

CITY OF ALLIANCE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2024

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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, 2024, 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, 2024, 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.

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 March 29, 2025, on our consideration of the City of Alliance, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance, Nebraska's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
March 29, 2025

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2024**

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, 2024.

Financial Highlights

- The assets of the City of Alliance exceeded its liabilities at the close of the most recent fiscal year by \$98,579,850 (*net position*). Of this amount, \$22,799,987 (*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 \$53,731,087. Approximately 4.2 percent of this total amount, \$2,281,690, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a deficit of \$(86,473).

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, 2024

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 22 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 16 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, 2024

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 \$98,579,850 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, 2024

Summary Statements of Net Position

	September 30, 2024			September 30, 2023		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Current and Other Assets	\$ 14,587,211	\$ 25,385,675	\$ 39,972,886	\$ 14,651,276	\$ 23,211,407	\$ 37,862,683
Capital Assets	46,555,940	25,828,213	72,384,153	46,691,958	24,865,031	71,556,989
Total Assets	61,143,151	51,213,888	112,357,039	61,343,234	48,076,438	109,419,672
Long-term Liabilities	4,333,022	3,719,446	8,052,468	4,038,617	3,852,405	7,891,022
Other Liabilities	3,079,042	2,645,679	5,724,721	2,744,604	1,815,239	4,559,843
Total Liabilities	7,412,064	6,365,125	13,777,189	6,783,221	5,667,644	12,450,865
Net Position:						
Net Investment in						
Capital Assets	43,570,116	24,147,724	67,717,840	43,462,129	22,986,354	66,448,483
Restricted	7,879,281	182,742	8,062,023	7,351,058	120,908	7,471,966
Unrestricted	2,281,690	20,518,297	22,799,987	3,746,826	19,301,532	23,048,358
Total Net Position	<u>\$ 53,731,087</u>	<u>\$ 44,848,763</u>	<u>\$ 98,579,850</u>	<u>\$ 54,560,013</u>	<u>\$ 42,408,794</u>	<u>\$ 96,968,807</u>

By far the largest portion of the City of Alliance’s net position (68.7 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 (8.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$22,799,987) 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, 2024**

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 9,516	\$ 2,062,930	\$ 7,515	\$ 939,127
Public Safety	572,752	3,901,835	856,519	3,712,451
Public Works	424,635	1,256,651	316,273	1,157,082
Environment and Leisure	2,550,307	4,093,928	4,822,700	4,066,686
Economic Development	-	341,356	13,510	645,086
Interest	-	218,133	-	109,260
Depreciation	-	3,269,584	-	3,182,261
Total	<u>\$ 3,557,210</u>	<u>\$ 15,144,417</u>	<u>\$ 6,016,517</u>	<u>\$ 13,811,953</u>

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 1,459,636	10.20 %	\$ 1,565,958	9.95 %
Operating Grants and Contributions	1,082,374	7.56	1,165,300	7.41
Capital Grants and Contributions	1,015,200	7.09	3,285,259	20.88
Property Taxes	1,933,297	13.50	1,896,961	12.06
Motor Vehicle Taxes	181,454	1.27	175,708	1.12
Sales Tax	2,538,789	17.73	2,444,269	15.53
Franchise Taxes	146,773	1.03	153,097	0.97
Occupation Taxes	189,834	1.33	245,885	1.56
Enhanced Employment Area Tax	71,096	0.50	51,037	0.33
TIF Proceeds	149,240	1.04	145,287	0.92
State Allocation	1,577,264	11.02	1,571,937	9.99
Keno	16,142	0.11	16,382	0.10
Other	303,148	2.12	5,169	0.03
Interest	607,562	4.24	386,289	2.46
Gain on Sale of Assets	543,682	3.80	541,882	3.44
Interfund Transfer	2,500,000	17.46	2,084,500	13.25
Total	<u>\$ 14,315,491</u>	<u>100.00 %</u>	<u>\$ 15,734,920</u>	<u>100.00 %</u>

Net position decreased \$(828,926) in the governmental funds during the year ended September 30, 2024.

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 \$1,933,297 in property tax for fiscal year 2024 compared to \$1,896,961 in 2023. Levies are expressed in dollars and cents per \$100 of valuation. The 2023 tax year levies

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024**

were collected in the City’s Fiscal Year 2024. 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>
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
2023	.23317	.06395	-	-	.01000	.30712	\$ 628,420,035

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

Business-type activities. Business-type activities increased the City of Alliance’s net position by \$2,439,969. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 14,706,256	\$ 11,281,241	\$ 14,142,876	\$ 10,888,529
Water	2,011,087	1,618,918	1,824,307	1,600,728
Sewer	672,123	625,397	543,520	564,934
Refuse	1,527,956	1,548,131	1,318,043	1,531,239
Total	18,917,422	15,073,687	17,828,746	14,585,430
Interfund Transfer	-	2,500,000	-	2,084,500
	<u>\$ 18,917,422</u>	<u>\$ 17,573,687</u>	<u>\$ 17,828,746</u>	<u>\$ 16,669,930</u>

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024**

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 14,706,256	\$ 11,281,241	\$ 14,142,876	\$ 10,888,529
Water	2,011,087	1,618,918	1,824,307	1,600,728
Sewer	672,123	625,397	543,520	564,934
Refuse	1,527,956	1,548,131	1,318,043	1,531,239
Total	18,917,422	15,073,687	17,828,746	14,585,430
Interfund Transfer	-	2,500,000	-	2,084,500
	<u>\$ 18,917,422</u>	<u>\$ 17,573,687</u>	<u>\$ 17,828,746</u>	<u>\$ 16,669,930</u>

The largest source of receipts for the City is user fees in the Utility Departments. The Utility Departments transferred \$2,500,000 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 \$7,466,375. The *unassigned fund balance*, which is available for spending at the government’s discretion was a deficit balance of \$(896,434). The remainder of fund balances is not available for new spending because it has already been 1) restricted to pay debt service (\$260,449), 2) restricted for street improvements (\$1,283,712), 3) restricted for Federal programs (\$645,594), 4) restricted to fund capital projects (\$1,434,879), 5) restricted for economic development (\$2,505,586), 6) restricted for tourism promotion (\$592,093), 7) restricted for community betterment (\$72,198), 8) endowed as nonspendable for cemetery perpetual care (\$524,897), 9) comprised of nonspendable assets (\$101,482), 10) restricted for museum projects (\$15,779), 11) restricted for general tax support (\$544,094), 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 (\$95,991), or 16) assigned for golf course operations (\$111,000).

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 a deficit of \$(86,473) and total fund balance was \$83,431. 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 was a deficit balance, while total fund balance was 0.9 percent of total General Fund expenditures.

CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

The fund balance of the City of Alliance’s General Fund decreased by \$629,848 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 was as follows: Electric Fund – \$17,941,186, Water Fund – \$1,927,590, Sewer Fund – \$574,447, and Refuse Fund – \$75,074. The change in net position for the proprietary funds was as follows: Electric Fund – increase of \$2,371,501, Water Fund – increase of \$93,785, Sewer Fund – decrease of \$(103,245), and Refuse Fund – increase of \$77,928. 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, 2024, amounts to \$72,384,153 (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 - \$1,563,397
- 2022 New Holland WORKMASTER - \$70,186
- 2023 Ford F-450 ambulance - \$65,002
- Host replacement Horizon - \$116,092
- WCCTV mobile camera trailer - \$56,804
- Crosswalk construction in progress - \$80,855
- Sandhills solar farm construction in progress - \$431,555
- Construction in progress on Thompson Seed phase 3 - \$65,934
- Schiff Feedlot expansion - \$97,393
- Walther Farms service - \$58,798
- 2024 Ford F-250 - \$57,482
- 2023 Ford F-250 xlt - \$63,841
- 2024 Freightliner - \$272,568
- 210 P-Tier excavator - \$266,950
- Scale deck truck - \$105,058
- Sewer by-pass pump - \$64,000
- Water AMI system project construction in progress - \$439,206

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024**

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

	<u>Year Ended September 30, 2024</u>			<u>Year Ended September 30, 2023</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	\$ 2,107,617	\$ 566,827	\$ 2,674,444
Construction in Progress	5,583,442	1,523,267	7,106,709	3,876,399	506,246	4,382,645
Infrastructure	14,112,911	-	14,112,911	13,977,820	-	13,977,820
Improvements	11,063,326	-	11,063,326	12,202,337	-	12,202,337
Buildings	10,047,062	3,108,029	13,155,091	10,440,490	3,152,560	13,593,050
Equipment	3,641,582	8,484,748	12,126,330	4,087,295	8,329,033	12,416,328
Distribution Systems	-	12,145,342	12,145,342	-	12,310,365	12,310,365
Total	<u>\$ 46,555,940</u>	<u>\$ 25,828,213</u>	<u>\$ 72,384,153</u>	<u>\$ 46,691,958</u>	<u>\$ 24,865,031</u>	<u>\$ 71,556,989</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 \$4,666,313. Of this amount, \$2,985,824 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, 2024</u>			<u>Year Ended September 30, 2023</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	\$ 170,824	\$ 340,489	\$ 511,313	\$ 224,829	\$ 163,677	\$ 388,506
Bonds	2,815,000	1,140,000	3,955,000	3,005,000	1,420,000	4,425,000
Certificates of Participation	-	200,000	200,000	-	295,000	295,000
Total	<u>\$ 2,985,824</u>	<u>\$ 1,680,489</u>	<u>\$ 4,666,313</u>	<u>\$ 3,229,829</u>	<u>\$ 1,878,677</u>	<u>\$ 5,108,506</u>

The City of Alliance's total debt decreased by \$442,193 (8.7 percent) as scheduled principal payments were made.

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

**CITY OF ALLIANCE, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024**

Economic Factors and Next Year’s Budgets and Rates

The City’s taxable property valuation grew by \$10,473,363 (1.71 percent) to an all-time high in 2024 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, 2025 is \$1,967,238, an increase of \$37,229 (1.9 percent) over the prior year.

Request for Information

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

CITY OF ALLIANCE, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,733,247	\$ 15,444,024	\$ 21,177,271
County treasurer cash	54,074	-	54,074
Receivables:			
Property tax	21,379	-	21,379
Special assessments	486,903	-	486,903
Accounts, net of allowance for doubtful accounts	166,975	1,285,522	1,452,497
Unbilled revenue	-	942,163	942,163
Interest	-	652	652
Current portion of notes	323,395	-	323,395
Current portion of TIF	215,300	-	215,300
Due from other governments	1,474,352	-	1,474,352
Due (to) from other funds	(2,878,781)	2,878,781	-
Inventory	91,569	1,824,875	1,916,444
Prepaid expenses	100,225	-	100,225
Total current assets	5,788,638	22,376,017	28,164,655
Noncurrent assets:			
Restricted cash and cash equivalents	7,207,287	674,234	7,881,521
Restricted certificates of deposit	-	2,335,424	2,335,424
Noncurrent notes receivable	226,997	-	226,997
Noncurrent TIF receivable	1,364,289	-	1,364,289
Capital assets:			
Land and construction in progress	7,691,059	2,090,094	9,781,153
Other capital assets, net of depreciation	38,864,881	23,738,119	62,603,000
Net capital assets	46,555,940	25,828,213	72,384,153
Total noncurrent assets	55,354,513	28,837,871	84,192,384
Total assets	61,143,151	51,213,888	112,357,039
LIABILITIES			
Current liabilities:			
Accounts payable	1,786,493	1,654,000	3,440,493
Accrued expenses	255,959	144,534	400,493
Unredeemed gift certificates	43,259	-	43,259
Customer deposits	2,804	432,156	434,960
Police custodial funds	9,425	-	9,425
Enhanced Employment Area tax payable	27,899	-	27,899
Current portion of TIF payables	215,300	-	215,300
Unavailable special assessments	486,903	-	486,903
Current portion of long-term obligations	251,000	414,989	665,989
Total current liabilities	3,079,042	2,645,679	5,724,721
Noncurrent liabilities:			
Compensated absences - noncurrent	233,909	87,845	321,754
Landfill closure costs	-	2,366,101	2,366,101
Noncurrent TIF payables	1,364,289	-	1,364,289
Noncurrent portion of long-term obligations	2,734,824	1,265,500	4,000,324
Total noncurrent liabilities	4,333,022	3,719,446	8,052,468
Total liabilities	7,412,064	6,365,125	13,777,189
NET POSITION			
Net investment in capital assets	43,570,116	24,147,724	67,717,840
Restricted for:			
Capital projects/community betterment	1,507,077	-	1,507,077
Debt service	260,449	-	260,449
Cemetery perpetual care	524,897	-	524,897
Economic development	2,505,586	-	2,505,586
Federal programs	645,594	-	645,594
General tax support	544,094	-	544,094
Landfill closure costs	-	182,742	182,742
Street improvements	1,283,712	-	1,283,712
Museum projects	15,779	-	15,779
Tourism promotion	592,093	-	592,093
Unrestricted	2,281,690	20,518,297	22,799,987
Total net position	\$ 53,731,087	\$ 44,848,763	\$ 98,579,850

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2024

<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	\$ 2,062,930	\$ 9,516	\$ -
Public safety	3,901,835	237,337	335,415
Public works	1,256,651	114,342	310,293
Environment and leisure	4,093,928	1,098,441	436,666
Economic development	341,356	-	-
Interest and related expenses	218,133	-	-
Depreciation - unallocated	3,269,584	-	-
Total governmental activities	15,144,417	1,459,636	1,082,374
Business-type activities:			
Electric	11,281,241	14,701,743	-
Water	1,618,918	2,011,087	-
Sewer	625,397	672,123	-
Refuse	1,548,131	1,527,956	-
Total business-type activities	15,073,687	18,912,909	-
Total primary government	\$ 30,218,104	\$ 20,372,545	\$ 1,082,374

See notes to financial statements.

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (2,053,414)		\$ (2,053,414)
-	(3,329,083)		(3,329,083)
-	(832,016)		(832,016)
1,015,200	(1,543,621)		(1,543,621)
-	(341,356)		(341,356)
-	(218,133)		(218,133)
-	(3,269,584)		(3,269,584)
<u>1,015,200</u>	<u>(11,587,207)</u>	<u>\$ -</u>	<u>(11,587,207)</u>
4,513	-	3,425,015	3,425,015
-	-	392,169	392,169
-	-	46,726	46,726
-	-	(20,175)	(20,175)
<u>4,513</u>	<u>-</u>	<u>3,843,735</u>	<u>3,843,735</u>
<u>\$ 1,019,713</u>	<u>(11,587,207)</u>	<u>3,843,735</u>	<u>(7,743,472)</u>
General revenues:			
Taxes:			
Property	1,933,297	-	1,933,297
Motor vehicle	181,454	-	181,454
Sales tax	2,538,789	-	2,538,789
Franchise	146,773	-	146,773
Occupation	189,834	-	189,834
Enhanced Employment Area tax	71,096	-	71,096
TIF proceeds	149,240	-	149,240
State allocation	1,577,264	-	1,577,264
Keno	16,142	-	16,142
Miscellaneous	303,148	13,084	316,232
Interest income	607,562	908,399	1,515,961
Gain on sale of assets	543,682	174,751	718,433
Interfund transfers	2,500,000	(2,500,000)	-
Total general revenues	<u>10,758,281</u>	<u>(1,403,766)</u>	<u>9,354,515</u>
Change in net position	(828,926)	2,439,969	1,611,043
Net position - September 30, 2023	<u>54,560,013</u>	<u>42,408,794</u>	<u>96,968,807</u>
Net position - September 30, 2024	<u>\$ 53,731,087</u>	<u>\$ 44,848,763</u>	<u>\$ 98,579,850</u>

CITY OF ALLIANCE, NEBRASKA
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2024

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>	<u>Debt Service</u>
ASSETS				
Cash and cash equivalents	\$ 2,107,220	\$ -	\$ -	\$ -
Restricted cash	-	1,148,645	544,094	17,773
County treasurer cash	48,789	-	-	-
Receivables:				
Special assessments	-	-	-	486,903
Accounts, net of allowance for doubtful accounts	37,530	-	-	-
Notes receivable	-	-	-	-
Property tax	18,563	-	-	-
TIF	-	-	-	-
Inventory	41,435	-	-	-
Prepaid insurance	3,076	-	-	-
Due from other funds	314,103	50,298	-	-
Due from other governments	108,147	124,004	397,734	-
Total assets	\$ 2,678,863	\$ 1,322,947	\$ 941,828	\$ 504,676
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 94,885	\$ 15,584	\$ -	\$ -
Accrued expenses	167,318	23,441	-	-
Unredeemed gift certificates	-	-	-	-
Due to other funds	2,323,804	210	397,734	-
Enhanced Employment Area tax payable	-	-	-	-
Customer deposits	-	-	-	-
Police custodial funds	9,425	-	-	-
TIF payables	-	-	-	-
Unavailable special assessments	-	-	-	486,903
Total liabilities	2,595,432	39,235	397,734	486,903
Fund balances (deficit):				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Nonspendable assets	44,511	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Debt service	-	-	-	17,773
Economic development	-	-	-	-
Federal programs	-	-	-	-
General tax support	-	-	544,094	-
Street improvements	-	1,283,712	-	-
Museum projects	-	-	-	-
Tourism promotion	-	-	-	-
Assigned for:				
Budgetary stabilization	3,492	-	-	-
ACE projects	121,901	-	-	-
Other purposes	-	-	-	-
Unassigned	(86,473)	-	-	-
Total fund balances	83,431	1,283,712	544,094	17,773
Total liabilities and fund balances	\$ 2,678,863	\$ 1,322,947	\$ 941,828	\$ 504,676

See notes to financial statements.

<u>Redevelopment</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
\$ -	\$ 423,831	\$ 271,083	\$ -	\$ 2,802,134
65,136	-	5,431,639	-	7,207,287
-	-	5,285	-	54,074
-	-	-	-	486,903
-	30,280	28,332	-	96,142
-	-	550,392	-	550,392
-	61	2,755	-	21,379
1,579,589	-	-	-	1,579,589
-	-	50,134	-	91,569
-	5,692	1,145	-	9,913
-	-	33,333	(397,734)	-
-	768,591	75,876	-	1,474,352
<u>\$ 1,644,725</u>	<u>\$ 1,228,455</u>	<u>\$ 6,449,974</u>	<u>\$ (397,734)</u>	<u>\$ 14,373,734</u>
\$ 62,897	\$ 1,468,690	\$ 9,683	\$ -	\$ 1,651,739
-	10,083	27,034	-	227,876
-	-	43,259	-	43,259
-	551,147	2,704	(397,734)	2,877,865
-	-	27,899	-	27,899
-	2,804	-	-	2,804
-	-	-	-	9,425
1,579,589	-	-	-	1,579,589
-	-	-	-	486,903
<u>1,642,486</u>	<u>2,032,724</u>	<u>110,579</u>	<u>(397,734)</u>	<u>6,907,359</u>
-	-	524,897	-	524,897
-	5,692	51,279	-	101,482
-	-	1,434,879	-	1,434,879
-	-	72,198	-	72,198
-	-	242,676	-	260,449
2,239	-	2,503,347	-	2,505,586
-	-	645,594	-	645,594
-	-	-	-	544,094
-	-	-	-	1,283,712
-	-	15,779	-	15,779
-	-	592,093	-	592,093
-	-	-	-	3,492
-	-	-	-	121,901
-	-	256,653	-	256,653
-	(809,961)	-	-	(896,434)
<u>2,239</u>	<u>(804,269)</u>	<u>6,339,395</u>	<u>-</u>	<u>7,466,375</u>
<u>\$ 1,644,725</u>	<u>\$ 1,228,455</u>	<u>\$ 6,449,974</u>	<u>\$ (397,734)</u>	<u>\$ 14,373,734</u>

CITY OF ALLIANCE, NEBRASKA

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

September 30, 2024

Total fund balances - governmental funds		\$ 7,466,375
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 \$96,598,142 and the accumulated depreciation is \$50,042,202.		46,555,940
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.		2,928,505
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	\$ (233,909)	
Long-term notes payable	<u>(2,985,824)</u>	<u>(3,219,733)</u>
Total net position - governmental activities		<u>\$ 53,731,087</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, 2024

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>
REVENUES			
Taxes:			
Property	\$ 1,676,177	\$ -	\$ -
Motor vehicle	181,454	-	-
Sales tax	-	322,438	2,016,351
Franchise	146,773	-	-
Occupation	-	-	-
Enhanced Employment Area tax	-	-	-
TIF proceeds	-	-	-
Intergovernmental	447,791	1,503,348	-
Grants	229,455	-	-
Keno	-	-	-
Charges for services	671,528	5,000	-
Contributions	26,749	-	-
Interest income	167,913	61,183	16,605
Sale of property/insurance proceeds	503,390	-	-
Other income	297,180	-	-
Total revenues	<u>4,348,410</u>	<u>1,891,969</u>	<u>2,032,956</u>
EXPENDITURES			
General government	2,190,778	-	-
Public safety	3,822,827	-	-
Public works	544,652	753,509	-
Environment and leisure	2,322,224	-	-
Economic development	-	-	-
Capital outlay	280,056	1,096,389	-
Principal payments on debt	-	190,000	-
Interest on long-term debt	132,250	49,955	-
Total expenditures	<u>9,292,787</u>	<u>2,089,853</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(4,944,377)	(197,884)	2,032,956
OTHER FINANCING			
SOURCES (USES)			
Transfers in	4,505,749	-	-
Transfers out	(191,220)	-	(1,892,849)
Net transfers	<u>4,314,529</u>	<u>-</u>	<u>(1,892,849)</u>
Net change in fund balances	(629,848)	(197,884)	140,107
Fund balances - September 30, 2023	<u>713,279</u>	<u>1,481,596</u>	<u>403,987</u>
Fund balances - September 30, 2024	<u>\$ 83,431</u>	<u>\$ 1,283,712</u>	<u>\$ 544,094</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>
\$ -	\$ -	\$ 6,545	\$ 250,575	\$ 1,933,297
-	-	-	-	181,454
-	-	-	200,000	2,538,789
-	-	-	-	146,773
-	-	-	189,834	189,834
-	-	-	71,096	71,096
-	149,240	-	-	149,240
-	-	-	57,278	2,008,417
-	-	1,015,200	393,548	1,638,203
-	-	-	16,142	16,142
-	-	257,053	562,735	1,496,316
-	-	-	1,470	28,219
733	835	20,721	218,209	486,199
-	-	35,278	38,795	577,463
-	-	3,500	2,468	303,148
<u>733</u>	<u>150,075</u>	<u>1,338,297</u>	<u>2,002,150</u>	<u>11,764,590</u>
-	-	-	100	2,190,878
-	-	-	79,108	3,901,935
-	-	-	-	1,298,161
-	-	564,639	1,207,142	4,094,005
-	149,240	-	187,345	336,585
-	-	1,653,484	9,499	3,039,428
-	-	54,005	-	244,005
-	-	35,928	-	218,133
<u>-</u>	<u>149,240</u>	<u>2,308,056</u>	<u>1,483,194</u>	<u>15,323,130</u>
733	835	(969,759)	518,956	(3,558,540)
-	-	-	211,220	4,716,969
-	-	-	(132,900)	(2,216,969)
<u>-</u>	<u>-</u>	<u>-</u>	<u>78,320</u>	<u>2,500,000</u>
733	835	(969,759)	597,276	(1,058,540)
<u>17,040</u>	<u>1,404</u>	<u>165,490</u>	<u>5,742,119</u>	<u>8,524,915</u>
<u>\$ 17,773</u>	<u>\$ 2,239</u>	<u>\$ (804,269)</u>	<u>\$ 6,339,395</u>	<u>\$ 7,466,375</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, 2024

Total net change in fund balances - governmental funds	\$ (1,058,540)
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 depreciation expense (\$3,269,584) exceeded capitalized capital outlay (\$3,167,347) during the period. A portion of capital asset additions (\$127,919) was paid for by the Internal Service Fund.	(102,237)
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.	(33,781)
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.	144,701
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.	(23,074)
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>244,005</u>
Change in net position of governmental activities	<u><u>\$ (828,926)</u></u>

See notes to financial statements.

CITY OF ALLIANCE, NEBRASKA
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,373,761	\$ 1,560,187
Receivables:		
Accounts, net of allowance for doubtful accounts	1,017,250	156,224
Unbilled revenue	657,611	174,218
Interest	366	-
Due from other funds	2,879,824	9,018
Inventory	1,729,698	91,013
Prepaid expenses	-	-
Total current assets	<u>19,658,510</u>	<u>1,990,660</u>
Noncurrent assets:		
Restricted cash and cash equivalents	75,713	-
Restricted certificates of deposit	385,102	-
Capital assets:		
Land	33,070	361,099
Construction in progress	1,084,061	439,206
Distribution systems	16,887,183	10,742,860
Buildings	2,838,201	640,400
Equipment	10,197,355	3,368,314
Less accumulated depreciation	<u>(16,766,206)</u>	<u>(8,397,657)</u>
Net capital assets	<u>14,273,664</u>	<u>7,154,222</u>
Total noncurrent assets	<u>14,734,479</u>	<u>7,154,222</u>
Total assets	<u>34,392,989</u>	<u>9,144,882</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,582,208	31,207
Customer deposits	432,156	-
Accrued interest payable	-	2,826
Sales tax payable	63,324	119
Other accrued expenses	33,550	12,020
Due to other funds	-	9,970
Unspent insurance proceeds	-	-
Current portion of long-term obligations	-	290,000
Total current liabilities	<u>2,111,238</u>	<u>346,142</u>
Noncurrent liabilities:		
Compensated absences - noncurrent	66,901	6,928
Landfill closure costs	-	-
Noncurrent portion of long-term obligations	-	850,000
Total noncurrent liabilities	<u>66,901</u>	<u>856,928</u>
Total liabilities	<u>2,178,139</u>	<u>1,203,070</u>
NET POSITION		
Net investment in capital assets	14,273,664	6,014,222
Restricted for:		
Landfill closure costs	-	-
Unrestricted	<u>17,941,186</u>	<u>1,927,590</u>
Total net position	<u>\$ 32,214,850</u>	<u>\$ 7,941,812</u>

See notes to financial statements.

Enterprise Funds				Internal Service Funds
Sewer Fund	Refuse Fund	Eliminations	Total	Funds
\$ 494,995	\$ 15,081	\$ -	\$ 15,444,024	\$ 2,931,113
28,970	83,078	-	1,285,522	70,833
52,619	57,715	-	942,163	-
-	286	-	652	-
-	829	(8,335)	2,881,336	-
4,164	-	-	1,824,875	-
-	-	-	-	90,312
<u>580,748</u>	<u>156,989</u>	<u>(8,335)</u>	<u>22,378,572</u>	<u>3,092,258</u>
-	598,521	-	674,234	-
-	1,950,322	-	2,335,424	-
60,978	111,680	-	566,827	-
-	-	-	1,523,267	-
4,618,554	2,010,189	-	34,258,786	-
469,855	616,110	-	4,564,566	-
1,951,183	4,571,767	-	20,088,619	-
(5,344,082)	(4,665,907)	-	(35,173,852)	-
<u>1,756,488</u>	<u>2,643,839</u>	<u>-</u>	<u>25,828,213</u>	<u>-</u>
<u>1,756,488</u>	<u>5,192,682</u>	<u>-</u>	<u>28,837,871</u>	<u>-</u>
<u>2,337,236</u>	<u>5,349,671</u>	<u>(8,335)</u>	<u>51,216,443</u>	<u>3,092,258</u>
1,763	38,822	-	1,654,000	134,754
-	-	-	432,156	-
-	14,849	-	17,675	-
-	-	-	63,443	-
3,811	14,035	-	63,416	28,083
727	193	(8,335)	2,555	916
-	-	-	-	-
-	124,989	-	414,989	-
<u>6,301</u>	<u>192,888</u>	<u>(8,335)</u>	<u>2,648,234</u>	<u>163,753</u>
-	14,016	-	87,845	-
-	2,366,101	-	2,366,101	-
-	415,500	-	1,265,500	-
<u>-</u>	<u>2,795,617</u>	<u>-</u>	<u>3,719,446</u>	<u>-</u>
<u>6,301</u>	<u>2,988,505</u>	<u>(8,335)</u>	<u>6,367,680</u>	<u>163,753</u>
1,756,488	2,103,350	-	24,147,724	-
-	182,742	-	182,742	-
574,447	75,074	-	20,518,297	2,928,505
<u>\$ 2,330,935</u>	<u>\$ 2,361,166</u>	<u>\$ -</u>	<u>\$ 44,848,763</u>	<u>\$ 2,928,505</u>

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

For the year ended September 30, 2024

	Enterprise Funds	
	Electric Fund	Water Fund
Operating revenues:		
User charges	\$ 14,510,270	\$ 2,011,087
Interdepartmental charges	-	-
Rent income	191,473	-
Total operating revenues	14,701,743	2,011,087
Operating expenses:		
Cost of power	8,351,568	-
Personnel	1,265,155	604,469
Contract services	242,774	419,498
Commodities	489,223	145,841
Generation	66,844	-
Customer service	-	-
Meter reading	-	-
Warehouse	-	-
Risk management	-	-
Management information systems	-	-
Administration/finance	151,470	75,118
Insurance claims and health premiums	-	-
Landfill closure	-	-
Depreciation	714,207	363,211
Total operating expenses	11,281,241	1,608,137
Operating income (loss)	3,420,502	402,950
Nonoperating revenues (expenses):		
Interest income	665,741	73,423
Grant revenue	4,513	-
Interest expense	-	(10,781)
Gain on sale of capital assets/insurance proceeds	17,741	48,193
Other revenue	13,004	-
Total nonoperating revenues (expenses)	700,999	110,835
Income (loss) before interfund transfers	4,121,501	513,785
Interfund transfers:		
Transfer to other funds	(1,750,000)	(420,000)
Change in net position	2,371,501	93,785
Net position - September 30, 2023	29,843,349	7,848,027
Net position - September 30, 2024	\$ 32,214,850	\$ 7,941,812

See notes to financial statements.

Enterprise Funds			Internal Service Funds
Sewer Fund	Refuse Fund	Total	
\$ 635,973	\$ 1,527,656	\$ 18,684,986	\$ -
-	-	-	3,961,271
36,150	300	227,923	15,023
<u>672,123</u>	<u>1,527,956</u>	<u>18,912,909</u>	<u>3,976,294</u>
-	-	8,351,568	-
253,049	640,373	2,763,046	249,745
63,186	206,812	932,270	-
36,984	220,233	892,281	-
-	-	66,844	-
-	-	-	274,238
-	-	-	44,245
-	-	-	211,873
-	-	-	670,924
-	-	-	385,370
50,908	90,645	368,141	421,334
-	-	-	1,695,227
-	72,465	72,465	-
221,270	297,843	1,596,531	-
<u>625,397</u>	<u>1,528,371</u>	<u>15,043,146</u>	<u>3,952,956</u>
46,726	(415)	3,869,763	23,338
20,709	148,526	908,399	121,363
-	-	4,513	-
-	(19,760)	(30,541)	-
9,320	99,497	174,751	-
-	80	13,084	-
<u>30,029</u>	<u>228,343</u>	<u>1,070,206</u>	<u>121,363</u>
76,755	227,928	4,939,969	144,701
(180,000)	(150,000)	(2,500,000)	-
(103,245)	77,928	2,439,969	144,701
2,434,180	2,283,238	42,408,794	2,783,804
<u>\$ 2,330,935</u>	<u>\$ 2,361,166</u>	<u>\$ 44,848,763</u>	<u>\$ 2,928,505</u>

CITY OF ALLIANCE, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the year ended September 30, 2024

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 14,607,151	\$ 1,928,193
Receipts from other funds	-	-
Payments to suppliers	(8,421,012)	(724,149)
Payments to employees	(1,250,313)	(599,377)
Net cash provided by operating activities	4,935,826	604,667
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(1,750,000)	(420,000)
(Increase) decrease in due from other funds	(4,324)	(2,995)
Increase (decrease) in due to other funds	-	2,763
Net cash provided (used) by noncapital financing activities	(1,754,324)	(420,232)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(1,297,691)	(458,206)
Proceeds from sale of capital assets/insurance proceeds	17,741	48,193
Grant proceeds	4,513	-
Increase in landfill closure costs	-	-
Proceeds from issuance of long-term debt	-	-
Principal payments on long-term debt	-	(280,000)
Interest paid on long-term debt	-	(11,475)
Net cash used by capital and related financing activities	(1,275,437)	(701,488)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in restricted certificates of deposit	(18,018)	-
Interest received	665,923	73,423
Net cash provided by investing activities	647,905	73,423
Increase (decrease) in cash and cash equivalents	2,553,970	(443,630)
Cash and cash equivalents - beginning of the year	10,895,504	2,003,817
Cash and cash equivalents - end of the year	\$ 13,449,474	\$ 1,560,187
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 13,373,761	\$ 1,560,187
Restricted cash and cash equivalents	75,713	-
Total cash and cash equivalents	\$ 13,449,474	\$ 1,560,187

Enterprise Funds			Internal
Sewer	Refuse	Total	Service
Fund	Fund		Funds
\$ 647,134	\$ 1,499,994	\$ 18,682,472	\$ -
-	-	-	4,979,669
(161,164)	(641,213)	(9,947,538)	(4,783,258)
(256,260)	(635,285)	(2,741,235)	-
<u>229,710</u>	<u>223,496</u>	<u>5,993,699</u>	<u>196,411</u>
(180,000)	(150,000)	(2,500,000)	-
-	5	(7,314)	-
(37)	(171)	2,555	97
<u>(180,037)</u>	<u>(150,166)</u>	<u>(2,504,759)</u>	<u>97</u>
(85,365)	(718,452)	(2,559,714)	-
9,320	99,497	174,751	-
-	-	4,513	-
-	72,465	72,465	-
-	266,950	266,950	-
-	(185,138)	(465,138)	-
-	(6,504)	(17,979)	-
<u>(76,045)</u>	<u>(471,182)</u>	<u>(2,524,152)</u>	<u>-</u>
-	(89,408)	(107,426)	-
20,709	149,599	909,654	121,363
<u>20,709</u>	<u>60,191</u>	<u>802,228</u>	<u>121,363</u>
(5,663)	(337,661)	1,767,016	317,871
<u>500,658</u>	<u>951,263</u>	<u>14,351,242</u>	<u>2,613,242</u>
<u>\$ 494,995</u>	<u>\$ 613,602</u>	<u>\$ 16,118,258</u>	<u>\$ 2,931,113</u>
\$ 494,995	\$ 15,081	\$ 15,444,024	\$ 2,931,113
-	598,521	674,234	-
<u>\$ 494,995</u>	<u>\$ 613,602</u>	<u>\$ 16,118,258</u>	<u>\$ 2,931,113</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2024

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 3,420,502	\$ 402,950
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	714,207	363,211
Other cash receipts	13,004	-
Change in assets and liabilities:		
Accounts receivable	(117,972)	(82,894)
Inventories	(29,719)	(12,396)
Prepaid expenses	-	-
Accounts payable	913,195	(22,804)
Customer deposits	10,376	-
Sales tax payable	1,131	(299)
Unspent insurance proceeds	(3,740)	(48,193)
Accrued expenses	14,842	5,092
Net cash provided by operating activities	\$ 4,935,826	\$ 604,667

See notes to financial statements.

<u>Enterprise Funds</u>			<u>Total</u>	<u>Internal Service Funds</u>
<u>Sewer Fund</u>	<u>Refuse Fund</u>			
\$ 46,726	\$ (415)	\$ 3,869,763	\$ 23,338	
221,270	297,843	1,596,531	-	
-	80	13,084	-	
(24,989)	(28,042)	(253,897)	1,003,375	
(710)	-	(42,825)	-	
-	-	-	(4,609)	
(56)	18,949	909,284	(829,094)	
-	-	10,376	-	
-	(3)	829	-	
(9,320)	(70,004)	(131,257)	-	
(3,211)	5,088	21,811	3,401	
<u>\$ 229,710</u>	<u>\$ 223,496</u>	<u>\$ 5,993,699</u>	<u>\$ 196,411</u>	

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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.
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, 2024

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, 2024

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, 2024

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, 2024

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	\$ 108,147	Federal Grants
Street	103,448	Highway Allocation
Street	20,556	Motor Vehicle Fees
Sales Tax	397,734	Sales Tax
Airport	768,591	Federal Grants
Capital Projects	7,500	State Grant
RSVP	2,221	Federal Grant
Public Transit	<u>66,155</u>	Federal/State Grant
	<u>\$ 1,474,352</u>	

Inventory

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

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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 2023-2024 are recorded as revenue when expected to be collected within 60 days after September 30, 2024. 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024. 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	\$ 31,702,481	\$ 1,512,146	\$ 30,190,335	\$ -	\$ <u>31,394,214</u>

Reconciliation to Government-wide Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 21,177,271
Restricted cash and cash equivalents	7,881,521
Restricted certificates of deposit	<u>2,335,422</u>
	\$ <u>31,394,214</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

2. Restricted Assets

The restricted assets as of September 30, 2024, are as follows:

Type of Restricted Assets:	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 7,207,287	\$ 674,234	\$ 7,881,521
Certificates of deposit	<u>-</u>	<u>2,335,424</u>	<u>2,335,424</u>
	<u>\$ 7,207,287</u>	<u>\$ 3,009,658</u>	<u>\$ 10,216,945</u>

Restricted cash and certificates of deposit for governmental activities consists of \$1,148,645 of Street Fund cash restricted for street improvements; \$544,094 of Sales Tax Fund cash restricted for general tax support; \$17,773 of Debt Service Fund cash restricted for debt service; \$65,136 of Redevelopment Fund cash, \$807,377 of Economic Development cash, and \$1,133,307 of LB840 Fund cash restricted for economic development; \$524,897 of Cemetery Perpetual Care Fund cash restricted for perpetual care; \$12,146 of HUD Loan and CDBG Fund cash restricted for Federal loans; \$(141) of RSVP Fund cash, \$433,448 of ARPA Fund cash, and \$69,785 of Community Betterment Fund cash restricted for community betterment; \$708,794 of Public Safety Tax Fund cash and \$896,243 of Capital Projects Fund cash restricted for capital projects; \$240,660 of cash restricted for Airport Sinking Fund debt service; \$15,779 of Museum Exhibit Fund cash restricted for museum projects; \$11,936 of E911 Fund cash restricted for emergency equipment; and \$577,408 of Marketing Fund cash restricted for tourism promotion.

Restricted business-type assets consist of \$460,815 restricted for customer deposits in the Electric Fund. The Refuse Fund has \$2,548,843 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, 2024, is as follows:

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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	\$ 273,189	\$ 1,403,062	\$ 2,642,713
Allowance for doubtful accounts	(106,214)	(117,540)	(223,754)
Net accounts receivable	\$ <u>166,975</u>	\$ <u>1,285,522</u>	\$ <u>2,418,959</u>

Notes receivable for the governmental funds consist of the following at September 30, 2024:

<u>Note Held By</u>	<u>Due From</u>	<u>Note Balance at September 30, 2024</u>	<u>Terms</u>
LB840 Fund	Alliance Lodging	\$ 89,600	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	103,120	2.0%; amortized over a period of ten years

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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>2024</u>	<u>Terms</u>
LB840 Fund	Alliance Eating Ventures	76,400	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	24,475	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, 2024

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>2024</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>550,392</u>	
Current portion		\$ 323,395	
Noncurrent portion		<u>226,997</u>	
Total		\$ <u>550,392</u>	

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

4. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance at October 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2024</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,107,617	\$ -	\$ -	\$ -	\$ 2,107,617
Construction in progress	3,876,399	1,757,976	(33,781)	(17,152)	5,583,442
Total capital assets not being depreciated	5,984,016	1,757,976	(33,781)	(17,152)	7,691,059
Other capital assets being depreciated:					
Infrastructure	31,241,339	1,015,534	(59,992)	-	32,196,881
Improvements	23,869,485	77,886	-	-	23,947,371
Buildings	20,482,242	42,868	-	17,152	20,542,262
Equipment and vehicles	11,947,486	273,083	-	-	12,220,569
Total other capital assets at historical cost	87,540,552	1,409,371	(59,992)	17,152	88,907,083
Less accumulated depreciation for:					
Infrastructure	(17,263,519)	(880,443)	59,992	-	(18,083,970)
Improvements	(11,667,148)	(1,216,897)	-	-	(12,884,045)
Buildings	(10,041,752)	(453,448)	-	-	(10,495,200)
Equipment and vehicles	(7,860,191)	(718,796)	-	-	(8,578,987)
Total accumulated depreciation	(46,832,610)	(3,269,584) *	59,992	-	(50,042,202)
Other capital assets, net	40,707,942	(1,860,213)	-	17,152	38,864,881
Governmental activities capital assets, net	<u>\$ 46,691,958</u>	<u>\$ (102,237)</u>	<u>\$ (33,781)</u>	<u>\$ -</u>	<u>\$ 46,555,940</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	7,597
Management information systems	22,765
Tourism	4,253
Municipal buildings	51,680
Utility customer service	<u>2,607</u>
Total general government	90,357
Public safety	
Fire	95,035
Ambulance	36,814
Police	<u>315,944</u>
Total public safety	447,793
Public services	
Cemetery	31,680
Fleet services	<u>1,580</u>
Total public services	33,260
Environment and leisure	
Library	194,897
Parks	221,245
Museum	141,995
Carhenge	3,716
Swimming pool	<u>91,298</u>
Total environment and leisure	653,151
Total General Fund	1,224,561
Street Fund	986,111
RSVP Fund	5,770
Public Transit Fund	52,696
Airport Fund	950,988
Golf Fund	<u>49,458</u>
Total governmental activities depreciation	\$ <u>3,269,584</u>

Construction in progress at September 30, 2024, consists of \$5,370,639 of costs on the airport runway project; \$65,002 down payment on 2023 Ford F-450 ambulance; \$9,499 down payment on Buffalo Turbine Cyclone; \$27,858 down payment on humidifiers; \$11,364 on Laing Lake trail project; \$99,080 on crosswalk project. See Note D3 for details of commitments in place on these projects as of September 30, 2024.

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

4. Capital Assets, continued

	Balance at October 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2024</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 566,827	\$ -	\$ -	\$ -	\$ 566,827
Construction in progress	506,246	1,017,021	-	-	1,523,267
Total capital assets not being depreciated	1,073,073	1,017,021	-	-	2,090,094
Other capital assets being depreciated:					
Buildings	4,518,701	45,865	-	-	4,564,566
Distribution systems	33,697,843	560,943	-	-	34,258,786
Equipment	19,152,735	935,884	-	-	20,088,619
Total other capital assets at historical cost	57,369,279	1,542,692	-	-	58,911,971
Less accumulated depreciation for:					
Buildings	(1,366,141)	(90,396)	-	-	(1,456,537)
Distribution systems	(21,387,478)	(725,966)	-	-	(22,113,444)
Equipment	(10,823,702)	(780,169)	-	-	(11,603,871)
Total accumulated depreciation	(33,577,321)	(1,596,531) *	-	-	(35,173,852)
Other capital assets, net	23,791,958	(53,839)	-	-	23,738,119
Business-type capital assets, net	<u>\$ 24,865,031</u>	<u>\$ 963,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,828,213</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 714,207
Water	363,211
Sewer	221,270
Refuse	297,843
Total business-type activities depreciation expense	<u>\$ 1,596,531</u>

Construction in progress at September 30, 2024, consists of \$75,119 of costs on the RF mesh load control switches; \$65,940 of costs on the Thompson Seed phase 3 project; \$468,557 of costs on the rural electrical project; \$439,206 of costs on the water AMI system project and \$474,445 of costs on the Sandhills Solar Farm project. See Note D3 for details of commitments in place on these projects as of September 30, 2024.

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, 2024:

<u>Type of Debt</u>	Balance October 1, <u>2023</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2024</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Note and bond payable	<u>\$ 3,229,829</u>	<u>\$ -</u>	<u>\$ (244,005)</u>	<u>\$ 2,985,824</u>	<u>\$ 251,000</u>
Business-type Activities:					
Notes and bond payable	<u>\$ 1,878,677</u>	<u>\$ 266,950</u>	<u>\$ (465,138)</u>	<u>\$ 1,680,489</u>	<u>\$ 414,989</u>

Governmental Activities

As of September 30, 2024, 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. \$ 2,815,000

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. 170,824

Total	\$ <u>2,985,824</u>
Current Portion	\$ 251,000
Noncurrent Portion	<u>2,734,824</u>
Total	\$ <u>2,985,824</u>

CITY OF ALLIANCE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, 2024, 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. These certificates were paid in full.	\$ -
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.	200,000
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.	121,467
Note payable with original principal amount of \$266,950 issued to finance an excavator, bearing interest of 5.90 percent. Annual principal and interest payments of \$47,928 are due commencing November 30, 2024, through November 30, 2027.	219,022
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>1,140,000</u>
Total business-type activity debt	<u>\$ 1,680,489</u>
Current portion	\$ 414,989
Noncurrent portion	<u>1,265,500</u>
Total	<u>\$ 1,680,489</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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, 2024, are as follows:

Year Ending September 30,	Governmental Activities			
	Direct Placement Debt		Other Debt Issues	
	Principal	Interest	Principal	Interest
2025	\$ 56,000	\$ 4,018	\$ 195,000	\$ 47,556
2026	57,000	2,703	200,000	44,100
2027	57,824	1,363	200,000	40,600
2028	-	-	205,000	37,056
2029	-	-	210,000	33,425
2030-2034	-	-	1,100,000	110,688
2035-2037	-	-	705,000	18,681
	\$ 170,824	\$ 8,084	\$ 2,815,000	\$ 332,106

Year Ending September 30,	Business-type Activities			
	Direct Placement Debt		Other Debt Issues	
	Principal	Interest	Principal	Interest
2025	\$ 124,989	\$ 6,538	\$ 290,000	\$ 11,475
2026	127,997	4,158	290,000	9,074
2027	119,603	2,773	290,000	6,609
2028	87,874	1,260	270,000	4,144
2029	40,170	337	-	1,721
2030	39,856	-	-	-
	\$ 540,489	\$ 15,066	\$ 1,140,000	\$ 33,023

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	\$ 3,857	\$ 3,857
Pepsi-Cola of Western Nebraska	108,473	108,473
1dash5 Enterprises (Scooters)	22,767	22,767
Alliance Lodging, LLC	601,703	601,703
385 Apartments – Heartland Flats	719,746	719,746
Blomenkamp Investments (Runza)	<u>123,043</u>	<u>123,043</u>
	<u>\$ 1,579,589</u>	<u>\$ 1,579,589</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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	\$ 1,750,000	\$ -
From Refuse	150,000	-
From Water	420,000	-
From Sewer	180,000	-
From Sales Tax	1,892,849	-
From Tourism	112,900	-
To Public Transit	-	75,000
To Golf	-	116,220
Total General Fund	<u>4,505,749</u>	<u>191,220</u>
Sales Tax Fund:		
To General	-	1,892,849
Nonmajor Governmental Funds:	211,220	132,900
Electric Fund:		
To General	-	1,750,000
Water Fund:		
To General	-	420,000
Sewer Fund:		
To General	-	180,000
Refuse Fund:		
To General	<u>-</u>	<u>150,000</u>
	<u>\$ 4,716,969</u>	<u>\$ 4,716,969</u>

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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	\$ 2,314,567
General	Water	8,544
General	Refuse	693
Sales Tax	General	314,103
Sales Tax	Street	50,298
Sales Tax	Economic Development	16,666
Sales Tax	LB840	16,667
Street	Electric	210
Airport	Electric	551,147
Golf	Electric	2,093
Golf	Water	474
Golf	Refuse	136
Water	Electric	9,970
Sewer	Electric	727
Refuse	Electric	193
Enterprise Internal Service	Electric	<u>916</u>
		<u>\$ 3,287,405</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, 2025.

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, 2025.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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 total payroll was \$4,412,034 for the year ended September 30, 2024. Both the City and the covered employees' required contributions of \$212,063 and \$251,568, respectively, were made for the year ended September 30, 2024.

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 \$430,072, with the City contributing \$54,938 and the employees contributing \$28,282 for the year ended September 30, 2024.

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 \$1,384,776. Both the City's contribution of \$58,388 and the matching employees' contributions of \$66,978 were made for the year ended September 30, 2024.

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, 2024

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 \$98,857; this amount represents two months of subsequent claims. The City also has accrued a \$28,852 reinsurance receivable as of September 30, 2024. These amounts have been included as current-year expenditures.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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, 2024, 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>
January 2025	\$ 1,267,048
March 2025	232,843
June 2025	<u>835,531</u>
	\$ <u>2,335,422</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, 2024

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, 2024, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Nebraska Bank	\$ 1,267,047
Platte Valley Bank	<u>1,068,375</u>
	\$ <u>2,335,422</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, 2024.

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, 2024

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	<u>\$ 100,000</u>	<u>\$ 82,573</u>	<u>\$ 17,427</u>	March 2025
Knight Museum Humidifier	<u>\$ 375,578</u>	<u>\$ 26,600</u>	<u>\$ 348,978</u>	February 2025
Airport Taxiway Apron Engineering	\$ 640,201	\$ 624,049	\$ 16,152	
Contractor	3,954,670	3,734,670	220,000	
	<u>\$ 4,594,871</u>	<u>\$ 4,358,719</u>	<u>\$ 236,152</u>	January 2025
Airport Runway Engineering	\$ 183,810	\$ 172,723	\$ 11,087	
Contractor	847,190	839,190	8,000	
	<u>\$ 1,031,000</u>	<u>\$ 1,011,913</u>	<u>\$ 19,087</u>	January 2025
Electric Rural Project Engineering	<u>\$ 435,306</u>	<u>\$ 365,767</u>	<u>\$ 69,539</u>	March 2025

4. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2024:

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, 2024

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, 2024

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, 2024

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 \$1,338,355, with postclosure care costs of \$690,783, for a total of \$2,029,138 as of September 30, 2024, which is based on 34.26 percent usage of the landfill, with a remaining estimated life of 101.67 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, 2024.

It is estimated that an additional \$2,568,214 and \$1,305,630, 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 \$5,902,982 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, 2024. 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, 2024, restricted funds of \$2,548,843 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, 2024

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, 2024 is as follows:

<u>TIF Project</u>	<u>Years Remaining on TIF Agreements</u>	<u>TIF Proceeds Received during the year 9-30-2024</u>
Otto	1	\$ 4,037
Pepsi-Cola of Western Nebraska	2	57,056
1dash5 Enterprises	10	2,836
Alliance Lodging, LLC	10	74,045
Blomenkamp Investments	14	11,266
Heartland Flats	15	-
		<u>\$ 149,240</u>

7. Subsequent Events

Management has evaluated subsequent events through March 29, 2025, the date on which the financial statements were available for issue.

On December 3, 2024, Council approved a change order on the airport runway project decreasing the final amount to \$847,190.

On January 7, 2025, Council approved an interdepartmental loan from the Electric Fund to the Refuse Fund for \$300,000. The loan is for 120 months and interest is charged at 5.15 percent.

CITY OF ALLIANCE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

7. Subsequent Events, continued

On January 21, 2025, Council approved an interdepartmental loan from the Electric Fund to the Airport Fund for \$850,000. The loan is for 120 months and interest is charged at 5.15 percent.

On February 18, 2025, Council approved the bid to replace the landfill baler for \$699,185.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 1,826,747	\$ 1,680,491	\$ (146,256)
Motor vehicle	175,000	181,454	6,454
Franchise	149,000	146,773	(2,227)
Intergovernmental	451,132	447,791	(3,341)
Grants	2,049,480	151,963	(1,897,517)
Charges for services	630,750	752,991	122,241
Contributions	18,800	26,749	7,949
Interest income	66,500	167,913	101,413
Sale of property/insurance proceeds	848,000	347,366	(500,634)
Loan proceeds	2,510,000	3,776	(2,506,224)
Other	81,950	297,180	215,230
Total resources	8,807,359	4,204,447	(4,602,912)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	2,931,220	2,211,352	(719,868)
Public safety	6,852,255	4,008,510	(2,843,745)
Public works	654,165	522,519	(131,646)
Environment and leisure	3,352,410	2,599,374	(753,036)
Total charges to appropriations	13,790,050	9,341,755	(4,448,295)
Resources under charges to appropriations	(4,982,691)	(5,137,308)	(154,617)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,215,520	4,505,749	(709,771)
Transfers out	(225,420)	(191,220)	34,200
Net transfers	4,990,100	4,314,529	(675,571)
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ 7,409	\$ (822,779)	\$ (830,188)

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
STREET FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	\$ 300,000	\$ 317,990	\$ 17,990
Intergovernmental	1,482,014	1,503,348	21,334
Charges for services	6,000	5,000	(1,000)
Interest income	17,200	61,183	43,983
Sale of property/insurance proceeds	2,500	-	(2,500)
	1,807,714	1,887,521	79,807
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	1,354,700	905,125	(449,575)
Capital outlay	1,780,000	1,096,389	(683,611)
Principal payment	195,000	190,000	(5,000)
Interest expense	54,300	49,955	(4,345)
	3,384,000	2,241,469	(1,142,531)
RESOURCES UNDER CHARGES TO APPROPRIATIONS	\$ (1,576,286)	\$ (353,948)	\$ 1,222,338

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

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 2,400,000	\$ 2,027,492	\$ (372,508)
Interest income	<u>3,000</u>	<u>16,605</u>	<u>13,605</u>
Total resources	2,403,000	2,044,097	(358,903)
CHARGES TO APPROPRIATIONS (OUTFLOWS)	<u>-</u>	<u>-</u>	<u>-</u>
Resources over charges to appropriations	2,403,000	2,044,097	(358,903)
OTHER FINANCING USES			
Transfers out	<u>(2,403,000)</u>	<u>(1,892,849)</u>	<u>510,151</u>
RESOURCES AND OTHER FINANCING USES OVER CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ 151,248</u>	<u>\$ 151,248</u>

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

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Interest income	\$ 200	\$ 733	\$ 533
CHARGES TO APPROPRIATIONS (OUTFLOWS)	-	-	-
RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ 200</u>	<u>\$ 733</u>	<u>\$ 533</u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
REDEVELOPMENT FUND

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
TIF proceeds	\$ 250,000	\$ 149,240	\$ (100,760)
Interest income	-	835	835
Bond/loan proceeds	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Total resources	1,750,000	150,075	(1,599,925)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	<u>1,750,000</u>	<u>149,240</u>	<u>(1,600,760)</u>
RESOURCES OVER CHARGES TO APPROPRIATIONS			
	<u>\$ -</u>	<u>\$ 835</u>	<u>\$ 835</u>

CITY OF ALLIANCE, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
AIRPORT FUND

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 12,500	\$ 6,950	\$ (5,550)
Grant revenue	1,566,535	1,015,200	(551,335)
Charges for services	275,400	340,530	65,130
Interest income	1,400	20,721	19,321
Sale of property/insurance proceeds	-	35,278	35,278
Other income	<u>8,000</u>	<u>3,500</u>	<u>(4,500)</u>
Total resources	1,863,835	1,422,179	(441,656)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Operating expenses	623,789	565,861	(57,928)
Capital outlay	2,372,060	184,794	(2,187,266)
Principal payments	55,000	54,005	(995)
Interest expense	<u>12,000</u>	<u>35,928</u>	<u>23,928</u>
Total charges to appropriations	<u>3,062,849</u>	<u>840,588</u>	<u>(2,222,261)</u>
Resources over (under) charges to appropriations	(1,199,014)	581,591	1,780,605
OTHER FINANCING SOURCES			
Transfers in	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u><u>\$ (449,014)</u></u>	<u><u>\$ 581,591</u></u>	<u><u>\$ 1,030,605</u></u>

CITY OF ALLIANCE, NEBRASKA

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

Year ended September 30, 2024

**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	\$ 4,204,447	\$ 1,887,521	\$ 2,044,097	\$ 733	\$ 150,075	\$ 1,422,179
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>143,963</u>	<u>4,448</u>	<u>(11,141)</u>	<u>-</u>	<u>-</u>	<u>(83,882)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,348,410</u>	<u>\$ 1,891,969</u>	<u>\$ 2,032,956</u>	<u>\$ 733</u>	<u>\$ 150,075</u>	<u>\$ 1,338,297</u>
Uses/outflows of resources:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 9,341,755	\$ 2,241,469	\$ -	\$ -	\$ 149,240	\$ 840,588
Differences - budget to GAAP:						
Cash to accrual adjustments	<u>(48,968)</u>	<u>(151,616)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,467,468</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,292,787</u>	<u>\$ 2,089,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,240</u>	<u>\$ 2,308,056</u>
Other financing sources/uses:						
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 4,314,529	\$ -	\$ (1,892,849)	\$ -	\$ -	\$ -
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>\$ 4,314,529</u>	<u>\$ -</u>	<u>\$ (1,892,849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

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

September 30, 2024

	Permanent Fund Cemetery Perpetual Care	Special Revenue Funds HUD Loan & CDBG
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Restricted cash	524,897	12,146
County treasurer cash	-	-
Receivables:		
Accounts, net of allowance for doubtful accounts	-	-
Property tax	-	-
Notes	-	-
Inventory	-	-
Prepaid expenses	-	-
Due from other funds	-	-
Due from other governments	-	-
	-	-
Total assets	\$ 524,897	\$ 12,146
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Unredeemed gift certificates	-	-
Accrued expenses	-	-
Enhanced Employment Area tax payable	-	-
Total liabilities	-	-
Fund balances:		
Nonspendable:		
Cemetery perpetual care	524,897	-
Nonspendable assets	-	-
Restricted for:		
Capital projects	-	-
Community betterment	-	-
Debt service	-	-
Economic development	-	-
Federal programs	-	12,146
Museum projects	-	-
Tourism promotion activities	-	-
Assigned for:		
Other purposes	-	-
Total fund balances	524,897	12,146
Total liabilities and fund balances	\$ 524,897	\$ 12,146

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -
807,377	1,133,307	(141)	69,785	708,794
-	-	-	-	3,964
6,837	-	-	2,413	-
-	-	-	-	2,060
-	550,392	-	-	-
-	-	-	-	-
-	-	688	-	-
16,666	16,667	-	-	-
-	-	2,221	-	-
<u>\$ 830,880</u>	<u>\$ 1,700,366</u>	<u>\$ 2,768</u>	<u>\$ 72,198</u>	<u>\$ 714,818</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	2,418	-	-
27,899	-	-	-	-
<u>27,899</u>	<u>-</u>	<u>2,418</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	688	-	-
-	-	-	-	714,818
-	-	-	72,198	-
-	-	-	-	-
802,981	1,700,366	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(338)	-	-
<u>802,981</u>	<u>1,700,366</u>	<u>350</u>	<u>72,198</u>	<u>714,818</u>
<u>\$ 830,880</u>	<u>\$ 1,700,366</u>	<u>\$ 2,768</u>	<u>\$ 72,198</u>	<u>\$ 714,818</u>

CITY OF ALLIANCE, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS, Continued
September 30, 2024

	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	240,660	15,779	-	11,936
County treasurer cash	1,321	-	-	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	-	-	4,382
Property tax	695	-	-	-
Notes	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 242,676</u>	<u>\$ 15,779</u>	<u>\$ 50,000</u>	<u>\$ 16,318</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unredeemed gift certificates	-	-	-	-
Accrued expenses	-	-	-	-
Enhanced Employment Area tax payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Nonspendable assets	-	-	-	-
Restricted for:				
Capital projects	-	-	-	16,318
Community betterment	-	-	-	-
Debt service	242,676	-	-	-
Economic development	-	-	-	-
Federal programs	-	-	-	-
Museum projects	-	15,779	-	-
Tourism promotion activities	-	-	-	-
Assigned for:				
Other purposes	-	-	50,000	-
	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total fund balances	<u>242,676</u>	<u>15,779</u>	<u>50,000</u>	<u>16,318</u>
Total liabilities and fund balances	<u>\$ 242,676</u>	<u>\$ 15,779</u>	<u>\$ 50,000</u>	<u>\$ 16,318</u>

Special Revenue Funds				Capital	Total Nonmajor
Marketing	Public	ARPA	Golf	Projects	Governmental
Fund	Transit	Fund	Fund	Fund	Funds
\$ -	\$ 43,575	\$ -	\$ 177,508	\$ -	\$ 271,083
577,408	-	433,448	-	896,243	5,431,639
-	-	-	-	-	5,285
14,685	15	-	-	-	28,332
-	-	-	-	-	2,755
-	-	-	-	-	550,392
-	-	-	50,134	-	50,134
-	457	-	-	-	1,145
-	-	-	-	-	33,333
-	66,155	-	-	7,500	75,876
<u>\$ 592,093</u>	<u>\$ 110,202</u>	<u>\$ 433,448</u>	<u>\$ 227,642</u>	<u>\$ 903,743</u>	<u>\$ 6,449,974</u>
\$ -	\$ 2,241	\$ -	\$ 7,442	\$ -	\$ 9,683
-	-	-	2,704	-	2,704
-	-	-	43,259	-	43,259
-	11,513	-	13,103	-	27,034
-	-	-	-	-	27,899
-	13,754	-	66,508	-	110,579
-	-	-	-	-	524,897
-	457	-	50,134	-	51,279
-	-	-	-	703,743	1,434,879
-	-	-	-	-	72,198
-	-	-	-	-	242,676
-	-	-	-	-	2,503,347
-	-	433,448	-	200,000	645,594
-	-	-	-	-	15,779
592,093	-	-	-	-	592,093
-	95,991	-	111,000	-	256,653
<u>592,093</u>	<u>96,448</u>	<u>433,448</u>	<u>161,134</u>	<u>903,743</u>	<u>6,339,395</u>
<u>\$ 592,093</u>	<u>\$ 110,202</u>	<u>\$ 433,448</u>	<u>\$ 227,642</u>	<u>\$ 903,743</u>	<u>\$ 6,449,974</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2024

	<u>Permanent Fund</u>	<u>Special</u>
	<u>Cemetery</u>	<u>Revenue Funds</u>
	<u>Perpetual Care</u>	<u>HUD Loan</u>
		<u>& CDBG</u>
REVENUES		
Taxes:		
Property tax	\$ -	\$ -
Sales tax	-	-
Occupation tax	-	-
Enhanced Employment Area tax	-	-
Intergovernmental	-	-
Grants	-	-
Keno	-	-
Charges for services	4,760	-
Interest income	21,510	106
Contributions	-	-
Sale of property/insurance proceeds	-	-
Other revenue	-	-
Total revenues	<u>26,270</u>	<u>106</u>
EXPENDITURES		
General government	-	-
Public safety	-	-
Environment and leisure	-	-
Economic development	-	-
Capital outlay	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of		
revenues over expenditures	26,270	106
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Net transfers	<u>-</u>	<u>-</u>
Net change in fund balances	26,270	106
Fund balances - September 30, 2023	<u>498,627</u>	<u>12,040</u>
Fund balances - September 30, 2024	<u><u>\$ 524,897</u></u>	<u><u>\$ 12,146</u></u>

Special Revenue Funds

<u>Economic Development</u>	<u>LB840</u>	<u>RSVP</u>	<u>Community Betterment</u>	<u>Public Safety Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ 187,669
100,000	100,000	-	-	-
-	-	-	-	-
71,096	-	-	-	-
-	-	-	-	-
-	-	52,155	-	-
-	-	-	16,142	-
4,771	-	-	-	-
35,987	50,841	190	3,194	25,531
-	-	-	-	-
-	-	-	-	-
-	-	2,350	-	-
<u>211,854</u>	<u>150,841</u>	<u>54,695</u>	<u>19,336</u>	<u>213,200</u>
-	-	-	100	-
-	-	-	-	-
-	-	82,568	-	-
154,745	32,600	-	-	-
-	-	-	-	-
<u>154,745</u>	<u>32,600</u>	<u>82,568</u>	<u>100</u>	<u>-</u>
57,109	118,241	(27,873)	19,236	213,200
-	-	20,000	-	-
-	-	-	(20,000)	-
<u>-</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
57,109	118,241	(7,873)	(764)	213,200
<u>745,872</u>	<u>1,582,125</u>	<u>8,223</u>	<u>72,962</u>	<u>501,618</u>
<u>\$ 802,981</u>	<u>\$ 1,700,366</u>	<u>\$ 350</u>	<u>\$ 72,198</u>	<u>\$ 714,818</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2024

	Special Revenue Funds			
	Airport <u>Sinking</u>	Museum <u>Exhibit</u>	Nuisance <u>Cleanup</u>	E911 <u>Fund</u>
REVENUES				
Taxes:				
Property tax	\$ 62,906	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Occupation tax	-	-	-	-
Enhanced Employment Area tax	-	-	-	-
Intergovernmental	-	-	-	42,278
Grants	-	-	-	-
Keno	-	-	-	-
Charges for services	-	-	-	-
Interest income	8,399	651	-	1,307
Contributions	-	-	-	-
Sale of property/insurance proceeds	-	-	-	-
Other revenue	-	-	-	-
Total revenues	71,305	651	-	43,585
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	79,108
Environment and leisure	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	79,108
Excess (deficiency) of revenues over expenditures	71,305	651	-	(35,523)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net transfers	-	-	-	-
Net change in fund balances	71,305	651	-	(35,523)
Fund balances - September 30, 2023	171,371	15,128	50,000	51,841
Fund balances - September 30, 2024	\$ 242,676	\$ 15,779	\$ 50,000	\$ 16,318

Marketing Fund	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Transit	ARPA Fund	Golf Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,575
-	-	-	-	-	200,000
189,834	-	-	-	-	189,834
-	-	-	-	-	71,096
-	15,000	-	-	-	57,278
-	341,393	-	-	-	393,548
-	-	-	-	-	16,142
-	16,940	-	536,264	-	562,735
8,650	-	17,987	6,745	37,111	218,209
-	1,470	-	-	-	1,470
-	11,919	-	26,876	-	38,795
-	-	-	118	-	2,468
<u>198,484</u>	<u>386,722</u>	<u>17,987</u>	<u>570,003</u>	<u>37,111</u>	<u>2,002,150</u>
-	-	-	-	-	100
-	-	-	-	-	79,108
-	448,786	-	675,788	-	1,207,142
-	-	-	-	-	187,345
-	-	-	9,499	-	9,499
<u>-</u>	<u>448,786</u>	<u>-</u>	<u>685,287</u>	<u>-</u>	<u>1,483,194</u>
198,484	(62,064)	17,987	(115,284)	37,111	518,956
-	75,000	-	116,220	-	211,220
(112,900)	-	-	-	-	(132,900)
<u>(112,900)</u>	<u>75,000</u>	<u>-</u>	<u>116,220</u>	<u>-</u>	<u>78,320</u>
85,584	12,936	17,987	936	37,111	597,276
<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>\$ 592,093</u>	<u>\$ 96,448</u>	<u>\$ 433,448</u>	<u>\$ 161,134</u>	<u>\$ 903,743</u>	<u>\$ 6,339,395</u>

CITY OF ALLIANCE, NEBRASKA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2024

	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	\$ 1,681,258	\$ 1,083,131	\$ 166,724	\$ 2,931,113
Insurance receivable	28,852	41,981	-	70,833
Prepaid insurance	-	90,312	-	90,312
	<u>1,710,110</u>	<u>1,215,424</u>	<u>166,724</u>	<u>3,092,258</u>
LIABILITIES				
Current liabilities:				
Accounts payable	116,023	17,025	1,706	134,754
Accrued payroll	-	16,007	12,076	28,083
Due to other funds	-	-	916	916
Total current liabilities	<u>116,023</u>	<u>33,032</u>	<u>14,698</u>	<u>163,753</u>
NET POSITION				
Unrestricted	<u>\$ 1,594,087</u>	<u>\$ 1,182,392</u>	<u>\$ 152,026</u>	<u>\$ 2,928,505</u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2024

	Health Insurance <u>Fund</u>	Administration Internal Service <u>Fund</u>	Enterprise Internal Service <u>Fund</u>	<u>Total</u>
Operating revenues:				
Interdepartmental charges	\$ -	\$ 2,294,830	\$ 284,600	\$ 2,579,430
Health insurance premiums	1,381,841	-	-	1,381,841
Rent income	-	-	15,023	15,023
Total operating revenues	<u>1,381,841</u>	<u>2,294,830</u>	<u>299,623</u>	<u>3,976,294</u>
Operating expenses:				
Personnel	-	249,745	-	249,745
Legal	-	143,586	-	143,586
Risk management	-	670,924	-	670,924
Management information systems	-	385,370	-	385,370
Accounting	-	277,748	-	277,748
Utility customer service	-	-	274,238	274,238
Meter reading	-	-	44,245	44,245
Warehouse	-	-	211,873	211,873
Insurance claims and health premiums	1,695,227	-	-	1,695,227
Total operating expenses	<u>1,695,227</u>	<u>1,727,373</u>	<u>530,356</u>	<u>3,952,956</u>
Operating income (loss)	(313,386)	567,457	(230,733)	23,338
Nonoperating revenues:				
Interest income	73,046	36,784	11,533	121,363
Change in net position	(240,340)	604,241	(219,200)	144,701
Net position - September 30, 2023	<u>1,834,427</u>	<u>578,151</u>	<u>371,226</u>	<u>2,783,804</u>
Net position - September 30, 2024	<u><u>\$ 1,594,087</u></u>	<u><u>\$ 1,182,392</u></u>	<u><u>\$ 152,026</u></u>	<u><u>\$ 2,928,505</u></u>

CITY OF ALLIANCE, NEBRASKA

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

For the year ended September 30, 2024

	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	\$ 2,363,994	\$ 2,316,052	\$ 299,623	\$ 4,979,669
Payments to suppliers	(2,518,925)	(1,732,671)	(531,662)	(4,783,258)
Net cash provided (used) by operating activities	<u>(154,931)</u>	<u>583,381</u>	<u>(232,039)</u>	<u>196,411</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Increase in due to other funds	-	-	97	97
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	<u>73,046</u>	<u>36,784</u>	<u>11,533</u>	<u>121,363</u>
Increase (decrease) in cash and cash equivalents	(81,885)	620,165	(220,409)	317,871
Cash and cash equivalents - beginning of the year	<u>1,763,143</u>	<u>462,966</u>	<u>387,133</u>	<u>2,613,242</u>
Cash and cash equivalents - end of the year	<u><u>\$ 1,681,258</u></u>	<u><u>\$ 1,083,131</u></u>	<u><u>\$ 166,724</u></u>	<u><u>\$ 2,931,113</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (313,386)	\$ 567,457	\$ (230,733)	\$ 23,338
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
Insurance receivable	982,153	21,222	-	1,003,375
Prepaid insurance	-	(4,609)	-	(4,609)
Accounts payable	(823,698)	(3,036)	(2,360)	(829,094)
Accrued payroll	-	2,347	1,054	3,401
Net cash provided (used) by operating activities	<u><u>\$ (154,931)</u></u>	<u><u>\$ 583,381</u></u>	<u><u>\$ (232,039)</u></u>	<u><u>\$ 196,411</u></u>

SINGLE AUDIT REPORTS

CITY OF ALLIANCE, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2024

<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	\$ 261,189
Airport Improvement Program	20.106	3-31-0003-025	<u>1,015,200</u> *
Total passed through the Nebraska Department of Transportation/Total Department of Transportation			1,276,389
<u>Corporation for National and Community Service</u>			
Retired and Senior Volunteer Program	94.002	n/a	53,405
<u>Department of Justice</u>			
Rural Violent Crime Initiative	16.039	n/a	92,854
Public Safety Partnership and Community Policing Grants	16.710	n/a	<u>110,901</u>
Total Department of Justice			<u>203,755</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,533,549</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:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold

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, 2024, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated March 29, 2025.

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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2024-001 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 the response.

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
March 29, 2025

**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, 2024. 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, 2024.

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.

SHAREHOLDERS:

- Marcy J. Luth
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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.

AMG, P.C.

Grand Island, Nebraska

March 29, 2025

CITY OF ALLIANCE, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2024

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, 2024.
 - (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
 - (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, 2024

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

2024-001

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, 2024

Findings noted during the audit of the financial statements and reported in accordance with GAGAS for the year ended September 30, 2023:

2023-001 – 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>
2024-001	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

