

Public Finance, Judiciary, and Personnel Committee
Tuesday, April 13, 2021 4:00 PM
Council Chambers
1369 25 Avenue
Columbus, NE 68601

1. **Statement of Compliance with Open Meetings Act and roll call.**

OPEN MEETINGS ACT

**NEBRASKA
REVISED STATUTES
84-1407 THROUGH 84-1414**



**EFFECTIVE
NOVEMBER 14, 2020**



This is a complimentary copy of the Open Meetings Act - Nebraska Revised Statutes 84-1407 through 84-1414. We hope you find it helpful when conducting your public meeting.

There were revisions made to the Open Meetings Act in the 2020 Nebraska State Legislature. The most recent version of the Open Meetings Act in this manual is in effect as of November 14, 2020.

This manual is provided to Nebraska municipalities by the League of Nebraska Municipalities (LONM) and the League Association of Risk Management (LARM).



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84-1407. ACT, HOW CITED. SECTIONS 84-1407 TO 84-1414 SHALL BE KNOWN AND MAY BE CITED AS THE OPEN MEETINGS ACT.

**84-1408. DECLARATION OF INTENT;
MEETINGS OPEN TO PUBLIC.**

It is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret.

Every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of Nebraska, federal statutes, and the Open Meetings Act.

84-1409. TERMS, DEFINED. FOR PURPOSES OF THE OPEN MEETINGS ACT, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1)(a) Public body means (i) governing bodies of all political subdivisions of the State of Nebraska, (ii) governing bodies of all agencies, created by the Constitution of Nebraska, statute, or otherwise pursuant to law, of the executive department of the State of Nebraska, (iii) all independent boards, commissions, bureaus, committees, councils, subunits, or any other bodies created by the Constitution of Nebraska, statute, or otherwise pursuant to law, (iv) all study or advisory committees of the executive department of the State of Nebraska whether having continuing existence or appointed as special committees with limited existence, (v) advisory committees of the bodies referred to in subdivisions (i), (ii), and (iii) of this subdivision, and (vi) instrumentalities exercising essentially public functions.

(b) Public body does not include (i) subcommittees of such bodies unless a quorum of the public body attends a subcommittee meeting or unless such subcommittees are holding hearings, making policy, or taking formal action on behalf of their parent body, except that all meetings of any subcommittee established under section 81-15,175 are subject to the Open Meetings Act, and (ii) entities conducting judicial proceedings unless a court or other judicial body is exercising rulemaking authority, deliberating, or deciding upon the issuance of administrative orders;

(2) Meeting means all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body; and

(3) Videoconferencing means conducting a meeting involving participants at two or more locations through the use of audio-video equipment which allows participants at each location to hear and see each meeting participant at each other location, including public input. Interaction between meeting participants shall be possible at all meeting locations.

**84-1410. CLOSED SESSION; WHEN; PURPOSE;
REASONS LISTED; PROCEDURE; RIGHT TO
CHALLENGE; PROHIBITED ACTS; CHANCE
MEETINGS, CONVENTIONS, OR WORKSHOPS.**

(1) Any public body may hold a closed session by the affirmative vote of a majority of its voting members if a closed session is clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. The subject matter and the reason necessitating the closed session shall be identified in the motion to close. Closed sessions may be held for, but shall not be limited to, such reasons as:

- (a) Strategy sessions with respect to collective bargaining, real estate purchases, pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation to or by the public body;
- (b) Discussion regarding deployment of security personnel or devices;
- (c) Investigative proceedings regarding allegations of criminal misconduct;
- (d) Evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting;
- (e) For the Community Trust created under section 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster; or
- (f) For public hospitals, governing board peer review activities, professional review activities, review and discussion of medical staff investigations or disciplinary actions, and any strategy session concerning transactional negotiations with any referral source that is required by federal law to be conducted at arms length.

Nothing in this section shall permit a closed meeting for discussion of the appointment or election of a new member to any public body.

(2) The vote to hold a closed session shall be taken in open session. The entire motion, the vote of each member on the question of holding a closed session, and the time when the closed session commenced and concluded shall be recorded in the minutes. If the motion to close passes, then the presiding officer immediately prior to the closed session shall restate on the record the limitation of the subject matter of the closed session. The public body holding such a closed session shall restrict its consideration of matters during the closed portions to only those purposes set forth in the motion to close as the reason for the closed session. The meeting shall be reconvened in open session before any formal action may be taken. For purposes of this section, formal action shall mean a collective decision or a collective commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy but shall not include negotiating guidance given by members of the public body to legal counsel or other negotiators in closed sessions authorized under subdivision (1)(a) of this section.

(3) Any member of any public body shall have the right to challenge the continuation of a closed session if the member determines that the session has exceeded the reason stated in the original motion to hold a closed session or if the member contends that the closed session is neither clearly necessary for (a) the protection of the public interest or (b) the prevention of needless injury to the reputation of an individual. Such challenge shall be overruled only by a majority vote of the members of the public body. Such challenge and its disposition shall be recorded in the minutes.

(4) Nothing in this section shall be construed to require that any meeting be closed to the public. No person or public body shall fail to invite a portion of its members to a meeting, and no public body shall designate itself a subcommittee of the whole body for the purpose of circumventing the Open

Meetings Act. No closed session, informal meeting, chance meeting, social gathering, email, fax, or other electronic communication shall be used for the purpose of circumventing the requirements of the act.

(5) The act does not apply to chance meetings or to attendance at or travel to conventions or workshops of members of a public body at which there is no meeting of the body then intentionally convened, if there is no vote or other action taken regarding any matter over which the public body has supervision, control, jurisdiction, or advisory power.

84-1411. MEETINGS OF PUBLIC BODY; NOTICE; METHOD; CONTENTS; WHEN AVAILABLE; RIGHT TO MODIFY; DUTIES CONCERNING NOTICE; VIDEOCONFERENCING OR TELEPHONE CONFERENCING AUTHORIZED; EMERGENCY MEETING WITHOUT NOTICE; APPEARANCE BEFORE PUBLIC BODY.

(1)(a) Each public body shall give reasonable advance publicized notice of the time and place of each meeting as provided in this subsection. Such notice shall be transmitted to all members of the public body and to the public.

(b)(i) Except as provided in subdivision (1)(b)(ii) of this section, in the case of a public body described in subdivision (1)(a)(i) of section 84-1409 or such body's advisory committee, such notice shall be published in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site.

(ii) In the case of the governing body of a city of the second class or village or such body's advisory committee, such notice shall be published by:

(A) Publication in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site; or

(B) Posting written notice in three conspicuous public places in such city or village. Such notice shall be posted in the same three places for each meeting.

(iii) In the case of a public body not described in subdivision (1)(b)(i) or (ii) of this section, such notice shall be given by a method designated by the public body.

(c) In addition to a method of notice required by subdivision (1)(b)(i) or (ii) of this section, such notice may also be provided by any other appropriate method designated by such public body or such advisory committee.

(d) Each public body shall record the methods and dates of such notice in its minutes.

(e) Such notice shall contain an agenda of subjects known at the time of the publicized notice or a statement that the agenda, which shall be kept continually current, shall be readily available for public inspection at the principal office of the public body during normal business hours. Agenda items shall be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting. Except for items of an emergency nature, the agenda shall not be altered later than (i) twenty-four hours before the scheduled commencement of the meeting or (ii) forty-eight hours before the scheduled commencement of a meeting of a city council or village board scheduled outside the corporate limits of the municipality. The public body shall have the right to modify the agenda to include items of an emergency nature only at such public meeting.

(2) A meeting of a state agency, state board, state commission, state coun-

cil, or state committee, of an advisory committee of any such state entity, of an organization created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a public power district having a chartered territory of more than one county in this state, of the governing body of a public power and irrigation district having a chartered territory of more than one county in this state, of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, or of a community college board of governors may be held by means of videoconferencing or, in the case of the Judicial Resources Commission in those cases specified in section 24-1204, by telephone conference, if:

(a) Reasonable advance publicized notice is given as provided in subsection (1) of this section;

(b) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recordation by audio or visual recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if videoconferencing or telephone conferencing was not used;

(c) At least one copy of all documents being considered is available to the public at each site of the videoconference or telephone conference;

(d) At least one member of the state entity, advisory committee, board, council, or governing body is present at each site of the videoconference or telephone conference, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site; and

(e)(i) Except as provided in subdivision (2)(e)(ii) of this section, no more than one-half of the state entity's, advisory committee's, board's, council's, or governing body's meetings in a calendar year are held by videoconference or telephone conference; or

(ii) In the case of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act, such organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conferencing.

Videoconferencing, telephone conferencing, or conferencing by other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(3) A meeting of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of an entity formed under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, of a community college board of governors, of the governing body of a public power district, of the governing body of a public power and irrigation district, or of the Nebraska Brand Committee may be held by telephone conference call if:

(a) The territory represented by the educational service unit, member educational service units, community college board of governors, public

power district, public power and irrigation district, Nebraska Brand Committee, or member public agencies of the entity or pool covers more than one county;

(b) Reasonable advance publicized notice is given as provided in subsection (1) of this section which identifies each telephone conference location at which there will be present: (i) A member of the educational service unit board, council, community college board of governors, governing body of a public power district, governing body of a public power and irrigation district, Nebraska Brand Committee, or entity's or pool's governing body; or (ii) A nonvoting designee designated under subdivision (3)(f) of this section;

(c) All telephone conference meeting sites identified in the notice are located within public buildings used by members of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or entity or pool or at a place which will accommodate the anticipated audience;

(d) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recordation by audio recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if a telephone conference call was not used;

(e) At least one copy of all documents being considered is available to the public at each site of the telephone conference call;

(f) At least one member of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or governing body of the entity or pool is present at each site of the telephone conference call identified in the public notice, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site;

(g) The telephone conference call lasts no more than five hours; and

(h) No more than one-half of the board's, council's, governing body's, committee's, entity's, or pool's meetings in a calendar year are held by telephone conference call, except that:

(i) The governing body of a risk management pool that meets at least quarterly and the advisory committees of the governing body may each hold more than one-half of its meetings by telephone conference call if the governing body's quarterly meetings are not held by telephone conference call or videoconferencing; and

(ii) An organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act may hold more than one-half of its meetings by telephone conference call if the organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conference call.

Nothing in this subsection shall prevent the participation of consultants, members of the press, and other nonmembers of the governing body at sites not identified in the public notice. Telephone conference calls, emails, faxes, or other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(4) The secretary or other designee of each public body shall maintain a list of the news media requesting notification of meetings and shall make reasonable efforts to provide advance notification to them of the time and place of each meeting and the subjects to be discussed at that meeting.

(5) When it is necessary to hold an emergency meeting without reasonable advance public notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency. Such emergency meetings may be held by means of electronic or telecommunication equipment. The provisions of subsection (4) of this section shall be complied with in conducting emergency meetings. Complete minutes of such emergency meetings specifying the nature of the emergency and any formal action taken at the meeting shall be made available to the public by no later than the end of the next regular business day.

(6) A public body may allow a member of the public or any other witness other than a member of the public body to appear before the public body by means of video or telecommunications equipment.

84-1412. MEETINGS OF PUBLIC BODY; RIGHTS OF PUBLIC; PUBLIC BODY; POWERS AND DUTIES.

(1) Subject to the Open Meetings Act, the public has the right to attend and the right to speak at meetings of public bodies, and all or any part of a meeting of a public body, except for closed sessions called pursuant to section 84-1410, may be videotaped, televised, photographed, broadcast, or recorded by any person in attendance by means of a tape recorder, camera, video equipment, or any other means of pictorial or sonic reproduction or in writing.

(2) It shall not be a violation of subsection (1) of this section for any public body to make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings. A body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

(3) No public body shall require members of the public to identify themselves as a condition for admission to the meeting nor shall such body require that the name of any member of the public be placed on the agenda prior to such meeting in order to speak about items on the agenda. The body may require any member of the public desiring to address the body to identify himself or herself.

(4) No public body shall, for the purpose of circumventing the Open Meetings Act, hold a meeting in a place known by the body to be too small to accommodate the anticipated audience.

(5) No public body shall be deemed in violation of this section if it holds its meeting in its traditional meeting place which is located in this state.

(6) No public body shall be deemed in violation of this section if it holds a meeting outside of this state if, but only if:

- (a) A member entity of the public body is located outside of this state and the meeting is in that member's jurisdiction;
- (b) All out-of-state locations identified in the notice are located within public buildings used by members of the entity or at a place which will accommodate the anticipated audience;
- (c) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including making a telephone conference call available at an instate location to members, the public, or the press, if requested twenty-four hours in advance;
- (d) No more than twenty-five percent of the public body's meetings in a calendar year are held out-of-state;
- (e) Out-of-state meetings are not used to circumvent any of the public government purposes established in the Open Meetings Act;
- (f) Reasonable arrangements are made to provide viewing at other instate locations for a videoconference meeting if requested fourteen days in advance and if economically and reasonably available in the area; and
- (g) The public body publishes notice of the out-of-state meeting at least twenty-one days before the date of the meeting in a legal newspaper of statewide circulation.

(7) The public body shall, upon request, make a reasonable effort to accommodate the public's right to hear the discussion and testimony presented at the meeting.

(8) Public bodies shall make available at the meeting or the instate location for a telephone conference call or videoconference, for examination and copying by members of the public, at least one copy of all reproducible written material to be discussed at an open meeting. Public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of the meeting, the public shall be informed about the location of the posted information.

84-1413. MEETINGS; MINUTES; ROLL CALL VOTE; SECRET BALLOT; WHEN.

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The requirements of a roll call or viva voce vote shall be satisfied by a public body which utilizes an electronic voting device which allows the yeas and nays of each member of such public body to be readily seen by the public.

(3) The vote to elect leadership within a public body may be taken by secret ballot, but the total number of votes for each candidate shall be recorded in the minutes.

(4) The minutes of all meetings and evidence and documentation received or disclosed in open session shall be public records and open to public inspection during normal business hours.

(5) Minutes shall be written, except as provided in subsection (6) of this section, and available for inspection within ten working days or prior to the next convened meeting, whichever occurs earlier, except that cities of the second class and villages may have an additional ten working days if the employee responsible for writing the minutes is absent due to a serious illness or emergency.

(6) Minutes of the meetings of the board of a school district or educational service unit may be kept as an electronic record.

**84-1414. UNLAWFUL ACTION BY PUBLIC BODY;
DECLARED VOID OR VOIDABLE BY DISTRICT COURT;
WHEN; DUTY TO ENFORCE OPEN MEETING LAWS;
CITIZEN'S SUIT; PROCEDURE;
VIOLATIONS; PENALTIES.**

(1) Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in violation of the Open Meetings Act shall be declared void by the district court if the suit is commenced within one hundred twenty days of the meeting of the public body at which the alleged violation occurred. Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in substantial violation of the Open Meetings Act shall be voidable by the district court if the suit is commenced more than one hundred twenty days after but within one year of the meeting of the public body in which the alleged violation occurred. A suit to void any final action shall be commenced within one year of the action.

(2) The Attorney General and the county attorney of the county in which the public body ordinarily meets shall enforce the Open Meetings Act.

(3) Any citizen of this state may commence a suit in the district court of the county in which the public body ordinarily meets or in which the plaintiff resides for the purpose of requiring compliance with or preventing violations of the Open Meetings Act, for the purpose of declaring an action of a public body void, or for the purpose of determining the applicability of the act to discussions or decisions of the public body. It shall not be a defense that the citizen attended the meeting and failed to object at such time. The court may order payment of reasonable attorney's fees and court costs to a successful plaintiff in a suit brought under this section.

(4) Any member of a public body who knowingly violates or conspires to violate or who attends or remains at a meeting knowing that the public body is in violation of any provision of the Open Meetings Act shall be guilty of a Class IV misdemeanor for a first offense and a Class III misdemeanor for a second or subsequent offense.

EFFECTIVE DATE – NOVEMBER 14, 2020

**DISTRIBUTED BY THE
LEAGUE OF NEBRASKA MUNICIPALITIES AND THE
LEAGUE ASSOCIATION OF RISK MANAGEMENT.**



**LEAGUE OF NEBRASKA
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2. Financial and Compliance Audit for year-ended September 30, 2020.

CITY OF COLUMBUS, NEBRASKA

FINANCIAL REPORT

(Audited)

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Columbus, Nebraska

Report on the Financial Statements

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 Columbus, Nebraska, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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 Columbus, Nebraska, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 44-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Columbus, Nebraska's basic financial statements. The Schedule of County Treasurer Activity on page 48 and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of County Treasurer Activity and the Schedule of Expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of County Treasurer Activity is fairly stated in all material respects in relation to the 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 22, 2021, on our consideration of the City of Columbus, Nebraska’s internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Columbus, Nebraska’s internal control over financial reporting and compliance.

KSO CPA’s, P.C.



Kearney, Nebraska
March 22, 2021



Management's Discussion and Analysis
September 30, 2020

Unaudited

This discussion and analysis is intended to be an easily readable analysis of the City of Columbus' (City) financial activities based on currently known facts, decisions and conditions. This analysis focuses on current year activities and how it compares to prior years and should be read in conjunction with the financial statements that follow.

Financial Highlights

- City of Columbus assets exceed its liabilities as of September 30, 2020 by \$198 million.
- Capital Assets (net of depreciation and related debt) account for about 68% of this amount.
- Of the remaining net assets, \$15.1 million is restricted to capital projects and debt payments and \$48.1 million may be used to meet the government's ongoing obligation to its citizens and creditors, without restrictions.

Report Layout

In addition to the Management's Discussion and Analysis, the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present the government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, fire, streets, parks, golf, aquatics, library, and general government administration. The City's business-type activities include the business enterprises of water, sewer, solid waste and electric. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. This statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or deteriorating. Other indications include the condition of the City's infrastructure systems (roads, drainage systems, etc.), changes in property tax base and general economic conditions within the City.
- The Statement of Activities focuses on the gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

City of Columbus, Nebraska
Management's Discussion and Analysis, Continued
September 30, 2020

- Fund financial statements focus separately on major governmental funds and proprietary (business-type) funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net position, revenue, expenses and changes in net position, and cash flow.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

City as a Whole

Government-Wide Financial Statements

A condensed version of the Statement of Net Position of the City for the fiscal years ended September 30, 2020 and 2019 follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets				
Cash and investments	\$ 33,291,045	\$ 37,613,775	\$ 28,073,062	\$ 28,922,158
Other assets	2,590,468	2,351,538	3,762,006	3,647,929
Capital assets, net	117,182,564	107,667,661	84,245,376	82,317,009
Deferred outflows	-	-	124,975	124,975
Total assets	<u>\$153,064,077</u>	<u>\$147,632,974</u>	<u>\$ 116,205,419</u>	<u>\$115,012,071</u>
Liabilities				
Long-term liabilities	\$ 15,891,507	\$ 16,989,684	\$ 44,536,675	\$ 46,612,480
Other liabilities	7,194,433	6,649,714	3,232,408	3,614,559
Total liabilities	<u>\$ 23,085,940</u>	<u>\$ 23,639,398</u>	<u>\$ 47,769,083</u>	<u>\$ 50,227,039</u>
Net position				
Net investment in capital assets	\$100,156,057	\$ 89,487,977	\$ 35,101,661	\$ 31,127,150
Restricted	11,620,370	8,393,121	3,442,617	5,921,488
Unrestricted	18,201,710	26,112,478	29,892,058	27,736,394
Total net position	<u>\$129,978,137</u>	<u>\$123,993,576</u>	<u>\$ 68,436,336</u>	<u>\$ 64,785,032</u>
Total liabilities and net position	<u>\$153,064,077</u>	<u>\$147,632,974</u>	<u>\$ 116,205,419</u>	<u>\$ 115,012,071</u>

During the year ended September 30, 2020 the most significant changes were as follows:

Governmental Activities

The most significant changes from 2019 were the \$9.5 million increase in capital assets. Overall the total net position increased by \$6.0 million.

City of Columbus, Nebraska
Management's Discussion and Analysis, Continued
September 30, 2020

Business-type Activities

The business activity for 2020 did not have any drastic changes. Overall, business-type activities showed a total net position of \$68,436,336. This is an increase from the previous year of \$3.65 million.

A condensed version of the Statement of Activities of the City for the fiscal years ended September 30, 2020 and 2019 follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues				
Program revenues				
Charges for services	\$ 5,230,891	\$ 5,987,101	\$ 14,841,216	\$14,334,212
Operating grants and contributions	3,042,216	1,315,422	94,939	187,371
Capital grants and contributions	7,022,383	5,571,892	-	-
General revenues				
Property tax	5,228,547	4,912,733	-	-
Sales tax	8,206,676	8,075,906	-	-
Franchise fees	659,491	713,359	3,777,900	3,813,822
Other Tax	165,238	120,177	-	-
Investment earnings	659,030	982,670	832,994	609,403
Gain (loss) on sale of equipment	(23,309)	43,400	(67,866)	-
Transfers in (out)	<u>4,228,245</u>	<u>(7,706,790)</u>	<u>(4,244,445)</u>	<u>7,688,540</u>
Total revenues	<u>\$34,419,408</u>	<u>\$20,015,870</u>	<u>\$15,234,738</u>	<u>\$ 26,633,348</u>
Governmental Activities				
General government	\$14,024,721	\$18,136,543	\$ -	\$ -
Special revenue	11,397,183	7,499,822	-	-
Debt Service	218,350	228,606	-	-
Library Foundation	34,440	1,280	-	-
Library Endowment	-	4,357	-	-
Gerrard Park Trust	2,100	2,100	-	-
Health Insurance	2,758,053	3,219,668	-	-
Water	-	-	2,849,996	2,659,045
Sewer	-	-	6,154,222	5,384,402
Solid waste	-	-	1,923,741	1,747,253
Stormwater	-	-	491,809	456,808
Electric	-	-	163,666	163,666
Total expenses	<u>\$28,434,847</u>	<u>\$29,092,376</u>	<u>\$11,583,434</u>	<u>\$10,411,174</u>
Change in net position	<u>\$ 5,984,561</u>	<u>\$ (9,076,506)</u>	<u>\$ 3,651,304</u>	<u>\$16,222,174</u>

During the year ended September 30, 2020 the most significant changes were as follows:

Governmental activities

Overall net position increased by \$6.0 million in 2020 as compared to a decrease of \$9.0 million in 2019. Operating grants and contributions increased due to variations in grant applications. Property tax revenue increased \$315,814 due to additional property in Columbus that is being served by the City, rather than an increase in the property tax levy rate, as the levy rate was kept the same as last year. During fiscal year 2020 the local option sales tax revenue increased by \$130,770 or 1.6% when compared with 2019 due to more taxable sales in the City of Columbus. The cost of health insurance decreased by \$461,615 due to decreased health related claims, as the City health plan is partially self-funded.

Business-type activities

Business-type activity expenses remained similar to the prior year. Business-type activity revenues were much lower than 2019. The main difference was due to the transfer of funds from the general fund to support the storm water utility fund in 2019. The category charges for services increased by \$507,004 when compared to 2019, due to planned rate increases to provide funds for the wastewater plant expansion. During 2020, the recommended rate increases from the 2017 water and wastewater study, of 1% for water and 10% for wastewater, were implemented to provide funds for future system improvements.

Budgetary Highlights

The City budgets on an annual basis. Over the course of the year, the City Council did not amend the budget. There were some areas where revenues exceeded estimates and expenditures exceeded estimates, but overall the budget was not overspent.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2020 the City had \$200 million invested in capital assets, including land, buildings, equipment, park and recreation facilities, streets, storm water drainage and water and sewer lines. This amount represents a net increase (additions, deductions, less depreciation) of \$10 million over last year.

A total of \$9.7 million was invested during 2020 in capital assets for governmental activities. Some of the larger completed projects include, \$197,898 for police vehicles, \$5.3 million for citywide pavement projects, and the downtown traffic signal and intersection improvements, \$155,000 for Library materials, \$7.1 million for Police and Fire Station construction, \$352,000 for Quail Run Golf Course Flood Repair, a \$260,000 Excavator and \$612,926 for a snow removal building at the airport.

A total of \$1.9 million was invested in capital assets during 2020 for the business-type activities. The main purchase was Phase 4 of the wastewater plant expansion

Debt Outstanding

At year-end, the City had \$63.5 million in bonds and notes outstanding versus \$67 million last year. In the governmental activities, there were no new borrowing activities and \$1,251,354 of general obligation debt was retired during 2020. There was no new borrowing for business-type activities during 2020 and \$2,228,236 of outstanding business-type debt was retired during 2020. Some refinancing was done in 2020.

Economic Factors and Next Year's Budgets and Rates

Several factors were considered and affected the preparation of the City's 2020 budget as follows:

- The revenue and rate lids imposed on property taxes by the State of Nebraska.
- The sales tax trend.
- The unemployment rate for Columbus.
- The amount of building permits issued.
- The state of the local economy.
- The ability to borrow at historically low interest rates.

The City has to deal with swings in the economy and plans for future capital expansions. The City will be looking very closely at the services it provides and what changes can be made to best serve the community and also stay within the City's financial resources for future budget years.

Financial Contact

This financial report is designed to provide an overview for all (citizens, taxpayers, customers, investors, and creditors) with an interest in the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the Finance Director, City of Columbus, P.O. Box 1677, Columbus, NE 68602-1677.

City of Columbus, Nebraska
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 238,491	\$ 432,841	\$ -	\$ 671,332
Cash - County Treasurer	1,176,556	-	-	1,176,556
Investments	28,321,860	24,197,604	-	52,519,464
Accounts receivable	615,652	1,366,201	-	1,981,853
Special assessment receivable	416,808	-	-	416,808
Notes receivable	1,558,008	-	-	1,558,008
Accrued revenue	-	2,160,073	-	2,160,073
Inventory	-	235,732	-	235,732
Land and buildings	120,279,189	111,005,346	-	231,284,535
Equipment	11,378,748	9,713,347	-	21,092,095
Vehicles	8,159,905	-	-	8,159,905
Construction in progress	31,681,041	10,849,730	-	42,530,771
Less accumulated depreciation	(54,316,319)	(47,323,047)	-	(101,639,366)
Restricted cash and cash equivalents	<u>3,554,138</u>	<u>3,442,617</u>	-	<u>6,996,755</u>
 Total assets	 <u>\$ 153,064,077</u>	 <u>\$ 116,080,444</u>	 <u>\$ -</u>	 <u>\$ 269,144,521</u>
DEFERRED OUTFLOWS				
Bond issue costs	<u>\$ -</u>	<u>\$ 124,975</u>	<u>\$ -</u>	<u>\$ 124,975</u>
LIABILITIES				
Accounts payable	\$ 852,726	\$ 189,668	\$ -	\$ 1,042,394
Accrued expenses	1,759,931	395,557	-	2,155,488
Deferred revenue	2,074,891	-	-	2,074,891
Checks in excess of bank balance	1,371,885	-	-	1,371,885
Interest payable	-	402,183	-	402,183
Long-term debt, net:				
Due within one year	1,135,000	2,245,000	-	3,380,000
Due in more than one year	<u>15,891,507</u>	<u>44,536,675</u>	-	<u>60,428,182</u>
Total liabilities	<u>\$ 23,085,940</u>	<u>\$ 47,769,083</u>	<u>\$ -</u>	<u>\$ 70,855,023</u>
NET POSITION				
Net investment in capital assets	\$ 100,156,057	\$ 35,101,661	\$ -	\$ 135,257,718
Restricted for:				
Debt Service	9,193,370	1,939,836	-	11,133,206
Unspent bond proceeds	2,427,000	1,502,781	-	3,929,781
Unrestricted	<u>18,201,710</u>	<u>29,892,058</u>	-	<u>48,093,768</u>
Total net position	<u>\$ 129,978,137</u>	<u>\$ 68,436,336</u>	<u>\$ -</u>	<u>\$ 198,414,473</u>

See notes to financial statements.

City of Columbus, Nebraska
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 14,024,721	\$ 1,224,175	\$ 220,176	\$ 1,723,705	\$ (10,856,665)	\$ -	\$ (10,856,665)
Special revenue	11,397,183	634,919	2,822,040	5,050,944	(2,889,280)	-	(2,889,280)
Debt service	218,350	24,719	-	27,013	(166,618)	-	(166,618)
Library Foundation	34,440	-	-	193,891	159,451	-	159,451
Library Endowment	-	-	-	23,025	23,025	-	23,025
Gerrard Park Trust	2,100	-	-	3,805	1,705	-	1,705
Health insurance	2,758,053	3,347,078	-	-	589,025	-	589,025
Total governmental activities	<u>\$ 28,434,847</u>	<u>\$ 5,230,891</u>	<u>\$ 3,042,216</u>	<u>\$ 7,022,383</u>	<u>\$ (13,139,357)</u>	<u>\$ -</u>	<u>\$ (13,139,357)</u>
Business-type activities:							
Water	\$ 2,849,996	\$ 4,338,172	\$ 72,294	\$ -	\$ -	\$ 1,560,470	\$ 1,560,470
Sewer	6,154,222	7,535,409	-	-	-	1,381,187	1,381,187
Electric	163,666	-	-	-	-	(163,666)	(163,666)
Stormwater	491,809	378,398	-	-	-	(113,411)	(113,411)
Solid waste	1,923,741	2,589,237	22,645	-	-	688,141	688,141
Total business-type activities	<u>\$ 11,583,434</u>	<u>\$ 14,841,216</u>	<u>\$ 94,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,352,721</u>	<u>\$ 3,352,721</u>
Total government	<u>\$ 40,018,281</u>	<u>\$ 20,072,107</u>	<u>\$ 3,137,155</u>	<u>\$ 7,022,383</u>	<u>\$ (13,139,357)</u>	<u>\$ 3,352,721</u>	<u>\$ (9,786,636)</u>
General revenues:							
Property tax					\$ 5,228,547	\$ -	\$ 5,228,547
Sales tax					8,206,676	-	8,206,676
Miscellaneous					165,238	-	165,238
Franchise fees					659,491	3,777,900	4,437,391
Investment earnings					613,900	534,541	1,148,441
Gain on sale of asset					(23,309)	(67,866)	(91,175)
Bond proceeds and premiums					45,130	298,453	343,583
Transfers					4,228,245	(4,244,445)	(16,200)
Total general revenues and transfers					<u>\$ 19,123,918</u>	<u>\$ 298,583</u>	<u>\$ 19,422,501</u>
Change in net position					\$ 5,984,561	\$ 3,651,304	\$ 9,635,865
Net position - beginning					123,993,576	64,785,032	188,778,608
Net position - ending					<u>\$ 129,978,137</u>	<u>\$ 68,436,336</u>	<u>\$ 198,414,473</u>

See notes to financial statements.

City of Columbus, Nebraska
Balance Sheet
Governmental Funds
September 30, 2020

	General	Special Revenue	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 220,096	\$ -	\$ 16,381	\$ -	\$ 236,477
Cash - County Treasurer	1,020,870	-	155,686	-	1,176,556
Investments	8,032,683	12,423,947	779,175	4,562,627	25,798,432
Receivables:					
Accounts	183,302	432,350	-	-	615,652
Special assessment	-	211,229	205,579	-	416,808
Notes	-	1,558,008	-	-	1,558,008
Restricted assets:					
Cash and cash equivalents	-	3,554,138	-	-	3,554,138
Total assets	<u>\$ 9,456,951</u>	<u>\$ 18,179,672</u>	<u>\$ 1,156,821</u>	<u>\$ 4,562,627</u>	<u>\$ 33,356,071</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 488,042	\$ 364,684	\$ -	\$ -	\$ 852,726
Accrued expenses	1,413,435	341,841	4,655	-	1,759,931
Checks in excess of bank balance	-	1,371,885	-	-	1,371,885
Deferred revenue	-	1,869,312	205,579	-	2,074,891
Current portion of long-term debt	-	570,000	565,000	-	1,135,000
Total liabilities	<u>\$ 1,901,477</u>	<u>\$ 4,517,722</u>	<u>\$ 775,234</u>	<u>\$ -</u>	<u>\$ 7,194,433</u>
Fund balances:					
Nonspendable	\$ -	\$ -	\$ -	\$ 144,559	\$ 144,559
Restricted	-	14,292,140	381,587	2,558,890	17,232,617
Committed	-	798,539	-	1,859,178	2,657,717
Assigned	71,666	-	-	-	71,666
Unassigned	7,483,808	(1,428,729)	-	-	6,055,079
Total fund balances	<u>\$ 7,555,474</u>	<u>\$ 13,661,950</u>	<u>\$ 381,587</u>	<u>\$ 4,562,627</u>	<u>\$ 26,161,638</u>
Total liabilities and fund balances	<u>\$ 9,456,951</u>	<u>\$ 18,179,672</u>	<u>\$ 1,156,821</u>	<u>\$ 4,562,627</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	117,182,564
The Internal Service Fund is used by management to charge the costs of self-insurance and employee benefits; the assets and liabilities of the Internal Service Fund are reported in the governmental activities.	2,525,442
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(15,891,507)</u>
Net position of governmental activities	<u>\$ 129,978,137</u>

See notes to financial statements.

City of Columbus, Nebraska
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Special Revenue	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 4,714,208	\$ -	\$ 514,339	\$ -	\$ 5,228,547
Fees, taxes, permits and licenses	1,160,744	2,781,925	27,013	-	3,969,682
State shared revenue	5,992	-	-	-	5,992
Franchise fees	659,491	-	-	-	659,491
Sales tax	-	8,206,676	-	-	8,206,676
Charges for services	1,224,175	634,919	24,719	-	1,883,813
Donations	-	-	-	193,891	193,891
TIF income	-	-	165,238	-	165,238
Grants	220,176	2,822,040	-	-	3,042,216
Investment earnings	177,610	334,216	17,019	44,263	573,108
Bond premiums	-	-	45,130	-	45,130
Miscellaneous	570,020	2,269,019	-	26,830	2,865,869
Total revenues	<u>\$ 8,732,416</u>	<u>\$ 17,048,795</u>	<u>\$ 793,458</u>	<u>\$ 264,984</u>	<u>\$ 26,839,653</u>
EXPENDITURES					
Current operating:					
General government	\$ 1,995,678	\$ 640,380	\$ -	\$ -	\$ 2,636,058
Public safety	6,619,061	2,653,451	-	-	9,272,512
Public works	-	3,027,620	-	-	3,027,620
Cultural and recreation	4,206,437	-	-	36,540	4,242,977
Community development	487,605	2,032,932	-	-	2,520,537
Capital outlay	6,078,885	6,634,160	-	-	12,713,045
Debt service:					
Principal	-	520,000	565,000	-	1,085,000
Interest	-	610,135	218,350	-	828,485
Total expenditures	<u>\$ 19,387,666</u>	<u>\$ 16,118,678</u>	<u>\$ 783,350</u>	<u>\$ 36,540</u>	<u>\$ 36,326,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (10,655,250)</u>	<u>\$ 930,117</u>	<u>\$ 10,108</u>	<u>\$ 228,444</u>	<u>\$ (9,486,581)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 21,954,881	\$ 3,047,775	\$ 699,342	\$ 167,488	\$ 25,869,486
Transfers out	<u>(10,808,106)</u>	<u>(9,964,308)</u>	<u>(699,342)</u>	<u>(169,485)</u>	<u>(21,641,241)</u>
Total other financing sources (uses)	<u>\$ 11,146,775</u>	<u>\$ (6,916,533)</u>	<u>\$ -</u>	<u>\$ (1,997)</u>	<u>\$ 4,228,245</u>
Net change in fund balances	\$ 491,525	\$ (5,986,416)	\$ 10,108	\$ 226,447	\$ (5,258,336)
Fund balances - beginning	7,063,949	19,648,366	371,479	4,336,180	31,419,974
Fund balances-ending	<u>\$ 7,555,474</u>	<u>\$ 13,661,950</u>	<u>\$ 381,587</u>	<u>\$ 4,562,627</u>	<u>\$ 26,161,638</u>

See notes to financial statements.

City of Columbus, 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, 2020

Amounts reported for governmental activities in the statement of activities (page 10) are different because:

Net change in fund balances - total governmental funds (page 12)	\$ (5,258,336)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.	9,548,085
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (or decrease) net position.	25,125
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,039,870
The Internal Service Fund is used by management to charge the costs of self-insurance and employee benefits; the net revenue of the Internal Service Fund is reported with the governmental activities.	<u>629,817</u>
Change in net position of governmental activities (page 10)	<u>\$ 5,984,561</u>

See notes to financial statements.

City of Columbus, Nebraska
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities					Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Stormwater	Solid Waste		
ASSETS							
Cash and cash equivalents	\$ 10,957,843	\$ 10,160,039	\$ 1,113,147	\$ 431,941	\$ 1,967,475	\$ 24,630,445	\$ 2,525,442
Receivables:							
Interfund	-	-	2,362,040	-	-	2,362,040	-
Accounts (net of allowance)	477,259	663,686	-	32,079	193,177	1,366,201	-
Accrued revenue	343,373	618,462	1,053,914	31,034	113,290	2,160,073	-
Inventory	182,731	53,001	-	-	-	235,732	-
Capital assets:							
Land and buildings	27,803,765	51,952,231	6,191,214	19,400,556	5,657,580	111,005,346	-
Equipment	5,091,404	2,948,182	-	423	1,673,338	9,713,347	-
Construction in progress	206,212	10,580,834	-	62,684	-	10,849,730	-
Less accumulated depreciation	(15,880,068)	(15,975,581)	(5,160,917)	(8,404,748)	(1,901,733)	(47,323,047)	-
Restricted assets:							
Cash and cash equivalents	549,504	2,893,113	-	-	-	3,442,617	-
Total assets	<u>\$ 29,732,023</u>	<u>\$ 63,893,967</u>	<u>\$ 5,559,398</u>	<u>\$ 11,553,969</u>	<u>\$ 7,703,127</u>	<u>\$ 118,442,484</u>	<u>\$ 2,525,442</u>
DEFERRED OUTFLOWS							
Bond issue costs	\$ -	\$ 124,975	\$ -	\$ -	\$ -	\$ 124,975	\$ -
LIABILITIES							
Accounts payable	\$ 69,802	\$ 43,822	\$ -	\$ 1,130	\$ 74,914	\$ 189,668	\$ -
Accrued payroll	105,896	219,751	-	4,210	65,700	395,557	-
Interfund payable	-	-	-	-	2,362,040	2,362,040	-
Interest payable	49,666	351,896	-	-	621	402,183	-
Long-term debt, net:							
Due within one year	630,769	1,394,231	-	-	220,000	2,245,000	-
Due in more than one year	3,215,126	40,196,549	-	-	1,125,000	44,536,675	-
Total liabilities	<u>\$ 4,071,259</u>	<u>\$ 42,206,249</u>	<u>\$ -</u>	<u>\$ 5,340</u>	<u>\$ 3,848,275</u>	<u>\$ 50,131,123</u>	<u>\$ -</u>
NET POSITION							
Net investment in capital assets	\$ 13,375,418	\$ 7,914,886	\$ 1,030,297	\$ 11,058,915	\$ 1,722,145	\$ 35,101,661	\$ -
Restricted for:							
Debt service	549,504	1,390,332	-	-	-	1,939,836	-
Unspent bond proceeds	-	1,502,781	-	-	-	1,502,781	-
Unrestricted	<u>11,735,842</u>	<u>11,004,694</u>	<u>4,529,101</u>	<u>489,714</u>	<u>2,132,707</u>	<u>29,892,058</u>	<u>2,525,442</u>
Total net position	<u>\$ 25,660,764</u>	<u>\$ 21,812,693</u>	<u>\$ 5,559,398</u>	<u>\$ 11,548,629</u>	<u>\$ 3,854,852</u>	<u>\$ 68,436,336</u>	<u>\$ 2,525,442</u>

City of Columbus, Nebraska
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities					Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Stormwater	Solid Waste		
Operating revenues:							
Charges for services	\$ 3,902,342	\$ 7,061,492	\$ -	\$ -	\$ 2,579,568	\$ 13,543,402	\$ 3,291,291
Franchise fees	-	-	3,777,900	-	-	3,777,900	-
Fees, taxes, permits, and licenses	61,085	27,762	-	354,072	1,200	444,119	55,787
Sales tax	160,661	423,810	-	24,326	-	608,797	-
Operating grants	72,294	-	-	-	22,645	94,939	-
Miscellaneous	214,084	22,345	-	-	8,469	244,898	-
Total operating revenues	<u>\$ 4,410,466</u>	<u>\$ 7,535,409</u>	<u>\$ 3,777,900</u>	<u>\$ 378,398</u>	<u>\$ 2,611,882</u>	<u>\$ 18,714,055</u>	<u>\$ 3,347,078</u>
Operating expenses:							
Personnel services	\$ 821,903	\$ 1,473,270	\$ -	\$ 65,771	\$ 638,937	\$ 2,999,881	\$ -
Insurance	31,280	81,688	-	221	8,595	121,784	-
Supplies	274,030	237,644	-	1,480	80,236	593,390	-
Professional services	2,084	374	-	4,608	688	7,754	2,758,053
Repairs and maintenance	280,265	305,095	-	4,926	51,551	641,837	-
Heat, light and power, phone	203,600	368,199	-	178	12,682	584,659	-
Landfill disposal	-	-	-	-	807,417	807,417	-
Sales tax remitted	161,465	419,014	-	23,995	-	604,474	-
Other operating	31,298	32,166	-	2,177	2,085	67,726	-
Depreciation	919,407	1,536,969	163,666	388,453	262,892	3,271,387	-
Advertising and promotion	303	-	-	-	-	303	-
Total operating expenses	<u>\$ 2,725,635</u>	<u>\$ 4,454,419</u>	<u>\$ 163,666</u>	<u>\$ 491,809</u>	<u>\$ 1,865,083</u>	<u>\$ 9,700,612</u>	<u>\$ 2,758,053</u>
Operating income (loss)	1,684,831	3,080,990	3,614,234	(113,411)	746,799	9,013,443	589,025
Nonoperating revenues (expenses):							
Interest expense	\$ (124,361)	\$ (1,699,803)	\$ -	\$ -	\$ (58,658)	\$ (1,882,822)	\$ -
Investment earnings	190,067	284,015	21,568	5,572	33,319	534,541	40,792
Gain (loss) on disposal of assets	-	-	-	-	(67,866)	(67,866)	-
Bond Proceeds	47,559	250,894	-	-	-	298,453	-
Total nonoperating revenues (expenses)	<u>\$ 113,265</u>	<u>\$ (1,164,894)</u>	<u>\$ 21,568</u>	<u>\$ 5,572</u>	<u>\$ (93,205)</u>	<u>\$ (1,117,694)</u>	<u>\$ 40,792</u>
Income (loss) before operating transfers	<u>\$ 1,798,096</u>	<u>\$ 1,916,096</u>	<u>\$ 3,635,802</u>	<u>\$ (107,839)</u>	<u>\$ 653,594</u>	<u>\$ 7,895,749</u>	<u>\$ 629,817</u>
Operating transfers:							
Operating transfers in	\$ -	\$ 95	\$ 64,956	\$ -	\$ -	\$ 65,051	\$ -
Operating transfers out	(120,000)	(120,000)	(3,955,540)	-	(113,956)	(4,309,496)	-
Total operating transfers	<u>\$ (120,000)</u>	<u>\$ (119,905)</u>	<u>\$ (3,890,584)</u>	<u>\$ -</u>	<u>\$ (113,956)</u>	<u>\$ (4,244,445)</u>	<u>\$ -</u>
Change in net position	\$ 1,678,096	\$ 1,796,191	\$ (254,782)	\$ (107,839)	\$ 539,638	\$ 3,651,304	\$ 629,817
Total net position - beginning	23,982,668	20,016,502	5,814,180	11,656,468	3,315,214	64,785,032	1,895,625
Total net position - ending	<u>\$ 25,660,764</u>	<u>\$ 21,812,693</u>	<u>\$ 5,559,398</u>	<u>\$ 11,548,629</u>	<u>\$ 3,854,852</u>	<u>\$ 68,436,336</u>	<u>\$ 2,525,442</u>

See notes to financial statements.

City of Columbus, Nebraska
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2020

	Business-type Activities					Total Enterprise Total	Governmental Activities Internal Service Fund
	Water	Sewer	Electric	Stormwater	Solid Waste		
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 4,323,026	\$ 7,433,317	\$ 3,768,207	\$ 379,264	\$ 2,696,168	\$ 18,599,982	\$ 3,347,078
Payments to suppliers	(927,013)	(1,850,590)	-	(37,757)	(983,540)	(3,798,900)	(2,759,553)
Payments to employees	(826,672)	(1,452,425)	-	(61,561)	(654,318)	(2,994,976)	-
Net cash provided (used) by operating activities	<u>\$ 2,569,341</u>	<u>\$ 4,130,302</u>	<u>\$ 3,768,207</u>	<u>\$ 279,946</u>	<u>\$ 1,058,310</u>	<u>\$ 11,806,106</u>	<u>\$ 587,525</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from (to) other funds (net)	\$ (120,000)	\$ (119,905)	\$ (3,890,584)	\$ -	\$ (113,956)	\$ (4,244,445)	\$ -
Net cash provided (used) by noncapital financing activities	<u>\$ (120,000)</u>	<u>\$ (119,905)</u>	<u>\$ (3,890,584)</u>	<u>\$ -</u>	<u>\$ (113,956)</u>	<u>\$ (4,244,445)</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets, net of disposals	\$ (289,420)	\$ (4,607,034)	\$ -	\$ (26,154)	\$ (267,792)	\$ (5,190,400)	\$ -
Net proceeds (payments) on interfund loans	-	-	-	-	-	-	-
Bond proceeds	47,559	250,894	-	-	-	298,453	-
Bond payments	(676,486)	(1,517,776)	-	-	(180,000)	(2,374,262)	-
Interest payments	(234,374)	(1,635,788)	-	-	(59,821)	(1,929,983)	-
Net cash provided (used) by capital and related financing activities	<u>\$ (1,152,721)</u>	<u>\$ (7,509,704)</u>	<u>\$ -</u>	<u>\$ (26,154)</u>	<u>\$ (507,613)</u>	<u>\$ (9,196,192)</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends received	\$ 190,067	\$ 534,909	\$ 21,568	\$ 5,572	\$ 33,319	\$ 785,435	\$ 40,792
Net cash provided by investing activities	<u>\$ 190,067</u>	<u>\$ 534,909</u>	<u>\$ 21,568</u>	<u>\$ 5,572</u>	<u>\$ 33,319</u>	<u>\$ 785,435</u>	<u>\$ 40,792</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,486,687	\$ (2,964,398)	\$ (100,809)	\$ 259,364	\$ 470,060	\$ (849,096)	\$ 628,317
Beginning cash and cash equivalents	10,020,660	16,017,550	1,213,956	172,577	1,497,415	28,922,158	1,897,125
Ending cash and cash equivalents	<u>\$ 11,507,347</u>	<u>\$ 13,053,152</u>	<u>\$ 1,113,147</u>	<u>\$ 431,941</u>	<u>\$ 1,967,475</u>	<u>\$ 28,073,062</u>	<u>\$ 2,525,442</u>
Reconciliation of operating income to net cash provided by operating activities							
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss):	\$ 1,684,831	\$ 3,080,990	\$ 3,614,234	\$ (113,411)	\$ 746,799	\$ 9,013,443	\$ 589,025
Depreciation	919,407	1,536,969	163,666	388,453	262,892	3,271,387	-
Change in assets and liabilities:							
Receivables	(87,440)	(102,093)	-	866	84,286	(104,381)	-
Inventory and other assets	-	-	(9,693)	-	-	(9,693)	-
Accounts and other payables	57,312	(406,410)	-	(172)	(20,286)	(369,556)	(1,500)
Accrued expenses	(4,769)	20,846	-	4,210	(15,381)	4,906	-
Net cash provided (used) by operating activities	<u>\$ 2,569,341</u>	<u>\$ 4,130,302</u>	<u>\$ 3,768,207</u>	<u>\$ 279,946</u>	<u>\$ 1,058,310</u>	<u>\$ 11,806,106</u>	<u>\$ 587,525</u>

See notes to financial statements.

City of Columbus, Nebraska
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Pension Trust Funds	Agency Funds
ASSETS		
Cash	\$ 41	\$ 300
Accounts receivable	-	8,100
Investments	100,747	-
Total assets	\$ 100,788	\$ 8,400
LIABILITIES		
Accounts payable	\$ -	\$ 300
NET POSITION		
Held in trust for pension benefits	\$ 100,788	\$ 8,100

See notes to financial statements.

City of Columbus, Nebraska
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Pension Trust Funds	Agency Funds
ADDITIONS		
Interest income	\$ 1,810	\$ -
Collections for agency funds	-	14,655
Subtotal	\$ 1,810	\$ 14,655
DEDUCTIONS		
Public Safety	\$ 16,452	\$ -
OTHER FINANCING SOURCES (USES)		
Paid to agency fund	\$ -	\$ (19,785)
Transfers from other funds	16,200	-
Subtotal	\$ 16,200	\$ (19,785)
Change in Net Position	\$ 1,558	\$ (5,130)
Net Position - Beginning	99,230	13,230
Net Position - End	\$ 100,788	\$ 8,100

See notes to financial statements.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies**

Organization

The City of Columbus, Nebraska, (the “City”) is a tax-exempt political subdivision and operates under a Mayor and an eight-member City Council form of government.

Reporting entity

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board pronouncements. These criteria state that the financial reporting entity consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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 or incomplete. Based on these criteria, the Gerrard Park Trust, the Library Endowment Fund, and the Library Foundation should be included in the financial statements of the City. These entities are considered blended component units of the City and are reported as if they were a part of the primary government.

Basis of presentation

On October 1, 2003, the City adopted the provisions of Statement No. 34 (“Statement 34”) of the Governmental Accounting Standards Board “*Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments.*” Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net position into net investment in capital assets, restricted and unrestricted.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the government. For the most part the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies (continued)**

other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises, (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies (continued)**

purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major funds and fund types

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Revenue fund* accounts for City-enacted sales tax, as further described in Note 15, and expenditures for transportation purposes, which include construction and maintenance of streets, roads, and bridges to the extent of tax revenues. In addition, this fund accounts for Community Development Block Grants, lottery funds, and the airport.

The *Debt Service fund* accounts for the receipts and expenditures of bond principal and interest other than those of proprietary funds.

The City reports the following major proprietary funds:

The *Water, Sewer, Stormwater, and Solid Waste funds* are used to account for all activities necessary for the provision of water, sewer, and waste disposal services to City residents.

The *Electric fund* accounts for franchise fees received from Loup Power District. Revenues are used to maintain distribution lines to City customers.

Additionally, the City reports the following fund types:

The *Internal Service fund* accounts for self-insurance reserves and employee benefits for covered employees provided to other departments or agencies of the City on a cost reimbursement basis.

The *Pension Trust funds* account for the accumulation of resources for pension benefit payments to qualified fire and police personnel.

The *Agency funds* account for the receipts and disbursements of tax funds with respect to the tax levies enacted by the City for licenses and fees.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies (continued)**

General statement

The *Governmental Accounting Standards Board* (GASB) is the standard-setting body for governmental accounting and financial reporting. The City has applied all applicable GASB pronouncements.

Use of 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 at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable represents the amounts due from customers for services provided. The specific write-off method is used when certain accounts are deemed uncollectible. There was no bad debt expense in the general and special revenue funds for the year ended September 30, 2020.

The proprietary funds use the reserve method of accounting for bad debts. Allowance for uncollectible accounts, in the amount of \$1,200 and \$1,800 in the Sewer Fund and Water Fund, respectively, as of September 30, 2020, are shown netted against the respective accounts receivable balances for the proprietary funds.

Inventories

In the governmental funds, disbursements for inventory type items, which consist of expendable supplies held for consumption, are considered expenditures at the time of purchase and not at the time the items are used.

For the proprietary funds, inventory consists of plumbing supplies and replacement parts. Inventory is valued at the lower of cost or market, using a first-in, first-out (FIFO) method. Inventory is recorded as an expenditure when consumed, rather than when purchased.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies (continued)**

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements and Buildings	5-50
Improvements	5-75
Equipment	3-20
Vehicles	5-30

Restricted assets

Certain resources are classified as restricted assets because their use is limited by applicable covenants, contracts, agreements, and statutes.

Equity

In the government-wide statements, equity is classified as net investment in capital assets, unrestricted net position and restricted net position. In the governmental fund statements, equity is classified as nonspendable, restricted, committed, assigned, and unassigned fund balances according to the detail below.

Fund balance

The City has adopted the provisions of Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*,” of the Governmental Accounting Standards Board. In accordance with this Statement, governmental fund balance is classified as follows:

Nonspendable – resources which cannot be spent because they are either (a) not in spendable form (such as inventory); or (b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision-making authority and that remain binding unless removed in the same manner.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. **Summary of Significant Accounting Policies (continued)**

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned – resources which cannot be properly classified as one of the other four categories. The *General fund* should be the only fund that reports a positive unassigned fund balance amount.

The City's policy is to spend restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal restrictions that prohibit doing so. Additionally, the City is to first spend committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The City does not have a formal minimum fund balance policy.

Note 2. **County Treasurer Fund**

At September 30, 2020, the cash fund balances of the County Treasurer funds have been allocated to the *General* and *Debt Service funds* of the City; therefore, a separate County Treasurer's fund is not presented as an individual fund of the City.

Note 3. **Budget Process and Property Tax Revenues**

For the fiscal year ended September 30, 2020, the City followed these procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 1, the City submitted to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget included proposed expenditures and the means of financing them.

The budget is published with subsequent public hearings to obtain taxpayer comments.

Prior to September 20, the budget was legally adopted by the City Council and was then filed with the appropriate state and county officials.

Property taxes were levied in October of 2019 on the assessed value of listed property. The County Assessor of Platte County, Nebraska, determined the City of Columbus's valuation to be \$1,676,329,871 in August of 2019.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 3. **Budget Process and Property Tax Revenues (continued)**

The City, through the budget process, requested a total of \$5,283,557 in property taxes. Based on the August of 2019 valuation previously mentioned, the tax levy for the City of Columbus was established at \$0.315 per \$100 of property value.

Note 4. **Cash and Investments**

Nebraska Statutes provide that the City may, by and with the consent of the City Council, invest the funds of the City in securities, including repurchase agreements. Appropriate securities include those that would normally be acquired by individuals of prudence, discretion and intelligence when dealing with the property of another.

The City's deposits consist of cash, certificates of deposit and securities. At year-end, the City's carrying amount of bank deposits was \$54,253,039 and the bank balance was \$55,599,099. The component units' carrying amount of bank deposits was \$4,562,627 and bank balance was \$4,512,023. Some balances held at a financial institution were covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the government's name. A portion of the primary government's and the component units' cash balances are held in an investment account and not at a financial institution.

For reporting purposes, the collateral on the City's bank deposits is classified in these categories:

- 1) Insured or collateralized with securities held by the City or by its agent in the City's name.
- 2) Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- 3) 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.

Deposits and investments of the City at September 30, 2020, consisted of the following:

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 4. **Cash and Investments (continued)**

	City of Columbus	Component Units	Total
Demand deposits	\$ 12,545,568	\$ 12,559	\$ 12,558,127
Time and savings deposits	43,053,531	2,690,882	45,744,413
Other securities	-	1,859,186	1,859,186
Total deposits	<u>\$ 55,599,099</u>	<u>\$ 4,562,627</u>	<u>\$ 60,161,726</u>
Level 1	\$ 30,943,490	\$ 2,703,441	\$ 33,646,931
Level 2	24,655,609	-	24,655,609
Level 3	-	1,859,186	1,859,186
Total deposits	<u>\$ 55,599,099</u>	<u>\$ 4,562,627</u>	<u>\$ 60,161,726</u>

Investments of the City can be categorized as follows:

Investment type	Investment term		
	Less than 1 year	1 -5 years	5 - 10 years
Money Markets	\$ 19,410,013	\$ -	\$ -
CD's	-	26,334,400	-
Total	<u>\$ 19,410,013</u>	<u>\$ 26,334,400</u>	<u>\$ -</u>

The City attempts to mitigate the following types of deposit and investment risks through compliance with the state statutes. The types of deposit and investment risks are the following:

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.

Credit risk – The City’s investment policies regarding credit risk are governed by state statutes as described above.

Concentration of credit risk – The City’s investment policy places no limits on the amounts that may be invested in any one issuer.

Custodial credit risk – deposits – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. The City’s policy regarding custodial credit risk is determined by state statute as described above.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 4. **Cash and Investments (continued)**

Custodial credit risk – investments – Custodial credit risk for investments 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 investments or collateral securities that are in possession of an outside party. The City’s policy regarding custodial credit risk is determined by state statute as described above.

None of the City’s deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be allowed to accumulate in any financial institution unless (a) the financial institution gives a surety bond, (b) the financial institution provides the City with securities as collateral on the excess funds or (c) the financial institution issues a joint custody receipt to the benefit of the City where a third party financial institution actually holds the security.

Note 5. **Receivables**

Receivables as of September 30, 2020, for the City’s individual major funds, non-major funds, internal service funds and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Accounts	Notes	Special Assessments	Inter-Governmental	Gross Receivables	Allowance for Uncollectibles	Net Total Receivables
General	\$ 183,302	\$ -	\$ -	\$ -	\$ 183,302	\$ -	\$ 183,302
Special Revenue	432,350	1,558,008	211,229	-	2,201,587	-	2,201,587
Debt Service	-	-	205,579	-	205,579	-	205,579
Water	477,259	-	-	-	477,259	1,800	475,459
Sewer	663,686	-	-	-	663,686	1,200	662,486
Electric	-	-	-	2,362,040	2,362,040	-	2,362,040
Stormwater	32,079	-	-	-	32,079	-	32,079
Solid Waste	193,177	-	-	-	193,177	-	193,177
	<u>\$ 1,981,853</u>	<u>\$ 1,558,008</u>	<u>\$ 416,808</u>	<u>\$ 2,362,040</u>	<u>\$ 6,318,709</u>	<u>\$ 3,000</u>	<u>\$ 6,315,709</u>

On August 3, 2012, the City loaned Central American Foods, LLC \$45,000 and on October 15, 2012, the City loaned \$46,000 for a total of \$91,000 for equipment purchases to support the cheese-making business in Columbus. The loan carries no interest and payments of \$22,750 are due annually beginning July 1, 2014, with the final payment due July 1, 2017. The outstanding balance at September 30, 2020, is \$88,075.

On February 2, 2015, the City loaned Blazer Holdings, LLC and Blazer, LLC collectively \$300,000 for start-up expenses relating to the purchase of a business. The loan carries interest at 1.00% and is payable in monthly installments of \$5,130 beginning March 1, 2016, with the final payment due February 1, 2021.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 5. **Receivables (continued)**

The outstanding balance at September 30, 2020, is \$50,951. On February 21, 2018, the City gave a second loan to Blazer, LLC for \$150,000 for expenses relating to the purchase of a business. The loan carries interest at 1.00% and is payable in monthly installments of \$3,190 beginning March 21, 2019 with the final payment due February 21, 2023. The outstanding balance at September 30, 2020, is \$113,051.

On May 1, 2017, the City loaned DiStar Industries LLC \$120,000 for building expansion to support its growing business operations in Columbus. The loan carries interest at 1.00% and is payable in monthly installments of \$2,554 starting on June 1, 2018 with the final payment due May 1, 2022. The outstanding balance at September 30, 2020, is \$50,509.

On October 1, 2018, the City loaned Columbus Hydraulics \$600,000. The loan carries interest at 1.00% and is payable in monthly installments of \$5,130 starting on November 1, 2020 with the final payment due on October 1, 2025. An additional balloon payment of \$300,000 is also due on October 1, 2025. The outstanding balance at September 30, 2020, is \$600,000.

The following is a summary of notes receivable outstanding as of September 30, 2020, under the Progress and Jobs Growth program administered by the City:

	Original Date	Due Date	Original Amount	Interest Rate	9/30/2020 Balance
2012 Central American Foods	8/3/2012	7/1/2017	91,000	0.00%	\$ 88,075
2015 Blazer	2/2/2015	2/1/2021	300,000	1.00%	50,951
2017 DiStar Industries	5/1/2017	5/1/2022	120,000	1.00%	50,509
2018 Blazer	2/21/2018	2/21/2023	150,000	1.00%	113,051
2019 Columbus Hydraulics	10/1/2018	10/1/2025	600,000	1.00%	<u>600,000</u>
Total					<u>\$902,586</u>

The City has issued various down-payment assistance loans to residents. The loans are second mortgages on the houses and will be repaid after the first mortgage is paid in full. The outstanding balance at September 30, 2020, is \$450,407.

On December 5, 2017, the City loaned the East District Health Department \$286,254. The loan carries interest at 4.00% and is payable in monthly installments of \$3,000 starting on January 5, 2018 with the final payment due on August 5, 2027. The outstanding balance at September 30, 2020, is \$215,014.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 6. **Capital Assets**

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets:				
Land	\$ 3,728,689	\$ -	\$ -	\$ 3,728,689
Construction in progress	29,388,482	6,554,042	(4,261,483)	31,681,041
Land improvements and buildings	107,107,109	10,218,666	(775,275)	116,550,500
Equipment	11,383,541	497,570	(502,363)	11,378,748
Vehicles	8,016,714	271,433	(128,242)	8,159,905
Total capital assets	<u>\$ 159,624,535</u>	<u>\$ 17,541,711</u>	<u>\$ (5,667,363)</u>	<u>\$ 171,498,883</u>
Less accumulated depreciation	<u>\$ (51,956,874)</u>	<u>\$ (5,443,318)</u>	<u>\$ 3,083,873</u>	<u>\$ (54,316,319)</u>
Governmental activities capital assets,	<u>\$ 107,667,661</u>	<u>\$ 12,098,393</u>	<u>\$ (2,583,490)</u>	<u>\$ 117,182,564</u>
Business-type activities:				
Capital assets:				
Land	\$ 709,057	\$ -	\$ -	\$ 709,057
Construction in progress	7,251,313	4,237,432	(639,015)	10,849,730
Land improvements and buildings	112,859,128	279,615	(2,842,454)	110,296,289
Equipment	9,442,526	360,665	(89,844)	9,713,347
Total capital assets	<u>\$ 130,262,024</u>	<u>\$ 4,877,712</u>	<u>\$ (3,571,313)</u>	<u>\$ 131,568,423</u>
Less accumulated depreciation	<u>\$ (47,945,015)</u>	<u>\$ (3,271,387)</u>	<u>\$ 3,893,355</u>	<u>\$ (47,323,047)</u>
Business-type activities capital assets,	<u>\$ 82,317,009</u>	<u>\$ 1,606,325</u>	<u>\$ 322,042</u>	<u>\$ 84,245,376</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	\$ 5,443,318
Business-type activities	<u>3,271,387</u>
Total depreciation	<u>\$ 8,714,705</u>

Note 7. **Long-Term Liabilities**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. In the fund financial statements, governmental fund types recognize only the current portion of long-term debt.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 7. **Long-Term Liabilities (continued)**

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital activities. General obligation bonds have been issued for governmental activities only.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year serial bonds with substantially equal debt service payments each year. General obligation bonds currently outstanding are as follows:

On August 6, 2009, the City issued General Obligation Refunding Bonds in the amount of \$1,070,000. The issue bears interest from 1.40 to 4.00%. Final payment was made on October 15, 2019.

On June 1, 2011, the City issued Various Purpose Bonds in the amount of \$840,000. The issue bears interest from 0.85 to 3.45%. Final payment is due on November 15, 2021. The outstanding balance as of September 30, 2020, is \$145,000.

On December 27, 2013, the City issued General Obligation Flood Control Refunding Bonds in the amount of \$4,750,000. This note was refinanced in the fiscal year ending September 30, 2020. The new issue bears interest from 0.72 to 0.87%. Final payment is due on November 15, 2023. The outstanding balance as of September 30, 2020, is \$1,975,000.

The schedule of bond redemptions is as follows:

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 565,000	\$ 13,580
2022	565,000	11,545
2023	495,000	6,336
2024	495,000	2,153
	<u>\$ 2,120,000</u>	<u>\$ 33,614</u>

The City has received bond premiums in governmental funds totaling \$163,542. The City is amortizing the bond premiums using the straight-line method over the life of the various bond issues as a reduction of interest expense. Amortization for the year ended September 30, 2020, totaled \$8,177. The unamortized premium balance at September 30, 2020, is \$146,507 and is reported as an addition to long-term debt.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 7. **Long-Term Liabilities (continued)**

Total bonds outstanding are as follows:

	General Obligation Bonds
Bonds outstanding, October 1	\$ 2,720,000
Bonds paid	(645,000)
Bonds issued	45,000
Bonds outstanding, September 30	\$ 2,120,000
Amount due within one year	\$ 565,000

On September 25, 2018 the city issued Public Safety Sales Tax bonds in the amount of \$15,840,000. The issue bears interest from 3.625 to 5.00%. Final payment is due on September 30, 2038. The outstanding balance at September 30, 2020 is \$14,760,000.

	Sales Tax Revenue Bonds	
	Principal	Interest
2021	\$ 570,000	\$ 557,138
2022	600,000	528,638
2023	630,000	498,638
2024	660,000	467,138
2025	690,000	440,738
2026-2030	3,870,000	1,773,725
2031-2035	4,585,000	1,061,181
2036-2038	3,155,000	231,454
	\$ 14,760,000	\$ 5,558,650

Total bonds outstanding are as follows:

	Sales Tax Revenue Bonds
Bonds outstanding, October 1	\$ 15,305,000
Bonds paid	(545,000)
Bonds outstanding, September 30	\$ 14,760,000
Amount due within one year	\$ 570,000

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 7. **Long-Term Liabilities (continued)**

Business-Type Activity Debt

On March 21, 2014, the City issued Certificates of Participation in the amount of \$2,470,000. The issue bears interest from 0.45 to 3.40%. Final payment is due on September 15, 2026. The outstanding balance at September 30, 2020, is \$1,345,000.

On August 7, 2012, the City issued Combined Revenue and Refunding Bonds in the amount of \$5,785,000. The issue bears interest from 0.30 to 3.10%. Final payment was due on June 15, 2027. On July 23, 2015, the City issued Series 2015A Combined Revenue Refunding Bonds in the amount of \$4,030,000. The issue bears interest from 2.00 to 3.30%. Final payment was due on June 15, 2030. On August 26, 2015, the City issued Series 2015B Combined Revenue Bonds in the amount of \$9,800,000. The issue bears interest from 3.00 to 3.55%. Final payment was due on June 15, 2035. These 3 bonds were refinanced into one bond on August 19, 2020. This issue bears interest from 4 – 5% and final payment is due on June 15, 2035. The outstanding balance at September 30, 2020, is \$12,845,000.

On December 3, 2015, the City issued Series 2015C Combined Revenue Refunding Bonds in the amount of \$8,530,000. The issue bears interest from 0.60 to 2.05%. Final payment is due on December 15, 2023. The outstanding balance at September 30, 2020, is \$4,240,000.

On September 30, 2016, the City issued Series 2016 Combined Revenue Refunding Bonds in the amount of \$13,760,000. The issue bears interest from 2.00 to 4.00%. Final payment is due on December 15, 2036. The outstanding balance at September 30, 2020, is \$12,915,000.

On December 27, 2018, the City issued Series 2018 Combined Revenue Bonds in the amount of \$10,380,000. The issue bears interest from 4.00 to 5.00%. Final payment is due on June 15, 2038. The outstanding balance at September 30, 2020, is \$10,380,000.

The City has received bond premiums totaling \$5,534,939. The City is amortizing the bond premiums using the straight-line method over the life of the various bond issues as a reduction of interest expense. Amortization for the year ended September 30, 2020, totaled \$170,070. The unamortized premium balance at September 30, 2020, is \$5,056,674 and is reported as an addition to long-term debt.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 7. **Long-Term Liabilities (continued)**

The schedule of bond redemptions is as follows:

	Business-Type Activity Debt	
	Principal	Interest
2021	\$ 2,245,000	\$ 1,468,952
2022	2,010,000	1,517,127
2023	2,030,000	1,417,951
2024	2,039,999	1,422,909
2025	2,195,001	1,379,814
2026-2030	11,325,000	5,444,030
2031-2035	13,835,000	2,697,488
2036-2038	6,045,000	327,850
	\$ 41,725,000	\$ 15,676,121

Total bonds outstanding are as follows:

	Business-Type Activity Debt
Bonds outstanding, October 1	\$ 46,770,000
Bonds paid	(5,065,000)
Bonds issued	20,000
Bonds outstanding, September 30	\$ 41,725,000
Amount due within one year	\$ 2,245,000

Note 8. **Pension and Retirement Plans**

The City employees' defined contribution pension plan was created December 1, 1974. The plan is a fully funded money purchase pension plan administered by a third party. Six percent of all earned income for an employee is contributed by each employee and matched by the City. Vesting is made over a scheduled seven-year period of plan participation. All regular employees of the City working 1,000 hours or more per year, except fire and police personnel, are eligible to participate at 21 years of age for this pension plan, but participation is not mandatory. Upon retirement, an employee may elect to receive a lump-sum distribution or one of several types of annuities.

The fire and police pension plans are mandatory under Nebraska State Statutes. Fire personnel contribute six and one-half percent of base salary, and police personnel contribute seven percent of gross wages. Currently, the City is required to provide

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 8. **Pension and Retirement Plans (continued)**

matching funds of thirteen percent for fire pensions and seven percent for police pensions. The City may make a levy, in addition to the normal allowable levy, to provide the necessary amounts to pay such pensions. Fire personnel are vested forty percent after four years and twenty percent each year thereafter until one hundred percent vested. Police personnel are vested forty percent after two years and proceed through a schedule to be one hundred percent vested after seven years.

Fire and police personnel receive the retirement benefit provided by an individual vested account. However, if an individual was an eligible employee on January 1, 1984, the benefit will not be less than fifty percent of the average final salary at normal retirement age. The benefits earned prior to 1984 are defined benefit pensions, administered by the City, and recorded in the Fire Pension Fund and the Police Pension Fund. The benefits accrued beginning in 1984 are money purchase pensions, fully funded, and records are kept by Ameritas Life Insurance Corp.

The cost to the City for the money purchase pension plans administered by others for the fiscal year ended September 30, 2020, is as follows:

Fire	\$ 141,976
Police	177,976
All others	<u>441,383</u>
Total	<u>\$ 761,335</u>

Total wages paid by the City for the year ended September 30, 2020, are \$12,094,759.

Recommended additional periodic employer contributions to the pension plans are determined on an actuarial basis using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities. The actuarial valuation as of January 1, 2012, from the most recently issued report, shows a recommended annual deposit of \$0 for the fire pension plan and \$0 for the police pension plan. The City's contributions to the defined benefit plans for the year ended September 30, 2020, was \$16,452 for the fire plan.

In 2014, the State Legislature adopted LB 759 that required local governments to do annual actuarial studies for defined benefit plans. At the League of Nebraska Municipalities' request, plans that were closed to new members on January 1, 2004, were exempted from doing actuarial studies. This is because there are so few members left in the plans that the cost of the studies were greater than the benefit. This exemption appears to apply to only first class city pre-1984 police and fire fighter pension plans.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 8. **Pension and Retirement Plans (continued)**

Significant actuarial assumptions used to compute the recommended pension contribution are summarized below:

Investment return (for fire and police):	
Pre-retirement	7.0%
Post-retirement	5.5%

Mortality: 1994 Group Annuity Mortality Table.

Expenses: Normal cost includes estimated plan expense charge.

Retirement age:

- Age 55-59 – 40% probability of retirement for fire.
- Age 55-59 – 20% probability of retirement for police.
- Age 60 – 100% probability of retirement

Salary scale: 4% increase each year until retirement.

Disability: None.

Termination: None prior to retirement eligibility.

Load for lump sums:

Liabilities were loaded by 10% to reflect the potential adverse interest and mortality selection with participants choosing the lump sum option.

A schedule of funding progress as of the most recent actuarial valuation is as follows:

January 1, 2012	Value of Assets	Actuarial Valuation			Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
		Accrued Liability	Unfunded Liability	Funded Ratio		
Fire	\$ 1,033,682	\$ 194,050	\$ -	533%	\$ 107,315	0%
Police	\$ 517,919	\$ 146,440	\$ -	354%	\$ 74,372	0%

Note 9. **Tax Increment Financing**

The City issued Tax Increment Financing Bonds in the amount of \$368,694 for the Westgate Center Redevelopment Project, Slumberland, on February 19, 2013. These bonds shall be payable solely from the tax increment revenues and other funding as provided.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 9. **Tax Increment Financing (continued)**

The City issued Tax Increment Financing Bonds in the amount of \$510,000 for the NBC Capital Redevelopment Project, Ramada-Columbus, on November 18, 2013. These bonds shall be payable solely from the tax increment revenues and other funding as provided.

The City issued Tax Increment Financing Bonds in the amount of \$226,000 for the Westgate Center Redevelopment Project, Hobby Lobby, on November 14, 2014. These bonds shall be payable solely from the tax increment revenues and other funding as provided.

The bonds shall not, in any event, be a debt of the City, except to the extent of the pledge of the tax increment revenue for the payment of the principal and interest on the bonds. Therefore, no liability relating to the bonds is recorded.

Note 10. **Commitments and Contingencies**

The City participates in numerous federal- and state-assisted grant programs which are governed by various rules and regulations of the grantor agencies. These programs are subject to financial and compliance audits by the granting agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

The City has elected to be a reimbursable employer with regard to unemployment claims filed by former employees. Therefore, the City is required to reimburse to State of Nebraska for any claims paid on behalf of the City. As of September 30, 2020, the amount of liability, if any, is indeterminable.

Various lawsuits and claims against the City are presently pending involving claims for personal injury, tax appeals, and miscellaneous cases. In the opinion of management, suits or claims, either individually or in the aggregate, will not have a material effect on the financial position of the City.

The City had construction project commitments of \$2,612,747 as of September 30, 2020 as outlined below:

- The SID 183 48th Ave from 38th St to Lost Creek Pkwy had a contract price of \$1,591,311. As of September 30, 2020, \$115,735 had been paid. The remaining commitment is \$1,475,576.
- The SED45 48th Ave from 42nd St to Lost Creek Pkwy had a contract price of \$517,692. As of September 30, 2020, \$293,425 had been paid. The remaining commitment is \$224,267.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 10. **Commitments and Contingencies (continued)**

- The WED63 48th Ave from 42nd St to Lost Creek Pkwy had a contract price of \$517,692. As of September 30, 2020, \$132,295 had been paid. The remaining commitment is \$385,397.
- The SED47 Deer Run Estates had a contract price of \$484,887. As of September 30, 2020, \$365,378 had been paid. The remaining commitment is \$119,509.
- The WED64 Deer Run Estates had a contract price of \$484,887. As of September 30, 2020, \$77,519 had been paid. The remaining commitment is \$407,638.

Note 11. **Major Customers**

The City received approximately 15.62% of the total water revenues and approximately 22.60% of total sewer revenues from one major customer in the year ended September 30, 2020.

Note 12. **Self-Insurance Plan**

The City's health insurance coverage is a partially self-funded plan administered by a third-party administrator. The City pays the administrator to manage the employee health plan operations and to purchase reinsurance to cover specific claims over \$75,000 and aggregate claims that are over \$3,444,646 or 100% of the expected annual claims, whichever is greater. No accrual for claims incurred but not reported has been made as of year-end.

Note 13. **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the City carried commercial insurance for general liability, linebacker, property, umbrella, worker's compensation, inland marine, automobile, law enforcement and crime coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14. **Interfund Loans and Transfers**

In 2002, the City Water fund constructed the central maintenance facility. A resolution was passed by the City Council in 2006 whereby the City street department will make payments totaling \$2,649,231 over a twenty year period to the

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 14. **Interfund Loans and Transfers (continued)**

Water fund in order to purchase the facility. Payments made during the current fiscal year were \$131,215.

In 2014, the Electric fund loaned \$2,362,040 to the Solid Waste fund for the acquisition and construction of a transfer station. The loan is to be repaid in annual installments, with fixed or variable interest as determined by the Mayor and Finance Director at the time payment is issued. Interest-only payments begin September 15, 2014, and principal payments begin September 15, 2027. Final payment is due September 15, 2034.

A summary of interfund loans is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Special Revenue Fund	\$ -	\$ 826,988
Water Fund	826,988	-
Electric Fund	2,362,040	-
Solid Waste Fund	-	<u>2,362,040</u>
Total	<u>\$ 3,189,028</u>	<u>\$ 3,189,028</u>

Transfers between funds are to cover operational expenses for the funds and to move assets to the appropriate funds.

Transfer In	Transfer Out					Subtotal
	General	Special Revenue	Debt Service	Other Governmental	Fiduciary	
General	\$ 7,744,036	\$ 9,796,820	\$ -	\$ 169,485	\$ -	\$ 17,710,341
Special Revenue	3,047,775	-	-	-	-	3,047,775
Debt Service	-	-	699,342	-	-	699,342
Other Governmental	-	167,488	-	-	-	167,488
Fiduciary	16,200	-	-	-	-	16,200
Water	-	-	-	-	-	-
Sewer	95	-	-	-	-	95
Electric	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-
Soild Waste	-	-	-	-	-	-
	<u>\$ 10,808,106</u>	<u>\$ 9,964,308</u>	<u>\$ 699,342</u>	<u>\$ 169,485</u>	<u>\$ -</u>	<u>\$ 21,641,241</u>

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 14. **Interfund Loans and Transfers (continued)**

Transfer In	Transfer Out					Subtotal
	Water	Sewer	Electric	Stormwater	Solid Waste	
General	\$ 120,000	\$ 120,000	\$ 3,955,540	\$ -	\$ 49,000	\$ 4,244,540
Special Revenue	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Other Governmental	-	-	-	-	-	-
Fiduciary	-	-	-	-	-	-
Water	-	-	-	-	-	-
Sewer	-	-	-	-	-	-
Electric	-	-	-	-	64,956	64,956
Stormwater	-	-	-	-	-	-
Soild Waste	-	-	-	-	-	-
	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 3,955,540</u>	<u>\$ -</u>	<u>\$ 113,956</u>	<u>\$ 4,309,496</u>

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Note 15. **Sales Tax**

The City has received voter approval ten times since 1995 for a one percent or one-half percent City sales tax. Currently, the local sales tax rate is a total of one and one-half percent (1.50%). Through March of 2027, the 1% may be used for capital improvements, including street and drainage projects and to repay debt for the same type of projects, and to fund the operation of Pawnee Plunge Water Park and Columbus Aquatic Center.

The one-half percent tax was reauthorized at the May 10, 2016, election. The one-half percent is for funding Police and Fire facilities and a Library/Cultural Arts Center. This tax will cease upon the later of the completion of such projects, voter rejection of bond elections for such projects or the date on which there are no outstanding bonds.

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 16. **Tax Abatements**

The City provides tax abatements through three programs: Tax Increment Financing (TIF) program, Employment and Investment Growth Act, and Nebraska Advantage Act.

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for financing of community redevelopment projects. The City declares the area as substandard, blighted and in need of redevelopment and is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and the resulting property taxes are used to pay off debt incurred for the redevelopment project within a 15-year period.

Information relevant to the TIF abatements granted by the City for the year ended September 30, 2020 follows:

Project	Years Remaining on Agreement	2019 TIF Valuation	Proceeds Paid During Y/E 9-30-20
NBC Capital (Ramada)	9	\$3,110,775	\$59,816
Westgate Center Redevelopment Project (Slumberland)	6	1,333,680	21,184
Westgate Center Redevelopment Project (Hobby Lobby)	10	1,627,965	31,303

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 16. **Tax Abatements (continued)**

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. Businesses that qualify must be involved in research, data processing, finance or businesses transporting, wholesaling, storing, or selling products, but not retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits, but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to qualify.

For the year ended September 30, 2020, the State of Nebraska on behalf of the City abated \$123,929 in sales tax revenue under these two programs.

Note 17. **Restricted Cash**

As of September 30, 2020, the City's cash was restricted as follows:

Debt Service Fund – debt service	\$ 1,127,138
Sales Tax Fund – unspent bond proceeds	2,427,000
Utility Fund – debt service	1,939,836
Utility Fund – unspent bond proceeds	<u>1,502,781</u>
	<u>\$ 6,996,755</u>

Note 18. **Restricted Net Position**

At September 30, 2020, the government-wide statement of net position reports the following restricted net assets:

Governmental Activities

Restricted for:

Debt service	\$ 9,193,370
Unspent bond proceeds	<u>2,427,000</u>
	<u>\$ 11,620,370</u>

Business-Type Activities

Restricted for:

Debt Service	\$ 1,939,836
Unspent bond proceeds	<u>1,502,781</u>
	<u>\$ 3,442,617</u>

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 19. **Fund Balances**

As of September 30, 2020, governmental fund balances are classified as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Other Funds	Total
Fund balances:					
Nonspendable:					
Gerrard Park Trust	\$ -	\$ -	\$ -	\$ 144,559	\$ 144,559
Total nonspendable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,559</u>	<u>\$ 144,559</u>
Restricted for:					
Cemetery	\$ -	\$ -	\$ -	\$ -	\$ -
Airport	-	644,813	-	-	644,813
Capital Improvements	-	12,006,885	-	-	12,006,885
Housing	-	57,670	-	-	57,670
Economic Development	-	1,582,772	-	-	1,582,772
Debt Service	-	-	381,587	-	381,587
Library	-	-	-	2,558,890	2,558,890
Total restricted	<u>\$ -</u>	<u>\$ 14,292,140</u>	<u>\$ 381,587</u>	<u>\$ 2,558,890</u>	<u>\$ 17,232,617</u>
Committed to:					
Library Endowment	\$ -	\$ -	\$ -	\$ 1,859,178	\$ 1,859,178
Public Safety	-	-	-	-	-
Parks	-	798,539	-	-	798,539
Total committed	<u>\$ -</u>	<u>\$ 798,539</u>	<u>\$ -</u>	<u>\$ 1,859,178</u>	<u>\$ 2,657,717</u>
Assigned to:					
Library	\$ 71,666	\$ -	\$ -	\$ -	\$ 71,666
Total assigned	<u>\$ 71,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,666</u>
Unassigned:	<u>\$ 7,483,808</u>	<u>(1,428,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,055,079</u>
Total fund balances	<u>\$ 7,555,474</u>	<u>\$ 13,661,950</u>	<u>\$ 381,587</u>	<u>\$ 4,562,627</u>	<u>\$ 26,161,638</u>

**CITY OF COLUMBUS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 20. **Related Party**

The City uses the vendor ARL Credit Services, Inc. which is owned by a related party. During the year ending September 30, 2020, the City paid \$16,016 to ARL Credit Services, Inc.

Note 21. **Subsequent Events**

Upon evaluation, management notes that there are no material subsequent events between the date of the financial statements and March 22, 2021, the date that the financial statements were issued or available to be issued.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020-2021.

REQUIRED SUPPLEMENTARY INFORMATION

City of Columbus, Nebraska
Schedule of Receipts, Disbursements, and Changes in Fund Balance - Budget to Actual
Cash Basis
General Fund
For the Year Ended September 30, 2020

	Budget Original and Final	Actual	Variance with Budget- Favorable (Unfavorable)
RECEIPTS			
Property taxes	\$ 4,712,297	\$ 4,714,208	\$ 1,911
Fees, taxes, permits, and licenses	1,098,800	1,160,744	61,944
Franchise fees	750,000	659,491	(90,509)
State shared revenue	6,000	5,992	(8)
Charges for services	1,760,850	1,224,175	(536,675)
Grants	1,717,910	220,176	(1,497,734)
Other local revenues	1,073,825	570,020	(503,805)
Investment income	108,650	177,610	68,960
Transfers	<u>17,115,136</u>	<u>21,954,881</u>	<u>4,839,745</u>
Total receipts	<u>\$ 28,343,468</u>	<u>\$ 30,687,297</u>	<u>\$ 2,343,829</u>
DISBURSEMENTS			
General government	\$ 2,084,552	\$ 1,806,138	\$ 278,414
Public safety	4,903,672	5,824,748	(921,076)
Culture and recreation	5,060,510	3,839,938	1,220,572
Community development	521,063	423,556	97,507
Capital outlays	5,603,853	1,755,692	3,848,161
Transfers	<u>9,830,758</u>	<u>10,808,106</u>	<u>(977,348)</u>
Total disbursements	<u>\$ 28,004,408</u>	<u>\$ 24,458,178</u>	<u>\$ 3,546,230</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ 339,060</u>	<u>\$ 6,229,119</u>	<u>\$ 5,890,059</u>
Basis of accounting adjustment		<u>(2,344,128)</u>	
Change in net position		<u>\$ 3,884,991</u>	

See notes to required supplementary information.

City of Columbus, Nebraska
Schedule of Receipts, Disbursements, and Changes in Fund Balance - Budget to Actual
Cash Basis
Special Revenue Fund
For the Year Ended September 30, 2020

	Budget Original and Final	Actual	Variance with Budget- Favorable (Unfavorable)
RECEIPTS			
Sales tax	\$ 7,100,000	\$ 8,206,676	\$ 1,106,676
Grants	11,383,506	2,822,040	(8,561,466)
Fees, taxes, permits, and licenses	2,858,932	2,781,925	(77,007)
Charges for services	669,670	634,919	(34,751)
Other local revenues	1,575,775	2,269,019	693,244
Investment income	329,105	334,216	5,111
Transfers	4,625,951	8,688,890	4,062,939
Total receipts	<u>\$ 28,542,939</u>	<u>\$ 25,737,685</u>	<u>\$ (2,805,254)</u>
DISBURSEMENTS			
Public safety	\$ 1,109,330	\$ 2,517,480	\$ (1,408,150)
Public works	3,038,514	2,715,117	323,397
Community development	746,500	2,032,932	(1,286,432)
Capital outlay	29,055,065	12,740,898	16,314,167
Debt service	545,000	-	545,000
Sales tax	584,388	617,546	(33,158)
Transfers	7,807,989	8,998,573	(1,190,584)
Total disbursements	<u>\$ 42,886,786</u>	<u>\$ 29,622,546</u>	<u>\$ 13,264,240</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ (14,343,847)</u>	<u>\$ (3,884,861)</u>	<u>\$ 10,458,986</u>
Basis of accounting adjustment		<u>1,757,081</u>	
Change in net position		<u>\$ (2,127,780)</u>	

See notes to required supplementary information.

City of Columbus, Nebraska
Schedule of Receipts, Disbursements, and Changes in Fund Balance - Budget to Actual
Cash Basis
Debt Service Fund
For the Year Ended September 30, 2020

	Budget Original and Final	Actual	Variance with Final Budget- Favorable (Unfavorable)
RECEIPTS			
Property taxes	\$ 733,948	\$ 679,577	\$ (54,371)
Fees, taxes, permits, and licenses	31,500	27,013	(4,487)
Charges for services	22,050	24,719	2,669
Investment income	14,500	17,019	2,519
Transfers	<u>692,233</u>	<u>699,342</u>	<u>7,109</u>
Total receipts	<u>\$ 1,494,231</u>	<u>\$ 1,447,670</u>	<u>\$ (46,561)</u>
DISBURSEMENTS			
Debt service	\$ 919,283	\$ 213,695	\$ 705,588
Other expenses	3,000	-	3,000
Transfers	<u>692,233</u>	<u>699,342</u>	<u>(7,109)</u>
Total disbursements	<u>\$ 1,614,516</u>	<u>\$ 913,037</u>	<u>\$ 701,479</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ (120,285)</u>	<u>\$ 534,633</u>	<u>\$ 654,918</u>
Basis of accounting adjustment		<u>(604,525)</u>	
Change in net position		<u>\$ (69,892)</u>	

See notes to required supplementary information.

CITY OF COLUMBUS, NEBRASKA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Note 1. **Budgetary Accounting**

Annual budgets are adopted on a basis consistent with the Nebraska Budget Act. The Nebraska Budget Act requires that the City adopt its budget on a *cash basis*. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a fund with the City Administrator's approval. Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the city level.

Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

For the year ended September 30, 2020, expenditures and other financing uses exceeded appropriations in the *E-911 Equipment Sharing fund* by \$420,725. This over-expenditure was funded by greater than anticipated revenues, such as fund balances and future revenues or transfers.

City of Columbus, Nebraska
Schedule of County Treasurer Activity
September 30, 2020

	General Levy	Bond Levy	Community Redevelopment Authority	Total
CASH BALANCE, October 1, 2019	\$ 770,698	\$ 83,922	\$ 7,874	\$ 862,494
REVENUES COLLECTED				
Property taxes	\$ 4,289,269	\$ 467,995	\$ 156,476	\$ 4,913,740
Motor vehicle taxes	594,676	-	-	594,676
Motor vehicle prorated	12,509	1,381	-	13,890
In lieu of tax	237,254	25,632	-	262,886
Homestead	201,000	21,892	-	222,892
Carline	949	103	-	1,052
Personal property tax credit	12,668	1,379	-	14,047
Property tax credit	247,271	26,933	8,762	282,966
Interest	8,341	957	-	9,298
Stop program	(50)	-	-	(50)
Total revenues collected	\$ 5,603,887	\$ 546,272	\$ 165,238	\$ 6,315,397
EXPENSES PAID AND TRANSFERS				
Collection fee	\$ 45,289	\$ 4,921	\$ -	\$ 50,210
Transfer to City Treasurer	5,308,426	520,301	122,398	5,951,125
Total expenses paid and transfers	\$ 5,353,715	\$ 525,222	\$ 122,398	\$ 6,001,335
CASH BALANCE, September 30, 2020	\$ 1,020,870	\$ 104,972	\$ 50,714	\$ 1,176,556
ALLOCATION OF ENDING CASH BALANCE BY FUND				
General	\$ 1,020,870	\$ -	\$ -	\$ 1,020,870
Debt Service	-	104,972	50,714	155,686
	\$ 1,020,870	\$ 104,972	\$ 50,714	\$ 1,176,556

CITY OF COLUMBUS, NEBRASKA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period October 1, 2019 through September 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant/ Contract Number	Federal Expenditures
<u>United States Department of Housing and Urban Development</u>			
Passed through the Nebraska Department of Economic Development			
Nebraska Affordable Housing Trust Fund	14.228	12-TFHP-5051	\$ 570
Community Development Block Grant	14.228	15-CR-006	510
Community Development Block Grant	14.228	16-CD-101	60,005
Community Development Block Grant	14.228	16-CD-201	476,370
Community Development Block Grant	14.228	19-DTR-101	38,632
Community Development Block Grant	14.228	17-ED-005	911,695
Subtotal			\$ 1,487,782 *
<u>United States Department of Justice</u>			
Bulletproof Vest Partnership	16.607	47-6006144	\$ 4,000
<u>United States Department of Transportation</u>			
Department of Aeronautics			
Airport Improvement Program	20.106	3-31-0019-013-2019	\$ 612,926
Subtotal			\$ 612,926
Passed through the Nebraska Department of Roads			
NonUrbanized Area Formula Program	20.509	RPT-M711(220)	\$ 194,932
Subtotal			\$ 194,932
Highway Planning and Construction Cluster			
Federal-Aid Highway Program	20.205	RRZ-TMT-6061(8)	\$ 14,039
Federal-Aid Highway Program	20.205	URB-6065(6)	1,264,714
Federal-Aid Highway Program	20.205		115,735
Subtotal			\$ 1,394,488
Passed through the Nebraska Games and Parks Commission			
Recreational Trails Program	20.219	RPT 2015(02)	\$ 12
Total Highway Planning and Construction Cluster			\$ 1,394,500 *

* Denotes major program

CITY OF COLUMBUS, NEBRASKA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Period October 1, 2019 through September 30, 2020**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>
Passed through the Nebraska Department of Motor Vehicles - Office of Highway Safety			
State and Community Highway Safety	20.600	402-15-27-07	\$ 12,888
National Priority Safety Programs	20.616	40501-15-02-38	<u>12,438</u>
Total Highway Safety Cluster			\$ 25,326
<u>United States Department of Homeland Security</u>			
Passed through the Nebraska Emergency Management Agency and Platte County Emergency Management			
Emergency Management Performance Grants	97.042	19-SR-8745-01	<u>\$ 4,532</u>
<u>Institute of Museum and Library Services</u>			
Passed through the Nebraska Library Commission			
LSTA State Grants	45.310	LS-00-16-0028-16	<u>\$ 1,000</u>
Total Expenditures of Federal Awards			<u>\$ 3,724,998</u>

* Denotes major program

CITY OF COLUMBUS, NEBRASKA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Note 1. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbus under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Columbus.

Expenditures reported on the schedule are reported on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Columbus has elected not to use the ten-percent *de minimis* indirect 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***

The Honorable Mayor and City Council
City of Columbus, 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 Columbus, Nebraska as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Columbus, Nebraska's basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control over Financial Reporting

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

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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control,

described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Columbus, Nebraska’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 Columbus’s Response to Findings

The City of Columbus, Nebraska’s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Columbus, Nebraska’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KSO CPA’s, P.C.



Kearney, Nebraska
March 22, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

The Honorable Mayor and City Council
City of Columbus, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the City of Columbus's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Columbus's major federal programs for the year ended September 30, 2020. The City of Columbus's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Columbus 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, 2020.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The City of Columbus's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Columbus's response was not subjected to the auditing

procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

KSO CPA's, P.C.

Handwritten signature of KSO CPA's P.C. in cursive script.

Kearney, Nebraska
March 22, 2021

**CITY OF COLUMBUS, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting

- Material weakness identified Yes X No
- Significant deficiency identified X Yes No
- Noncompliance material to financial statements noted Yes X No

Federal Awards

Type of auditors' report issued on compliance for major programs: unmodified

Internal control over major federal programs

- Material weakness identified Yes X No
- Significant deficiency identified X Yes No
- Any audit findings disclosed that are required to be reported in accordance with 2CFR 20.516(a) Yes X No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
20.205 and 20.219	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? Yes X No

**CITY OF COLUMBUS, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Lack of Segregation of Duties in One or More Areas

Criteria: Proper internal controls require that an entity has adequate segregation of duties within a significant account process.

Condition: The entity does not have adequate personnel to assign responsibilities in such a way that different employees handle different portions of a transaction.

Context: We reviewed the City's internal control environment and noted that the City's financial recording duties are concentrated with a few individuals.

Questioned Costs: None

Effect or Potential Effect: An individual controlling a transaction from beginning to conclusion does not have oversight from other individuals to ensure that the transaction was properly executed and recorded.

Cause: The entity has a limited number of personnel within the Finance Department.

Repeat Finding: Immediately preceding year.

Recommendation: We would recommend that the City Council take an active part in internal controls and closely monitor all accounting functions, while seeking ways to continue to strengthen compensating controls.

Views of Responsible Officials and Planned Corrective Actions: Management will monitor the duties of individual staff and continue to segregate duties as we are able. The addition of personnel is cost prohibitive due to budget constraints.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2020-001:

Significant Deficiency in Internal Control over Financial Reporting – Lack of Segregation of Duties in One or More Areas

Information on the Federal Programs:

CFDA 14.228 – Community Development Block Grant. *Pass Through Entity:* Nebraska Department of Economic Development. *Award Numbers:* 12-TFHP-5051, 15-CR-006, 16-CD-101, 16-CD-201, 19-DTR-101, 17-ED-005. *Compliance Requirements:* Activities allowed or allowable; Equipment and Real Property

**CITY OF COLUMBUS, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Management, Program Income, Reporting, and Special Tests and Provisions. *Type of Finding:* Significant deficiency

CFDA 20.205 and 20.219 – Highway Planning and Construction Cluster. *Pass Through Entity:* Nebraska Department of Transportation. *Award Numbers:* RRZ-TMT-6061(8), URB-6065(6), and RPT-2015(2). *Compliance Requirements:* Activities allowed or allowable; Procurement and Suspension and Debarment, and Special Tests and Provisions. *Type of Finding:* Significant deficiency

See Section II above.

III. FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2019

Finding for the year ended September 30, 2019: Lack of segregation of duties in one or more areas.

Views of Responsible Officials and Planned Corrective Actions: Management will monitor the duties of individual staff and continue to segregate duties as we are able. The addition of personnel is cost prohibitive due to budget constraints.

3. Amendment to Schedule of Fees to add fees for park and recreation programming.



CITY OF COLUMBUS PARKS & RECREATION DEPARTMENT

ATHLETIC FIELD PRICING

With the addition of the Parks and Recreation Coordinator position with the City of Columbus we have the opportunity to offer programs through the Parks and Recreation department. Below is a proposed list of programs and pricing. Please note that we were careful to not overlap with activities already established in the community. All pricing is set up to be comparable to other parks and recreation departments in the state as well as locally.

***Note-this is for staff, internal, pricing only. This is not the pricing for if an organization were to rent a space to run a league/clinic on our fields or in our parks. ***

Proposed Program	Pricing
High School Coed Sand Volleyball League	\$75/Team
High School Girls 4 on 4 Sand Volleyball League	\$50/Team
Junior High Girls 6 on 6 Sand Volleyball League	\$75/Team
Coed Pickleball League	\$40/Team
Women's Pickleball Doubles League	\$40/Team
Fitness Bootcamp in Pawnee Park	\$90/Participant (9 classes essentially \$10/Class. Each participant must register for the full Bootcamp)
Family Fitness in Pawnee Park	\$10/Family/Day
Fundamental Tennis Clinic (4 Day Clinic)	\$60/Participant
Fall High School Coed Slow Pitch Softball Rec League	\$120/Team
Men's Pickleball Tournament	\$15/Individual



The City of **Columbus**

BOARD OF PARKS COMMISSIONERS

Public Property Director (402) 562-4240

Fax (402) 562-4265

DATE: April 6, 2021

TO: Mayor and City Council

FROM: Board of Park Commissioners

RE Fees for Park and Recreation programing

At the April 6, 2021 Park Board meeting, the Board of Parks Commissioners recommended that the City Council approve the addition of sand volleyball, pickleball, fitness, tennis and rec softball fees to the fee schedule for additional programing and activities at park facilities.

The Park and Recreation Coordinator is developing different programing and activities in the city parks. We currently don't have any fees for these programs. We have researched other communities to access their fees for programing and feel the fees we are recommending are comparable.


~~Brad Hansen~~ *Robbin Cutson*
 Park Board Chairman

By: _____

Approved By: _____

4. **Amendment to pay ordinance to change job title in Grade B14 from Street Foreman to Street Crew Leader.**



The City of **Columbus**

HUMAN RESOURCES DEPARTMENT
Human Resources • Risk Management
Office (402) 562-4243 • Fax (402) 563-1380

DATE: April 7, 2021
TO: Honorable Mayor and City Council
FROM: Tammy Orender, Human Resource Director
SUBJECT: Pay Ordinance Revision

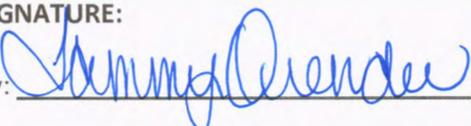
RECOMMENDATION:

I recommend amending the Pay Ordinance to change the job title on Grade B14 Street Foreman to Street Crew Leader.

DISCUSSION:

The job title was changed along with the job responsibilities.

SIGNATURE:

By: 

Approved By: 



ORDINANCE NO. 21-_____

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF COLUMBUS, NEBRASKA, AMENDING THE PAY ORDINANCE THAT ESTABLISHED THE PAY PLAN FOR ALL CLASSIFICATIONS WITHIN THE CITY BY CHANGING THE JOB TITLE IN GRADE B14 FROM STREET FOREMAN TO STREET CREW LEADER.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF COLUMBUS, NEBRASKA, that the pay ordinance be amended to change the job title in Grade B14 from Street Foreman to Street Crew Leader and the following salaries of officers and employees, pay plan for all classifications within the city, and hourly salary ranges for each individual classification be established as follows:

2020-2021
PAY SCALE TABLE

GRADE A5 \$12.37 - \$16.33
Program Assistant

GRADE A7 \$13.28 - \$17.50
Lead Lifeguard /Program Coordinator
Library Assistant

GRADE B2 \$15.40 - \$20.79
Customer Service Account Clerk

GRADE B3 \$15.93 - \$21.54
Area Transit Driver
Library Assistant II
Library Maintenance Worker
Office Associate

GRADE B4 \$16.50 - \$22.26
Area Transit Supervisor

GRADE B5 \$17.07 - \$23.05
Customer Service Clerk
Library Assistant III
Office Associate II

GRADE B6 \$17.66 - \$23.88
Account Clerk
Communications Specialist (911 Dispatcher)
Finance Account Clerk
Library Assistant IV
Pool/Water Park Maintenance Technician

GRADE B7 \$18.28 - \$24.66
Account Clerk II/ Records Clerk II
Code Enforcement Technician
Community Service Technician
Customer Service Clerk II
Equipment Operator
Parks Maintenance Worker

GRADE B8 \$18.93 - \$25.55
Administrative Assistant
Aquatics Supervisor
Equipment Operator II
Finance Account Clerk II
Golf Course Crew Leader
Head Cook
Senior Office Associate

GRADE B9 \$19.62 - \$26.48
Account Clerk III
Assistant City Clerk
Equipment Operator III

GRADE B10 \$20.33 - \$27.47
Engineering Aide
Lead Communications Specialist
Mechanic
Parks Crew Leader
Public Property Maintenance Mechanic
Senior Office Associate II
Street Dispatcher
Transfer Station Operator
Wastewater Treatment Facility Operator

GRADE B11 \$21.11 - \$28.49
Accounting Specialist
Water Production Operator
Water Utility Maintenance Worker

GRADE B12 \$21.88 - \$29.56
Airport Manager
Engineering Administrative Specialist
Mechanic II

GRADE B13 \$22.69 - \$30.65
Aquatics Manager
Community Center Manager
Computer Technician
Librarian
Park & Rec Coordinator

Transfer Station Supervisor
Wastewater Treatment Facility Operator II
Wastewater Treatment Facility Laboratory Technician
Water Production Operator II

GRADE B14 \$23.53 - \$31.78

Cemetery Supervisor
Street Foreman
Crew Leader
Water Utility Maintenance Worker II

GRADE B15 \$24.40 - \$32.95

Water Production Crew Leader
Water Utility Crew Leader

GRADE B16 \$25.31 - \$34.18

Building Inspector

GRADE B17 \$26.25 - \$35.44

GIS Supervisor

GRADE B18 \$27.23 - \$36.76

Computer/Network Technician
Engineering Project Manager

GRADE C2 \$28.80 - \$40.32

City Clerk
City Planner
Golf Course Superintendent
Parks Superintendent
Street Superintendent
Surveyor/Construction Observer

GRADE C3 \$30.40 - \$42.53

Library Director
Wastewater Treatment Facility Superintendent
Water Superintendent

GRADE C5 \$34.30 - \$48.02

Police Captain

GRADE C6 \$36.69 - \$51.39

Communications Director
Community Development Director
Fire Chief
Public Property Director

GRADE C7 \$39.45 - \$55.24

Human Resources Director
Police Chief

GRADE C8 \$42.80 - \$59.93
Public Works Director

GRADE C9 \$46.66 - \$65.33
City Engineer
Finance Director

OTHER POSITIONS

City Administrator per Resolution R20-140 \$200,000 annual
Prosecuting Attorney \$3,022 per year through 3/15/20
Prosecuting Attorney \$ TBD as per Resolution eff. 3/16/20
City Attorney \$ 135 per hour
Assistant Fire Chief \$15,557 per year
Fire Training & Safety Officer \$15,557 per year
City Emergency Mgmt Director \$ 8,459 per year
Mayor per Resolution R06-107 \$10,444 per year
Council per Resolution R06-107 \$ 6,392 per year

This ordinance shall repeal all ordinances or portions thereof in conflict herewith and shall be in full force and effect from and after the date of its passage and publication or posting as required by law.

INTRODUCED BY COUNCIL MEMBER _____

PASSED AND ADOPTED THIS ____ DAY OF _____, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

5. City of Columbus Cost Shares for 2021 Construction Season.

The City of **Columbus**

MEMORANDUM

DATE: April 8, 2021
FROM: Richard J. Bogus, P.E., City Engineer
TO: Tara Vasicek, City Administrator
RE: City Cost Shares of Paving and Infrastructure 2021

RECOMMENDATION:

Approval of the City of Columbus Cost Shares for the 2021 Construction Season as attached.

DISCUSSION:

In accordance with the City Assessment Policy, Development Agreements, and various City cost share policies and reimbursement the attached "City of Columbus Cost Shares for 2021 Construction Season".is presented for approved work and services. The intent is to establish cost shares for the main construction items as it is understood that not all items can be addressed. Items not addressed will be reviewed by the City Engineer who will obtain data and information from contractor's who do not have a vested interest and determine cost shares for those items, if any.

The cost for improvements are based on standard construction and conditions, with no additional cost sharing allowed due to above normal conditions, locations, material or labor supplier cost spikes, use of federal or state labor rates, or related work or situations. It is not the intent to cost share on every potential construction cost, materials, service, or requirement to build the project.

Costs were obtained from data and information local paving and infrastructure contractors and those who work in town, City bid projects tabulations, and some private development bid projects. If the developer/property owner provided cost request is less than the maximum cost share, the lower cost will be used.

FISCAL IMPACT:

City share of costs as stated in the attachment.

ALTERNATIVE:

Revise City cost share amounts or basis of calculation

SIGNATURE:

By: Richard J. Bogus

Approved By: Tara Vasicek

City of Columbus Cost Shares for 2021 Construction Season

In accordance with the City Assessment Policy, Development Agreements, and various City cost share policies and reimbursement the following is the 2021 construction season City cost shares for approved work and services. The intent is to establish cost shares for the main construction items as it is understood that not all items can be addressed. Items not addressed will be reviewed by the City Engineer who will obtain data and information from contractor's who do not have a vested interest and determine cost shares for those items, if any.

The cost for improvements are based on standard construction and conditions, with no additional cost sharing allowed due to above normal conditions, locations, material or labor supplier cost spikes, use of federal or state labor rates, or related work or situations. It is not the intent to cost share on every potential construction cost, materials, service, or requirement to build the project.

Costs were obtained from data and information with local paving and infrastructure contractors and those who work in town, City bid projects tabulations, and some private development bid projects. If the developer/property owner provided a cost request is less than the maximum cost share, the lower cost will be used.

Water

Developer/Property Owner Cost – Cost of a PVC 6-inch diameter water main, gate valves with roadway box, fittings, fire hydrants, and service lines. This includes boring costs, dewatering costs, bedding, locator wire and attachments, and other costs associated with installation of the constructed water main

City Cost – The difference in cost between the base 6-inch diameter PVC water main, valve, fittings, and borings larger than 6-inch diameter

Maximum cost differences from the base 6-inch diameter PVC water main per lineal foot, 6-inch gate valve and 6-inch fitting for standard construction

- **Additional cost to 8-inch water main = \$3.00 per lineal foot**
- **Additional cost to 10-inch water main = \$4.00 per lineal foot**
- **Additional cost to 12-inch water main = \$9.00 per lineal foot**
- **Additional cost to 8-inch gate valve = \$290 per each**
- **Additional cost to 10-inch gate valve = \$725 per each**
- **Additional cost to 12-inch gate valve = \$1000 per each**
- **Additional cost to 8-inch standard fitting = \$70 per each**
- **Additional cost to 10-inch standard fitting = \$160 per each**
- **Additional cost to 12-inch standard fitting = \$235 per each**

Sanitary Sewer

Developer/Property Owner Cost – Cost of a PVC 8-inch diameter sewer main, manholes, tees, and service lines. This includes boring costs, dewatering costs, bedding, and other costs associated with installation of the constructed sewer main.

City Cost – The difference in cost between the base 8-inch diameter PVC sanitary sewer main larger than 8-inches in diameter

Maximum cost differences from the base 8-inch diameter PVC sanitary sewer main per lineal foot for standard construction

- **Additional cost to 10-inch sewer main = \$4.00 per lineal foot**
- **Additional cost to 12-inch sewer main = \$9.00 per lineal foot**

Storm Sewer

Developer/Property Owner Cost – 12-inch RCP storm sewer, inlets, manholes, bedding, and other costs associated with installation of a 12-inch RCP storm sewer

City Cost – The difference in cost for a RCP storm sewer larger than 12-inches in diameter

Maximum cost differences from the base 12-inch RCP storm sewer per lineal foot for standard construction

- **Additional cost to 15-inch storm sewer = \$6.00 per lineal foot**
- **Additional cost to 18-inch storm sewer = \$10.00 per lineal foot**
- **Additional cost to 24-inch storm sewer = \$20.00 per lineal foot**
- **Additional cost to 30-inch storm sewer = \$32.00 per lineal foot**

Street Paving

Developer/Property Owner Cost (Residential) – 33-foot wide, 6-inch thick PC Concrete

Developer/Property Owner Cost (Commercial/Industrial) – 33-foot wide and the total thickness as determined by the Design Engineer and approved by the City Engineer based upon the traffic in the development

City Cost (Residential) – Difference in cost between PC concrete paving wider than 33-foot and thicker than 6-inches and intersection costs which are not assessable

City Cost (Commercial/Industrial) – Difference in cost between PC Concrete paving wider than 33-foot and thickness than the development determined amount and intersection costs which are not assessable.

- ***Maximum cost difference of PC Concrete paving per square yard per inch of thickness greater than 6-inches for standard mixes and construction = \$3.15 per square yard per additional inch of thickness***

For example: 8-inch PC concrete is calculated at \$3.15 per square yard times 2-inches of additional thickness = \$6.30 per square yard

- **Maximum cost per square yard of 6-inch PC concrete paving, including all machine and hand work = \$45 per square yard**

Intersection costs are for street paving which are not assessable. Intersection costs do not include any other work or service, such as but not limited to, sidewalks, utilities, signage, and so forth.

Sidewalks and Trails

Developer/Property Owner Cost – Minimum 4-foot in width, or as required in the zoning or to match existing sidewalks or trails, 4-inch to 5-inch thick PC Concrete sidewalk paving as required

City Cost – Actual cost of American's with Disability Act ramp detectable warning panels obtained from the Public Works Department and intersection costs of sidewalk and related street paving

- ***Maximum cost of ADA ramp detectable warning panel = purchased rate of panel from Public Works Department***

For example, the current 2-foot by 4-foot panel cost is \$92

- ***Maximum cost per square yard of PC concrete sidewalk and trail paving***
 - ***4-inch thick PC concrete sidewalk and trail paving, 4-foot and 5-foot in width = \$45.00 per square yard, includes cost of thickened paving across driveways***
 - ***5-inch thick PC concrete sidewalk and trail paving, greater than 5-foot in width = \$65 per square yard***
 - ***Maximum cost difference of PC Concrete sidewalk and trail paving per square yard per inch of thickness greater than 5-inches for standard mixes and construction = \$3.15 per square yard per additional inch of thickness***

6. Request for proposals for financial and compliance audit services.



MEMORANDUM

DATE: April 9, 2021
TO: Tara Vasicek, City Administrator
FROM: Heather Lindsley, Finance Director
SUBJECT: Audit Request for Proposal

DISCUSSION: Staff recommends that the City of Columbus solicit proposals for the financial and compliance audit from all CPA firms in the Columbus area, firms that had submitted proposals in prior years, and firms that had requested to be notified of future audits. The previous proposal was for four years and staff proposes the same time frame.

FISCAL IMPACT: This annual expense for the audit of the City of Columbus is included in the budget each year under professional services.

ALTERNATIVES: There is no alternative to having an annual audit, as the City of Columbus is required by State Statute to be audited.

CONCURRENCE: City Clerk, Janelle Kline concurs with this recommendation.

SIGNATURE:

DEPARTMENT HEAD: *Heather Lindsley*

CITY ADMINISTRATOR APPROVAL: *Tara Vasicek*

CITY OF COLUMBUS, NEBRASKA

REQUEST FOR PROPOSALS

For Financial and Compliance Audit

April 1, 2021

P.O. Box 1677, 2424 14th Street, Columbus NE 68602-1677
www.columbusne.us

PURPOSE:

The City of Columbus is requesting proposals, from qualified firms of certified public accountants, to audit its financial statements for the year ending September 30, 2021, with the option of auditing its financial statements for each of the three subsequent fiscal years ending September 30, 2022, 2023 and 2024.

The City will select the firm whose proposal is most responsive to this Request for Proposal (RFP) and in the best interest of the City. Proposals submitted in response to the RFP must provide sufficient detail and information to complete an evaluation of their merit. The City reserves the right to reject any or all proposals.

These audits are to be performed in accordance with generally accepted auditing standards 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 Single Audit Act Amendments of 2015; U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations; as well as the rules and regulations promulgated by the Auditor of Public Accounts of the State of Nebraska.

SCOPE:

The annual audits will examine the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Columbus.

GENERAL REQUIREMENTS:

1. The audit procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities with banks, county treasurers, and legal counsel.
2. The audit, for each fiscal period, may begin after November 25 of the following fiscal year, and **the reports shall be submitted prior to February 28.**
3. The City will provide the annual budget, financial statements, a schedule of federal grants, a reconciliation of each bank account, a schedule of investments, and clerical assistance. The City will prepare the Management's Discussion and Analysis with the assistance of the audit firm and will provide reasonable working space to be used for the audit of the City of Columbus.

4. The records of the City will not be removed from City offices except by permission of the Finance Director.
5. The City acknowledges that the examination is subject to the inherent risk that material errors, irregularities or illegal acts (including fraud or defalcations, if they exist), will not be detected. However, the auditors will inform the City of any such matters that come to their attention.
6. An audit exit conference with the City Administrator and Finance Director will be conducted by the audit partner. At this time, the findings and recommendations shall be discussed. The City Administrator and Finance Director shall have the opportunity to respond, orally or in writing, on the findings.
7. A draft of the audit report and recommendations will be submitted to the Finance Director for review, prior to issuance of the final report.
8. The auditor shall submit to the City Council a printed report of the audit of the financial statements. This report shall contain an expression of opinion on whether the financial statements are fairly presented, in all material respects, or a disclaimer of opinion and the reasons therefore.
9. The auditor shall also submit a separate management letter, if necessary, describing the results of the evaluation of the City's systems of internal control, including any recommendations and suggestions.
10. In the event circumstances arise, during the audit, which require work to be performed above original estimates, such additional cost will be submitted in writing to the City Administrator for approval prior to starting the additional work.
11. Ten (10) copies of the reports and management letter will be furnished to the City, in addition to an electronic copy of each.
12. All adjusting entries will be submitted, to the City, in writing, with sufficient explanation so they can be easily understood and properly posted to the financial records.
13. The auditor shall retain the working papers for no less than five (5) years, available for review by a designated representative of the City. Pertinent data requested by the City from the working papers shall be made available for five years. In addition, the firm shall respond to the reasonable inquires of successor auditors and allow successor auditors to review working papers.

14. This request for proposals and the auditor's proposal will become part of the audit contract.

GENERAL INFORMATION:

The City shall have closed and balanced all accounts and prepared financial statements for all funds to be examined by the auditor.

The City of Columbus is a first class city under Nebraska statutes. Department heads are:

City Administrator	Library Director
City Clerk	Police Chief
City Engineer	Public Property Director
Finance Director	Public Works Director
Fire Chief	Community Development Director
Human Resources Director	

The City of Columbus Housing Authority is a separate entity and not included in the annual audit process.

The following systems are maintained in BS&A software:

General Ledger	Accounts Payable
Special Assessments	Payroll
Utility Billing	Cash Receipts
Miscellaneous Billing	

A copy of the audit for the year ended September 30, 2020 is available on the Columbus website. The address is <http://www.columbusne.us>

If additional information is required, prior to submitting a proposal, direct inquiries to:

Heather Lindsley, Finance Director,
P. O. Box 1677
2424 14 Street
Columbus, Nebraska 68602-1677
(402) 562-4229.
heather.lindsley@columbusne.us

PROPOSAL FORMAT:

The proposal may be styled at the discretion of the submitter and should address these areas:

- (1) Breadth and depth of the firm's governmental auditing experience with prior experience auditing the City of Columbus or similar size cities; (a list of governmental clients audited would be helpful).
- (2) Organization, size, and structure of the firm.
- (3) Resumes of staff assigned the work; including partner who will supervise and the audit manager (if applicable); listing education, position in the firm, and experience.
- (4) Type and level of training provided to the firm's staff.
- (5) A list of names, titles, agencies, and telephone numbers of references from other local government clients.
- (6) The audit fee must be quoted as a maximum amount per year. The fee should include incidental expenses for travel and supplies. Please quote a separate price for the financial audit and the single audit as the City of Columbus may not reach the threshold where a single audit is required.
- (7) Number of hours per fiscal year a member of the firm will be available to the City to advise management and provide technical assistance at no additional charge.
- (8) Hourly rate (or rates) at which firm will provide additional advice and assistance after the "assistance at no additional charge" has been used up.
- (9) Statement of independence of the firm's ownership and management from the current members of the City of Columbus City Council and management staff.
- (10) Evidence of a positive peer review within the last three years.
- (11) Other evidence suggested in "Evaluation Criteria" below.

SUBMITTAL INFORMATION:

Proposal shall be submitted no later than 4:30 p.m., Friday, April 30, 2021, in a sealed envelope to:

Finance Director
City Hall Building
P. O. Box 1677
2424 14 Street
Columbus, NE 68602-1677

EVALUATION CRITERIA:

Proposals will be evaluated in order of importance based on the following criteria:

1. Independence of the firm's ownership.
2. Experience of the partner and of the audit manager auditing governmental entities in terms of years and of number and types of governmental clients audited.
3. Experience auditing local governments of the approximate size or larger (population served), and of the type and variety of services offered by the City of Columbus.
4. Evidence supplied that the firm has received a positive peer review within the last three years.
5. Evidence supplied that the audit manager to be assigned has received continuing professional education in governmental accounting and auditing during the last two years.
6. Quality of responses of the firm's governmental client references. Following are questions the City may use to sample the firm's governmental client references:
 - a. Was the audit sampling conducted by this firm consistent with the level of quality you have come to expect from the industry as a whole?
 - b. Did the audit report respond to your specific audit requirements?

- c. Did the audit team reflect the level of professional knowledge and independence you have come to expect from a certified public accountant?
- 7. Willingness of the firm to commit to assigning the same audit manager throughout the four-fiscal-year contract period.
- 8. Amount of the annual audit fees for the entire contract period.
- 9. Number of hours of advice and technical assistance to be provided at no additional charge by a member of the firm each fiscal year of the contract period.
- 10. Amount of hourly rate (or rates) at which the firm will provide additional advice, assistance, and if applicable, any limit on the number of such hours to be provided at the quoted rate(s).

RESERVATION OF RIGHT:

The City reserves the right to reject any or all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in the best interest of the City.

TIMING OF PAYMENT:

The City will pay each fiscal period's audit fee after acceptance of the audit report by the City Council and within 30 days of presentation of the report to the City.

CITY OF COLUMBUS, NEBRASKA

Volumes/Frequencies/Amounts

Population: 23,792
Budget 2021: \$102,694,150

Accounting System:

Number of funds :. 30
Checking accounts: 4
Number of invoices: 27,000/year
Number of A/P checks: 3,900/year
Number of receipts: 7,000/year

Payroll:

Number of employees: 185 Full-Time; 120 Seasonal/Part-Time
Frequency of payroll: Bi-Weekly
Number of payroll payments 7,000/year

Utilities:

Number of water customers: 8,500
Number of sewer customers: 8,650
Number of utility bills: 100,000/year

7. Adjournment.