

CITY OF ALLIANCE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2023

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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
Jamie L. Clemans

INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Nebraska as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Nebraska, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alliance, Nebraska's basic financial statements. The combining nonmajor governmental funds financial statements, the combining internal service funds financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the supplementary information described in the second sentence of this paragraph and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024, 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.

AMG L. P.C.

Grand Island, Nebraska
January 29, 2024

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2023**

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, 2023.

Financial Highlights

- The assets of the City of Alliance exceeded its liabilities at the close of the most recent fiscal year by \$96,968,807 (*net position*). Of this amount, \$23,048,358 (*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 \$54,560,013. Approximately 6.9 percent of this total amount, \$3,746,826, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$565,092, or 5.9 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, 2023

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 23 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 17 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, 2023

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 benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, 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 \$96,968,807 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, 2023**

Summary Statements of Net Position

	September 30, 2023			September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 14,651,276	\$ 23,211,407	\$ 37,862,683	\$ 17,314,124	\$ 21,091,905	\$ 38,406,029
Capital Assets	46,691,958	24,865,031	71,556,989	41,709,634	25,358,547	67,068,181
Total Assets	<u>61,343,234</u>	<u>48,076,438</u>	<u>109,419,672</u>	<u>59,023,758</u>	<u>46,450,452</u>	<u>105,474,210</u>
Long-term Liabilities	4,038,617	3,852,405	7,891,022	4,306,868	4,150,442	8,457,310
Other Liabilities	2,744,604	1,815,239	4,559,843	2,079,844	1,812,341	3,892,185
Total Liabilities	<u>6,783,221</u>	<u>5,667,644</u>	<u>12,450,865</u>	<u>6,386,712</u>	<u>5,962,783</u>	<u>12,349,495</u>
Net Position:						
Net Investment in						
Capital Assets	43,462,129	22,986,354	66,448,483	38,231,805	23,068,667	61,300,472
Restricted	7,351,058	120,908	7,471,966	8,266,077	146,414	8,412,491
Unrestricted	3,746,826	19,301,532	23,048,358	6,139,164	17,272,588	23,411,752
Total Net Position	<u>\$ 54,560,013</u>	<u>\$ 42,408,794</u>	<u>\$ 96,968,807</u>	<u>\$ 52,637,046</u>	<u>\$ 40,487,669</u>	<u>\$ 93,124,715</u>

By far the largest portion of the City of Alliance's net position (68.5 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 (7.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$23,048,358) 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, 2023**

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 7,515	\$ 939,127	\$ 155,181	\$ 738,381
Public Safety	856,519	3,712,451	1,165,143	3,187,924
Public Works	316,273	1,157,082	1,046,592	1,669,968
Environment and Leisure	4,822,700	4,066,686	1,668,558	4,611,963
Economic Development	13,510	645,086	24,744	301,870
Interest	-	109,260	-	87,525
Depreciation	-	3,182,261	-	3,045,460
Total	<u>\$ 6,016,517</u>	<u>\$ 13,811,953</u>	<u>\$ 4,060,218</u>	<u>\$ 13,643,091</u>

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 1,565,958	9.95 %	\$ 1,578,696	11.46 %
Operating Grants and Contributions	1,165,300	7.41	1,442,912	10.48
Capital Grants and Contributions	3,285,259	20.88	1,038,610	7.54
Property Taxes	1,896,961	12.06	1,879,493	13.65
Motor Vehicle Taxes	175,708	1.12	171,102	1.24
Sales Tax	2,444,269	15.53	2,362,158	17.15
Franchise Taxes	153,097	0.97	152,189	1.11
Occupation Taxes	245,885	1.56	230,838	1.68
Enhanced Employment Area Tax	51,037	0.33	-	-
TIF Proceeds	145,287	0.92	147,039	1.07
State Allocation	1,571,937	9.99	1,515,317	11.00
Special Assessments	-	-	8,179	0.06
Keno	16,382	0.10	10,638	0.08
Other	5,169	0.03	4,082	0.03
Interest	386,289	2.46	89,266	0.65
Gain on Sale of Assets	541,882	3.44	1,028,595	7.47
Interfund Transfer	2,084,500	13.25	2,110,700	15.33
Total	<u>\$ 15,734,920</u>	<u>100.00 %</u>	<u>\$ 13,769,814</u>	<u>100.00 %</u>

Net position increased \$1,922,967 in the governmental funds during the year ended September 30, 2023.

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 \$1,896,961 in property tax for fiscal year 2023 compared to \$1,879,493 in 2022. Levies are expressed in dollars and cents per \$100 of valuation. The 2022 tax year levies

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

were collected in the City’s Fiscal Year 2023. 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>
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
2021	.21958	.06395	-	.04995	.01040	.34388	\$ 538,866,847
2022	.25731	.06395	-	-	.01000	.33126	\$ 570,557,244

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 \$1,921,125. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 14,142,876	\$ 10,888,529	\$ 14,289,998	\$ 10,799,619
Water	1,824,307	1,600,728	1,913,752	1,594,586
Sewer	543,520	564,934	502,066	523,404
Refuse	1,318,043	1,531,239	1,372,765	1,266,148
Total	17,828,746	14,585,430	18,078,581	14,183,757
Interfund Transfer	-	2,084,500	-	2,110,700
	<u>\$ 17,828,746</u>	<u>\$ 16,669,930</u>	<u>\$ 18,078,581</u>	<u>\$ 16,294,457</u>

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

Revenues by Source - Business-type Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 17,721,826	95.32 %	\$ 18,053,073	98.43 %
Operating Grants and Contributions	106,920	0.58	-	-
Capital Grants and Contributions	-	-	25,508	0.14
Interest	498,159	2.68	90,483	0.49
Miscellaneous	19,788	0.11	9,611	0.05
Gain on Sale of Assets	244,362	1.31	163,447	0.89
Total	<u>\$ 18,591,055</u>	<u>100.00 %</u>	<u>\$ 18,342,122</u>	<u>100.00 %</u>

The largest source of receipts for the City is user fees in the Utility Departments. The Utility Departments transferred \$2,084,500 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 \$8,524,915. Approximately 6.6 percent of this total amount (\$565,092) 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 (\$188,411), 2) restricted for street improvements (\$1,481,596), 3) restricted for Federal programs (\$1,184,346), 4) restricted to fund capital projects (\$1,220,091), 5) restricted for economic development (\$1,779,401), 6) restricted for tourism promotion (\$506,509), 7) restricted for community betterment (\$72,962), 8) endowed as nonspendable for cemetery perpetual care (\$498,627), 9) comprised of nonspendable assets (\$74,739), 10) restricted for museum projects (\$15,128), 11) restricted for general tax support (\$403,987), 12) assigned for budgetary stabilization (\$3,492), 13) assigned for ACE projects (\$121,901), 14) assigned for nuisance clean up (\$50,000), 15) assigned for public transit (\$83,098), 16) assigned for golf course operations (\$115,740), or 17) assigned for airport operations (\$159,795).

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 \$565,092 and total fund balance was \$713,279. 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 5.9 percent of total General Fund expenditures, while total fund balance was 7.4 percent of total General Fund expenditures.

CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

The fund balance of the City of Alliance’s General Fund decreased by \$3,254,485 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 – \$16,153,169, Water Fund – \$2,208,800, Sewer Fund – \$541,787, and Refuse Fund – \$397,776. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$2,190,361, Water Fund – increase of \$59,581, Sewer Fund – decrease of \$(68,940), and Refuse Fund – decrease of \$(259,877). Other factors concerning the finances of these four 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, 2023, amounts to \$71,556,989 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Construction in progress on airport runway project - \$3,548,976
- Two Zoll X Series defibrillators - \$55,665
- Motorola P25 radio flash code - \$97,096
- Construction costs on library HVAC project - \$1,619,376
- Construction in progress on city hall ADA renovations - \$33,781
- WNCC Campus land (lot 3 Homestead Addition) - \$36,414
- Alcatel-Lucent telephone system - \$51,543
- Sudman tennis court improvements - \$400,052
- Mesh Halo surveillance camera system for police - \$399,727
- Tripmaster software system for public transit - \$37,090
- Bike path/sidewalk crossing improvements - \$68,058
- 2023 asphalt projects - \$1,962,051
- Construction in progress on East rural electric rebuild project - \$410,699
- Construction in progress on Sandhills solar farm engineering - \$42,890
- Heartland Flats extended stay electrical improvements - \$44,633
- Parker electric metering rebuild project - \$56,230
- Alliance Motors three-phase alley project - \$39,106

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

- Bolek Sarpy Road three-phase rebuild project - \$74,257
- BNSF Terminal URD three-phase project - \$45,858
- Regulators at Logan and Highway 38 - \$51,007
- Six Coastal portable litter netting systems - \$50,000
- 2022 John Deere 310SL backhoe - \$124,120

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

	<u>Year Ended September 30, 2023</u>			<u>Year Ended September 30, 2022</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 2,107,617	\$ 566,827	\$ 2,674,444	\$ 2,071,204	\$ 566,827	\$ 2,638,031
Construction in Progress	3,876,399	506,246	4,382,645	617,949	99,816	717,765
Infrastructure	13,977,820	-	13,977,820	12,855,198	-	12,855,198
Improvements	12,202,337	-	12,202,337	12,722,897	-	12,722,897
Buildings	10,440,490	3,152,560	13,593,050	9,255,755	3,242,190	12,497,945
Equipment	4,087,295	8,329,033	12,416,328	4,186,631	8,838,661	13,025,292
Distribution Systems	-	12,310,365	12,310,365	-	12,611,053	12,611,053
Total	<u>\$ 46,691,958</u>	<u>\$ 24,865,031</u>	<u>\$ 71,556,989</u>	<u>\$ 41,709,634</u>	<u>\$ 25,358,547</u>	<u>\$ 67,068,181</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 \$5,108,506. Of this amount, \$3,229,829 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, notes, and certificates of participation).

City of Alliance's Outstanding Debt

	<u>Year Ended September 30, 2023</u>			<u>Year Ended September 30, 2022</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Notes	\$ 224,829	\$ 163,677	\$ 388,506	\$ 277,829	\$ 204,880	\$ 482,709
Bonds	3,005,000	1,420,000	4,425,000	3,200,000	1,700,000	4,900,000
Certificates of Participation	-	295,000	295,000	-	385,000	385,000
Total	<u>\$ 3,229,829</u>	<u>\$ 1,878,677</u>	<u>\$ 5,108,506</u>	<u>\$ 3,477,829</u>	<u>\$ 2,289,880</u>	<u>\$ 5,767,709</u>

The City of Alliance's total debt decreased by \$659,203 (11.4 percent) as scheduled principal payments were made.

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

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

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:

- Buyers from outside the area are buying housing units, raising valuations and rents.
- A new extended stay apartment/mall building is expected to be completed this year.
- The new Westco tire shop was completed with an additional agronomy building planned.
- Two local hotels under new ownership are planning remodeling and extended services.

The low unemployment and remnants of the COVID pandemic continue to make it difficult for businesses to find adequate staff to remain full service. Major employer BNSF Railway will be impacted by Federal policies and mandates regarding coal. BNSF Railway and Parker continue hiring activity. The farm and ranch economy has improved, but continues to be challenged. Tax revenues continue to be strong, in spite of the limited local retail, declining population, and drought conditions.

The City’s taxable property valuation grew by \$57,862,791 (10.1 percent) to an all-time high in 2023 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, 2024 is \$1,930,009, an increase of \$39,996 (2.1 percent) over the prior year.

The City Council approved a six percent cost of living adjustment (COLA) increases to wages for all employees.

Water rates are expected to increase 5 percent and sewer and refuse rates are expected to increase 25 percent during the year ending September 30, 2024.

The City has commitments for public safety vehicles on order at September 30, 2023. An ambulance with an expected cost of \$300,000 is expected to be received by September 30, 2024. A fire truck with an expected cost of \$900,000 is expected to be received in fiscal year 2024.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,202,854	\$ 13,735,927	\$ 19,938,781
County treasurer cash	267,536	-	267,536
Receivables:			
Property tax	16,687	-	16,687
Special assessments	486,903	-	486,903
Accounts, net of allowance for doubtful accounts	1,323,669	1,133,124	2,456,793
Unbilled revenue	-	841,064	841,064
Interest	13,848	1,907	15,755
Current portion of notes	80,018	-	80,018
Current portion of TIF	157,300	-	157,300
Due from other governments	736,315	-	736,315
Due (to) from other funds	(2,874,022)	2,874,022	-
Inventory	63,760	1,782,050	1,845,810
Prepaid expenses	96,682	-	96,682
Total current assets	6,571,550	20,368,094	26,939,644
Noncurrent assets:			
Restricted cash and cash equivalents	6,680,646	615,315	7,295,961
Restricted certificates of deposit	-	2,227,998	2,227,998
Noncurrent notes receivable	557,127	-	557,127
Noncurrent TIF receivable	841,953	-	841,953
Capital assets:			
Land and construction in progress	5,984,016	1,073,073	7,057,089
Other capital assets, net of depreciation	40,707,942	23,791,958	64,499,900
Net capital assets	46,691,958	24,865,031	71,556,989
Total noncurrent assets	54,771,684	27,708,344	82,480,028
Total assets	61,343,234	48,076,438	109,419,672
LIABILITIES			
Current liabilities:			
Accounts payable	1,338,054	720,804	2,058,858
Accrued expenses	227,699	124,221	351,920
Unredeemed gift certificates	33,072	-	33,072
Customer deposits	2,804	421,780	424,584
Police custodial funds	9,425	-	9,425
Enhanced Employment Area tax payable	50,527	-	50,527
Current portion of TIF payables	157,300	-	157,300
Unspent insurance proceeds	194,820	131,257	326,077
Unavailable special assessments	486,903	-	486,903
Current portion of long-term obligations	244,000	417,177	661,177
Total current liabilities	2,744,604	1,815,239	4,559,843
Noncurrent liabilities:			
Compensated absences - noncurrent	210,835	97,269	308,104
Landfill closure costs	-	2,293,636	2,293,636
Noncurrent TIF payables	841,953	-	841,953
Noncurrent portion of long-term obligations	2,985,829	1,461,500	4,447,329
Total noncurrent liabilities	4,038,617	3,852,405	7,891,022
Total liabilities	6,783,221	5,667,644	12,450,865
NET POSITION			
Net investment in capital assets	43,462,129	22,986,354	66,448,483
Restricted for:			
Capital projects/community betterment	1,293,053	-	1,293,053
Debt service	188,411	-	188,411
Cemetery perpetual care	498,627	-	498,627
Economic development	1,779,401	-	1,779,401
Federal programs	1,184,346	-	1,184,346
General tax support	403,987	-	403,987
Landfill closure costs	-	120,908	120,908
Street improvements	1,481,596	-	1,481,596
Museum projects	15,128	-	15,128
Tourism promotion	506,509	-	506,509
Unrestricted	3,746,826	19,301,532	23,048,358
Total net position	\$ 54,560,013	\$ 42,408,794	\$ 96,968,807

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

<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	\$ 939,127	\$ 7,515	\$ -
Public safety	3,712,451	371,495	485,024
Public works	1,157,082	93,234	223,039
Environment and leisure	4,066,686	1,080,204	457,237
Economic development	645,086	13,510	-
Interest and related expenses	109,260	-	-
Depreciation - unallocated	3,182,261	-	-
Total governmental activities	13,811,953	1,565,958	1,165,300
Business-type activities:			
Electric	10,888,529	14,142,876	-
Water	1,600,728	1,824,307	-
Sewer	564,934	543,520	-
Refuse	1,531,239	1,211,123	106,920
Total business-type activities	14,585,430	17,721,826	106,920
Total primary government	\$ 28,397,383	\$ 19,287,784	\$ 1,272,220

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>
\$ -	\$ (931,612)		\$ (931,612)
-	(2,855,932)		(2,855,932)
-	(840,809)		(840,809)
3,285,259	756,014		756,014
-	(631,576)		(631,576)
-	(109,260)		(109,260)
-	(3,182,261)		(3,182,261)
<u>3,285,259</u>	<u>(7,795,436)</u>	<u>\$ -</u>	<u>(7,795,436)</u>
-	-	3,254,347	3,254,347
-	-	223,579	223,579
-	-	(21,414)	(21,414)
-	-	(213,196)	(213,196)
<u>-</u>	<u>-</u>	<u>3,243,316</u>	<u>3,243,316</u>
<u>\$ 3,285,259</u>	<u>(7,795,436)</u>	<u>3,243,316</u>	<u>(4,552,120)</u>
General revenues:			
Taxes:			
Property	1,896,961	-	1,896,961
Motor vehicle	175,708	-	175,708
Sales tax	2,444,269	-	2,444,269
Franchise	153,097	-	153,097
Occupation	245,885	-	245,885
Enhanced Employment Area tax	51,037	-	51,037
TIF proceeds	145,287	-	145,287
State allocation	1,571,937	-	1,571,937
Keno	16,382	-	16,382
Miscellaneous	5,169	19,788	24,957
Interest income	386,289	498,159	884,448
Gain on sale of assets	541,882	244,362	786,244
Interfund transfers	2,084,500	(2,084,500)	-
Total general revenues	<u>9,718,403</u>	<u>(1,322,191)</u>	<u>8,396,212</u>
Change in net position	1,922,967	1,921,125	3,844,092
Net position - September 30, 2022	<u>52,637,046</u>	<u>40,487,669</u>	<u>93,124,715</u>
Net position - September 30, 2023	<u>\$ 54,560,013</u>	<u>\$ 42,408,794</u>	<u>\$ 96,968,807</u>

CITY OF ALLIANCE, NEBRASKA
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2023

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>	<u>Debt Service</u>
ASSETS				
Cash and cash equivalents	\$ 2,784,563	\$ -	\$ -	\$ -
Restricted cash	-	1,501,603	403,987	17,040
County treasurer cash	236,969	-	-	-
Receivables:				
Special assessments	-	-	-	486,903
Accounts, net of allowance for doubtful accounts	118,993	-	-	-
Notes receivable	-	-	-	-
Interest	-	-	-	-
Property tax	14,249	-	-	-
TIF	-	-	-	-
Inventory	19,302	-	-	-
Prepaid insurance	3,492	-	-	-
Due from other funds	324,254	51,288	-	-
Due from other governments	30,655	119,556	408,875	-
Total assets	\$ 3,532,477	\$ 1,672,447	\$ 812,862	\$ 503,943
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 187,271	\$ 169,191	\$ -	\$ -
Accrued expenses	146,449	21,440	-	-
Unredeemed gift certificates	-	-	-	-
Due to other funds	2,320,029	220	408,875	-
Enhanced Employment Area tax payable	-	-	-	-
Unspent insurance proceeds	156,024	-	-	-
Customer deposits	-	-	-	-
Police custodial funds	9,425	-	-	-
TIF payables	-	-	-	-
Unavailable special assessments	-	-	-	486,903
Total liabilities	2,819,198	190,851	408,875	486,903
Fund balances (deficit):				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Nonspendable assets	22,794	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Debt service	-	-	-	17,040
Economic development	-	-	-	-
Federal programs	-	-	-	-
General tax support	-	-	403,987	-
Street improvements	-	1,481,596	-	-
Museum projects	-	-	-	-
Tourism promotion	-	-	-	-
Assigned for:				
Budgetary stabilization	3,492	-	-	-
ACE projects	121,901	-	-	-
Other purposes	-	-	-	-
Unassigned	565,092	-	-	-
Total fund balances	713,279	1,481,596	403,987	17,040
Total liabilities and fund balances	\$ 3,532,477	\$ 1,672,447	\$ 812,862	\$ 503,943

See notes to financial statements.

<u>Redevelopment</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
\$ -	\$ 610,865	\$ 194,184	\$ -	\$ 3,589,612
1,404	-	4,756,612	-	6,680,646
-	15	30,552	-	267,536
-	-	-	-	486,903
-	113,757	16,711	-	249,461
-	-	637,145	-	637,145
-	-	13,848	-	13,848
-	466	1,972	-	16,687
999,253	-	-	-	999,253
-	-	44,458	-	63,760
-	5,695	1,792	-	10,979
-	-	33,333	(408,875)	-
-	-	177,229	-	736,315
<u>\$ 1,000,657</u>	<u>\$ 730,798</u>	<u>\$ 5,907,836</u>	<u>\$ (408,875)</u>	<u>\$ 13,752,145</u>
\$ -	\$ 2,130	\$ 15,614	\$ -	\$ 374,206
-	9,175	25,953	-	203,017
-	-	33,072	-	33,072
-	551,199	1,755	(408,875)	2,873,203
-	-	50,527	-	50,527
-	-	38,796	-	194,820
-	2,804	-	-	2,804
-	-	-	-	9,425
999,253	-	-	-	999,253
-	-	-	-	486,903
<u>999,253</u>	<u>565,308</u>	<u>165,717</u>	<u>(408,875)</u>	<u>5,227,230</u>
-	-	498,627	-	498,627
-	5,695	46,250	-	74,739
-	-	1,220,091	-	1,220,091
-	-	72,962	-	72,962
-	-	171,371	-	188,411
1,404	-	1,777,997	-	1,779,401
-	-	1,184,346	-	1,184,346
-	-	-	-	403,987
-	-	-	-	1,481,596
-	-	15,128	-	15,128
-	-	506,509	-	506,509
-	-	-	-	3,492
-	-	-	-	121,901
-	159,795	248,838	-	408,633
-	-	-	-	565,092
<u>1,404</u>	<u>165,490</u>	<u>5,742,119</u>	<u>-</u>	<u>8,524,915</u>
<u>\$ 1,000,657</u>	<u>\$ 730,798</u>	<u>\$ 5,907,836</u>	<u>\$ (408,875)</u>	<u>\$ 13,752,145</u>

CITY OF ALLIANCE, NEBRASKA

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

September 30, 2023

Total fund balances - governmental funds		\$ 8,524,915
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 \$93,524,568 and the accumulated depreciation is \$46,832,610.		
		46,691,958
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.		
		2,783,804
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	\$ (210,835)	
Long-term notes payable	<u>(3,229,829)</u>	<u>(3,440,664)</u>
Total net position - governmental activities		<u>\$ 54,560,013</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, 2023

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>
REVENUES			
Taxes:			
Property	\$ 1,666,503	\$ -	\$ -
Motor vehicle	175,708	-	-
Sales tax	-	294,586	1,699,683
Franchise	153,097	-	-
Occupation	-	-	-
Enhanced Employment Area tax	-	-	-
TIF proceeds	-	-	-
Intergovernmental	440,846	1,462,505	-
Grants	337,843	-	-
Keno	-	-	-
Charges for services	784,133	5,000	-
Contributions	25,562	-	-
Interest income	92,035	67,883	9,303
Sale of property/insurance proceeds	283,331	90	-
Other income	1,653	-	-
Total revenues	<u>3,960,711</u>	<u>1,830,064</u>	<u>1,708,986</u>
EXPENDITURES			
General government	967,958	-	-
Public safety	3,743,951	-	-
Public works	464,809	751,456	-
Environment and leisure	2,137,634	-	-
Economic development	300,000	-	-
Capital outlay	1,962,911	2,048,334	-
Principal payments on debt	-	195,000	-
Interest on long-term debt	30,798	53,298	-
Total expenditures	<u>9,608,061</u>	<u>3,048,088</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(5,647,350)	(1,218,024)	1,708,986
OTHER FINANCING			
SOURCES (USES)			
Transfers in	3,885,865	-	-
Transfers out	(1,493,000)	-	(1,651,365)
Net transfers	<u>2,392,865</u>	<u>-</u>	<u>(1,651,365)</u>
Net change in fund balances	(3,254,485)	(1,218,024)	57,621
Fund balances - September 30, 2022	<u>3,967,764</u>	<u>2,699,620</u>	<u>346,366</u>
Fund balances - September 30, 2023	<u>\$ 713,279</u>	<u>\$ 1,481,596</u>	<u>\$ 403,987</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>
\$ -	\$ -	\$ 25,891	\$ 204,567	\$ 1,896,961
-	-	-	-	175,708
-	-	-	450,000	2,444,269
-	-	-	-	153,097
-	-	-	245,885	245,885
-	-	-	51,037	51,037
-	145,287	-	-	145,287
-	-	-	53,786	1,957,137
-	-	3,170,259	430,125	3,938,227
-	-	-	16,382	16,382
-	-	259,065	517,760	1,565,958
-	-	-	101,570	127,132
483	1,028	13,947	135,444	320,123
-	-	255,814	8,400	547,635
-	-	-	3,516	5,169
<u>483</u>	<u>146,315</u>	<u>3,724,976</u>	<u>2,218,472</u>	<u>13,590,007</u>
-	-	-	52,212	1,020,170
-	-	-	70,725	3,814,676
-	-	-	-	1,216,265
-	-	814,336	1,192,730	4,144,700
-	145,287	-	199,799	645,086
-	-	3,581,931	525,710	8,118,886
-	-	53,000	-	248,000
-	-	25,164	-	109,260
<u>-</u>	<u>145,287</u>	<u>4,474,431</u>	<u>2,041,176</u>	<u>19,317,043</u>
483	1,028	(749,455)	177,296	(5,727,036)
-	-	1,180,000	1,495,500	6,561,365
-	-	-	(1,332,500)	(4,476,865)
<u>-</u>	<u>-</u>	<u>1,180,000</u>	<u>163,000</u>	<u>2,084,500</u>
483	1,028	430,545	340,296	(3,642,536)
<u>16,557</u>	<u>376</u>	<u>(265,055)</u>	<u>5,401,823</u>	<u>12,167,451</u>
<u>\$ 17,040</u>	<u>\$ 1,404</u>	<u>\$ 165,490</u>	<u>\$ 5,742,119</u>	<u>\$ 8,524,915</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, 2023

Total net change in fund balances - governmental funds	\$ (3,642,536)
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 (\$8,170,338) exceeded depreciation expense (\$3,182,261) during the period. A portion of capital asset additions (\$51,452) was paid for by the Internal Service Fund.	
	4,988,077
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.	
	(5,753)
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.	
	329,066
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.	
	6,113
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	248,000
Change in net position of governmental activities	\$ 1,922,967

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
September 30, 2023

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,833,819	\$ 2,003,817
Receivables:		
Accounts, net of allowance for doubtful accounts	935,099	123,371
Unbilled revenue	621,790	124,177
Interest	548	-
Due from other funds	2,875,500	6,023
Inventory	1,699,979	78,617
Prepaid expenses	-	-
Total current assets	16,966,735	2,336,005
Noncurrent assets:		
Restricted cash and cash equivalents	61,685	-
Restricted certificates of deposit	367,084	-
Capital assets:		
Land	33,070	361,099
Construction in progress	506,246	-
Distribution systems	16,326,240	10,742,860
Buildings	2,838,201	640,400
Equipment	10,038,422	3,349,314
Less accumulated depreciation	(16,051,999)	(8,034,446)
Net capital assets	13,690,180	7,059,227
Total noncurrent assets	14,118,949	7,059,227
Total assets	31,085,684	9,395,232
LIABILITIES		
Current liabilities:		
Accounts payable	669,013	30,099
Customer deposits	421,780	-
Accrued interest payable	-	3,520
Sales tax payable	62,193	418
Other accrued expenses	29,117	11,660
Due to other funds	-	7,207
Unspent insurance proceeds	3,740	48,193
Current portion of long-term obligations	-	280,000
Total current liabilities	1,185,843	381,097
Noncurrent liabilities:		
Compensated absences - noncurrent	56,492	26,108
Landfill closure costs	-	-
Noncurrent portion of long-term obligations	-	1,140,000
Total noncurrent liabilities	56,492	1,166,108
Total liabilities	1,242,335	1,547,205
NET POSITION		
Net investment in capital assets	13,690,180	5,639,227
Restricted for:		
Landfill closure costs	-	-
Unrestricted	16,153,169	2,208,800
Total net position	\$ 29,843,349	\$ 7,848,027

See notes to financial statements.

Enterprise Funds				Internal Service Funds
Sewer Fund	Refuse Fund	Eliminations	Total	Funds
\$ 500,658	\$ 397,633	\$ -	\$ 13,735,927	\$ 2,613,242
18,932	55,722	-	1,133,124	1,074,208
37,668	57,429	-	841,064	-
-	1,359	-	1,907	-
-	834	(8,335)	2,874,022	-
3,454	-	-	1,782,050	-
-	-	-	-	85,703
<u>560,712</u>	<u>512,977</u>	<u>(8,335)</u>	<u>20,368,094</u>	<u>3,773,153</u>
-	553,630	-	615,315	-
-	1,860,914	-	2,227,998	-
60,978	111,680	-	566,827	-
-	-	-	506,246	-
4,618,554	2,010,189	-	33,697,843	-
469,855	570,245	-	4,518,701	-
1,865,818	3,899,181	-	19,152,735	-
(5,122,812)	(4,368,064)	-	(33,577,321)	-
<u>1,892,393</u>	<u>2,223,231</u>	<u>-</u>	<u>24,865,031</u>	<u>-</u>
<u>1,892,393</u>	<u>4,637,775</u>	<u>-</u>	<u>27,708,344</u>	<u>-</u>
<u>2,453,105</u>	<u>5,150,752</u>	<u>(8,335)</u>	<u>48,076,438</u>	<u>3,773,153</u>
1,819	19,873	-	720,804	963,848
-	-	-	421,780	-
-	1,994	-	5,514	-
-	3	-	62,614	-
3,626	11,690	-	56,093	24,682
764	364	(8,335)	-	819
9,320	70,004	-	131,257	-
-	137,177	-	417,177	-
<u>15,529</u>	<u>241,105</u>	<u>(8,335)</u>	<u>1,815,239</u>	<u>989,349</u>
3,396	11,273	-	97,269	-
-	2,293,636	-	2,293,636	-
-	321,500	-	1,461,500	-
<u>3,396</u>	<u>2,626,409</u>	<u>-</u>	<u>3,852,405</u>	<u>-</u>
<u>18,925</u>	<u>2,867,514</u>	<u>(8,335)</u>	<u>5,667,644</u>	<u>989,349</u>
1,892,393	1,764,554	-	22,986,354	-
-	120,908	-	120,908	-
541,787	397,776	-	19,301,532	2,783,804
<u>\$ 2,434,180</u>	<u>\$ 2,283,238</u>	<u>\$ -</u>	<u>\$ 42,408,794</u>	<u>\$ 2,783,804</u>

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

For the year ended September 30, 2023

	Enterprise Funds	
	Electric Fund	Water Fund
Operating revenues:		
User charges	\$ 13,928,375	\$ 1,823,157
Interdepartmental charges	-	-
Rent income	214,501	1,150
Total operating revenues	14,142,876	1,824,307
Operating expenses:		
Cost of power	8,111,384	-
Personnel	1,193,752	522,364
Contract services	251,534	430,946
Commodities	259,129	119,822
Generation	71,850	-
Customer service	-	-
Meter reading	-	-
Warehouse	-	-
Risk management	-	-
Management information systems	-	-
Administration/finance	302,234	143,198
Insurance claims and health premiums	-	-
Landfill closure	-	-
Depreciation	698,646	371,237
Total operating expenses	10,888,529	1,587,567
Operating income (loss)	3,254,347	236,740
Nonoperating revenues (expenses):		
Interest income	362,222	47,740
Grant revenue	-	-
Interest expense	-	(13,161)
Gain on sale of capital assets/insurance proceeds	220,201	12,160
Other revenue	19,591	2
Total nonoperating revenues (expenses)	602,014	46,741
Income (loss) before interfund transfers	3,856,361	283,481
Interfund transfers:		
Transfer to other funds	(1,666,000)	(223,900)
Change in net position	2,190,361	59,581
Net position - September 30, 2022	27,652,988	7,788,446
Net position - September 30, 2023	\$ 29,843,349	\$ 7,848,027

See notes to financial statements.

Enterprise Funds			Internal
Sewer Fund	Refuse Fund	Total	Service Funds
\$ 507,370	\$ 1,210,823	\$ 17,469,725	\$ -
-	-	-	4,629,895
36,150	300	252,101	15,063
<u>543,520</u>	<u>1,211,123</u>	<u>17,721,826</u>	<u>4,644,958</u>
-	-	8,111,384	-
153,255	504,022	2,373,393	203,840
56,212	311,483	1,050,175	-
36,798	150,853	566,602	-
-	-	71,850	-
-	-	-	234,412
-	-	-	37,759
-	-	-	213,863
-	-	-	545,061
-	-	-	275,816
96,681	154,163	696,276	415,144
-	-	-	2,456,163
-	106,824	106,824	-
221,988	295,790	1,587,661	-
<u>564,934</u>	<u>1,523,135</u>	<u>14,564,165</u>	<u>4,382,058</u>
(21,414)	(312,012)	3,157,661	262,900
11,874	76,323	498,159	66,166
-	106,920	106,920	-
-	(8,104)	(21,265)	-
-	12,001	244,362	-
-	195	19,788	-
<u>11,874</u>	<u>187,335</u>	<u>847,964</u>	<u>66,166</u>
(9,540)	(124,677)	4,005,625	329,066
(59,400)	(135,200)	(2,084,500)	-
(68,940)	(259,877)	1,921,125	329,066
<u>2,503,120</u>	<u>2,543,115</u>	<u>40,487,669</u>	<u>2,454,738</u>
<u>\$ 2,434,180</u>	<u>\$ 2,283,238</u>	<u>\$ 42,408,794</u>	<u>\$ 2,783,804</u>

CITY OF ALLIANCE, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the year ended September 30, 2023

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 13,941,560	\$ 1,787,516
Receipts from other funds	-	-
Payments to suppliers	(9,348,728)	(670,227)
Payments to employees	(1,177,770)	(515,918)
Net cash provided (used) by operating activities	3,415,062	601,371
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(1,666,000)	(223,900)
(Increase) decrease in due from other funds	(2,293,875)	(154)
Increase (decrease) in due to other funds	(110,000)	(2,246)
Net cash provided (used) by noncapital financing activities	(4,069,875)	(226,300)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(809,229)	(143,120)
Proceeds from sale of capital assets/insurance proceeds	220,201	12,160
Grant proceeds	-	-
Increase in landfill closure costs	-	-
Principal payments on long-term debt	-	(280,000)
Interest paid on long-term debt	-	(13,855)
Net cash used by capital and related financing activities	(589,028)	(424,815)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in restricted certificates of deposit	(8,416)	-
Interest received	361,741	47,740
Net cash provided by investing activities	353,325	47,740
Increase (decrease) in cash and cash equivalents	(890,516)	(2,004)
Cash and cash equivalents - beginning of the year	11,786,020	2,005,821
Cash and cash equivalents - end of the year	\$ 10,895,504	\$ 2,003,817
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 10,833,819	\$ 2,003,817
Restricted cash and cash equivalents	61,685	-
Total cash and cash equivalents	\$ 10,895,504	\$ 2,003,817

Enterprise Funds			Internal
Sewer	Refuse	Total	Service
Fund	Fund		Funds
\$ 525,707	\$ 1,189,805	\$ 17,444,588	\$ -
-	-	-	3,619,737
(188,469)	(718,802)	(10,926,226)	(3,551,615)
(154,612)	(505,804)	(2,354,104)	-
<u>182,626</u>	<u>(34,801)</u>	<u>4,164,258</u>	<u>68,122</u>
(59,400)	(135,200)	(2,084,500)	-
-	(222)	(2,294,251)	110,000
(149)	87	(112,308)	66
<u>(59,549)</u>	<u>(135,335)</u>	<u>(4,491,059)</u>	<u>110,066</u>
-	(141,797)	(1,094,146)	-
-	12,001	244,362	-
-	106,920	106,920	-
-	106,824	106,824	-
-	(131,203)	(411,203)	-
-	(8,713)	(22,568)	-
<u>-</u>	<u>(55,968)</u>	<u>(1,069,811)</u>	<u>-</u>
-	(48,364)	(56,780)	-
11,874	75,106	496,461	66,166
<u>11,874</u>	<u>26,742</u>	<u>439,681</u>	<u>66,166</u>
134,951	(199,362)	(956,931)	244,354
<u>365,707</u>	<u>1,150,625</u>	<u>15,308,173</u>	<u>2,368,888</u>
<u>\$ 500,658</u>	<u>\$ 951,263</u>	<u>\$ 14,351,242</u>	<u>\$ 2,613,242</u>
\$ 500,658	\$ 397,633	\$ 13,735,927	\$ 2,613,242
-	553,630	615,315	-
<u>\$ 500,658</u>	<u>\$ 951,263</u>	<u>\$ 14,351,242</u>	<u>\$ 2,613,242</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2023

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 3,254,347	\$ 236,740
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	698,646	371,237
Other cash receipts	19,591	2
Change in assets and liabilities:		
Accounts receivable	(227,876)	(37,175)
Inventories	(300,059)	(6,360)
Prepaid expenses	-	-
Accounts payable	(23,607)	30,099
Customer deposits	7,148	-
Sales tax payable	(179)	382
Unspent insurance proceeds	(28,931)	-
Accrued expenses	15,982	6,446
Net cash provided (used) by operating activities	\$ 3,415,062	\$ 601,371

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>	
\$ (21,414)	\$ (312,012)		\$ 3,157,661	\$ 262,900
221,988	295,790		1,587,661	-
-	195		19,788	-
(17,813)	(21,516)		(304,380)	(1,025,221)
(597)	-		(307,016)	-
-	-		-	(9,186)
1,819	9,172		17,483	841,570
-	-		7,148	-
-	3		206	-
-	(4,651)		(33,582)	-
(1,357)	(1,782)		19,289	(1,941)
<u>\$ 182,626</u>	<u>\$ (34,801)</u>		<u>\$ 4,164,258</u>	<u>\$ 68,122</u>

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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.
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, 2023

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, 2023

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, 2023

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, 2023

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	\$ 30,655	Federal Grants
Street	99,120	Highway Allocation
Street	20,436	Motor Vehicle Fees
Sales Tax	408,875	Sales Tax
Capital Projects	7,500	State Grant
RSVP	1,316	Federal Grant
Public Transit	<u>168,413</u>	Federal/State Grant
	<u>\$ 736,315</u>	

Inventory

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2022-2023 are recorded as revenue when expected to be collected within 60 days after September 30, 2023. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually.

Enhanced Employment Area Tax

Effective February 1, 2023, a two percent retail business occupation tax was imposed on retail business in the enhanced employment area (currently Holiday Inn Express, Runza, and 385 Apartments, LLC). The EEA tax will be paid back to the developers of these properties to service the qualified debt issued when developing these retail properties.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 2023

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, 2023

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 2023. 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	\$ 30,809,690	\$ 1,483,803	\$ 29,325,887	\$ -	\$ <u>29,462,740</u>

Reconciliation to Government-wide Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 19,938,781
Restricted cash and cash equivalents	7,295,961
Restricted certificates of deposit	<u>2,227,998</u>
	\$ <u>29,462,740</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

2. Restricted Assets

The restricted assets as of September 30, 2023, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	\$ 6,680,646	\$ 615,315	\$ 7,295,961
Certificates of deposit	<u>-</u>	<u>2,227,998</u>	<u>2,227,998</u>
	<u>\$ 6,680,646</u>	<u>\$ 2,843,313</u>	<u>\$ 9,523,959</u>

Restricted cash and certificates of deposit for governmental activities consists of \$1,501,603 of Street Fund cash restricted for street improvements; \$403,987 of Sales Tax Fund cash restricted for general tax support; \$17,040 of Debt Service Fund cash restricted for debt service; \$1,404 of Redevelopment Fund cash, \$223,184 of Economic Development cash, and \$928,313 of LB840 Fund cash restricted for economic development; \$498,627 of Cemetery Perpetual Care Fund cash restricted for perpetual care; \$12,040 of HUD Loan and CDBG Fund cash restricted for Federal loans; \$6,945 of RSVP Fund cash, \$550,000 of Economic Development cash, \$415,461 of ARPA Fund cash, and \$200,000 of Capital Projects Fund cash restricted for Federal programs; \$69,044 of Community Betterment Fund cash restricted for community betterment; \$477,239 of Public Safety Tax Fund cash and \$659,132 of Capital Projects Fund cash restricted for capital projects; \$163,226 of cash restricted for Airport Sinking Fund debt service; \$15,128 of Museum Exhibit Fund cash restricted for museum projects; \$51,841 of E911 Fund cash restricted for emergency equipment; and \$486,432 of Marketing Fund cash restricted for tourism promotion.

Restricted business-type assets consist of \$428,769 restricted for customer deposits in the Electric Fund. The Refuse Fund has \$2,414,544 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, 2023, is as follows:

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

3. Accounts and Notes Receivable, continued

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>
Accounts receivable	\$ 1,599,885	\$ 1,241,984	\$ 2,841,869
Allowance for doubtful accounts	(276,216)	(108,860)	(385,076)
Net accounts receivable	\$ <u>1,323,669</u>	\$ <u>1,133,124</u>	\$ <u>2,456,793</u>

Notes receivable for the governmental funds consist of the following at September 30, 2023:

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2023</u>	<u>Terms</u>
LB840 Fund	Tridāko Energy Systems, Inc.	\$ 19,692	1.5%; amortized over a period of ten years
LB840 Fund	Alliance Lodging	101,200	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	Western Potatoes	122,546	2.0%; amortized over a period of ten years

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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>2023</u>	<u>Terms</u>
LB840 Fund	Alliance Eating Ventures	88,200	0%; forgivable loan – will receive a job credit of \$2,000 per FTE off of the loan balance (maximum of \$20,000 per calendar year)
LB840 Fund	GNL, Inc.	10,000	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	Jelinek Custom Cleaning	8,839	2.0%; amortized over a period of five years
LB840 Fund	Jelinek Custom Cleaning	39,871	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)

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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>2023</u>	<u>Terms</u>
LB840 Fund	Valor General Store, LLC	1,092	0%; forgivable loan – will be forgiven if company remains in business for three years.

		\$ <u>637,145</u>	
Current portion		\$ 80,018	
Noncurrent portion		<u>557,127</u>	
Total		\$ <u>637,145</u>	

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

4. Capital Assets

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

	Balance at October 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2023</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,071,204	\$ 36,413	\$ -	\$ -	\$ 2,107,617
Construction in progress	617,949	3,618,134	-	(359,684)	3,876,399
Total capital assets not being depreciated	2,689,153	3,654,547	-	(359,684)	5,984,016
Other capital assets being depreciated:					
Infrastructure	29,671,778	1,962,051	(392,490)	-	31,241,339
Improvements	23,384,417	485,068	-	-	23,869,485
Buildings	18,846,871	1,526,195	-	109,176	20,482,242
Equipment and vehicles	11,240,893	542,477	(86,392)	250,508	11,947,486
Total other capital assets at historical cost	83,143,959	4,515,791	(478,882)	359,684	87,540,552
Less accumulated depreciation for:					
Infrastructure	(16,816,580)	(839,429)	392,490	-	(17,263,519)
Improvements	(10,661,520)	(1,005,628)	-	-	(11,667,148)
Buildings	(9,591,116)	(450,636)	-	-	(10,041,752)
Equipment and vehicles	(7,054,262)	(886,568)	80,639	-	(7,860,191)
Total accumulated depreciation	(44,123,478)	(3,182,261) *	473,129	-	(46,832,610)
Other capital assets, net	39,020,481	1,333,530	(5,753)	359,684	40,707,942
Governmental activities capital assets, net	<u>\$ 41,709,634</u>	<u>\$ 4,988,077</u>	<u>\$ (5,753)</u>	<u>\$ -</u>	<u>\$ 46,691,958</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

4. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government	
City manager's office	\$ 1,455
Warehouse/purchasing	7,082
Management information systems	32,964
Tourism	3,823
Facility maintenance	50
Municipal buildings	48,887
Utility customer service	<u>3,108</u>
Total general government	97,369
Public safety	
Fire	119,852
Ambulance	31,332
Police	<u>313,299</u>
Total public safety	464,483
Public services	
Building and zoning	163
Cemetery	31,962
Fleet services	<u>1,580</u>
Total public services	33,705
Environment and leisure	
Library	114,018
Parks	202,036
Museum	142,867
Carhenge	3,262
Swimming pool	<u>91,507</u>
Total environment and leisure	<u>553,690</u>
Total General Fund	1,149,247
Street Fund	945,919
RSVP Fund	4,054
Public Transit Fund	61,912
Airport Fund	957,593
Golf Fund	<u>63,536</u>
Total governmental activities depreciation	<u>\$ 3,182,261</u>

Construction in progress at September 30, 2023, consists of \$3,807,241 of costs on the airport runway project; \$33,781 of costs on the municipal hall ADA renovation; \$17,152 of costs on the senior center kitchen upgrade project; and \$18,225 of costs on the crossing walk light project. See Note D3 for details of commitments in place on these projects as of September 30, 2023.

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

4. Capital Assets, continued

	Balance at October 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2023</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 566,827	\$ -	\$ -	\$ -	\$ 566,827
Construction in progress	99,816	471,450	-	(65,020)	506,246
Total capital assets not being depreciated	666,643	471,450	-	(65,020)	1,073,073
Other capital assets being depreciated:					
Buildings	4,518,701	-	-	-	4,518,701
Distribution systems	33,371,443	337,779	(76,399)	65,020	33,697,843
Equipment	18,928,377	284,916	(60,558)	-	19,152,735
Total other capital assets at historical cost	56,818,521	622,695	(136,957)	65,020	57,369,279
Less accumulated depreciation for:					
Buildings	(1,276,511)	(89,630)	-	-	(1,366,141)
Distribution systems	(20,760,390)	(703,487)	76,399	-	(21,387,478)
Equipment	(10,089,716)	(794,544)	60,558	-	(10,823,702)
Total accumulated depreciation	(32,126,617)	(1,587,661) *	136,957	-	(33,577,321)
Other capital assets, net	24,691,904	(964,966)	-	65,020	23,791,958
Business-type capital assets, net	<u>\$ 25,358,547</u>	<u>\$ (493,516)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,865,031</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 698,646
Water	371,237
Sewer	221,988
Refuse	295,790
Total business-type activities depreciation expense	<u>\$ 1,587,661</u>

Construction in progress at September 30, 2023, consists of \$31,370 of costs on the RF mesh load control switches; \$410,699 of costs on the East Rural electrical rebuild project; \$21,287 of costs on the rural electrical project; and \$42,890 of costs on the Sandhills Solar Farm project. See Note D3 for details of commitments in place on these projects as of September 30, 2023.

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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, 2023:

<u>Type of Debt</u>	Balance October 1, <u>2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2023</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Note and bond payable	<u>\$ 3,477,829</u>	<u>\$ -</u>	<u>\$ (248,000)</u>	<u>\$ 3,229,829</u>	<u>\$ 244,000</u>
Business-type Activities:					
Notes and bond payable	<u>\$ 2,289,880</u>	<u>\$ -</u>	<u>\$ (411,203)</u>	<u>\$ 1,878,677</u>	<u>\$ 417,177</u>

Governmental Activities

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

Series 2022 Highway Allocation bonds issued January 25, 2022, with original principal balance of \$3,200,000, bearing interest of 1.75 percent due semi-annually on June 15 and December 15, with annual principal payments through December 15, 2036. \$ 3,005,000

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. 224,829

Total	\$ <u>3,229,829</u>
Current Portion	\$ 244,000
Noncurrent Portion	<u>2,985,829</u>
Total	\$ <u>3,229,829</u>

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

6. Long-term Debt, continued

Governmental Activities, continued

The Street Fund is making the principal and interest payments on the highway allocation bonds. The Airport Fund will make the principal and interest payments on the airport note.

Business-type Activities

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

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.	\$ 55,000
Certificates of participation – series 2021, with original issue amount of \$300,000, issued to provide refuse equipment financing. Interest is 0.5 percent with final maturity on April 15, 2028.	240,000
Note payable with original principal amount of \$215,000 issued to finance a refuse truck, bearing interest of 2.45 percent. Quarterly principal and interest payments of \$11,466 are due commencing July 15, 2022, through April 15, 2027.	163,677
Series 2021 Water Revenue Refunding Bonds with original principal amount of \$1,970,000, issued to refinance the two water notes payable to the Nebraska Department of Environment and Energy. 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>1,420,000</u>
Total business-type activity debt	\$ <u>1,878,677</u>
Current portion	\$ 417,177
Noncurrent portion	<u>1,461,500</u>
Total	<u>\$ 1,878,677</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

6. Long-term Debt, continued

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

Year Ending September 30,	Governmental Activities			
	Direct Placement Debt		Other Debt Issues	
	Principal	Interest	Principal	Interest
2024	\$ 54,000	\$ 5,288	\$ 190,000	\$ 50,925
2025	56,000	4,018	195,000	47,556
2026	57,000	2,703	200,000	44,100
2027	57,829	1,363	200,000	40,600
2028	-	-	205,000	37,056
2029-2033	-	-	1,080,000	129,763
2034-2037	-	-	935,000	33,031
	<u>\$ 224,829</u>	<u>\$ 13,372</u>	<u>\$ 3,005,000</u>	<u>\$ 383,031</u>

Year Ending September 30,	Business-type Activities			
	Direct Placement Debt		Other Debt Issues	
	Principal	Interest	Principal	Interest
2024	\$ 137,177	\$ 6,538	\$ 280,000	\$ 11,475
2025	93,245	4,158	290,000	9,074
2026	94,329	2,773	290,000	6,609
2027	83,926	1,260	290,000	4,144
2028	50,000	337	270,000	1,721
	<u>\$ 458,677</u>	<u>\$ 15,066</u>	<u>\$ 1,420,000</u>	<u>\$ 33,023</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	\$ 8,053	\$ 8,053
Pepsi-Cola of Western Nebraska	165,681	165,681
1dash5 Enterprises (Scooters)	25,792	25,792
Alliance Lodging, LLC	670,598	670,598
Blomenkamp Investments (Runza)	129,129	129,129
	<u>\$ 999,253</u>	<u>\$ 999,253</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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	\$ 1,666,000	\$ -
From Refuse	135,200	-
From Water	223,900	-
From Sewer	59,400	-
From Sales Tax	1,651,365	-
From Tourism	150,000	-
To Public Transit	-	75,000
To Airport	-	1,118,000
To Golf	-	<u>300,000</u>
Total General Fund	<u>3,885,865</u>	<u>1,493,000</u>
Sales Tax Fund:		
To General	-	1,651,365
Airport Fund:		
From General	1,118,000	-
From Sinking	<u>62,000</u>	<u>-</u>
Total Airport Fund	1,180,000	-
Nonmajor Governmental Funds:	1,495,500	1,332,500
Electric Fund:		
To General	-	1,666,000
Water Fund:		
To General	-	223,900
Sewer Fund:		
To General	-	59,400
Refuse Fund:		
To General	<u>-</u>	<u>135,200</u>
	<u>\$ 6,561,365</u>	<u>\$ 6,561,365</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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	\$ 2,313,542
General	Water	5,789
General	Refuse	698
Sales Tax	General	324,254
Sales Tax	Street	51,288
Sales Tax	Economic Development	16,666
Sales Tax	LB840	16,667
Street	Electric	220
Airport	Electric	551,199
Golf	Electric	1,385
Golf	Water	234
Golf	Refuse	136
Water	Electric	7,207
Sewer	Electric	764
Refuse	Electric	364
Enterprise Internal Service	Electric	<u>819</u>
		<u>\$ 3,291,232</u>

The Electric Fund loaned \$550,000 to the Airport Fund to pay for the City’s portion of the snow plow and runway improvements. The outstanding balance of \$550,000 is included in the balance due from the Airport Fund to the Electric Fund shown above. The loan bears interest of 4.25 percent and is due October 1, 2023.

The Electric Fund loaned \$2,300,000 to the General Fund on June 8, 2023 to finance land purchased from the Airport Fund. The outstanding balance of \$2,300,000 is included in the balance due from the General Fund to the Electric Fund shown above. The loan bears interest of 4.25 percent and is due June 8, 2024.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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 \$3,827,364 for the year ended September 30, 2023. Both the City and the covered employees' required contributions of \$114,360 and \$114,360, respectively, were made for the year ended September 30, 2023.

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 \$367,312, with the City contributing \$47,751 and the employees contributing \$23,875 for the year ended September 30, 2023.

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 \$1,094,419. Both the City's contribution of \$76,609 and the matching employees' contributions of \$76,609 were made for the year ended September 30, 2023.

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, 2023

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 \$963,848; this amount represents two months of subsequent claims. The City also has accrued a \$1,074,208 reinsurance receivable as of September 30, 2023. These amounts have been included as current-year expenditures.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 2023, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

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>
February 2024	\$ 1,208,873
March 2024	221,786
June 2024	<u>797,339</u>
	\$ <u>2,227,998</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, 2023

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, 2023, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Nebraska Bank	\$ 2,006,212
Platte Valley Bank	<u>221,786</u>
	\$ <u>2,227,998</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, 2023.

3. Commitments

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.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Construction Commitments

	<u>Contract Amount</u>	<u>Incurred as of 9/30/23</u>	<u>Balance</u>	<u>Expected Completion</u>
Sandhills Solar Farm Project	\$ 80,000	\$ 25,895	\$ 54,105	September 2024
City Hall ADA Renovations	\$ 324,500	\$ 33,781	\$ 290,719	September 2024
Cross Walk Lighting Project	\$ 22,550	\$ 18,225	\$ 4,325	November 2023
Airport Runway Engineering	\$ 525,991	\$ 509,839	\$ 16,152	
Contractor	3,946,000	3,270,936	675,064	
	\$ 4,471,991	\$ 3,780,775	\$ 691,216	May 2024
Electric Rural Project Engineering	\$ 435,306	\$ 329,190	\$ 106,116	January 2024

4. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2023:

Parties to Agreement	Agreement Period	Descriptions
Box Butte County	December 5, 1975 (usable life of the building)	Law enforcement facilities
Western Nebraska Community College	January 20, 2005 (Five-year renewable)	Joint Use of the Library/ Learning Center
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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
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	February 15, 2022 (until project is completed)	Rehabilitate Taxiways and Aprons
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	November 29, 2021 (Perpetual)	Shared 911 Communications Center Service Agreement
Nebraska State Patrol	June 1, 1992 (Perpetual)	Police Protection Mutual Aid Agreement

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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
Box Butte County, Alliance RFD, Village of Hemingford, and Hemingford RFD	April 19, 1996 (Annual Renewal)	Joint E911 Emergency Telephone Communications
Aging Office of Western Nebraska	July 1, 2018	Nutrition Program Site Lease in Senior Center
Alliance Public Schools	September 1, 2023 to August 31, 2024	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, 2023

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 Box Butte General Hospital	June 30, 2015 (One-year renewable)	Cooperative Operation of Public Transit System in Box Butte County

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 \$1,265,890, with postclosure care costs of \$690,783, for a total of \$1,956,673 as of September 30, 2023, which is based on 33.58 percent usage of the landfill, with a remaining estimated life of 102.67 years. The estimated liability for construction and demolition landfill closure is \$280,875, with postclosure care costs of \$56,088, for a total of \$336,963 as of September 30, 2023.

It is estimated that an additional \$2,503,474 and \$1,235,513, 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 \$5,695,660 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, 2023. 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, 2023, restricted funds of \$2,414,544 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, 2023

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, 2023 is as follows:

<u>TIF Project</u>	<u>Years Remaining on TIF Agreements</u>	<u>TIF Proceeds Received during the year 9-30-2023</u>
Otto	2	\$ 4,251
Pepsi-Cola of Western Nebraska	3	60,080
1dash5 Enterprises	11	2,986
Alliance Lodging, LLC	11	77,970
Blomenkamp Investments	15	-
		<u>\$ 145,287</u>

7. Subsequent Events

Management has evaluated subsequent events through January 29, 2024, the date on which the financial statements were available for issue.

On October 17, 2023, Council approved the purchase of real estate at 1207 West Second Street from BCM Properties, LLC.

On November 7, 2023, Council approved the purchase of a 3000 KVA transformer for \$138,465 and approved engineering of \$80,000 for the Sandhills Energy project.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

7. Subsequent Events, continued

On November 7, 2023, Council approved a \$199,261 agreement with MC Schaff and Associates for the 2024 street rehabilitation project for 8th Street from Dakota Avenue to Mississippi Avenue.

On November 21, 2023, Council approved the purchase and installation of a new landfill scale from Scale Sales and Services for \$99,075.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended September 30, 2023

	Budget (Original and <u>Final</u>)	Actual	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,710,000	\$ 1,664,341	\$ (45,659)
Motor vehicle	182,000	175,708	(6,292)
Franchise	155,500	153,097	(2,403)
Intergovernmental	435,200	440,846	5,646
Grants	1,276,700	153,901	(1,122,799)
Charges for services	762,800	756,066	(6,734)
Contributions	44,600	25,562	(19,038)
Interest income	76,200	92,035	15,835
Sale of property/insurance proceeds	848,000	75,700	(772,300)
Loan proceeds	5,570,000	2,295,964	(3,274,036)
Other	700	1,653	953
Total resources	11,061,700	5,834,873	(5,226,827)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	2,609,200	976,165	(1,633,035)
Public safety	5,146,700	4,113,970	(1,032,730)
Public works	584,600	482,302	(102,298)
Environment and leisure	5,594,000	3,554,999	(2,039,001)
Economic development	-	300,000	300,000
Total charges to appropriations	13,934,500	9,427,436	(4,507,064)
Resources under charges to appropriations	(2,872,800)	(3,592,563)	(719,763)
OTHER FINANCING SOURCES (USES)			
Transfers in	4,188,500	3,885,865	(302,635)
Transfers out	(1,613,000)	(1,493,000)	120,000
Net transfers	2,575,500	2,392,865	(182,635)
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	\$ (297,300)	\$ (1,199,698)	\$ (902,398)

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
STREET FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	\$ 300,000	\$ 287,108	\$ (12,892)
Intergovernmental	1,384,400	1,462,505	78,105
Charges for services	25,400	5,000	(20,400)
Interest income	17,200	67,883	50,683
Sale of property/insurance proceeds	3,000	90	(2,910)
	1,730,000	1,822,586	92,586
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	1,113,600	760,345	(353,255)
Capital outlay	2,170,000	2,048,334	(121,666)
Principal payment	195,000	195,000	-
Interest expense	54,300	53,298	(1,002)
	3,532,900	3,056,977	(475,923)
RESOURCES UNDER CHARGES TO APPROPRIATIONS	\$ (1,802,900)	\$ (1,234,391)	\$ 568,509

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

Year ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 2,400,000	\$ 1,706,852	\$ (693,148)
Interest income	<u>3,000</u>	<u>9,303</u>	<u>6,303</u>
Total resources	2,403,000	1,716,155	(686,845)
CHARGES TO APPROPRIATIONS (OUTFLOWS)	<u>-</u>	<u>-</u>	<u>-</u>
Resources over charges to appropriations	2,403,000	1,716,155	(686,845)
OTHER FINANCING USES			
Transfers out	<u>(2,400,000)</u>	<u>(1,651,365)</u>	<u>748,635</u>
RESOURCES AND OTHER FINANCING USES OVER CHARGES TO APPROPRIATIONS	<u><u>\$ 3,000</u></u>	<u><u>\$ 64,790</u></u>	<u><u>\$ 61,790</u></u>

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

Year ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Interest income	\$ 200	\$ 483	\$ 283
CHARGES TO APPROPRIATIONS (OUTFLOWS)	-	-	-
RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ 200</u>	<u>\$ 483</u>	<u>\$ 283</u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
REDEVELOPMENT FUND

Year ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
TIF proceeds	\$ 250,000	\$ 145,287	\$ (104,713)
Interest income	-	1,028	1,028
Bond/loan proceeds	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Total resources	1,750,000	146,315	(1,603,685)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	<u>1,750,000</u>	<u>145,287</u>	<u>(1,604,713)</u>
RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 1,028</u>

CITY OF ALLIANCE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
AIRPORT FUND**

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	\$ 20,500	\$ 27,807	\$ 7,307
Grant revenue	4,455,000	3,170,259	(1,284,741)
Charges for services	268,700	(77,784)	(346,484)
Interest income	1,400	13,947	12,547
Sale of property/insurance proceeds	223,700	255,814	32,114
	<hr/>	<hr/>	<hr/>
Total resources	4,969,300	3,390,043	(1,579,257)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Operating expenses	1,355,400	823,107	(532,293)
Capital outlay	4,950,000	3,581,931	(1,368,069)
Principal payments	52,000	53,000	1,000
Interest expense	15,800	25,164	9,364
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	6,373,200	4,483,202	(1,889,998)
Resources under charges to appropriations	(1,403,900)	(1,093,159)	310,741
OTHER FINANCING SOURCES			
Transfers in	1,180,000	1,180,000	-
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (223,900)</u>	<u>\$ 86,841</u>	<u>\$ 310,741</u>

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 Fund</u>	<u>Street Fund</u>	<u>Sales Tax Fund</u>	<u>Debt Service Fund</u>	<u>Redevelopment Fund</u>	<u>Airport Fund</u>
Sources/inflows of resources:						
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 5,834,873	\$ 1,822,586	\$ 1,716,155	\$ 483	\$ 146,315	\$ 3,390,043
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>(1,874,162)</u>	<u>7,478</u>	<u>(7,169)</u>	<u>-</u>	<u>-</u>	<u>334,933</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,960,711</u>	<u>\$ 1,830,064</u>	<u>\$ 1,708,986</u>	<u>\$ 483</u>	<u>\$ 146,315</u>	<u>\$ 3,724,976</u>
Uses/outflows of resources:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 9,427,436	\$ 3,056,977	\$ -	\$ -	\$ 145,287	\$ 4,483,202
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>180,625</u>	<u>(8,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,771)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,608,061</u>	<u>\$ 3,048,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,287</u>	<u>\$ 4,474,431</u>
Other financing sources/uses:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 2,392,865	\$ -	\$ (1,651,365)	\$ -	\$ -	\$ 1,180,000
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>\$ 2,392,865</u>	<u>\$ -</u>	<u>\$ (1,651,365)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,180,000</u>

SUPPLEMENTARY INFORMATION

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

September 30, 2023

	Permanent Fund	Special Revenue Funds	
	Cemetery Perpetual Care	HUD Loan & CDBG	BID
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	498,627	12,040	-
County treasurer cash	-	-	-
Receivables:			
Accounts, net of allowance for doubtful accounts	-	-	-
Property tax	-	-	-
Interest	-	-	-
Notes	-	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
	Total assets	Total assets	Total assets
	\$ 498,627	\$ 12,040	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unredeemed gift certificates	-	-	-
Accrued expenses	-	-	-
Enhanced Employment Area tax payable	-	-	-
Unspent insurance proceeds	-	-	-
Total liabilities	-	-	-
Fund balances:			
Nonspendable:			
Cemetery perpetual care	498,627	-	-
Nonspendable assets	-	-	-
Restricted for:			
Capital projects	-	-	-
Community betterment	-	-	-
Debt service	-	-	-
Economic development	-	-	-
Federal programs	-	12,040	-
Museum projects	-	-	-
Tourism promotion activities	-	-	-
Assigned for:			
Other purposes	-	-	-
Total fund balances	498,627	12,040	-
Total liabilities and fund balances	\$ 498,627	\$ 12,040	\$ -

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -
773,184	928,313	6,945	69,044	477,239
-	-	-	-	22,912
6,549	-	-	3,918	-
-	-	-	-	1,467
-	-	-	-	-
-	637,145	-	-	-
-	-	-	-	-
-	-	1,378	-	-
16,666	16,667	-	-	-
-	-	1,316	-	-
<u>\$ 796,399</u>	<u>\$ 1,582,125</u>	<u>\$ 9,639</u>	<u>\$ 72,962</u>	<u>\$ 501,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	1,416	-	-
50,527	-	-	-	-
-	-	-	-	-
<u>50,527</u>	<u>-</u>	<u>1,416</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	1,378	-	-
-	-	-	-	501,618
-	-	-	72,962	-
-	-	-	-	-
195,872	1,582,125	-	-	-
550,000	-	6,845	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>745,872</u>	<u>1,582,125</u>	<u>8,223</u>	<u>72,962</u>	<u>501,618</u>
<u>\$ 796,399</u>	<u>\$ 1,582,125</u>	<u>\$ 9,639</u>	<u>\$ 72,962</u>	<u>\$ 501,618</u>

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

September 30, 2023

	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	163,226	15,128	-	51,841
County treasurer cash	7,640	-	-	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	-	-	-
Property tax	505	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 171,371</u>	<u>\$ 15,128</u>	<u>\$ 50,000</u>	<u>\$ 51,841</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unredeemed gift certificates	-	-	-	-
Accrued expenses	-	-	-	-
Enhanced Employment Area tax payable	-	-	-	-
Unspent insurance proceeds	-	-	-	-
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Nonspendable assets	-	-	-	-
Restricted for:				
Capital projects	-	-	-	51,841
Community betterment	-	-	-	-
Debt service	171,371	-	-	-
Economic development	-	-	-	-
Federal programs	-	-	-	-
Museum projects	-	15,128	-	-
Tourism promotion activities	-	-	-	-
Assigned for:				
Other purposes	-	-	50,000	-
Total fund balances	<u>171,371</u>	<u>15,128</u>	<u>50,000</u>	<u>51,841</u>
Total liabilities and fund balances	<u>\$ 171,371</u>	<u>\$ 15,128</u>	<u>\$ 50,000</u>	<u>\$ 51,841</u>

Special Revenue Funds				Capital	Total Nonmajor
Marketing	Public	ARPA	Golf	Projects	Governmental
Fund	Transit	Fund	Fund	Fund	Funds
\$ -	\$ (63,021)	\$ -	\$ 207,205	\$ -	\$ 194,184
486,432	-	415,461	-	859,132	4,756,612
-	-	-	-	-	30,552
6,229	15	-	-	-	16,711
-	-	-	-	-	1,972
13,848	-	-	-	-	13,848
-	-	-	-	-	637,145
-	-	-	44,458	-	44,458
-	414	-	-	-	1,792
-	-	-	-	-	33,333
-	168,413	-	-	7,500	177,229
<u>\$ 506,509</u>	<u>\$ 105,821</u>	<u>\$ 415,461</u>	<u>\$ 251,663</u>	<u>\$ 866,632</u>	<u>\$ 5,907,836</u>
\$ -	\$ 2,529	\$ -	\$ 13,085	\$ -	\$ 15,614
-	-	-	1,755	-	1,755
-	-	-	33,072	-	33,072
-	7,861	-	16,676	-	25,953
-	-	-	-	-	50,527
-	11,919	-	26,877	-	38,796
-	22,309	-	91,465	-	165,717
-	-	-	-	-	498,627
-	414	-	44,458	-	46,250
-	-	-	-	666,632	1,220,091
-	-	-	-	-	72,962
-	-	-	-	-	171,371
-	-	-	-	-	1,777,997
-	-	415,461	-	200,000	1,184,346
-	-	-	-	-	15,128
506,509	-	-	-	-	506,509
-	83,098	-	115,740	-	248,838
<u>506,509</u>	<u>83,512</u>	<u>415,461</u>	<u>160,198</u>	<u>866,632</u>	<u>5,742,119</u>
<u>\$ 506,509</u>	<u>\$ 105,821</u>	<u>\$ 415,461</u>	<u>\$ 251,663</u>	<u>\$ 866,632</u>	<u>\$ 5,907,836</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2023

	<u>Permanent Fund</u>	<u>Special Revenue Funds</u>	
	<u>Cemetery</u>	<u>HUD Loan</u>	
	<u>Perpetual Care</u>	<u>& CDBG</u>	<u>BID</u>
REVENUES			
Taxes:			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Occupation tax	-	-	-
Enhanced Employment Area tax	-	-	-
Intergovernmental	-	-	-
Grants	-	-	-
Keno	-	-	-
Charges for services	4,980	-	-
Interest income	12,166	1	132
Contributions	-	-	-
Sale of property/insurance proceeds	-	-	-
Other revenue	-	-	-
Total revenues	<u>17,146</u>	<u>1</u>	<u>132</u>
EXPENDITURES			
General government	-	-	14,152
Public safety	-	-	-
Environment and leisure	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>14,152</u>
Excess (deficiency) of			
revenues over expenditures	17,146	1	(14,020)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	17,146	1	(14,020)
Fund balances - September 30, 2022	<u>481,481</u>	<u>12,039</u>	<u>14,020</u>
Fund balances - September 30, 2023	<u>\$ 498,627</u>	<u>\$ 12,040</u>	<u>\$ -</u>

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ 159,016
100,000	100,000	-	-	-
-	-	-	-	-
51,037	-	-	-	-
-	-	-	-	-
-	-	48,431	-	-
-	-	-	16,382	-
13,510	-	-	-	-
9,134	28,184	175	1,975	10,782
-	-	100	-	-
-	-	-	-	-
-	-	2,800	-	-
173,681	128,184	51,506	18,357	169,798
-	-	-	-	-
-	-	-	-	-
-	-	73,875	-	-
142,301	57,498	-	-	-
-	-	-	-	-
142,301	57,498	73,875	-	-
31,380	70,686	(22,369)	18,357	169,798
550,000	-	20,500	-	-
-	-	-	(20,500)	-
550,000	-	20,500	(20,500)	-
581,380	70,686	(1,869)	(2,143)	169,798
164,492	1,511,439	10,092	75,105	331,820
\$ 745,872	\$ 1,582,125	\$ 8,223	\$ 72,962	\$ 501,618

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2023

	Special Revenue Funds			
	Airport <u>Sinking</u>	Museum <u>Exhibit</u>	Nuisance <u>Cleanup</u>	E911 <u>Fund</u>
REVENUES				
Taxes:				
Property tax	\$ 45,551	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Occupation tax	-	-	-	-
Enhanced Employment Area tax	-	-	-	-
Intergovernmental	-	-	-	38,786
Grants	-	-	-	-
Keno	-	-	-	-
Charges for services	-	-	-	-
Interest income	5,027	429	-	1,462
Contributions	-	-	-	-
Sale of property/insurance proceeds	-	-	-	-
Other revenue	-	-	-	-
Total revenues	50,578	429	-	40,248
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	70,725
Environment and leisure	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	70,725
Excess (deficiency) of revenues over expenditures	50,578	429	-	(30,477)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(62,000)	-	-	-
Net transfers	(62,000)	-	-	-
Net change in fund balances	(11,422)	429	-	(30,477)
Fund balances - September 30, 2022	182,793	14,699	50,000	82,318
Fund balances - September 30, 2023	\$ 171,371	\$ 15,128	\$ 50,000	\$ 51,841

Marketing Fund	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Transit	ARPA Fund	Golf Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,567
-	-	-	-	250,000	450,000
245,885	-	-	-	-	245,885
-	-	-	-	-	51,037
-	15,000	-	-	-	53,786
-	366,694	-	-	15,000	430,125
-	-	-	-	-	16,382
-	13,801	-	485,469	-	517,760
19,693	(2,495)	28,258	5,308	15,213	135,444
-	1,470	-	-	100,000	101,570
-	-	-	8,400	-	8,400
-	(15)	-	731	-	3,516
<u>265,578</u>	<u>394,455</u>	<u>28,258</u>	<u>499,908</u>	<u>380,213</u>	<u>2,218,472</u>
38,060	-	-	-	-	52,212
-	-	-	-	-	70,725
-	437,611	-	681,244	-	1,192,730
-	-	-	-	-	199,799
-	-	-	55,463	470,247	525,710
<u>38,060</u>	<u>437,611</u>	<u>-</u>	<u>736,707</u>	<u>470,247</u>	<u>2,041,176</u>
227,518	(43,156)	28,258	(236,799)	(90,034)	177,296
-	75,000	-	300,000	550,000	1,495,500
(200,000)	-	(1,050,000)	-	-	(1,332,500)
<u>(200,000)</u>	<u>75,000</u>	<u>(1,050,000)</u>	<u>300,000</u>	<u>550,000</u>	<u>163,000</u>
27,518	31,844	(1,021,742)	63,201	459,966	340,296
<u>478,991</u>	<u>51,668</u>	<u>1,437,203</u>	<u>96,997</u>	<u>406,666</u>	<u>5,401,823</u>
<u>\$ 506,509</u>	<u>\$ 83,512</u>	<u>\$ 415,461</u>	<u>\$ 160,198</u>	<u>\$ 866,632</u>	<u>\$ 5,742,119</u>

CITY OF ALLIANCE, NEBRASKA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2023

	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	\$ 1,763,143	\$ 462,966	\$ 387,133	\$ 2,613,242
Insurance receivable	1,011,005	63,203	-	1,074,208
Prepaid insurance	-	85,703	-	85,703
	<u>2,774,148</u>	<u>611,872</u>	<u>387,133</u>	<u>3,773,153</u>
LIABILITIES				
Current liabilities:				
Accounts payable	939,721	20,061	4,066	963,848
Accrued payroll	-	13,660	11,022	24,682
Due to other funds	-	-	819	819
Total current liabilities	<u>939,721</u>	<u>33,721</u>	<u>15,907</u>	<u>989,349</u>
NET POSITION				
Unrestricted	<u>\$ 1,834,427</u>	<u>\$ 578,151</u>	<u>\$ 371,226</u>	<u>\$ 2,783,804</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2023

	Health Insurance <u>Fund</u>	Administration Internal Service <u>Fund</u>	Enterprise Internal Service <u>Fund</u>	<u>Total</u>
Operating revenues:				
Interdepartmental charges	\$ -	\$ 1,682,462	\$ 570,442	\$ 2,252,904
Health insurance premiums	2,376,991	-	-	2,376,991
Rent income	-	-	15,063	15,063
Total operating revenues	<u>2,376,991</u>	<u>1,682,462</u>	<u>585,505</u>	<u>4,644,958</u>
Operating expenses:				
Personnel	-	203,840	-	203,840
Legal	-	116,200	-	116,200
Risk management	-	545,061	-	545,061
Management information systems	-	275,816	-	275,816
Accounting	-	298,944	-	298,944
Utility customer service	-	-	234,412	234,412
Meter reading	-	-	37,759	37,759
Warehouse	-	-	213,863	213,863
Insurance claims and health premiums	2,456,163	-	-	2,456,163
Total operating expenses	<u>2,456,163</u>	<u>1,439,861</u>	<u>486,034</u>	<u>4,382,058</u>
Operating income (loss)	(79,172)	242,601	99,471	262,900
Nonoperating revenues:				
Interest income	<u>44,800</u>	<u>14,082</u>	<u>7,284</u>	<u>66,166</u>
Change in net position	(34,372)	256,683	106,755	329,066
Net position - September 30, 2022	<u>1,868,799</u>	<u>321,468</u>	<u>264,471</u>	<u>2,454,738</u>
Net position - September 30, 2023	<u><u>\$ 1,834,427</u></u>	<u><u>\$ 578,151</u></u>	<u><u>\$ 371,226</u></u>	<u><u>\$ 2,783,804</u></u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2023

	Health Insurance <u>Fund</u>	Administration Internal Service <u>Fund</u>	Enterprise Internal Service <u>Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from other funds	\$ 1,397,332	\$ 1,636,900	\$ 585,505	\$ 3,619,737
Payments to suppliers	(1,625,580)	(1,447,027)	(479,008)	(3,551,615)
Net cash provided (used) by operating activities	<u>(228,248)</u>	<u>189,873</u>	<u>106,497</u>	<u>68,122</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Decrease in due from/Increase in due to other funds	-	-	110,066	110,066
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	<u>44,800</u>	<u>14,082</u>	<u>7,284</u>	<u>66,166</u>
Increase (decrease) in cash and cash equivalents	(183,448)	203,955	223,847	244,354
Cash and cash equivalents - beginning of the year	<u>1,946,591</u>	<u>259,011</u>	<u>163,286</u>	<u>2,368,888</u>
Cash and cash equivalents - end of the year	<u>\$ 1,763,143</u>	<u>\$ 462,966</u>	<u>\$ 387,133</u>	<u>\$ 2,613,242</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (79,172)	\$ 242,601	\$ 99,471	\$ 262,900
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
Insurance receivable	(979,659)	(45,562)	-	(1,025,221)
Prepaid insurance	-	(9,186)	-	(9,186)
Accounts payable	830,583	6,921	4,066	841,570
Accrued payroll	-	(4,901)	2,960	(1,941)
Net cash provided (used) by operating activities	<u>\$ (228,248)</u>	<u>\$ 189,873</u>	<u>\$ 106,497</u>	<u>\$ 68,122</u>

SINGLE AUDIT REPORTS

CITY OF ALLIANCE, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<u>Department of Transportation</u>			
Passed Through the Nebraska Department of Transportation			
Formula Grants for Rural Areas	20.509	47-6006071	\$ 239,206
COVID-19 - Formula Grants for Rural Areas	20.509	47-6006071	48,389
Total for AL 20.509			<u>287,595</u>
Airport Improvement Program	20.106	3-31-0003-025	<u>3,170,259</u> *
Total passed through the Nebraska Department of Transportation/Total Department of Transportation			3,457,854
<u>Corporation for National and Community Service</u>			
Retired and Senior Volunteer Program	94.002	n/a	48,431
<u>Department of the Treasury</u>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	300,000
<u>Department of Justice</u>			
Rural Violent Crime Initiative	16.039	n/a	20,000
Public Safety Partnership and Community Policing Grants	16.710	n/a	117,797
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	7,120
Passed Through Nebraska Crime Commission:			
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	51-0666677	192,926
Total Department of Justice			<u>337,843</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,144,128</u></u>

* Major program

NOTE A - BASIS OF PRESENTATION

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

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

**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
Jamie L. Clemans

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, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 29, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2023-001 that we consider to be a significant deficiency.

Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Alliance's Response to Findings

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

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
January 29, 2024

SHAREHOLDERS:

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Jamie L. Clemans

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Alliance, Nebraska’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended September 30, 2023. The City of Alliance, Nebraska’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Alliance, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

AMGL, PC.

Grand Island, Nebraska
January 29, 2024

CITY OF ALLIANCE, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2023

1. A summary of auditor's results:
 - (i) Unmodified opinions were issued on all opinion units of the City of Alliance, Nebraska, as of September 30, 2023.
 - (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*." The deficiency is not reported as a material weakness.
 - (iii) The audit disclosed no instances of noncompliance which are material to the financial statements of the City of Alliance, Nebraska.
 - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Alliance, Nebraska.
 - (v) An unmodified opinion was issued on compliance for major programs.
 - (vi) The audit did not disclose any audit findings which are required to be reported under 2 CFR section 200.516(a).
 - (vii) Major Programs: AL #20.106 – Airport Improvement Program and COVID 19 – Airport Improvement Program.
 - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
 - (ix) The City of Alliance, Nebraska, did not qualify as a low-risk auditee.

CITY OF ALLIANCE, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

Year ended September 30, 2023

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

2023-001

Condition: There is not adequate segregation of duties.

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

Cause: There is a limited number of accounting personnel.

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

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

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

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

None

CITY OF ALLIANCE, NEBRASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2023

Findings noted during the audit of the financial statements and reported in accordance with GAGAS for the year ended September 30, 2022:

2022-001 – Significant Deficiency

Condition: There is not adequate segregation of duties.

Status: This condition still exists, as it is impractical to further segregate duties due to the limited number of accounting personnel. However, management will continue to review and provide oversight of transactions.



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<u>Finding Number</u>	<u>Planned Corrective Action</u>	<u>Anticipated Completion Date</u>	<u>Responsible Contact Person</u>
2023-001	While it is impractical to further segregate duties due to the limited number of accounting personnel, management and the City Council will continue to review, monitor and provide oversight of transactions.	Ongoing monitoring	Cindy Baker

