,640</u>	<u>\$ 50,000</u>	<u>\$ 154,279</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unredeemed gift certificates	-	-	-	-
Accrued expenses	-	-	-	-
Unspent insurance proceeds	-	-	-	-
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Restricted for:				
Capital projects	-	-	-	154,279
Community betterment	-	-	-	-
Debt service	140,446	-	-	-
Economic development	-	-	-	-
Federal programs	-	-	-	-
Maintenance expenses	-	-	-	-
Museum projects	-	14,640	-	-
Tourism promotion activities	-	-	-	-
Assigned for:				
Other purposes	-	-	50,000	-
Total fund balances	<u>140,446</u>	<u>14,640</u>	<u>50,000</u>	<u>154,279</u>
Total liabilities and fund balances	<u>\$ 140,446</u>	<u>\$ 14,640</u>	<u>\$ 50,000</u>	<u>\$ 154,279</u>

Special Revenue Funds				Capital	Total Nonmajor
Marketing	Public	ARPA	Golf	Projects	Governmental
Fund	Transit	Fund	Fund	Fund	Funds
\$ -	\$ (1,332)	\$ -	\$ 295,515	\$ -	\$ 344,183
371,358	-	716,952	-	514,993	3,364,997
-	-	-	-	-	1,739
50,407	-	-	-	-	53,405
-	-	-	-	-	906
2,553	-	-	-	-	2,553
-	-	-	-	-	851,839
-	-	-	23,307	-	23,307
-	-	-	-	-	1,376
-	-	-	-	79,167	104,167
-	45,017	-	-	36,338	85,052
<u>\$ 424,318</u>	<u>\$ 43,685</u>	<u>\$ 716,952</u>	<u>\$ 318,822</u>	<u>\$ 630,498</u>	<u>\$ 4,833,524</u>
\$ -	\$ -	\$ -	\$ 1,626	\$ -	\$ 1,674
-	-	-	1,779	-	1,779
-	-	-	18,851	-	18,851
-	6,514	-	11,605	-	19,471
-	11,919	-	130,007	-	141,926
-	18,433	-	163,868	-	183,701
-	-	-	-	-	462,879
-	-	-	-	630,498	955,608
-	-	-	-	-	74,346
-	-	-	-	-	140,446
-	-	-	-	-	1,587,534
-	-	716,952	-	-	747,062
-	-	-	-	-	12,784
-	-	-	-	-	14,640
424,318	-	-	-	-	424,318
-	25,252	-	154,954	-	230,206
<u>424,318</u>	<u>25,252</u>	<u>716,952</u>	<u>154,954</u>	<u>630,498</u>	<u>4,649,823</u>
<u>\$ 424,318</u>	<u>\$ 43,685</u>	<u>\$ 716,952</u>	<u>\$ 318,822</u>	<u>\$ 630,498</u>	<u>\$ 4,833,524</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2021

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	
	Cemetery <u>Perpetual Care</u>	HUD Loan & CDBG	<u>BID</u>
REVENUES			
Taxes:			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Occupation tax	-	-	-
Intergovernmental	-	-	-
Grants	-	-	-
Keno	-	-	-
Special assessments	-	-	8,867
Charges for services	8,440	-	-
Interest income	2,344	1	43
Contributions	-	-	-
Sale of property/insurance proceeds	-	-	-
Other revenue	-	-	-
Total revenues	<u>10,784</u>	<u>1</u>	<u>8,910</u>
EXPENDITURES			
General government	-	-	7,522
Public safety	-	-	-
Environment and leisure	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>7,522</u>
Excess (deficiency) of revenues over expenditures	10,784	1	1,388
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,784	1	1,388
Fund balances - September 30, 2020	<u>452,095</u>	<u>12,036</u>	<u>11,396</u>
Fund balances - September 30, 2021	<u>\$ 462,879</u>	<u>\$ 12,037</u>	<u>\$ 12,784</u>

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Handyman</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18
100,000	50,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	48,471	16,771	-	-
-	-	-	-	14,684	-
-	-	-	-	-	-
5,450	-	-	-	-	-
576	8,095	42	(4)	204	878
-	-	-	1,114	-	-
-	-	-	-	-	-
-	-	3,150	3,282	-	-
<u>106,026</u>	<u>58,095</u>	<u>51,663</u>	<u>21,163</u>	<u>14,888</u>	<u>896</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	58,037	21,663	-	-
90,178	65,850	-	-	-	-
-	-	-	-	-	-
<u>90,178</u>	<u>65,850</u>	<u>58,037</u>	<u>21,663</u>	<u>-</u>	<u>-</u>
15,848	(7,755)	(6,374)	(500)	14,888	896
-	-	5,000	2,500	-	-
-	-	-	-	(7,500)	-
<u>-</u>	<u>-</u>	<u>5,000</u>	<u>2,500</u>	<u>(7,500)</u>	<u>-</u>
15,848	(7,755)	(1,374)	2,000	7,388	896
112,712	1,466,729	17,447	-	66,958	169,935
<u>\$ 128,560</u>	<u>\$ 1,458,974</u>	<u>\$ 16,073</u>	<u>\$ 2,000</u>	<u>\$ 74,346</u>	<u>\$ 170,831</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2021

	Special Revenue Funds			
	Airport <u>Sinking</u>	Museum <u>Exhibit</u>	Nuisance <u>Cleanup</u>	E911 <u>Fund</u>
REVENUES				
Taxes:				
Property tax	\$ 56,462	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Occupation tax	-	-	-	-
Intergovernmental	-	-	-	56,561
Grants	-	-	-	-
Keno	-	-	-	-
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Interest income	536	47	-	494
Contributions	-	-	-	-
Sale of property/insurance proceeds	-	-	-	-
Other revenue	-	-	-	-
Total revenues	56,998	47	-	57,055
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	43,120
Environment and leisure	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	43,120
Excess (deficiency) of revenues over expenditures	56,998	47	-	13,935
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(60,000)	-	-	-
Net transfers	(60,000)	-	-	-
Net change in fund balances	(3,002)	47	-	13,935
Fund balances - September 30, 2020	143,448	14,593	50,000	140,344
Fund balances - September 30, 2021	\$ 140,446	\$ 14,640	\$ 50,000	\$ 154,279

Marketing Fund	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Transit	ARPA Fund	Golf Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,480
-	-	-	-	245,833	395,833
194,599	-	-	-	-	194,599
-	3,750	716,092	-	-	776,403
-	314,023	-	-	36,338	415,603
-	-	-	-	-	14,684
-	-	-	-	-	8,867
-	10,111	-	456,105	-	480,106
5,046	(15)	860	1,006	4,003	24,156
-	2,700	-	-	3,070	6,884
-	3,092	-	7,621	-	10,713
-	3	-	556	-	6,991
<u>199,645</u>	<u>333,664</u>	<u>716,952</u>	<u>465,288</u>	<u>289,244</u>	<u>2,391,319</u>
18,060	-	-	-	-	25,582
-	-	-	-	-	43,120
-	345,225	-	602,445	-	1,027,370
-	-	-	-	-	156,028
-	-	-	-	605,551	605,551
<u>18,060</u>	<u>345,225</u>	<u>-</u>	<u>602,445</u>	<u>605,551</u>	<u>1,857,651</u>
181,585	(11,561)	716,952	(137,157)	(316,307)	533,668
-	15,000	-	200,000	-	222,500
(60,900)	-	-	-	-	(128,400)
<u>(60,900)</u>	<u>15,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>94,100</u>
120,685	3,439	716,952	62,843	(316,307)	627,768
303,633	21,813	-	92,111	946,805	4,022,055
<u>\$ 424,318</u>	<u>\$ 25,252</u>	<u>\$ 716,952</u>	<u>\$ 154,954</u>	<u>\$ 630,498</u>	<u>\$ 4,649,823</u>

CITY OF ALLIANCE, NEBRASKA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2021

	Health Insurance <u>Fund</u>	Administration Internal Service <u>Fund</u>	Enterprise Internal Service <u>Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,151,471	\$ 172,458	\$ 113,866	\$ 2,437,795
Insurance receivable	17,409	3,268	-	20,677
Prepaid insurance	-	64,423	-	64,423
	<u>2,168,880</u>	<u>240,149</u>	<u>113,866</u>	<u>2,522,895</u>
LIABILITIES				
Current liabilities:				
Accounts payable	146,040	13,097	8,456	167,593
Accrued payroll	-	14,280	7,698	21,978
Due to other funds	-	-	757	757
Total current liabilities	<u>146,040</u>	<u>27,377</u>	<u>16,911</u>	<u>190,328</u>
NET POSITION				
Unrestricted	<u>\$ 2,022,840</u>	<u>\$ 212,772</u>	<u>\$ 96,955</u>	<u>\$ 2,332,567</u>

CITY OF ALLIANCE, NEBRASKA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS**

For the year ended September 30, 2021

	Health Insurance <u>Fund</u>	Administration Internal Service <u>Fund</u>	Enterprise Internal Service <u>Fund</u>	<u>Total</u>
Operating revenues:				
Interdepartmental charges	\$ -	\$ 1,298,477	\$ 429,957	\$ 1,728,434
Health insurance premiums	1,211,996	-	-	1,211,996
Other reimbursements	-	(3)	5,858	5,855
Rent income	-	-	1,380	1,380
Total operating revenues	<u>1,211,996</u>	<u>1,298,474</u>	<u>437,195</u>	<u>2,947,665</u>
Operating expenses:				
Personnel	-	168,592	-	168,592
Legal	-	134,382	-	134,382
Risk management	-	441,315	-	441,315
Management information systems	-	249,453	-	249,453
Accounting	-	276,587	-	276,587
Utility customer service	-	-	213,674	213,674
Meter reading	-	-	48,217	48,217
Warehouse	-	-	153,806	153,806
Insurance claims and health premiums	<u>1,310,863</u>	<u>-</u>	<u>-</u>	<u>1,310,863</u>
Total operating expenses	<u>1,310,863</u>	<u>1,270,329</u>	<u>415,697</u>	<u>2,996,889</u>
Operating income (loss)	(98,867)	28,145	21,498	(49,224)
Nonoperating revenues:				
Interest income	<u>10,735</u>	<u>563</u>	<u>554</u>	<u>11,852</u>
Change in net position	(88,132)	28,708	22,052	(37,372)
Net position - September 30, 2020	<u>2,110,972</u>	<u>184,064</u>	<u>74,903</u>	<u>2,369,939</u>
Net position - September 30, 2021	<u>\$ 2,022,840</u>	<u>\$ 212,772</u>	<u>\$ 96,955</u>	<u>\$ 2,332,567</u>

CITY OF ALLIANCE, NEBRASKA

**COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS**

For the year ended September 30, 2021

	Health Insurance Fund	Administration Internal Service Fund	Enterprise Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from other funds	\$ 1,339,300	\$ 1,295,862	\$ 437,195	\$ 3,072,357
Payments to suppliers	(1,292,772)	(1,276,502)	(405,695)	(2,974,969)
Net cash provided by operating activities	<u>46,528</u>	<u>19,360</u>	<u>31,500</u>	<u>97,388</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Increase in due to other funds	-	-	14	14
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	<u>10,735</u>	<u>563</u>	<u>554</u>	<u>11,852</u>
Increase in cash and cash equivalents	57,263	19,923	32,068	109,254
Cash and cash equivalents - beginning of the year	<u>2,094,208</u>	<u>152,535</u>	<u>81,798</u>	<u>2,328,541</u>
Cash and cash equivalents - end of the year	<u><u>\$ 2,151,471</u></u>	<u><u>\$ 172,458</u></u>	<u><u>\$ 113,866</u></u>	<u><u>\$ 2,437,795</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (98,867)	\$ 28,145	\$ 21,498	\$ (49,224)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Change in assets and liabilities:				
Insurance receivable	127,304	(2,612)	-	124,692
Prepaid insurance	-	(8,768)	-	(8,768)
Accounts payable	18,091	166	8,456	26,713
Accrued payroll	-	2,429	1,546	3,975
Net cash provided by operating activities	<u><u>\$ 46,528</u></u>	<u><u>\$ 19,360</u></u>	<u><u>\$ 31,500</u></u>	<u><u>\$ 97,388</u></u>

**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**

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

To the Mayor and Members of the City Council
City of Alliance, 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, each major fund, and the aggregate remaining fund information of the City of Alliance, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 19, 2022.

Internal Control Over Financial Reporting

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

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

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

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Alliance'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 the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

- Bank balances at one financial institution exceeded FDIC coverage and pledged securities by \$2,516,234 at September 30, 2021.

City of Alliance's Response to Findings

The City of Alliance'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. Also, the City will monitor bank balances and request financial institutions to assign additional collateral, if necessary, in the future. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

AMGL, PC.

Grand Island, Nebraska
January 19, 2022