

Public Finance, Judiciary, and Personnel Committee
Thursday, June 22, 2023 4:00 PM
Council Chambers
2500 14 Street
Columbus, NE 68601

The Mayor and City Council reserve the right to go into closed session as per Section 84-1410 of the Nebraska Revised Statutes. A current agenda is on file at City Hall, 2500 14 Street, Columbus, Nebraska. For more information, call 402-562-4224 or visit our website at www.columbusne.us.

{{Name: Agenda Item Name}}

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

NEBRASKA OPEN MEETINGS ACT

84-1407. Act, how cited.

Sections 84-1407 to 84-1414 shall be known and may be cited as the Open Meetings Act.

Source: Laws 2004, LB 821, § 34.

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.

Source: Laws 1975, LB 325, § 1; Laws 1996, LB 900, § 1071; Laws 2004, LB 821, § 35.

Annotations

- Nebraska's public meetings laws do not apply to school board deliberations pertaining solely to disputed adjudicative facts. *McQuinn v. Douglas Cty. Sch. Dist. No. 66*, 259 Neb. 720, 612 N.W.2d 198 (2000).
- The primary purpose of the public meetings law is to ensure that public policy is formulated at open meetings. *Marks v. Judicial Nominating Comm.*, 236 Neb. 429, 461 N.W.2d 551 (1990).
- The public meetings law is broadly interpreted and liberally construed to obtain the objective of openness in favor of the public, and provisions permitting closed sessions must be narrowly and strictly construed. *Grein v. Board of Education of Fremont*, 216 Neb. 158, 343 N.W.2d 718 (1984).
- Although a committee was a subcommittee of a natural resources district board, it was not subject to the Open Meetings Act because there was never a quorum of board members in attendance and the committee did not hold hearings, make policy, or take formal action on behalf of the board. *Koch v. Lower Loup NRD*, 27 Neb. App. 301, 931 N.W.2d 160 (2019).
- A county board of equalization is a public body whose meetings shall be open to the public. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).

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; and

(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, (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, and (iii) the Judicial Resources Commission or subcommittees or subgroups of the commission;

(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) Virtual conferencing means conducting or participating in a meeting electronically or telephonically with interaction among the participants subject to subsection (2) of section 84-1412.

Source: Laws 1975, LB 325, § 2; Laws 1983, LB 43, § 1; Laws 1989, LB 429, § 42; Laws 1989, LB 311, § 14; Laws 1992, LB 1019, § 124; Laws 1993, LB 635, § 1; Laws 1996, LB 1044, § 978; Laws 1997, LB 798, § 37; Laws 2004, LB 821, § 36; Laws 2007, LB296, § 810; Laws 2011, LB366, § 2; Laws 2021, LB83, § 11; Laws 2022, LB922, § 12.

Operative Date: July 21, 2022

Annotations

- A township is a political subdivision, and as such, a township board is subject to the provisions of the public meetings laws. *Steenblock v. Elkhorn Township Bd.*, 245 Neb. 722, 515 N.W.2d 128 (1994).
- A county agricultural society is a public body to which the provisions of the Nebraska public meetings law are applicable. *Nixon v. Madison Co. Ag. Soc'y*, 217 Neb. 37, 348 N.W.2d 119 (1984).
- Failure by a public governing body, as defined under section 84-1409, R.R.S.1943, to take and record a roll call vote on an action, as required by section 84-1413(2), R.S.Supp.,1980, grants any citizen the right to sue for the purpose of

having the action declared void. In this case such failure could not be later corrected by a nunc pro tunc order because there was no showing that a roll call vote on the disputed action was actually taken, and even if it was the record showed it was not recorded until over a year later. Sections 23-1301, R.R.S.1943, and 23-1302, R.R.S.1943, make it the duty of the county clerk to record proceedings of the board of county commissioners. *State ex rel. Schuler v. Dunbar*, 208 Neb. 69, 302 N.W.2d 674 (1981).

- Although a committee was a subcommittee of a natural resources district board, it was not subject to the Open Meetings Act because there was never a quorum of board members in attendance and the committee did not hold hearings, make policy, or take formal action on behalf of the board. *Koch v. Lower Loup NRD*, 27 Neb. App. 301, 931 N.W.2d 160 (2019).
- Although the Open Meetings Act does not define "subcommittee," a subcommittee is generally defined as a group within a committee to which the committee may refer business. *Koch v. Lower Loup NRD*, 27 Neb. App. 301, 931 N.W.2d 160 (2019).
- The Open Meetings Act does not require policymakers to remain ignorant of the issues they must decide until the moment the public is invited to comment on a proposed policy. By excluding nonquorum subgroups from the definition of a public body, the Legislature has balanced the public's need to be heard on matters of public policy with a practical accommodation for a public body's need for information to conduct business. *Koch v. Lower Loup NRD*, 27 Neb. App. 301, 931 N.W.2d 160 (2019).
- As an administrative agency of the county, a county board of equalization is a public body. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- The electors of a township at their annual meeting are a public body under the Open Meetings Act. *State ex rel. Newman v. Columbus Township Bd.*, 15 Neb. App. 656, 735 N.W.2d 399 (2007).
- The meeting at issue in this case was a "meeting" within the parameters of subsection (2) of this section because it involved the discussion of public business, the formation of tentative policy, or the taking of any action of the public power district. *Hansmeyer v. Nebraska Pub. Power Dist.*, 6 Neb. App. 889, 578 N.W.2d 476 (1998).
- Informational sessions in which the governmental body hears reports are briefings. *Johnson v. Nebraska Environmental Control Council*, 2 Neb. App. 263, 509 N.W.2d 21 (1993).

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.

Source: Laws 1975, LB 325, § 3; Laws 1983, LB 43, § 2; Laws 1985, LB 117, § 1; Laws 1992, LB 1019, § 125; Laws 1994, LB 621, § 1; Laws 1996, LB 900, § 1072; Laws 2004, LB 821, § 37; Laws 2004, LB 1179, § 1; Laws 2006, LB 898, § 1; Laws 2011, LB390, § 29; Laws 2012, LB995, § 17.

Annotations

- There is no absolute discovery privilege for communications that occur during a closed session. *State ex rel. Upper Republican NRD v. District Judges*, 273 Neb. 148, 728 N.W.2d 275 (2007).
- If a person present at a meeting observes a public meetings law violation in the form of an improper closed session and fails to object, that person waives his or her right to object at a later date. *Wasikowski v. Nebraska Quality Jobs Bd.*, 264 Neb. 403, 648 N.W.2d 756 (2002).
- The public interest mentioned in this section is that shared by citizens in general and by the community at large concerning pecuniary or legal rights and liabilities. *Grein v. Board of Education*, 216 Neb. 158, 343 N.W.2d 718 (1984).
- Hearing in closed executive session was contrary to this section since there was no showing of necessity or reason under subdivision (1)(a), (b), or (c), but did not result in reversal of board decision. *Simonds v. Board of Examiners*, 213 Neb. 259, 329 N.W.2d 92 (1983).
- Negotiations for the purchase of land need not be conducted at an open meeting but the deliberations of a city council as to whether an offer to purchase real estate

should be made should take place in an open meeting. *Pokorny v. City of Schuyler*, 202 Neb. 334, 275 N.W.2d 281 (1979).

- Public meeting law was not violated where the Board of Regents of the University of Nebraska voted to hold a closed session to consider the university president's resignation, and also discussed the appointment of an interim president during such session. *Meyer v. Board of Regents*, 1 Neb. App. 893, 510 N.W.2d 450 (1993).

84-1411. Meetings of public body; notice; method; contents; when available; right to modify; duties concerning notice; virtual conferencing authorized; requirements; 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 website.

(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 website; 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) The following entities may hold a meeting by means of virtual conferencing if the requirements of subdivision (2)(b) of this section are met:

(i) A state agency, state board, state commission, state council, or state committee, or an advisory committee of any such state entity;

(ii) An organization, including the governing body, created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act;

(iii) The governing body of a public power district having a chartered territory of more than one county in this state;

(iv) The governing body of a public power and irrigation district having a chartered territory of more than one county in this state;

(v) An educational service unit;

(vi) The Educational Service Unit Coordinating Council;

(vii) An organization, including the governing body, of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act;

(viii) A community college board of governors;

(ix) The Nebraska Brand Committee;

(x) A local public health department;

(xi) A metropolitan utilities district;

(xii) A regional metropolitan transit authority; and

(xiii) A natural resources district.

(b) The requirements for holding a meeting by means of virtual conferencing are as follows:

(i) Reasonable advance publicized notice is given as provided in subsection (1) of this section, including providing access to a dial-in number or link to the virtual conference;

(ii) In addition to the public's right to participate by virtual conferencing, reasonable arrangements are made to accommodate the public's right to attend at a physical site and participate as provided in section 84-1412, including reasonable seating, in at least one designated site in a building open to the public and identified in the notice, with: At least one member of the entity holding such meeting, or his or her designee, present at each site; a

recording of the hearing by audio or visual recording devices; and a reasonable opportunity for input, such as public comment or questions, is provided to at least the same extent as would be provided if virtual conferencing was not used;

(iii) At least one copy of all documents being considered at the meeting is available at any physical site open to the public where individuals may attend the virtual conference. The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act; and

(iv) Except as otherwise provided in this subdivision or subsection (4) of section 79-2204, no more than one-half of the meetings of the state entities, advisory committees, boards, councils, organizations, or governing bodies are held by virtual conferencing in a calendar year. 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, the organization may hold more than one-half of its meetings by virtual conferencing if such organization holds at least one meeting each calendar year that is not by virtual conferencing. 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 virtual conferencing if the governing body's quarterly meetings are not held by virtual conferencing.

(3) Virtual conferencing, 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 virtual conferencing. 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 to appear before the public body by means of virtual conferencing.

(7)(a) Notwithstanding subsections (2) and (5) of this section, if an emergency is declared by the Governor pursuant to the Emergency Management Act as defined in section 81-829.39, a public body the territorial jurisdiction of which is included in the emergency declaration, in whole or in part, may hold a meeting by virtual conferencing during such emergency if the

public body gives reasonable advance publicized notice as described in subsection (1) of this section. The notice shall include information regarding access for the public and news media. In addition to any formal action taken pertaining to the emergency, the public body may hold such meeting for the purpose of briefing, discussion of public business, formation of tentative policy, or the taking of any action by the public body.

(b) The public body shall provide access by providing a dial-in number or a link to the virtual conference. The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act. Reasonable arrangements shall be made to accommodate the public's right to hear and speak at the meeting and record the meeting. Subsection (4) of this section shall be complied with in conducting such meetings.

(c) The nature of the emergency shall be stated in the minutes. Complete minutes of such meeting specifying the nature of the emergency and any formal action taken at the meeting shall be made available for inspection as provided in subsection (5) of section 84-1413.

(8) In addition to any other statutory authorization for virtual conferencing, any public body not listed in subdivision (2)(a) of this section may hold a meeting by virtual conferencing if:

(a) The purpose of the virtual meeting is to discuss items that are scheduled to be discussed or acted upon at a subsequent non-virtual open meeting of the public body;

(b) No action is taken by the public body at the virtual meeting; and

(c) The public body complies with subdivisions (2)(b)(i) and (2)(b)(ii) of this section.

Source: Laws 1975, LB 325, § 4; Laws 1983, LB 43, § 3; Laws 1987, LB 663, § 25; Laws 1993, LB 635, § 2; Laws 1996, LB 469, § 6; Laws 1996, LB 1161, § 1; Laws 1999, LB 47, § 2; Laws 1999, LB 87, § 100; Laws 1999, LB 461, § 1; Laws 2000, LB 968, § 85; Laws 2004, LB 821, § 38; Laws 2004, LB 1179, § 2; Laws 2006, LB 898, § 2; Laws 2007, LB199, § 9; Laws 2009, LB361, § 2; Laws 2012, LB735, § 1; Laws 2013, LB510, § 1; Laws 2017, LB318, § 1; Laws 2019, LB212, § 5; Laws 2020, LB148, § 3; Laws 2021, LB83, § 12; Laws 2022, LB742, § 1; Laws 2022, LB908, § 1; Laws 2022, LB922, § 13.

Note: The Revisor of Statutes has pursuant to section 49-769 correlated LB742, section 1, with LB908, section 1, and LB922, section 13, to reflect all amendments.

Note: Changes made by LB742 and LB908 became effective July 21, 2022. Changes made by LB922 became operative July 21, 2022.

Cross References

- **Intergovernmental Risk Management Act**, see section 44-4301.
- **Interlocal Cooperation Act**, see section 13-801.
- **Joint Public Agency Act**, see section 13-2501.

- **Municipal Cooperative Financing Act**, see section 18-2401.

Annotations

- Under subsection (1) of this section, the Legislature has imposed only two conditions on the public body's notification method of a public meeting: (1) It must give reasonable advance publicized notice of the time and place of each meeting and (2) it must be recorded in the public body's minutes. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007).
- An emergency is "(a)ny event or occasional combination of circumstances which calls for immediate action or remedy; pressing necessity; exigency; a sudden or unexpected happening; an unforeseen occurrence or condition." *Steenblock v. Elkhorn Township Bd.*, 245 Neb. 722, 515 N.W.2d 128 (1994).
- An agenda which gives reasonable notice of the matters to be considered at a meeting of a city council complies with the requirements of this section. *Pokorny v. City of Schuyler*, 202 Neb. 334, 275 N.W.2d 281 (1979).
- When notice is required, a notice of a special meeting of a city council posted in three public places at 10:00 p.m. on the day preceding the meeting is not reasonable advance publicized notice of a meeting as is required by this section. *Pokorny v. City of Schuyler*, 202 Neb. 334, 275 N.W.2d 281 (1979).
- Teacher waived right to object to lack of public notice in board of education employment hearing by voluntary participation in the hearing without objection. *Alexander v. School Dist. No. 17*, 197 Neb. 251, 248 N.W.2d 335 (1976).
- A county board of commissioners and a county board of equalization are not required to give separate notices when the notice states only the time and place that the boards meet and directs a citizen to where the agendas for each board can be found. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- A county board of equalization is a public body which is required to give advanced publicized notice of its meetings. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- Notice of recessed and reconvened meetings must be given in the same fashion as the original meeting. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- True notice of a meeting is not given by burying such in the minutes of a prior board proceeding. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- An agenda notice which merely stated "work order reports" was an inadequate notice under this section because it did not give interested persons knowledge that plans for a 345 kv transmission line through the district was going to be discussed and voted upon at the meeting. Inadequate agenda notice under this section meant there was a substantial violation of the public meeting laws; however, later actions by the board of directors cured the defects in notice, and such actions were in substantial compliance with the statute. *Hansmeyer v. Nebraska Pub. Power Dist.*, 6 Neb. App. 889, 578 N.W.2d 476 (1998).

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, a 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, including meetings held by virtual conferencing. 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 shall require any member of the public desiring to address the body to identify himself or herself, including an address and the name of any organization represented by such person unless the address requirement is waived to protect the security of the individual.

(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 virtual conferencing available at an in-state 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; and

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

(8) Public bodies shall make available at the meeting or the instate location for virtual conferencing as required by subdivision (6)(c) of this section, 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, either in paper or electronic form. 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.

Source: Laws 1975, LB 325, § 5; Laws 1983, LB 43, § 4; Laws 1985, LB 117, § 2; Laws 1987, LB 324, § 5; Laws 1996, LB 900, § 1073; Laws 2001, LB 250, § 2; Laws 2004, LB 821, § 39; Laws 2006, LB 898, § 3; Laws 2008, LB962, § 1; Laws 2021, LB83, § 13.

Annotations

- To preserve an objection that a public body failed to make documents available at a public meeting as required by subsection (8) of this section, a person who attends a public meeting must not only object to the violation, but must make that objection to the public body or to a member of the public body. *Stoetzel & Sons v. City of Hastings*, 265 Neb. 637, 658 N.W.2d 636 (2003).

84-1413. Meetings; minutes; roll call vote; secret ballot; when; agenda and minutes; required on website; 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 or kept as an electronic record and shall be 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 or keeping the minutes is absent due to a serious illness or emergency.

(6) Beginning July 31, 2022, the governing body of a natural resources district, the city council of a city of the metropolitan class, the city council of a city of the primary class, the city council of a city of the first class, the county board of a county with a population greater than twenty-five thousand inhabitants, and the school board of a school district shall make available on such entity's public website the agenda and minutes of any meeting of the governing body. The agenda shall be placed on the website at least twenty-four hours before the meeting of the governing body. Minutes shall be placed on the website at such time as the minutes are available for inspection as provided in subsection (5) of this section. This information shall be available on the public website for at least six months.

Source: Laws 1975, LB 325, § 6; Laws 1978, LB 609, § 3; Laws 1979, LB 86, § 9; Laws 1987, LB 663, § 26; Laws 2005, LB 501, § 1; Laws 2009, LB361, § 3; Laws 2015, LB365, § 2; Laws 2016, LB876, § 1; Laws 2021, LB83, § 14; Laws 2022, LB742, § 2.

Effective Date: July 21, 2022

Annotations

- If a person present at a meeting observes and fails to object to an alleged public meetings laws violation in the form of a failure to conduct rollcall votes before taking actions on questions or motions pending, that person waives his or her right to object at a later date. *Hauser v. Nebraska Police Stds. Adv. Council*, 264 Neb. 944, 653 N.W.2d 240 (2002).
- Subsection (2) of this section does not require the record to state that the vote was by roll call, but requires only that the record show if and how each member voted. Neither does the statute set a time limit for recording the results of a vote, after which no corrections of the record can be made. If no intervening rights of third persons have arisen, a board of county commissioners has power to correct the record of the proceedings had at a previous meeting so as to make them speak the truth, particularly where the correction supplies some omitted fact or action and is done not to contradict or change the original record but to have the record show that a certain action was taken or thing done, which the original record fails to show. *State ex rel. Schuler v. Dunbar*, 214 Neb. 85, 333 N.W.2d 652 (1983).
- Failure by a public governing body, as defined under section 84-1409, R.R.S.1943, to take and record a roll call vote on an action, as required by section 84-1413(2), R.S.Supp.,1980, grants any citizen the right to sue for the purpose of having the action declared void. In this case such failure could not be later corrected by a nunc pro tunc order because there was no showing that a roll call vote on the disputed action was actually taken, and even if it was the record showed it was not recorded until over a year later. Sections 23-1301, R.R.S.1943,

and 23-1302, R.R.S.1943, make it the duty of the county clerk to record proceedings of the board of county commissioners. *State ex rel. Schuler v. Dunbar*, 208 Neb. 69, 302 N.W.2d 674 (1981).

- There is no requirement that a public body make a record of where notice was published or posted. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).

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.

Source: Laws 1975, LB 325, § 9; Laws 1977, LB 39, § 318; Laws 1983, LB 43, § 5; Laws 1992, LB 1019, § 126; Laws 1994, LB 621, § 2; Laws 1996, LB 900, § 1074; Laws 2004, LB 821, § 40; Laws 2006, LB 898, § 4.

Annotations

- The Legislature has granted standing to a broad scope of its citizens for the very limited purpose of challenging meetings allegedly in violation of the Open Meetings Act, so that they may help police the public policy embodied by the act. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010).

- Any citizen of the state may commence an action to declare a public body's action void. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007).
- The reading of ordinances constitutes a formal action under subsection (1) of this section. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007).
- If a person present at a meeting observes a public meetings law violation in the form of an improper closed session and fails to object, that person waives his or her right to object at a later date. *Wasikowski v. Nebraska Quality Jobs Bd.*, 264 Neb. 403, 648 N.W.2d 756 (2002).
- Under the Public Meetings Act, a county lacks capacity to maintain an action to declare its official conduct "void" for noncompliance with the act. *County of York v. Johnson*, 230 Neb. 403, 432 N.W.2d 215 (1988).
- When a petitioner under this section is successful in the district court, that court may allow attorney fees. *Tracy Corp. II v. Nebraska Pub. Serv. Comm.*, 218 Neb. 900, 360 N.W.2d 485 (1984).
- Informal discussions between the Tax Commissioner and the State Board of Equalization in which instructions were clarified, with such clarification leading to the amendment of hearing notices, did not constitute a public meeting subject to the provisions of this section. *Box Butte County v. State Board of Equalization and Assessment*, 206 Neb. 696, 295 N.W.2d 670 (1980).
- The right to collaterally attack an order made in contravention of the Public Meeting Act must occur within a period of one year as is specifically provided by this section. *Witt v. School District No. 70*, 202 Neb. 63, 273 N.W.2d 669 (1979).
- Statutory change, requiring "publicized notice" for board of education employment hearings, occurring between dates meeting scheduled and conducted, held not to void proceedings. *Alexander v. School Dist. No. 17*, 197 Neb. 251, 248 N.W.2d 335 (1976).
- Voiding an entire meeting is a proper remedy for violations of the Open Meetings Act. Once a meeting has been declared void pursuant to Nebraska's public meetings law, board members are prohibited from considering any information obtained at the illegal meeting. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (2009).
- Actions by the board of directors were merely voidable under this section, and not void. Pursuant to subsection (3) of this section, the plaintiffs were awarded partial attorney fees because they were successful in having the court declare that the board of directors was in substantial violation of the statute, even though the plaintiffs did not get the relief requested of having the board's actions declared void. *Hansmeyer v. Nebraska Pub. Power Dist.*, 6 Neb. App. 889, 578 N.W.2d 476 (1998).

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Source: http://nebraskalegislature.gov/laws/display_html.php?begin_section=84-1407&end_section=84-1414

Date: July 2022

2. Financial and Compliance Audit for year-end September 30, 2022.

FORVIS Report to the Honorable Mayor, City Council, and Management

City of Columbus, Nebraska

Results of the 2022 Financial Statement Audit, Including Required Communications

September 30, 2022

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none">• As of and for the year ended September 30, 2022• Conducted in accordance with our contract dated October 4, 2022
Our Responsibilities	<p>FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>

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Matter	Discussion
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: <ul style="list-style-type: none"> • The Honorable Mayor, City Council, and Management • Others within the City

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of September 30, 2022, on the following as required by GAGAS: <ul style="list-style-type: none"> • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of September 30, 2022, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance: <ul style="list-style-type: none"> • Opinion on compliance for the major federal award program • Report on internal control over compliance • Schedule of Expenditures of Federal Awards
Audit Scope & Inherent Limitations to Reasonable Assurance	A compliance audit performed in accordance with OMB Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal award program occurred.



Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- GASB 87, *Leases*

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for uncollectible receivables
- Unbilled revenue – utility accounts
- Depreciation on capital assets
- Self-insured health claims

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Determination of fair values
- Commitments and contingencies

Our Judgment About the Quality of the City's Accounting Principles

During the course of the audit, we made the following observations regarding the City's application of accounting principles:

- No matters are reportable

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Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Adjustments to accrue additional accounts payable and related expense or capital assets
- Adjustments to record capital asset disposals and other capital asset activity

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Uncorrected audit misstatements pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-year financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Other Required Communications

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- Capital asset-related transactions

Other Material Communication

Listed below is another material communication between management and us related to the audit:

- Management representation letter (see Attachments)



Required Communications Regarding Internal Control (AU-C 265)

Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the City of Columbus, Nebraska (the City) as of and for the year ended September 30, 2022, in accordance with GAAS and GAGAS, we considered the City's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the City's internal control.

Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

- The Honorable Mayor, City Council, and Management
- Others within the City

Categorizing Deficiencies by Severity

Deficiency

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.



Significant Deficiency

A significant deficiency is a deficiency, or 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.



Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the City's financial statements will not be prevented or detected and corrected on a timely basis.



Identified Deficiencies

We identified certain deficiencies in internal control that we consider to be a material weakness and other deficiencies that we consider to be a significant deficiency.

- Refer to the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

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Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements

The detail of uncorrected misstatements identified as a result of our engagement are included herein.

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Representation of:

City of Columbus
2424 14th Street
Columbus, Nebraska 68602

Provided to:

FORVIS, LLP
Certified Public Accountants
1120 S 101st St Suite 410
Omaha, NE 68124

The undersigned (“We”) are providing this letter in connection with FORVIS’ audit of our financial statements as of and for the year ended September 30, 2022.

We are also providing this letter in connection with:

- Your audit of our compliance with requirements applicable to our major federal awards program as of and for the year ended September 30, 2022.

Our representations are current and effective as of the date of FORVIS’ report: June 22, 2023.

Our engagement with FORVIS is based on our contract for services dated: October 4, 2022.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS’ report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS’ Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of governing body meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to

address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

Federal Awards Programs (Uniform Guidance)

12. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.
13. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
14. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.
15. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the City's financial statements.
16. We have evaluated all recipient organizations that received federal funding and have correctly identified all subrecipients on the schedule of expenditures of federal awards.
17. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
18. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.
19. We are responsible to understand and comply with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the City has complied with all applicable compliance requirements.
20. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.
21. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

22. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
23. The costs charged to federal awards are in accordance with applicable cost principles.
24. The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system, or pass-through entity in the case of a subrecipient.
25. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.
26. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
27. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.
28. Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.
29. We are responsible for taking corrective action on any audit findings and have developed a corrective action plan that meets the requirements of Uniform Guidance.
30. The summary schedule of prior audit findings correctly states the status of all audit findings of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.
31. The reporting package does not contain any protected personally identifiable information.
32. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

Misappropriation, Misstatements, & Fraud

33. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
34. We have no knowledge of fraud or suspected fraud affecting the City involving:

- a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
35. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
36. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, customers, regulators, citizens, suppliers, or others.
37. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

38. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, contributions, constraints on liquidity, difficulty obtaining financing or bonding, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and notes receivable, net realizable value of inventory, etc., that could negatively impact the City’s ability to meet debt covenants or maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the City’s financial statements. Further, management and governance are solely responsible for all aspects of managing the City, including questioning the quality and valuation of investments, inventory, and other assets; reviewing allowances for uncollectible amounts, etc.

Related Parties

39. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

40. We understand that the term related party refers to:

- Affiliates

- Trusts for the benefits of employees, such as pension trusts that are managed by or under the trusteeship of management
- City Council members and members of their immediate families
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

41. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
42. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
43. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
44. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

45. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes.
 - Preparing a draft of the schedule of expenditures of federal awards.
 - Completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse
 - Preparing entries to convert cash basis accounting records to accrual basis accounting records.
46. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

- b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
- c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- e. Established and maintained internal controls, including monitoring ongoing activities.
- f. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

- 47. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 48. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- 49. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

- 50. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 51. The City has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements.
- 52. We have everything we need to keep our books and records.
- 53. We have disclosed any significant unusual transactions the City has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 54. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the City's accounts.

55. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Accounting & Disclosure Matters

56. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
57. With regard to deposit and investment activities:
- a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - c. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
58. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
59. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
60. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
61. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
62. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
63. The City has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
64. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements other than those that have been disclosed in the notes to the financial statements.
65. The City's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

66. The supplementary information required by the Governmental Accounting Standards Board, consisting of budgetary comparisons, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

General Government Matters

67. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
68. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
69. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
70. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
71. We have appropriately disclosed that the City is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.

Accounting & Disclosure

72. All transactions entered into by the City are final. We are not aware of any unrecorded transactions, side agreements, or other arrangements (either written or oral) that are in place.
73. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

- d. Events occurring subsequent to the statement of net position date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the City is contingently liable.
 - h. Known or anticipated asset retirement obligations.
74. Except as disclosed in the financial statements, the City has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

75. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
 - b. Excess or obsolete inventories.

Estimates

76. We have identified all accounting estimates that could be material to the financial statements, and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
77. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business or revenues, existing at the date of the financial statements that would make the City vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

78. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
- a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.

- b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
- c. The significant assumptions appropriately reflect market participant assumptions.
- d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

- 79. Tax-exempt bonds issued have retained their tax-exempt status.
- 80. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

New Accounting Standards

GASB Statement 87, Leases

- 81. In connection with the adoption of GASB Statement No. 87, *Leases* (GASB 87), we represent the following:
 - a. We have identified a complete population of potential leases as of the implementation date.
 - b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
 - c. Measurements of the lease assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
 - d. The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.
 - e. The discount rates for each lease are based upon what would be obtained by the City for similar loans as an incremental rate.
 - f. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.
 - g. The footnotes to the financial statements appropriately describe the adoption of GASB 87 and include all additional disclosures required under the Statement.

City of Columbus, Nebraska

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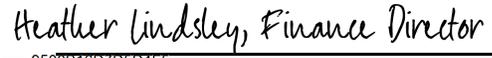
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Tara Vasicek, City Administrator
Tara.vasicek@columbusne.us

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Heather Lindsley, Finance Director
Heather.lindsley@columbusne.us

City of Columbus
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	201,850,720	47,125	201,897,845	0.02%
Total Liabilities & Deferred Inflows	(48,830,307)		(48,830,307)	
Total Net Position	(153,020,413)	(47,125)	(153,067,538)	0.03%
General Revenues & Transfers	(25,424,888)		(25,424,888)	
Net Program Revenues/ Expenses	18,618,375	(1,546)	18,616,829	-0.01%
Change in Net Position	(6,806,513)	(1,546)	(6,808,059)	0.02%

City of Columbus
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

General Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	9,645,055	47,125	9,692,180	0.49%
Total Liabilities & Deferred Inflows	(5,249,694)		(5,249,694)	
Total Fund Balance	(4,395,361)	(47,125)	(4,442,486)	1.07%
Revenues	(10,833,930)	(1,546)	(10,835,476)	0.01%
Expenditures	39,591,660		39,591,660	
Change in Fund Balance	(4,223,002)	(1,546)	(4,224,548)	0.04%

Client: City of Columbus
Period Ending: September 30, 2022

General Fund
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred		Liabilities &		Revenues		Expenditures		Fund Balance		Net Effect on Following Year				
			Outflows		Deferred Inflows								Change in Fund Balance		Fund Balance		
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To record balances of Senior Center Advisory board as a blended component unit		F	47,125			0	(1,546)			0		(45,579)		47,125			(47,125)
	Cash		47,125														
	Revenues						(1,546)							47,125			
	Fund Balance											(45,579)					(47,125)
Total passed adjustments			47,125			0	(1,546)			0		(45,579)		47,125			(47,125)
							Impact on Change in Fund Balance					(1,546)					
							Impact on Fund Balance					(47,125)					

City of Columbus, Nebraska

Independent Auditor's Reports and Financial Statements

September 30, 2022

City of Columbus, Nebraska

September 30, 2022

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City of Columbus, Nebraska
September 30, 2022

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1120 S. 101st Street, Suite 410 / Omaha, NE 68124

P 402.392.1040 / F 402.392.1772

forvis.com

Independent Auditor's Report

The Honorable Mayor and City Council
City of Columbus, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited 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 (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparisons be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted the management's discussion and analysis and pension information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS, LLP

Omaha, Nebraska
June 22, 2023

City of Columbus, Nebraska
Statement of Net Position
September 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,043,932	\$ 7,553,244	\$ 20,597,176
Cash at County Treasurer	229,661	-	229,661
Investments	20,775,256	18,797,444	39,572,700
Accounts receivable	4,106,395	2,327,667	6,434,062
Special assessment receivable	1,527,855	-	1,527,855
Notes receivable	1,720,685	-	1,720,685
Unbilled receivables	-	2,404,114	2,404,114
Inventory	-	264,672	264,672
Land	3,728,689	709,058	4,437,747
Equipment	23,177,981	9,892,639	33,070,620
Buildings	155,247,355	124,607,441	279,854,796
Leased assets - buildings	698,980	-	698,980
Construction in progress	37,490,146	1,275,783	38,765,929
Less accumulated depreciation and amortization	(67,251,405)	(54,464,628)	(121,716,033)
Restricted cash, cash equivalents and investments	7,355,190	6,937,521	14,292,711
Total assets	<u>201,850,720</u>	<u>120,304,955</u>	<u>322,155,675</u>
Liabilities			
Accounts payable	3,936,638	313,723	4,250,361
Accrued expenses	215,870	28,712	244,582
Compensated absences			
Payable within one year	125,000	25,000	150,000
Payable in more than one year	1,143,664	247,021	1,390,685
Unearned revenue	4,153,548	-	4,153,548
Interest payable	165,715	430,767	596,482
Long-term debt, net			
Unamortized bond premium	1,038,137	4,005,866	5,044,003
Payable within one year	1,579,281	2,030,000	3,609,281
Payable in more than one year	35,976,971	35,440,000	71,416,971
Total liabilities	<u>48,334,824</u>	<u>42,521,089</u>	<u>90,855,913</u>
Deferred Inflows of Resources			
Deferred inflows related to leases	<u>495,483</u>	<u>40,365</u>	<u>535,848</u>
Net Position			
Net investment in capital assets	118,603,623	45,319,818	163,923,441
Restricted for debt service	7,189,475	6,937,521	14,126,996
Unrestricted	27,227,315	25,486,162	52,713,477
Total net position	<u>\$ 153,020,413</u>	<u>\$ 77,743,501</u>	<u>\$ 230,763,914</u>

City of Columbus, Nebraska
Statement of Activities
For the Year Ended September 30, 2022

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities							
General government	\$ 3,426,924	\$ 2,879,960	\$ 456,685	\$ -	\$ (90,279)	\$ -	\$ (90,279)
Public safety	11,386,104	93,842	1,508,181	-	(9,784,081)	-	(9,784,081)
Public works	5,764,602	1,037,449	-	3,768,034	(959,119)	-	(959,119)
Cultural and recreation	6,832,481	-	52,360	-	(6,780,121)	-	(6,780,121)
Community development	812,575	717,586	314,895	-	219,906	-	219,906
Interest	1,205,166	-	-	-	(1,205,166)	-	(1,205,166)
Health insurance	107,761	88,246	-	-	(19,515)	-	(19,515)
Total governmental activities	<u>29,535,613</u>	<u>4,817,083</u>	<u>2,332,121</u>	<u>3,768,034</u>	<u>(18,618,375)</u>	<u>-</u>	<u>(18,618,375)</u>
Business-Type Activities							
Water	2,922,746	4,606,217	31,451	-	-	1,714,922	1,714,922
Sewer	5,724,110	8,877,659	-	-	-	3,153,549	3,153,549
Electric	163,666	4,282,510	-	-	-	4,118,844	4,118,844
Storm water	462,308	387,557	-	-	-	(74,751)	(74,751)
Solid waste	1,952,525	2,504,947	-	-	-	552,422	552,422
Total business-type activities	<u>11,225,355</u>	<u>20,658,890</u>	<u>31,451</u>	<u>-</u>	<u>-</u>	<u>9,464,986</u>	<u>9,464,986</u>
Total primary government	<u>\$ 40,760,968</u>	<u>\$ 25,475,973</u>	<u>\$ 2,363,572</u>	<u>\$ 3,768,034</u>	<u>(18,618,375)</u>	<u>9,464,986</u>	<u>(9,153,389)</u>
General Revenues							
Property taxes					6,044,755	-	6,044,755
Sales taxes					13,331,930	-	13,331,930
Other taxes					262,562	-	262,562
Franchise fees					642,998	-	642,998
Miscellaneous					513,129	-	513,129
Investment earnings					240,105	231,405	471,510
Gain on sales of capital assets					78,969	-	78,969
Transfers					4,310,440	(4,310,440)	-
Total general revenues					<u>25,424,888</u>	<u>(4,079,035)</u>	<u>21,345,853</u>
Change in Net Position					6,806,513	5,385,951	12,192,464
Net Position - Beginning of Year					146,213,900	72,357,550	218,571,450
Net Position - End of Year					<u>\$ 153,020,413</u>	<u>\$ 77,743,501</u>	<u>\$ 230,763,914</u>

City of Columbus, Nebraska

Balance Sheet – Governmental Funds September 30, 2022

	General Fund	Streets Engineering Fund	Sales Tax Fund	1/2 Cent Sales Tax Fund	ARP Act Fund	Other Governmental Funds	Total
Assets							
Cash and cash equivalents	\$ 5,953,418	\$ 3,025,571	\$ 77,058	\$ -	\$ 4,165,073	\$ 364,193	\$ 13,585,313
Cash at County Treasurer	191,445	-	-	-	-	38,216	229,661
Due from other funds	1,815,553	-	-	-	-	-	1,815,553
Investments	84,270	-	8,308,656	-	1,726	9,510,115	17,904,767
Receivables							
Accounts, net of allowance	49,491	4,525	-	-	-	26,654	80,670
Due from other governments	-	587,223	1,070,738	496,342	-	99,268	2,253,571
Property taxes	63,004	-	-	-	-	5,754	68,758
Special assessments	-	1,346,760	-	-	-	181,095	1,527,855
Notes	-	157,766	-	-	-	1,562,919	1,720,685
Grants	1,193,997	-	-	-	-	-	1,193,997
Leases	293,877	-	-	-	-	215,522	509,399
Restricted assets							
Cash and cash equivalents	-	-	-	-	-	2,601,880	2,601,880
Investments	-	-	-	4,753,310	-	-	4,753,310
Total assets	<u>\$ 9,645,055</u>	<u>\$ 5,121,845</u>	<u>\$ 9,456,452</u>	<u>\$ 5,249,652</u>	<u>\$ 4,166,799</u>	<u>\$ 14,605,616</u>	<u>\$ 48,245,419</u>
Liabilities							
Accounts payable	\$ 3,494,554	\$ 153,726	\$ -	\$ -	\$ -	\$ 77,155	\$ 3,725,435
Accrued expenses	175,249	22,780	-	-	-	17,841	215,870
Due to other funds	65,858	-	-	1,605,226	-	210,327	1,881,411
Unearned revenue	-	-	-	-	4,153,548	-	4,153,548
Total liabilities	<u>3,735,661</u>	<u>176,506</u>	<u>-</u>	<u>1,605,226</u>	<u>4,153,548</u>	<u>305,323</u>	<u>9,976,264</u>
Deferred Inflows of Resources							
Unavailable revenues	1,230,131	1,346,760	-	-	-	1,744,014	4,320,905
Deferred inflows related to leases	283,902	-	-	-	-	211,581	495,483
Total deferred inflows of resources	<u>1,514,033</u>	<u>1,346,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,955,595</u>	<u>4,816,388</u>
Fund Balances							
Nonspendable	-	-	-	-	-	130,167	130,167
Restricted	-	3,598,579	9,456,452	3,644,426	13,251	10,149,042	26,861,750
Committed	-	-	-	-	-	2,065,489	2,065,489
Assigned	176,808	-	-	-	-	-	176,808
Unassigned	4,218,553	-	-	-	-	-	4,218,553
Total fund balances	<u>4,395,361</u>	<u>3,598,579</u>	<u>9,456,452</u>	<u>3,644,426</u>	<u>13,251</u>	<u>12,344,698</u>	<u>33,452,767</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,645,055</u>	<u>\$ 5,121,845</u>	<u>\$ 9,456,452</u>	<u>\$ 5,249,652</u>	<u>\$ 4,166,799</u>	<u>\$ 14,605,616</u>	<u>\$ 48,245,419</u>

City of Columbus, Nebraska
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
September 30, 2022

Total fund balances of governmental funds	\$	33,452,767
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		153,091,746
Deferred inflows of resources for unavailable revenues are not available to pay for current-period expenditures and, therefore the revenues are not recognized in the funds.		4,320,905
Long-term liabilities, including bonds and leases payable, and related interest, are not due and payable in the current period and, therefore, not reported in the funds. Long-term liabilities at year-end consists of:		
Compensated absences	\$	(1,268,664)
Accrued interest payable		(165,715)
Unamortized bond premium		(1,038,137)
Long-term debt		(37,556,252)
		(40,028,768)
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 in the statement of net position.		2,183,763
		2,183,763
Net position of governmental activities	\$	153,020,413

City of Columbus, Nebraska
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2022

	General Fund	Streets Engineering Fund	Sales Tax Fund	1/2 Cent Sales Tax Fund	ARP Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 5,650,115	\$ -	\$ -	\$ -	\$ -	\$ 657,202	\$ 6,307,317
Fees, taxes, permits and licenses	755,092	448,335	-	-	-	183,368	1,386,795
Sales tax	1,380,104	2,982,600	6,307,403	2,868,550	-	436,272	13,974,929
Charges for services	2,203,429	97,722	-	-	-	683,749	2,984,900
Donations	149,390	-	-	-	-	52,360	201,750
Grants	296,786	3,209,298	-	-	-	348,498	3,854,582
Investment earnings	38,013	23,503	51,554	58,507	13,251	43,264	228,092
Miscellaneous	361,001	556,733	-	-	-	1,467,465	2,385,199
Total revenues	10,833,930	7,318,191	6,358,957	2,927,057	13,251	3,872,178	31,323,564
Expenditures							
Current							
General government	2,128,985	-	-	-	-	-	2,128,985
Public safety	8,025,801	-	-	-	-	1,468,130	9,493,931
Public works	-	3,088,627	-	-	-	332,443	3,421,070
Cultural and recreation	5,364,432	-	-	-	-	3,495	5,367,927
Community development	557,182	-	-	-	-	475,426	1,032,608
Capital outlay	23,394,573	10,138,944	-	-	-	249,790	33,783,307
Debt service							
Principal on leases	92,728	-	-	-	-	-	92,728
Interest on leases	27,959	-	-	-	-	-	27,959
Principal	-	-	-	600,000	-	910,000	1,510,000
Interest and fiscal charges	-	-	-	628,204	-	364,074	992,278
Total expenditures	39,591,660	13,227,571	-	1,228,204	-	3,803,358	57,850,793
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(28,757,730)	(5,909,380)	6,358,957	1,698,853	13,251	68,820	(26,527,229)
Other Financing Sources (Uses)							
Transfer in	25,014,728	4,291,820	-	-	-	685,749	29,992,297
Transfers out	(480,000)	-	(7,507,338)	(12,200,005)	-	(5,494,514)	(25,681,857)
Total other financing sources (uses)	24,534,728	4,291,820	(7,507,338)	(12,200,005)	-	(4,808,765)	4,310,440
Change in Fund Balances	(4,223,002)	(1,617,560)	(1,148,381)	(10,501,152)	13,251	(4,739,945)	(22,216,789)
Fund Balances - Beginning of Year	8,618,363	5,216,139	10,604,833	14,145,578	-	17,084,643	55,669,556
Fund Balances - End of Year	\$ 4,395,361	\$ 3,598,579	\$ 9,456,452	\$ 3,644,426	\$ 13,251	\$ 12,344,698	\$ 33,452,767

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, 2022

Net change in fund balances - total governmental funds \$ (22,216,789)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period, as well as the impact of other differences related to capital assets. 26,832,025

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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,805,319

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. (7,052)

Certain expenses (e.g. compensated absences and claims and judgments) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 27,468

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and change in revenues in fund statements previously recognized in the statement of activities. 445,135

Change in net position of governmental activities \$ 6,886,106

City of Columbus, Nebraska
Statement of Net Position –
Proprietary Funds
September 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Assets							
Current Assets							
Cash and cash equivalents	\$ 3,030,011	\$ 2,609,663	\$ 661,973	\$ 362,358	\$ 889,239	\$ 7,553,244	\$ 72,286
Investments	10,168,737	5,130,713	811,658	547,192	2,139,144	18,797,444	2,256,822
Receivables							
Interfund	-	-	2,362,040	-	-	2,362,040	65,858
Accounts and leases (net of allowance)	680,167	1,431,321	-	32,312	183,867	2,327,667	-
Unbilled receivables	445,426	673,192	1,232,383	29,754	23,359	2,404,114	-
Inventory	205,049	59,623	-	-	-	264,672	-
Total current assets	<u>14,529,390</u>	<u>9,904,512</u>	<u>5,068,054</u>	<u>971,616</u>	<u>3,235,609</u>	<u>33,709,181</u>	<u>2,394,966</u>
Capital Assets							
Land	243,714	356,806	-	3,000	105,538	709,058	-
Buildings	28,545,570	64,889,880	6,191,214	19,422,800	5,557,977	124,607,441	-
Equipment	5,114,368	3,093,786	-	423	1,684,062	9,892,639	-
Construction in progress	512,144	560,231	-	203,408	-	1,275,783	-
Accumulated depreciation	<u>(17,687,624)</u>	<u>(19,763,788)</u>	<u>(5,488,249)</u>	<u>(9,181,799)</u>	<u>(2,343,168)</u>	<u>(54,464,628)</u>	<u>-</u>
Total capital assets, net	<u>16,728,172</u>	<u>49,136,915</u>	<u>702,965</u>	<u>10,447,832</u>	<u>5,004,409</u>	<u>82,020,293</u>	<u>-</u>
Restricted Assets							
Cash and cash equivalents	<u>682,088</u>	<u>6,255,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,937,521</u>	<u>-</u>
Total assets	<u>\$ 31,939,650</u>	<u>\$ 65,296,860</u>	<u>\$ 5,771,019</u>	<u>\$ 11,419,448</u>	<u>\$ 8,240,018</u>	<u>\$ 122,666,995</u>	<u>\$ 2,394,966</u>
Liabilities, Deferred Inflows of Resources, and Net Position							
Current Liabilities							
Accounts payable	\$ 122,342	\$ 113,867	\$ -	\$ 3,576	\$ 73,938	\$ 313,723	\$ 211,203
Accrued expenses	26,325	223,292	-	-	51,116	300,733	-
Interfund payable	-	-	-	-	2,362,040	2,362,040	-
Interest payable	45,661	383,322	-	-	1,784	430,767	-
Current portion of long-term obligations	<u>218,990</u>	<u>1,591,010</u>	<u>-</u>	<u>-</u>	<u>220,000</u>	<u>2,030,000</u>	<u>-</u>
Total current liabilities	<u>413,318</u>	<u>2,311,491</u>	<u>-</u>	<u>3,576</u>	<u>2,708,878</u>	<u>5,437,263</u>	<u>211,203</u>
Noncurrent Liabilities							
Unamortized bond premiums	852,852	3,153,014	-	-	-	4,005,866	-
Noncurrent portion of long-term obligations	<u>1,627,075</u>	<u>33,127,925</u>	<u>-</u>	<u>-</u>	<u>685,000</u>	<u>35,440,000</u>	<u>-</u>
Total noncurrent liabilities	<u>2,479,927</u>	<u>36,280,939</u>	<u>-</u>	<u>-</u>	<u>685,000</u>	<u>39,445,866</u>	<u>-</u>
Total liabilities	<u>2,893,245</u>	<u>38,592,430</u>	<u>-</u>	<u>3,576</u>	<u>3,393,878</u>	<u>44,883,129</u>	<u>211,203</u>
Deferred Inflows of Resources - Leases	<u>40,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,365</u>	<u>-</u>
Net Position							
Net investment in capital assets	14,029,255	16,040,357	702,965	10,447,832	4,099,409	45,319,818	-
Restricted for debt service	682,088	6,255,433	-	-	-	6,937,521	-
Unrestricted	<u>14,294,697</u>	<u>4,408,640</u>	<u>5,068,054</u>	<u>968,040</u>	<u>746,731</u>	<u>25,486,162</u>	<u>2,183,763</u>
Total net position	<u>29,006,040</u>	<u>26,704,430</u>	<u>5,771,019</u>	<u>11,415,872</u>	<u>4,846,140</u>	<u>77,743,501</u>	<u>2,183,763</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 31,939,650</u>	<u>\$ 65,296,860</u>	<u>\$ 5,771,019</u>	<u>\$ 11,419,448</u>	<u>\$ 8,240,018</u>	<u>\$ 122,666,995</u>	<u>\$ 2,394,966</u>

City of Columbus, Nebraska
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
For the Year Ended September 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Operating Revenues							
Charges for services	\$ 4,113,043	\$ 7,665,348	\$ -	\$ -	\$ 2,471,617	\$ 14,250,008	\$ 26,498
Franchise fees	-	-	4,282,510	-	-	4,282,510	-
Fees, taxes, permits, and licenses	209,710	35,574	-	362,764	1,200	609,248	61,748
Sales tax	32,964	1,151,871	-	24,793	-	1,209,628	-
Operating grants	31,451	-	-	-	-	31,451	-
Miscellaneous	250,500	24,866	-	-	32,130	307,496	-
Total operating revenues	<u>4,637,668</u>	<u>8,877,659</u>	<u>4,282,510</u>	<u>387,557</u>	<u>2,504,947</u>	<u>20,690,341</u>	<u>88,246</u>
Operating Expenses							
Personnel services	930,712	1,509,557	-	33,928	644,977	3,119,174	-
Insurance	28,177	75,902	-	529	12,000	116,608	-
Supplies	331,107	290,214	-	951	152,778	775,050	-
Professional services	3,745	899	-	833	1,791	7,268	107,761
Repairs and maintenance	348,998	202,128	-	5,920	70,383	627,429	-
Heat, light and power, phone	198,866	286,584	-	343	12,508	498,301	-
Landfill disposal	-	-	-	-	819,584	819,584	-
Sales tax remitted	55,464	455,833	-	24,493	-	535,790	-
Other operating	126,738	34,842	-	5,963	14,268	181,811	-
Depreciation	883,190	1,910,066	163,666	388,598	212,053	3,557,573	-
Advertising and promotion	476	-	-	750	-	1,226	-
Total operating expenses	<u>2,907,473</u>	<u>4,766,025</u>	<u>163,666</u>	<u>462,308</u>	<u>1,940,342</u>	<u>10,239,814</u>	<u>107,761</u>
Operating Income (Loss)	<u>1,730,195</u>	<u>4,111,634</u>	<u>4,118,844</u>	<u>(74,751)</u>	<u>564,605</u>	<u>10,450,527</u>	<u>(19,515)</u>
Nonoperating Income (Expenses)							
Interest expense, net	(15,273)	(958,085)	-	-	(12,183)	(985,541)	-
Investment earnings	70,633	130,090	10,160	5,129	15,393	231,405	12,463
Total nonoperating income (expenses)	<u>55,360</u>	<u>(827,995)</u>	<u>10,160</u>	<u>5,129</u>	<u>3,210</u>	<u>(754,136)</u>	<u>12,463</u>
Change in net position before transfers	<u>1,785,555</u>	<u>3,283,639</u>	<u>4,129,004</u>	<u>(69,622)</u>	<u>567,815</u>	<u>9,696,391</u>	<u>(7,052)</u>
Operating Transfers							
Operating transfers out	(120,000)	(120,000)	(4,021,440)	-	(49,000)	(4,310,440)	-
Total operating transfers	<u>(120,000)</u>	<u>(120,000)</u>	<u>(4,021,440)</u>	<u>-</u>	<u>(49,000)</u>	<u>(4,310,440)</u>	<u>-</u>
Change In Net Position	1,665,555	3,163,639	107,564	(69,622)	518,815	5,385,951	(7,052)
Net Position - Beginning of Year	<u>27,340,485</u>	<u>23,540,791</u>	<u>5,663,455</u>	<u>11,485,494</u>	<u>4,327,325</u>	<u>72,357,550</u>	<u>2,190,815</u>
Net Position - End of Year	<u>\$ 29,006,040</u>	<u>\$ 26,704,430</u>	<u>\$ 5,771,019</u>	<u>\$ 11,415,872</u>	<u>\$ 4,846,140</u>	<u>\$ 77,743,501</u>	<u>\$ 2,183,763</u>

City of Columbus, Nebraska
Statement of Cash Flows –
Proprietary Funds
For the Year Ended September 30, 2022

#REF!	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities							
Receipts from customers	\$ 4,210,985	\$ 8,223,149	\$ 4,261,699	\$ 386,706	\$ 2,473,554	\$ 19,556,093	\$ 88,246
Other operating receipts	281,951	-	-	-	32,130	314,081	-
Payments to suppliers	(1,039,268)	(1,355,803)	-	(38,795)	(1,104,335)	(3,538,201)	(307,583)
Payments to employees	(930,712)	(1,509,557)	-	(33,928)	(644,977)	(3,119,174)	-
Net cash provided by (used in) operating activities	<u>2,522,956</u>	<u>5,357,789</u>	<u>4,261,699</u>	<u>313,983</u>	<u>756,372</u>	<u>13,212,799</u>	<u>(219,337)</u>
Cash Flows from Noncapital Financing Activities							
Transfers to other funds	(120,000)	(120,000)	(4,021,440)	-	(49,000)	(4,310,440)	-
Net change in interfund borrowings	(4,419)	(279,074)	-	-	-	(283,493)	(74,950)
Net cash provided by (used in) noncapital financing activities	<u>(124,419)</u>	<u>(399,074)</u>	<u>(4,021,440)</u>	<u>-</u>	<u>(49,000)</u>	<u>(4,593,933)</u>	<u>(74,950)</u>
Cash Flows from Capital and Related Financing Activities							
Purchase of capital assets	(496,120)	(1,714,457)	-	(159,056)	-	(2,369,633)	-
Principal paid on bonds and notes	(205,470)	(1,584,530)	-	-	(220,000)	(2,010,000)	-
Interest paid on bonds and notes	(171,691)	(1,340,262)	-	-	(12,183)	(1,524,136)	-
Net cash used in capital and related financing activities	<u>(873,281)</u>	<u>(4,639,249)</u>	<u>-</u>	<u>(159,056)</u>	<u>(232,183)</u>	<u>(5,903,769)</u>	<u>-</u>
Cash Flows from Investing Activities							
Net (purchases) sales of investments	1,891,731	4,438,367	(245,951)	(275,142)	(93,462)	5,715,543	354,110
Investment income	70,633	130,090	10,160	5,129	15,393	231,405	12,463
Net cash provided by (used in) investing activities	<u>1,962,364</u>	<u>4,568,457</u>	<u>(235,791)</u>	<u>(270,013)</u>	<u>(78,069)</u>	<u>5,946,948</u>	<u>366,573</u>
Change in Cash and Cash Equivalents	3,487,620	4,887,923	4,468	(115,086)	397,120	8,662,045	72,286
Cash and Cash Equivalents - Beginning of Year	<u>224,479</u>	<u>3,977,173</u>	<u>657,505</u>	<u>477,444</u>	<u>492,119</u>	<u>5,828,720</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,712,099</u>	<u>\$ 8,865,096</u>	<u>\$ 661,973</u>	<u>\$ 362,358</u>	<u>\$ 889,239</u>	<u>\$ 14,490,765</u>	<u>\$ 72,286</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating income (loss)	\$ 1,730,195	\$ 4,111,634	\$ 4,118,844	\$ (74,751)	\$ 564,605	\$ 10,450,527	\$ (19,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	883,190	1,910,066	163,666	388,598	212,053	3,557,573	-
Changes in operating assets and liabilities							
Receivables	(104,366)	(654,510)	(20,811)	(851)	737	(779,801)	-
Inventory	(21,893)	(6,017)	-	-	-	(27,910)	-
Accounts payable and accrued expenses	35,830	(3,384)	-	987	(21,023)	12,410	(199,822)
Net cash provided by (used in) operating activities	<u>\$ 2,522,956</u>	<u>\$ 5,357,789</u>	<u>\$ 4,261,699</u>	<u>\$ 313,983</u>	<u>\$ 756,372</u>	<u>\$ 13,212,799</u>	<u>\$ (219,337)</u>
Noncash Investing, Capital, and Financing Activities							
Amortization of bond premiums and discounts	\$ 151,599	\$ 370,035	\$ -	\$ -	\$ -	\$ 521,634	\$ -

City of Columbus, Nebraska
Statement of Fiduciary Net Position –
Fiduciary Funds
September 30, 2022

	Custodial Funds
Assets	
Cash	\$ 331,367
Total assets	331,367
Liabilities	
Accounts payable and amounts due to others	331,367
Total liabilities	331,367
Net Position	\$ -

City of Columbus, Nebraska
Statement of Changes in Fiduciary Net Position –
Fiduciary Funds
For the Year Ended September 30, 2022

	Custodial Funds
Additions	
Collections for schools	\$ 16,240
Collections for tax increment financing	663,993
Total additions	680,233
Deductions	
Payments to schools	16,240
Payments for tax increment financing	663,993
Total deductions	680,233
Change in Fiduciary Net Position	-
Net Position - Beginning	-
Net Position - End	\$ -

City of Columbus, Nebraska

Notes to Financial Statements

September 30, 2022

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

Government-wide 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 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.

Fund Financial Statements – 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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

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 purpose, the government considers revenues to be available if they are collected within 60 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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

The *Streets/Engineering Fund* accounts for funds required to be used for streets, public works and other infrastructure projects.

The *Sales Tax Fund* and *½ Cent Sales Tax Fund* account for City-enacted sales tax, as further described in Note 16, and expenditures for transportation purposes, which include construction and maintenance of streets, roads, and bridges to the extent of tax revenues.

The *ARP Act Fund* accounts for funds received from the American Rescue Plan Act.

Additionally, the City reports the following non-major fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. These nonmajor funds consist of the Airport, E911, Wireless E911, E911 Equipment Share, Housing Rehabilitation and Loans, Economic Development Reuse, Progress and Jobs Growth, Keno, Community Redevelopment Authority, Tax Increment Financing, and Library Foundation funds.

Capital Projects Fund – The nonmajor Capital Projects fund is used to account for resources restricted for the acquisition or construction of specific capital projects with transfer made to governmental funds.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than the debt service payments made by the enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

Permanent Funds – The Permanent Funds account for assets held by the City pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. These nonmajor funds consist of the Library Trust and Gerrard Park Trust 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 *Custodial Fund* accounts for the receipts and disbursements of funds on behalf of other organizations.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

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 and disclosure of contingent 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.

Cash and Investments

For the purpose of the Statement of Net Position and Balance Sheet, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected not yet remitted to the City.

Nonnegotiable certificates of deposit and money market funds are carried at amortized cost, which approximates fair value. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is assigned to the funds with which the related investment asset is associated.

Receivables

Accounts receivable represents the amounts due from customers for services provided. An allowance for uncollectible accounts is recorded based on historical collection information. Property taxes are recorded as a receivable when levied. Historically, the uncollectible portion of taxes receivable has been negligible and no allowance for uncollectible taxes has been recorded. Property taxes levied for the 2021-2022 tax year are recorded as revenue in the governmental fund financial statements when levied and collected within 60 days after September 30, 2022. The portion not collected within 60 days after year-end is recorded as a deferred inflow of resources – unavailable revenue in the governmental funds.

The City considers sales and use tax and highway allocation funds receivable and available when collected by the State of Nebraska. Amounts recorded as due from other governments include the portion of sales and use taxes and highway allocations due to the City from the State of Nebraska.

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, 2022, are shown netted against the respective accounts receivable balances for the proprietary funds. The City records an estimated amount of unbilled revenue for services rendered but not yet billed as of the close of the year.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

Lease Receivables

The City is lessor for several noncancellable leases for land and building use and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 and proprietary funds balance sheet. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

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

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Land Improvements and Buildings	5 – 50 Years
Equipment	3 – 20 Years
Vehicles	5 – 30 Years

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

Leased Assets

Leased assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Leased assets are amortized on the straight-line basis over the shorter or the lease term or the useful life of the underlying asset.

Restricted Assets

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category. The unavailable revenues reported in the governmental funds balance sheet are from property taxes, special assessments, grants receivable and certain other receivables that are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow for lease receivables are future lease revenues to be collected for lease agreements entered into with third parties. It is recognized as an inflow of resources in a systematic and rational manner over the lease term.

Net Position

Net position is classified as net investment in capital and lease assets, unrestricted net position and restricted net position.

Fund Balance

Fund balances for the City's governmental funds are 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 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
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

Fund Balance - 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.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Compensated Absences

City employees earn sick, vacation and comp leave throughout each month and leave is fully vested when earned. All accumulated sick, vacation and comp leave, subject to limitations, is paid at separation. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability. Accruals are based on current salary rates plus an additional amount for compensation-related payments such as Social Security and Medicare taxes and pension amounts using rates in effect at that date.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 1: Summary of Significant Accounting Policies - Continued

Implementation of New Accounting Standards

During 2022, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87). In governmental funds, the City now recognizes an expenditure for the current year lease and interest due for leases with payments made during the lease term. In the government-wide statements, the City recognizes a lease liability and leased asset for the present value of all future lease payments at the commencement of the lease. As a lessor, the City recognizes a lease receivable and deferred inflow of resources that will be recognized over the term of the lease in the governmental funds, proprietary funds, and the government-wide statements. Adoption of GASB 87 had no effect on beginning net position or fund balances as of October 1, 2021, or on the previously reported change in net position or fund balances.

Note 2: Budget Process and Property Taxes

For the fiscal year ended September 30, 2022, 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 2021 on the assessed value of listed property. The County Assessor of Platte County, Nebraska, determined the City of Columbus's valuation to be \$1,896,512,219 in August of 2021.

The City, through the budget process, requested a total of \$5,977,541 in property taxes. Based on the August of 2021 valuation previously mentioned, the tax levy for the City of Columbus was established at \$0.291 per \$100 of property value.

Note 3: Deposits 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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 3: Deposits and Investments - Continued

Deposits

The City's deposits consist of cash, certificates of deposit and securities. 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 cash balances are held in an investment account and not at a financial institution.

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.

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.

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.

Interest rate risk – As a means of limiting its exposure to changes in interest rates, the City's policy for certificates of deposit is to limit maturities to less than two years. All of the City's certificates of deposit are classified as investments on the statements of net position/balance sheets and mature within one year of September 30, 2022.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 3: Deposits and Investments - Continued

Investments

The City’s investments consist of investments in equity securities, fixed income funds, mutual funds, money markets, and corporate bonds.

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. The maturities of investments are as follows:

Investment Type	Carrying Value	Investment Term		
		Less Than 1 Year	1 - 5 Years	6 - 10 Years
Equities	\$ 37,515	\$ 37,515	\$ -	\$ -
Fixed income funds	81,436	81,436	-	-
Mutual funds	981,728	981,728	-	-
Other	1,103,199	1,103,199	-	-
Money markets	17,739,126	17,739,126	-	-
	<u>\$ 19,943,004</u>	<u>\$ 19,943,004</u>	<u>\$ -</u>	<u>\$ -</u>

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 – 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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 3: Deposits and Investments - Continued

Fair Value of Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The City's investments in money markets are carried at cost, and thus are not included within the fair value hierarchy.

Recurring Measurements

The following table presents the fair value measurements of investments recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equities	\$ 37,515	\$ 37,515	\$ -	\$ -
Fixed income funds	81,436	81,436	-	-
Mutual funds	981,728	981,728	-	-
Other	1,103,199	1,103,199	-	-
	<u>\$ 2,203,878</u>	<u>\$ 2,203,878</u>	<u>\$ -</u>	<u>\$ -</u>

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 3: Deposits and Investments - Continued

Summary of Carrying Values

Deposits and investments of the City at September 30, 2022, consisted of the following:

Deposits	\$ 54,850,950
Investments	<u>19,943,004</u>
	<u>\$ 74,793,954</u>

Included in the following statement of net position captions:

	<u>Government-Wide</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 20,597,176	\$ 331,367	\$ 20,928,543
Investments	39,572,700	-	39,572,700
Restricted cash, cash equivalents and investments	<u>14,292,711</u>	<u>-</u>	<u>14,292,711</u>
	<u>\$ 74,462,587</u>	<u>\$ 331,367</u>	<u>\$ 74,793,954</u>

Note 4: Notes Receivable

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, 2022, 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. The outstanding balance at September 30, 2022, is \$0. 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, 2022, is \$44,345.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 4: Notes Receivable - Continued

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, 2022, is \$491,695.

On April 7, 2021, the City loaned Habitat for Humanity of Columbus, Nebraska \$103,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 7, 2026. The outstanding balance at September 30, 2022, is \$103,000.

On September 19, 2022, the City loaned Columbus Area Childcare \$225,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 30, 2026. The outstanding balance at September 30, 2022 is \$225,000.

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, 2022, is \$610,804.

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, 2022, is \$157,766.

The following is a summary of notes receivable outstanding as of September 30, 2022, detailed above:

	Original Date	Due Date	Original Amount	Interest Rate	September 30, 2022 Balance
2012 Central American Foods	8/3/2012	7/1/2017	\$ 91,000	0.00%	\$ 88,075
2018 Blazer	2/21/2018	2/21/2023	150,000	1.00%	44,345
2019 Columbus Hydraulics	10/1/2018	10/1/2025	600,000	1.00%	491,695
2021 Habitat for Humanity of Columbus	4/7/2021	4/7/2026	103,000	1.00%	103,000
2022 Columbus Area Childcare	9/19/2022	4/30/2026	225,000	1.00%	225,000
Total					952,115
Housing rehabilitation loans	Various	Various	Various	Various	610,804
East Central District Health Department	12/5/2017	8/5/2027	286,254	4.00%	157,766
Total					\$ 1,720,685

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 5: Leases Receivable

The City leases land to various third parties, the terms of which expire in 2023 through 2041. Revenue recognized under lease contracts during the year ended September 30, 2022, was \$34,975 in the general fund, \$100,548 in the nonmajor governmental funds, and \$49,594 in the water fund.

Note 6: Capital and Lease Assets

Capital and lease asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 3,728,689	\$ -	\$ -	\$ 3,728,689
Construction in progress	12,756,670	24,739,334	(5,858)	37,490,146
Total capital assets, not being depreciated	16,485,359	24,739,334	(5,858)	41,218,835
Capital and lease assets, being depreciated				
Buildings	148,902,463	6,344,892	-	155,247,355
Machinery, equipment and vehicles	20,611,871	2,647,020	(80,910)	23,177,981
Leased assets - buildings	698,980	-	-	698,980
Total capital and lease assets, being depreciated	170,213,314	8,991,912	(80,910)	179,124,316
Less accumulated depreciation and amortization for				
Buildings	(46,017,439)	(4,806,839)	-	(50,824,278)
Machinery, equipment and vehicles	(14,363,594)	(2,029,818)	80,910	(16,312,502)
Leased assets - buildings	-	(114,625)	-	(114,625)
Total accumulated depreciation and amortization	(60,381,033)	(6,951,282)	80,910	(67,251,405)
Total capital and lease assets, being depreciated and amortized, net	109,832,281	2,040,630	-	111,872,911
Governmental activities capital and lease assets, net	<u>\$ 126,317,640</u>	<u>\$ 26,779,964</u>	<u>\$ (5,858)</u>	<u>\$ 153,091,746</u>

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 6: Capital and Lease Assets - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 709,058	\$ -	\$ -	\$ 709,058
Construction in progress	1,117,314	158,469	-	1,275,783
Total capital assets, not being depreciated	<u>1,826,372</u>	<u>158,469</u>	<u>-</u>	<u>1,984,841</u>
Capital assets, being depreciated				
Land improvements and buildings	122,533,859	2,073,582	-	124,607,441
Equipment	9,755,057	137,582	-	9,892,639
Total capital assets, being depreciated	<u>132,288,916</u>	<u>2,211,164</u>	<u>-</u>	<u>134,500,080</u>
Total accumulated depreciation	<u>(50,907,055)</u>	<u>(3,557,573)</u>	<u>-</u>	<u>(54,464,628)</u>
Total capital assets, being depreciated, net	<u>81,381,861</u>	<u>(1,346,409)</u>	<u>-</u>	<u>80,035,452</u>
Business-type activities capital assets, net	<u>\$ 83,208,233</u>	<u>\$ (1,187,940)</u>	<u>\$ -</u>	<u>\$ 82,020,293</u>

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

Governmental Activities

General government	\$ 919,918
Public safety	1,880,295
Public works	2,670,549
Cultural and recreation	1,473,145
Community development	7,375
Total depreciation and amortization expense – governmental activities	<u>\$ 6,951,282</u>

Business-Type Activities

Water	\$ 883,190
Sewer	1,910,066
Electric	163,666
Storm water	388,598
Solid waste	212,053
Total depreciation expense – business-type activities	<u>\$ 3,557,573</u>

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 7: Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 7,730,000	\$ -	\$ (565,000)	\$ 7,165,000	\$ 495,000
Sales tax revenue bonds	24,190,000	-	(600,000)	23,590,000	630,000
Certificates of participation	6,540,000	-	(345,000)	6,195,000	350,000
Leases	698,980	-	(92,728)	606,252	104,281
Unamortized bond premiums	1,197,324	-	(159,187)	1,038,137	-
	<u>40,356,304</u>	<u>-</u>	<u>(1,761,915)</u>	<u>38,594,389</u>	<u>1,579,281</u>
Compensated absences	1,274,455	-	(5,791)	1,268,664	125,000
Total governmental activities	<u>41,630,759</u>	<u>-</u>	<u>(1,767,706)</u>	<u>39,863,053</u>	<u>1,704,281</u>
Business-type activities					
Certificates of participation	1,125,000	-	(220,000)	905,000	220,000
Bonds payable	38,355,000	-	(1,790,000)	36,565,000	1,810,000
Unamortized bond premiums	4,527,500	-	(521,634)	4,005,866	-
	<u>44,007,500</u>	<u>-</u>	<u>(2,531,634)</u>	<u>41,475,866</u>	<u>2,030,000</u>
Compensated absences	272,021	-	-	272,021	25,000
Total business-type activities	<u>44,279,521</u>	<u>-</u>	<u>(2,531,634)</u>	<u>41,747,887</u>	<u>2,055,000</u>
Total primary government	<u>\$ 85,910,280</u>	<u>\$ -</u>	<u>\$ (4,299,340)</u>	<u>\$ 81,610,940</u>	<u>\$ 3,759,281</u>

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 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, 2022, is \$990,000.

On September 1, 2021, the City issued General Obligation Highway Allocation Fund Pledge Bonds in the amount of \$6,175,000. The issue bears interest at 3.00%. Final payment is due on December 15, 2036. The outstanding balance as of September 30, 2022, is \$6,175,000.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 7: Long-term Liabilities - Continued

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, 2022 is \$13,590,000.

On April 15, 2021, the City issued Sales Tax Revenue Bond Anticipation Notes (Community Building Project) in the amount of \$10,000,000. The issue bears interest of 0.85%. Final payment is June 15, 2024. The outstanding balance at September 30, 2022 is \$10,000,000.

On June 30, 2021, the City issued Certificates of Participation in the amount of \$6,540,000. The issue bears interest from 3.00 to 4.00%. Final payment is due on June 15, 2036. The outstanding balance at September 30, 2022 is \$6,195,000.

The City has received bond premiums in governmental funds totaling \$1,234,791. 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, 2022, totaled \$159,187. The unamortized premium balance at September 30, 2022, is \$1,038,137 and is reported as an addition to long-term debt.

Annual debt service requirement to maturity, including principal and interest, for long-term debt as of September 30, 2022, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds		Sales Tax Revenue Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 495,000	\$ 191,586	\$ 630,000	\$ 585,638	\$ 350,000	\$ 200,750
2024	515,000	187,103	10,660,000	552,138	365,000	186,750
2025	75,000	183,525	690,000	440,738	380,000	172,150
2026	135,000	180,375	715,000	413,138	395,000	156,950
2027	195,000	175,425	745,000	384,538	410,000	141,150
2028-2032	2,020,000	733,050	4,155,000	1,489,300	2,245,000	513,300
2033-2037	3,730,000	286,800	4,905,000	739,875	2,050,000	156,000
2038	-	-	1,090,000	39,513	-	-
Totals	<u>\$ 7,165,000</u>	<u>\$ 1,937,864</u>	<u>\$ 23,590,000</u>	<u>\$ 4,644,878</u>	<u>\$ 6,195,000</u>	<u>\$ 1,527,050</u>

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, 2022, is \$905,000.

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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 7: Long-term Liabilities - Continued

Business-Type Activity Debt - Continued

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, 2022, is \$12,485,000.

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, 2022, is \$1,925,000.

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, 2022, is \$11,775,000.

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, 2022, 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, 2022, totaled \$521,634. The unamortized premium balance at September 30, 2022, is \$4,005,866 and is reported as an addition to long-term debt.

Annual debt service requirement to maturity, including principal and interest, for long-term debt as of September 30, 2022, are as follows:

Year Ending September 30,	Business-Type Activities			
	Certificates of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2023	\$ 220,000	\$ 9,519	\$ 1,810,000	\$ 1,462,053
2024	225,000	7,495	1,815,000	1,415,414
2025	230,000	5,290	1,965,000	1,374,524
2026	230,000	2,806	2,020,000	1,282,024
2027	-	-	2,130,000	1,192,725
2028-2032	-	-	12,140,000	4,386,675
2033-2037	-	-	13,715,000	1,566,338
2038	-	-	970,000	38,800
Totals	<u>\$ 905,000</u>	<u>\$ 25,110</u>	<u>\$ 36,565,000</u>	<u>\$ 12,718,553</u>

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 8: Lease Liabilities

The City leases building and parking lot space, the terms of which expire in various years through 2031.

The following is a schedule by year of payments under the leases as of September 30, 2022:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 104,281	\$ 24,250	\$ 128,531
2024	111,055	20,078	131,133
2025	118,152	15,637	133,789
2026	125,587	10,910	136,497
2027	133,375	5,887	139,262
2028-2032	13,802	1,429	15,231
Totals	<u>\$ 606,252</u>	<u>\$ 78,191</u>	<u>\$ 684,443</u>

Note 9: Defined Contribution Retirement Plans

The City has multiple defined contribution plans.

Employees' Pension Plan

All regular full-time civilian employees of the City are covered by a voluntary defined contribution plan. Contributions made by the City equal 6% of the participants' compensation. Participants also contribute 6% of their earnings. Vesting of employer contributions occurs over seven years of employment. The amount of employer and employee contributions to this plan during the fiscal year was \$534,800 and \$534,800, respectively. There were no forfeitures used to offset employer contributions for the year ended September 30, 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

Fire Retirement Plan

All regular full-time fire fighters of the City are covered by a defined contribution plan. Certain fire fighters are also covered by a single-employer defined benefit pension plan (see Note 10). Participants are required to contribute 6.50% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 13% of the participants' contributions. Vesting of employer contributions occurs between four and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$80,710 and \$161,420, respectively, to the plan in fiscal 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 9: Defined Contribution Retirement Plans - Continued

Police Retirement Plan

All regular full-time sworn officers of the City are covered by a defined contribution plan. Certain sworn officers are also covered by a single-employer defined benefit pension plan (see Note 10). Participants are required to contribute 7.0% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 7.0% of the participants' contributions. Vesting of employer contributions occurs between two and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$206,599 and \$206,599, respectively, to the plan in fiscal 2022. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

Note 10: Defined Benefit Pension Plan

Fire Plan

Employees who were hired prior to January 1, 1984, the date at which the Fire Plan was amended from a defined benefit plan to the current status as a defined contribution plan, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.

Plan Description

The City has a single-employer defined benefit pension plan covering fire fighters hired on or before December 31, 1983. The plan is closed to new employees. The terms of the plan, including contribution rates and minimum pension benefits are established through State Statute. The City does not issue a separate report that includes financial statements and required supplementary information for the fire pension plan.

Summary of Benefit Provisions

Contribution rates are described for the defined contribution plan in Note 9. The accumulated value of the employee and employer account including contributions and investment earnings is the Retirement Account Value. In the event that a participant's retirement account value will not provide for the minimum pension benefits of the plan, the City will be required to contribute an additional amount to fund the minimum pension benefits specified in Statute. Participants must have been employed on January 1, 1984 and continuously employed by the City through retirement date after attaining age 55 and completing 25 years of service. Minimum pension benefit equals 40% of regular pay for commencement between ages 55 and 60; 50% of regular pay for commencement at age 60 or later offset by the State Statute Actuarial Equivalence of the Retirement Account Value.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 10: Defined Benefit Pension Plan - Continued

Fire Plan - Continued

Plan Membership

As of September 30, 2022, plan membership consists of 1 inactive member entitled to but not yet receiving benefits and 1 inactive member currently receiving benefits.

Contributions and Funding Policy

The City's contributions for the additional amount to fund minimum pension benefits are limited to amounts paid to retirees during the fiscal year. Contributions made by the City for the year ended September 30, 2022, were \$9,594.

Actuarial Methods and Assumptions and Pension Liability

Actuarially determined contribution rates are calculated as the City's contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the plan. Valuations were determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	1.00%
Mortality Table	Pub-2010 Public Safety Retiree and Public Safety Contingent Annuitant Median Mortality Table (Amount-Weighted), both with fully generational projection of mortality improvements using Scale MP-2020

The City's obligation is unfunded at September 30, 2022. The City has assigned an allocation of certificates of deposit totaling \$84,270 for pension benefits as of September 30, 2022, but these assets are not held in trust. The actuarial present value of future benefits at December 31, 2020, the most recent actuarial valuation date, was \$125,423. After deducting the actuarial value of the assets allocated by the City of \$84,270, the remaining balance of \$41,153 has been deemed immaterial by management and is not recorded in the governmental activities financial statements.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 11: 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, 2022, 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 \$12,479,609 as of September 30, 2022 as outlined below:

- The SID 184 project had contract price of \$2,417,125. As of September 30, 2022, \$573,100 had been paid. The remaining commitment is \$1,844,025
- The Community Building had a contract price of \$26,328,096. As of September 30, 2022, \$16,713,590 had been paid. The remaining commitment is \$9,614,506.
- The Fire Station #2 had a contract price of \$1,802,494. As of September 30, 2022, \$815,720 had been paid. The remaining commitment is \$986,774.
- The Pawnee Park Baseball Lighting had a contract price of \$539,691. As of September 30, 2022, \$505,387 had been paid. The remaining commitment is \$34,304.

Note 12: Major Customers

The City received approximately 25% of the total water revenues and approximately 24% of total sewer revenues from one major customer in the year ended September 30, 2022.

Note 13: Self-Insurance Plan

The City's health insurance coverage is a partially self-insured 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 \$80,000 and aggregate claims that are over \$3,535,723 or 100% of the expected annual claims, whichever is greater.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 14: 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 15: Interfund Balances and Transfers

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 began September 15, 2014, and principal payments begin September 15, 2027. Final payment is due September 15, 2034.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services transactions are classified as “due to and from other funds”.

Due From	Due To			Total
	Electric Fund	Health Insurance Fund	General Fund	
General	\$ -	\$ 65,858	\$ -	\$ 65,858
1/2 Cent Sales Tax Fund	-	-	1,605,226	1,605,226
Nonmajor Governmental Funds	-	-	210,327	210,327
Solid Waste Fund	2,362,040	-	-	2,362,040
Total	\$ 2,362,040	\$ 65,858	\$ 1,815,553	\$ 4,243,451

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 15: Interfund Balances and Transfers - Continued

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

Transfer To	Transfer from								Total
	General	Sales Tax	1/2 Cent Sales Tax	Nonmajor Governmental	Water	Sewer	Electric	Solid Waste	
General	\$ -	\$ 3,510,421	\$ 12,200,005	\$ 4,993,862	\$ 120,000	\$ 120,000	\$ 4,021,440	\$ 49,000	\$ 25,014,728
Streets/Engineering	340,000	3,951,820	-	-	-	-	-	-	4,291,820
Nonmajor Governmental	140,000	45,097	-	500,652	-	-	-	-	685,749
Total	\$ 480,000	\$ 7,507,338	\$ 12,200,005	\$ 5,494,514	\$ 120,000	\$ 120,000	\$ 4,021,440	\$ 49,000	\$ 29,992,297

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

Note 16: 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.

Note 17: 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 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.

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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 17: Tax Abatements - Continued

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.

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, 2022 follows:

Project	Years Remaining on Agreement	2022 TIF Valuation	Proceeds Paid During Y/E 9-30-22
NBC Capital (Ramada)	6	\$3,736,690	\$58,585
Westgate Center Redevelopment Project (Slumberland)	3	\$3,152,815	\$25,275
Westgate Center Redevelopment Project (Hobby Lobby)	7	\$2,717,750	\$30,659

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.

City of Columbus, Nebraska
Notes to Financial Statements
September 30, 2022

Note 17: Tax Abatements - Continued

For the year ended September 30, 2022, the State of Nebraska on behalf of the City abated approximately \$18,500 in sales tax revenue under these two programs.

Note 18: Fund Balances

As of September 30, 2022, governmental fund balances are classified as follows:

	General Fund	Streets/ Engineering Fund	Sales Tax Fund	1/2 Cent Sales Tax Fund	ARP Act Fund	Other Governmental Funds	Total
Fund Balances							
Nonspendable:							
Gerrard Park Trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,167	\$ 130,167
Total nonspendable	-	-	-	-	-	130,167	130,167
Restricted for:							
Debt service	-	-	-	3,644,426	-	2,765,683	6,410,109
Public safety	-	-	-	-	-	341,547	341,547
Airport	-	-	-	-	-	890,885	890,885
Capital improvements	-	3,598,579	9,456,452	-	13,251	-	13,068,282
Housing	-	-	-	-	-	52,988	52,988
Economic Development	-	-	-	-	-	2,626,126	2,626,126
Library	-	-	-	-	-	3,471,813	3,471,813
Total restricted	-	3,598,579	9,456,452	3,644,426	13,251	10,149,042	26,861,750
Committed to:							
Library Endowment	-	-	-	-	-	2,065,489	2,065,489
Total committed	-	-	-	-	-	2,065,489	2,065,489
Assigned to:							
Pension benefits	84,270	-	-	-	-	-	84,270
Library	92,538	-	-	-	-	-	92,538
Total assigned	176,808	-	-	-	-	-	176,808
Unassigned	4,218,553	-	-	-	-	-	4,218,553
Total fund balances	\$ 4,395,361	\$ 3,598,579	\$ 9,456,452	\$ 3,644,426	\$ 13,251	\$ 12,344,698	\$ 33,452,767

Required Supplementary Information

City of Columbus, Nebraska
Schedule of Receipts, Disbursements and Changes in Fund Balances –
Budget to Actual – Budget Basis – General Fund
For the Year Ended September 30, 2022

	Budgeted Amount Original and Final	Actual	Variance With Final Positive (Negative)
Revenues			
Property taxes	\$ 5,648,105	\$ 6,395,999	\$ 747,894
Fees, taxes, permits, and licenses	501,800	704,410	202,610
Sales tax	1,354,783	1,380,394	25,611
Donations	355,034	158,285	(196,749)
Charges for services	2,328,600	2,165,577	(163,023)
Grants	1,868,200	296,786	(1,571,414)
Other local revenues	17,500	371,228	353,728
Investment income	80,000	36,678	(43,322)
	<u>12,154,022</u>	<u>11,509,357</u>	<u>(644,665)</u>
Expenditures			
General government	2,197,677	2,177,801	19,876
Public safety	7,189,018	7,873,297	(684,279)
Parks and recreation	5,442,413	5,593,836	(151,423)
Community development	570,840	637,821	(66,981)
Capital outlay	26,060,110	23,394,573	2,665,537
	<u>41,460,058</u>	<u>39,677,328</u>	<u>1,782,730</u>
Deficiency of Revenues Under Expenditures			
	<u>(29,306,036)</u>	<u>(28,167,971)</u>	<u>1,138,065</u>
Other Financing Sources			
Proceeds from issuance of bonds and notes	5,000,000	-	(5,000,000)
Transfers in (out), net	25,022,197	24,534,727	(487,470)
	<u>30,022,197</u>	<u>24,534,727</u>	<u>(5,487,470)</u>
Change in Fund Balance	<u>\$ 716,161</u>	<u>\$ (3,633,244)</u>	<u>\$ (4,349,405)</u>

City of Columbus, Nebraska
Schedule of Receipts, Disbursements and Changes in Fund Balances –
Budget to Actual – Budget Basis – Streets/Engineering Fund
For the Year Ended September 30, 2022

	Budgeted Amount Original and Final	Actual	Variance With Final Positive (Negative)
Revenues			
Grants	\$ 264,000	\$ 3,259,296	\$ 2,995,296
Fees, taxes, permits, and licenses	2,866,056	3,167,207	301,151
Charges for services	106,100	349,535	243,435
Other revenues	513,005	522,277	9,272
Investment income	10,000	23,503	13,503
	<u>3,759,161</u>	<u>7,321,818</u>	<u>3,562,657</u>
Expenditures			
Public works	3,342,756	3,073,891	268,865
Capital outlay	11,552,480	10,138,944	1,413,536
	<u>14,895,236</u>	<u>13,212,835</u>	<u>1,682,401</u>
Deficiency of Revenues Under Expenditures			
	<u>(11,136,075)</u>	<u>(5,891,017)</u>	<u>5,245,058</u>
Other Financing Sources			
Transfers in (out), net	6,351,762	4,291,821	(2,059,941)
	<u>6,351,762</u>	<u>4,291,821</u>	<u>(2,059,941)</u>
Change in Fund Balance			
	<u><u>\$ (4,784,313)</u></u>	<u><u>\$ (1,599,196)</u></u>	<u><u>\$ 3,185,117</u></u>

City of Columbus, Nebraska
Schedule of Receipts, Disbursements and Changes in Fund Balances –
Budget to Actual – Budget Basis – Sales Tax Fund
For the Year Ended September 30, 2022

	Budgeted Amount Original and Final	Actual	Variance With Final Positive (Negative)
Revenues			
Sales tax	\$ 4,841,670	\$ 6,196,648	\$ 1,354,978
Investment income	100,000	51,554	(48,446)
Total revenues	<u>4,941,670</u>	<u>6,248,202</u>	<u>1,306,532</u>
Expenditures			
Other expenses	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>4,941,670</u>	<u>6,248,202</u>	<u>1,306,532</u>
Other Financing Sources			
Transfers in (out), net	<u>(10,202,336)</u>	<u>(7,507,338)</u>	<u>2,694,998</u>
Total other financing sources	<u>(10,202,336)</u>	<u>(7,507,338)</u>	<u>2,694,998</u>
Change in Fund Balance	<u>\$ (5,260,666)</u>	<u>\$ (1,259,136)</u>	<u>\$ 4,001,530</u>

City of Columbus, Nebraska
Schedule of Receipts, Disbursements and Changes in Fund Balances –
Budget to Actual – Budget Basis – ½ Cent Sales Tax Fund
For the Year Ended September 30, 2022

	Budgeted Amount Original and Final	Actual	Variance With Final Positive (Negative)
Revenues			
Sales taxes	\$ 2,633,330	\$ 2,819,450	\$ 186,120
Investment income	25,000	58,507	33,507
	<u>2,658,330</u>	<u>2,877,957</u>	<u>219,627</u>
Expenditures			
Principal	600,000	-	600,000
Other	627,807	628,204	(397)
	<u>1,227,807</u>	<u>628,204</u>	<u>599,603</u>
Excess of Revenues Over Expenditures	<u>1,430,523</u>	<u>2,249,753</u>	<u>819,230</u>
Other Financing Sources			
Proceeds from issuance of bonds and notes	-	8,177	8,177
Transfers in (out), net	(11,576,350)	(12,200,005)	(623,655)
	<u>(11,576,350)</u>	<u>(12,191,828)</u>	<u>(615,478)</u>
Change in Fund Balance	<u>\$ (10,145,827)</u>	<u>\$ (9,942,075)</u>	<u>\$ 203,752</u>

City of Columbus, Nebraska
Schedule of Receipts, Disbursements and Changes in Fund Balances –
Budget to Actual – Budget Basis – ARP Act Fund
For the Year Ended September 30, 2022

	Budgeted Amount Original and Final	Actual	Variance With Final Positive (Negative)
Revenues			
Investment income	\$ -	\$ 13,251	\$ 13,251
Total revenues	-	13,251	13,251
Excess of Revenues Over Expenditures	-	13,251	13,251
Change in Fund Balance	\$ -	\$ 13,251	\$ 13,251

City of Columbus, Nebraska
Note to Required Supplementary Information
For the Year Ended September 30, 2022

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.

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, and funds for which legally adopted annual budgets are established. A reconciliation for the year ended September 30, 2022, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Streets/ Engineering Fund	Sales Tax Fund	1/2 Cent Tax Fund	ARP Act Fund
Net change in fund balances:					
Balance on a GAAP basis	\$ (4,223,002)	\$ (1,617,560)	\$ (1,148,381)	\$ (10,501,152)	\$ 13,251
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds	576,600	18,364	(110,755)	559,077	-
Perspective differences occur because of the structure of funds used for budgeting differs from financial statement fund types	13,158	-	-	-	-
	<u>\$ (3,633,244)</u>	<u>\$ (1,599,196)</u>	<u>\$ (1,259,136)</u>	<u>\$ (9,942,075)</u>	<u>\$ 13,251</u>

Supplementary Information

City of Columbus, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice/Bulletproof Vest Partnership Program	16.607		\$ -	\$ 4,030
	Total Assistance Listing Number 16.607		-	4,030
U.S. Department of Transportation/Nebraska Department of Transportation/Highway Planning and Construction Cluster/Highway Planning and Construction	20.205	XL0729, XL0733	-	3,157,890
	Total Highway Planning and Construction Cluster		-	3,157,890
U.S. Department of Transportation/Nebraska Department of Transportation/Highway Safety Cluster/ State and Community Highway Safety National Priority Safety Programs	20.600 20.616	ZU2202, ZU2194, ZZ2217, ZU2256 ZZ2262, ZV2277	- -	15,318 8,373
	Total Highway Safety Cluster		-	23,691
U.S. Department of Transportation/Nebraska Department of Transportation/ Formula Grants for Rural Areas	20.509	PI12178	-	115,757
	Total Assistance Listing Number 20.509		-	115,757
U.S. Department of Transportation/Nebraska Department of Aeronautics/ Airport Improvement Program	20.106	3-31-0019-013-2019	-	32,000
	Total Assistance Listing Number 20.106		-	32,000
			<u>\$ -</u>	<u>\$ 3,333,368</u>

City of Columbus, Nebraska
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Columbus, Nebraska under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Columbus, Nebraska, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Columbus, Nebraska.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The City of Columbus, Nebraska has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



1120 S. 101st Street, Suite 410 / Omaha, NE 68124

P 402.392.1040 / F 402.392.1772

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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*

Independent Auditor's Report

The Honorable Mayor and City Council
City of Columbus, Nebraska

We have audited, in accordance with the 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 (*Government Auditing Standards*), 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 (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2023, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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*.

The City's Response to Findings

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

Purpose of this Report

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

FORVIS,LLP

Omaha, Nebraska
June 22, 2023



1120 S. 101st Street, Suite 410 / Omaha, NE 68124

P 402.392.1040 / F 402.392.1772

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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and City Council
City of Columbus, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Columbus, Nebraska's (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

The Honorable Mayor and City Council
City of Columbus, Nebraska
Page 53

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

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

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

FORVIS,LLP

Omaha, Nebraska
June 22, 2023

City of Columbus, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2022

Section II – Financial Statement Findings

Reference Number	Finding
2022-001	<p>Audit Adjustments Proposed and Capital Asset Module</p> <p>Criteria – Management is responsible for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.</p> <p>Condition – Audit adjustments were proposed to properly report various areas of financial reports. In addition, reconciliation of the City’s capital asset module and general ledger was not performed on a timely basis and resulted in delays in the financial statement preparation process.</p> <p>Cause – Procedures were not maintained throughout the year that allowed for proper evaluation of potential adjustments that, individually or in the aggregate, had a significant effect on the financial statements.</p> <p>Effect – Current year adjustments were identified through assistance from the auditor.</p> <p>Recommendation – Management should consider modification to procedures to ensure controls and resources are in place to allow for preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management should also reconcile the general ledger to the capital asset module periodically throughout the year.</p> <p>Views of responsible officials and planned corrective action – Management has reviewed the adjustments and will implement procedures to identify and record any necessary entries in the future.</p>
2022-002	<p>Segregation of Duties</p> <p>Criteria – Management is responsible for the proper segregation of duties to mitigate the risk of loss, theft or misuse of City funds.</p> <p>Condition – Due to the limited number of City personnel, the City’s financial recording, access, and reconciling duties are concentrated with a few individuals.</p> <p>Effect – Certain City personnel can handle all aspects of processing a transaction from start to finish with no oversight.</p>

City of Columbus, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2022

Section II – Financial Statement Findings - Continued

Reference Number	Finding
2022-002 - Continued	<p>Cause – Due to the limited number of City personnel, segregation of duties is not possible.</p> <p>Recommendation – Management should consider the necessity of hiring additional City personnel, while considering the benefits associated with the increase in costs. In addition, the City should consider strengthening existing compensating controls or further separating duties to existing personnel.</p> <p>View of responsible officials and planned corrective action – 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.</p>

Section III – Federal Award Findings and Questioned Costs

No matters are reportable

City of Columbus, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2022

Reference Number	Summary of Finding	Status
2021-001	Audit Adjustments Proposed and Restatement of Beginning Balances	Partially Corrected – See 2022-001
2021-002	Segregation of Duties	Uncorrected – See 2022-002

3. Change to public property director and parks and recreation manager positions.



The City of Columbus

RESPONSIBLE • RESPONSIVE • REPUTABLE

Administration Office (402) 562-4232

Fax (402) 563-1380

MEMORANDUM

DATE: June 7, 2023

FROM: Tara Vasicek, City Administrator

TO: Public Finance, Judiciary & Personnel Committee

RE: Change to Public Property Director and Park & Rec Manager positions

RECOMMENDATION:

To approve the changes to the staffing of the Public Property Director and Park and Recreation Manager positions.

DISCUSSION:

The Divisions that are managed by the Public Property Director have been steadily growing for many years. When the Public Property Director position was created many of the divisions today did not exist, including Columbus Area Transit, Quail Run Golf Course, the heavily utilized Senior Center, Plunge, Aquatic Center and Park & Rec programming. Park and Recreation programming has been the most recent growth area for the Public Property Division.

Because of this growth and the expected continued growth, the time has come to reallocate the divisions that are currently under the management of the Public Property Director. After careful consideration, I would recommend the following.

Current	Grade	Salary	FICA/MED	Pension	Insurances	Total Wages
Public Property Director <i>Director of Park & Rec, Park & Rec Maintenance, Senior Center, CAT, Cemetery, Golf, Aquatics</i>	C6	121,222.40	9,273.51	7,273.34	29,350.00	167,119.26
Park & Recreation Manager <i>Manages Park and Recreation Programing and Facility Use</i>	C2	95,097.60	7,274.97	5,705.86	29,350.00	137,428.42
Total						304,547.68
Proposed						
Public Property Director <i>Director of Senior Center, CAT, Cemetery & Golf</i>	C4	106,392.00	8,138.99	6,383.52	29,350.00	150,264.51
Park & Recreation Director <i>Director of Park and Recreation, Park Maintnenace & Aquatics</i>	C4	106,392.00	8,138.99	6,383.52	29,350.00	150,264.51
Total						300,529.02

FISCAL IMPACT: shown above.

SIGNATURE:

By: 

4. Adjournment.