

Public Finance, Judiciary, and Personnel Committee  
Monday, March 17, 2025 5:30 PM  
Columbus Community Building/Community Room  
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](http://www.columbusne.us).

{{Name: Agenda Item Name}}

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

## **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.

## 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; applicability of section.**

(1) Until January 1, 2025:

(a) Except as provided in subsection (10) of this section, 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 or the governing body of a rural or suburban fire protection district, 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, village, or district. 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.

(iv) In case of refusal, neglect, or inability of the newspaper to timely publish the notice, the public body shall (A) post such notice on its website, if available, and (B) post such notice in a conspicuous public place in such public body's jurisdiction. The public body shall keep a written record of such posting. The record of such posting shall be evidence that such posting was done as required and shall be sufficient to fulfill the requirement of publication.

(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) Beginning January 1, 2025:

(a) Except as provided in subsection (10) of this section, 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 (2)(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 committees, such notice shall be given by:

(A)(I) Publication in a newspaper of general circulation within the public body's jurisdiction that is finalized for printing prior to the time and date of the meeting, (II) posting on such newspaper's website, if available, and (III) posting on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers. Such notice shall be placed in the newspaper and on the websites by the newspaper; or

(B)(I) Posting to the newspaper's website, if available, and (II) posting to a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers if no edition of a newspaper of general circulation within the public body's jurisdiction is to be finalized for printing prior to the time and date of the meeting. Such notice shall be placed in the newspaper and on the websites by the newspaper.

(ii) In the case of the governing body of a city of the second class or village, any advisory committee of such governing body, or the governing body of a rural or suburban fire protection district, such notice shall be given by:

(A)(I) Publication in a newspaper of general circulation within the public body's jurisdiction that is finalized for printing prior to the time and date of the meeting, (II) posting on such newspaper's website, if available, and (III) posting on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers. Such notice shall be placed in the newspaper and on the websites by the newspaper;

(B)(I) Posting to the newspaper's website, if available, and (II) posting on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers if no edition of a newspaper of general circulation within the public body's jurisdiction is to be finalized for printing prior to the time and date of the meeting. Such notice shall be placed in the newspaper and on the websites by the newspaper; or

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

(iii) In the case of a public body not described in subdivision (2)(b)(i) or (ii) of this section, such notice shall be given by a method designated by the public body.

(iv) In case of refusal, neglect, or inability of the newspaper to publish the notice, the public

body shall (A) post such notice on its website, if available, (B) submit a post on a statewide website established and maintained as a repository for such notices by a majority of Nebraska newspapers, and (C) post such notice in a conspicuous public place in such public body's jurisdiction. The public body shall keep a written record of such posting. The record of such posting shall be evidence that such posting was done as required and shall be sufficient to fulfill the requirement of publication.

(3)(a) The following entities may hold a meeting by means of virtual conferencing if the requirements of subdivision (3)(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 subsections (1) and (2) 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, subsection (1) of section 70-1014, subsection (2) of section 70-1014.02, 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 (A) an organization created under the Interlocal Cooperation Act that sells electricity or natural gas, (B) an organization created under the Municipal Cooperative Financing Act, (C) a governing body of a risk management pool and any advisory committee of such governing body, or (D) any advisory committee of any state entity created in response to the Opioid Prevention and Treatment Act, such organization, governing body, or committee 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.

(4) 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.

(5) 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.

(6) 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 (5) 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.

(7) 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.

(8)(a) Notwithstanding subsections (3) and (6) 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 subsections (1) and (2) 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 (5) 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.

(9) In addition to any other statutory authorization for virtual conferencing, any public body not listed in subdivision (3)(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 (3)(b)(i) and (ii) of this section.

(10) This section does not apply to a meeting of the Nebraska Power Review Board or a public power district, a public power and irrigation district, an electric membership association, an electric cooperative company, a municipality having a generation and distribution system, or a registered group of municipalities if such meeting is subject to section 70-1034.

**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; Laws 2024, LB287, § 74; Laws 2024, LB399, § 4; Laws 2024, LB1370, § 8.

**Note:** The Revisor of Statutes has pursuant to section 49-769 correlated LB287, section 74, with LB399, section 4, and LB1370, section 8, to reflect all amendments.

**Note:** Changes made by LB287 became operative April 17, 2024. Changes made by LB399 became effective July 19, 2024. Changes made by LB1370 became operative July 19, 2024.

## Cross References

- **Emergency Management Act**, see section 81-829.36.
- **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.
- **Opioid Prevention and Treatment Act**, see section 71-2485.

## 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. Except for closed sessions called pursuant to section 84-1410, a public body shall allow members of the public an opportunity to speak at each meeting.

(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.

(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 in-state 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; Laws 2024, LB43, § 21.

**Operative Date: July 19, 2024**

## 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.

## Annotations

- Under prior law, 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).

**2. Financial and Compliance Audit for year-end September 30, 2024.**



**City of Columbus, Nebraska**

**Communications Letter**

**September 30, 2024**

PRELIMINARY

City of Columbus  
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PRELIMINARY



## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members  
of the City Council and Management  
City of Columbus  
Columbus, Nebraska

In planning and performing our audit of the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus, Nebraska, as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 opinion 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 over financial reporting.

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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness and a deficiency that we consider to be a significant 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. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

The material weakness identified is stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated **March 29, 2024**, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the Members of the City Council and management and others within the City the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Omaha, Nebraska  
**March 29, 2024**

PRELIMINARY

**City of Columbus  
Material Weakness**

**Material Audit Adjustment**

During the course of our engagement, we proposed material audit adjustments that would not have been identified as a result of the City's existing internal controls and, therefore, could have resulted in the City's financial statements being materially misstated.

An adjustment was required to adjust beginning net position for deferred revenue related to notes receivable to correct the under accrued deferral.

We recommend the City continue monitoring the reconciling and reporting process to ensure all journal entries are made prior to the audit.

PRELIMINARY

**City of Columbus  
Significant Deficiency**

**Lack of Segregation of Accounting Duties**

The City had a lack of segregation of accounting duties. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. In order to have appropriate segregation of accounting duties the performance of the following duties would need to be completed by a different employee: initiation and authorization of transactions, recording and processing of transactions, reconciliation, and reporting of transactions. It is also imperative to limit access to the general ledger, subsidiary modules of the accounting system, financial information, and assets.

We recommend management, along with the City Council, evaluate the risks related to significant deficiencies noted above and on the previous page and respond with improvements to processes to mitigate these risks. In doing this, management and the City Council must weigh the costs associated with adding more staff or procedures to its operations.

PRELIMINARY

## City of Columbus Required Communication

We have audited the basic financial statements of the governmental activities, business-type activities, and each major fund of the City as of and for the year ended September 30, 2024. Professional standards require that we advise you of the following matters related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**City of Columbus  
Required Communication**

**Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)***

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the City's compliance with those requirements.

In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

**Significant Risks Identified**

We have considered the following significant risks in developing our audit approach:

- **Improper Revenue Recognition Specific to Water and Sewer Charges for Services and Special Assessments** - Revenue recognition is considered a fraud risk on substantially all engagements as it is generally the largest line item impacting a city's operating results.
- **Risk of Management Override of Controls** - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- **Risk of Misappropriation of Assets** - If duties cannot be appropriately segregated within the accounting and finance department, there is a risk of unauthorized payroll disbursements being made from the City.

**Qualitative Aspects of the City's Significant Accounting Practices**

*Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended September 30, 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**City of Columbus  
Required Communication**

**Qualitative Aspects of the City's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant accounting estimates.

*Financial Statement Disclosures*

Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements relate to risks associated with deposits and investments; commitments and contingencies; and long-term debt.

The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

The following bullet point summarize the uncorrected financial statement misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit

- OPEB liability not recorded as the liability was estimated to be immaterial based on the actuarial study completed.
- Current-year additions appear to be accumulating depreciation for the full year regardless of date of acquisition

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. On the following page are the material misstatements that we identified as a result of our audit procedures and were brought to the attention of and corrected by management.

- Deferred revenue and error correction

## City of Columbus Required Communication

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

## City of Columbus Emerging Issues

### Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***  
GASB has issued GASB Statement No. 102 relating to risk disclosures. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.
- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***  
GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.
- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***  
GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following is an extensive summary of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

**City of Columbus  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***

The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement provides definitions for concentration and constraint. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.

This Statement requires a government to assess whether a concentration or constraint could present a risk of financial difficulty. The District will need to make a disclosure in the notes to the financial statements if all three of the following criteria are true:

- The District knows about the concentration or constraint prior to financial statement issuance.
- The concentration or constraint makes the District vulnerable to risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have either (1) happened; (2) started to happen; or (3) are more likely.

If a government determines the above criteria for disclosure have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Disclosures are required for the government as a whole as well as any opinion unit in the financial statements that includes outstanding revenue debt. Disclosures can be combined to avoid unnecessary duplication (e.g., a subsequent event footnote).

GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

## City of Columbus Emerging Issues

### **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Columbus  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Columbus, Nebraska**

**Basic Financial Statements**

**September 30, 2024**



PRELIMINARY

**City of Columbus, Nebraska  
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PRELIMINARY



## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Columbus  
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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

#### ***Responsibilities of Management for the Financial Statements***

The City of Columbus' 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Management Discussion and Analysis, which follows this report, and Required Supplementary Information as listed in the Table of Contents, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. 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.

**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 **March 29, 2024**, 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.

Omaha, Nebraska

**March 29, 2024**



PRELIMINARY



Finance Department  
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[www.columbusne.us](http://www.columbusne.us)

## Management's Discussion and Analysis September 30, 2024

### Unaudited

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

### Financial Highlights

- As of September 30, 2024, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$258,959,559.
- Total net position is comprised of the following:
  - Net invested in capital assets of \$191,164,597. This represents the property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of the City's capital assets.
  - Restricted net position of \$8,455,596.
  - Unrestricted net position of \$59,339,366.
- The total net position increased by \$13,686,872 during the year ending September 30, 2024.
- The City's governmental funds reported a net increase in fund balance of \$249,647 and a total ending fund balance of \$21,012,418.
- The City's proprietary funds reported a net increase in net position of \$5,503,686 and total ending net position of \$90,743,338.
- At the end of the current fiscal year, fund balance for the General Fund was \$8,943,739, an increase of \$1,716,533 from the prior year.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

**Management's Discussion and Analysis**  
**September 30, 2024**

**Government-Wide Financial Statements (Continued)**

The first of these government-wide statements is the *Statement of Net Position*. This is the city-wide statement of position presenting information that includes the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

Overtime increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, recreation, streets, planning, and public works. Business-type activities include water, sanitary sewer, electric, storm water, and solid waste services.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's funds rather than the City as a whole.

The City has two types of funds:

***Governmental Funds***

These are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

**Management's Discussion and Analysis**  
**September 30, 2024**

**Fund Financial Statements (Continued)**

Budgetary schedules for the general fund and special revenue funds are included in the required supplementary information. Budgetary schedule for the debt service fund can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget.

***Proprietary Funds***

These are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal services funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as the water and sanitary sewer systems. Internal service funds provide services and charge fees to customers within the City organization such as equipment services.

***Notes to Basic Financial Statements***

These are the accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also includes other supplementary information. This section includes detailed comparative information for the general fund and enterprise fund.

**Management's Discussion and Analysis**  
**September 30, 2024**

**Financial Analysis of the City as a Whole**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The City's net position at fiscal year-end is \$258,959,559. The following table provides a summary of the City's net position:

	Government Activities	Business-type Activities	2024 Total	(Restated) 2023 Total
Current and other assets	\$ 30,950,031	\$ 43,598,405	\$ 74,548,436	\$ 70,225,520
Capital assets	173,766,400	84,631,232	258,397,632	256,546,262
Total assets and deferred outflows	<u>204,716,431</u>	<u>128,229,637</u>	<u>332,946,068</u>	<u>326,771,782</u>
Current liabilities	5,144,709	1,078,441	6,223,150	4,544,150
Long-term liabilities	30,859,152	36,373,883	67,233,035	76,534,759
Deferred inflows of resources	496,349	33,975	530,324	420,186
Total liabilities and deferred inflows	<u>36,500,210</u>	<u>37,486,299</u>	<u>73,986,509</u>	<u>81,499,095</u>
Net position				
Net invested in capital assets	142,907,248	48,257,349	191,164,597	180,011,503
Restricted	-	8,455,596	8,455,596	10,424,778
Unrestricted	<u>25,308,973</u>	<u>34,030,393</u>	<u>59,339,366</u>	<u>54,836,406</u>
Total net position	<u>\$ 168,216,221</u>	<u>\$ 90,743,338</u>	<u>\$ 258,959,559</u>	<u>\$ 245,272,687</u>

This reflects an increase in net position of \$13,686,872 or 5.6% for the City from the previous year balance of \$245,272,687 an indication that the City's overall financial position improved during fiscal year 2024. The governmental activities had an increase in net position of \$8,183,186 and the business-type activities had an increase of \$5,503,686

**Governmental Activities**

Governmental activities included in the Government-wide financial statements are shown comparing expenses to general and program revenues.

	2024	2023
General revenues	\$ 33,599,385	\$ 28,626,101
Program revenues	9,934,090	10,686,557
Total revenues	<u>43,533,475</u>	<u>39,312,658</u>
Expenses	<u>(35,350,289)</u>	<u>(32,027,382)</u>
Changes in net position	<u>\$ 8,183,186</u>	<u>\$ 7,285,276</u>

**Management's Discussion and Analysis  
September 30, 2024**

**Business-Type Activities**

Business-type activities are shown comparing costs to revenues generated by related services. These funds are designed to be self-supporting with user charges and other revenues designed to recover costs. For the year ended September 30, 2024, the systems generated income from operations, including depreciation and amortization expense, of \$8,803,675. For the year ended September 30, 2023, the systems generated income from operations, including depreciation and amortization expense, of \$9,587,137. Depreciation and amortization expense recognized for the years ended September 30, 2024, and 2023, was \$4,009,840 and \$3,795,807, respectively.

	2024	2023
Operating revenues	\$ 20,529,683	\$ 20,626,636
Operating expenses	(11,726,008)	(11,039,499)
Operating income (loss)	8,803,675	9,587,137
Non-operating revenues	1,655,533	966,499
Interest expense	(903,495)	(874,848)
Transfers	(4,052,027)	(2,139,636)
Increase in net position	<u>\$ 5,503,686</u>	<u>\$ 7,539,152</u>

**Financial Analysis of the City's Funds**

*Governmental funds*

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an increase in fund balance of \$249,647 and an ending fund balance of \$21,012,418.

**Management's Discussion and Analysis  
September 30, 2024**

**Governmental Revenues**

Revenues from governmental funds totaled \$40,132,320 in 2024, an increase of \$3,205,827 or 8.7% from 2023, primarily from increases in taxes, charges for services, and grants, net of decrease in donations from the library foundation. The amount of revenue by source and increase or decrease from the prior year is summarized below:

	2024	2023	Increase (Decrease)
Property taxes	\$ 6,963,585	\$ 6,486,116	\$ 477,469
Fees, taxes, permits and licenses	1,570,161	1,705,048	(134,887)
Sales tax	15,385,990	14,343,378	1,042,612
Gaming tax	253,999	-	253,999
Charges for services	3,971,175	3,906,591	64,584
Donations	84,678	2,189,888	(2,105,210)
Grants	7,627,472	5,215,949	2,411,523
Investment earnings	1,294,876	1,101,134	193,742
Miscellaneous	2,980,384	1,978,389	1,001,995
<b>Total</b>	<b>\$ 40,132,320</b>	<b>\$ 36,926,493</b>	<b>\$ 3,205,827</b>

As depicted in the above summary, the City relies heavily on local taxes to support its governmental operations. General tax revenue provided approximately 56.3% of the City's total governmental revenues. In the prior year taxes accounted for approximately 56.4% of the total governmental revenue.

**Governmental Expenditures**

Expenditures of governmental funds totaled \$49,544,295 for 2024, a decrease of \$2,463,422 from 2023 expenditures of \$52,007,717. This decrease is due to decreases in capital outlay expenditures of \$13,425,941 due to large construction projects in the prior year completed or nearing completion in the current year offset by an increase in debt service expenses of \$10,091,974 due to the final pay off of one bond. These expenditures, by function, are summarized below:

	2024	2023	Increase (Decrease)
General government	\$ 2,735,372	\$ 2,611,531	\$ 123,841
Public safety	11,258,873	10,515,114	743,759
Public works	3,511,983	3,383,791	128,192
Cultural and recreation	6,255,836	5,976,205	279,631
Community development	1,008,314	1,413,192	(404,878)
Capital outlay	12,085,169	25,511,110	(13,425,941)
Debt service	12,688,748	2,596,774	10,091,974
<b>Total</b>	<b>\$ 49,544,295</b>	<b>\$ 52,007,717</b>	<b>\$ (2,463,422)</b>

**Management's Discussion and Analysis  
September 30, 2024**

**Governmental Expenditures (Continued)**

*Proprietary funds*

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. We have summarized the operating results of these funds above.

**General Fund Budgetary Highlights**

The General Fund budgeted revenues for fiscal year 2024 was \$12,345,123. This was a decrease of \$173,693 from the previous year budget of \$12,518,816. The expenditures budget was \$25,005,580, which was a decrease of \$13,995,500 from \$39,001,080 in the previous year.

**Assessed Valuation and Property Taxes**

Assessed valuation of \$2,290,193,749 represented a 6.5% increase over the preceding year's valuation of \$2,019,761,372. The tax rates are applied to each \$100 of actual valuation. The breakdown of tax rates for fiscal year 2024 and the preceding two years are as follows:

	2024	2023	2021
General Fund	0.29262	0.28829	0.28881
Debt Service Fund	-	0.02689	0.02638
	0.29262	0.31518	0.31519
Total	0.29262	0.31518	0.31519

**Capital Assets**

As of September 30, 2024, the City had \$258,397,632 invested in capital assets, including streets and highways; buildings; equipment, parks, water and wastewater facilities and lines; automobiles and recreation facilities; and construction in progress. At September 30, 2023, the total invested in capital assets was \$256,749,670. The net book value of these assets is summarized below:

Land	\$ 4,437,747
Construction in progress	11,108,267
Buildings and infrastructure	232,107,580
Equipment and furniture	6,509,790
Automobiles	3,372,922
Leased assets and SBITAs	861,326
Net capital assets	\$ 258,397,632

The annual depreciation for the City was \$13,598,478 for 2024 and \$11,932,050 for 2023.

**Management's Discussion and Analysis  
September 30, 2024**

**Debt Administration**

At the end of the fiscal year, the City had total debt outstanding of \$63,304,441. The City's total future debt service requirements are presented below:

	Principal	Interest	Total
2025	\$ 3,818,062	\$ 2,446,173	\$ 6,264,235
2026	3,965,375	2,278,550	6,243,925
2027	3,970,345	2,116,128	6,086,473
2028	4,004,946	1,948,188	5,953,134
2029	4,138,321	1,774,642	5,912,963
2030-2034	24,322,392	6,161,936	30,484,328
2035-2039	19,085,000	1,532,688	20,617,688
<b>Total</b>	<b>\$ 63,304,441</b>	<b>\$ 18,258,305</b>	<b>\$ 81,562,746</b>

**Economic Environment and Next Year's Budgets**

Several factors were considered and affected the preparation of the City's 2025 budget as follows:

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

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

**Financial Contact**

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



**BASIC FIANANCIAL STATEMENTS**

PRELIMINARY

**City of Columbus**  
**Statement of Net Position**  
**September 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,913,829	\$ 7,627,282	\$ 10,541,111
Cash at county treasurer	341,380	-	341,380
Investments	18,136,881	22,420,052	40,556,933
Accounts receivable	6,265,222	1,534,797	7,800,019
Special assessments receivable	1,851,197	829,905	2,681,102
Notes receivable	1,441,522	-	1,441,522
Unbilled receivables	-	2,459,040	2,459,040
Inventory	-	271,733	271,733
Land	3,728,689	709,058	4,437,747
Equipment	29,814,151	10,364,198	40,178,349
Buildings	211,379,652	134,405,970	345,785,622
Leased assets - buildings	698,980	-	698,980
SBITA	723,866	-	723,866
Construction in progress	9,861,063	1,247,204	11,108,267
Less accumulated depreciation and amortization	(82,440,001)	(62,095,198)	(144,535,199)
Restricted cash, cash equivalents, and investments	-	8,455,596	8,455,596
<b>Total assets</b>	<b>\$ 204,716,431</b>	<b>\$ 128,229,637</b>	<b>\$ 332,946,068</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,177,811	\$ 345,813	\$ 3,523,624
Accrued expenses	462,653	81,008	543,661
Compensated absences	1,321,050	304,373	1,625,423
Interest payable	183,195	347,247	530,442
Long-term debt, net			
Unamortized bond premium	954,711	2,973,883	3,928,594
Payable within one year	1,623,062	2,195,000	3,818,062
Payable after one year	28,281,379	31,205,000	59,486,379
<b>Total liabilities</b>	<b>36,003,861</b>	<b>37,452,324</b>	<b>73,456,185</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to leases	496,349	33,975	530,324
<b>Net Position</b>			
Net investment in capital assets	142,907,248	48,257,349	191,164,597
Restricted for debt service	-	8,455,596	8,455,596
Unrestricted	25,308,973	34,030,393	59,339,366
<b>Total net position</b>	<b>168,216,221</b>	<b>90,743,338</b>	<b>258,959,559</b>
<b>Total liabilities, deferred inflows of resources,</b>	<b>\$ 204,716,431</b>	<b>\$ 128,229,637</b>	<b>\$ 332,946,068</b>

City of Columbus  
Statement of Activities  
Year Ended September 30, 2024

Functions/Programs	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	Net Total
<b>Governmental activities</b>							
General services	\$ 4,971,509	\$ 127,748	\$ 284,485	3,733,914	\$ (825,362)	\$ -	\$ (825,362)
Public safety	12,653,771	1,374,303	183,580	-	(11,095,888)	-	(11,095,888)
Public works	7,031,475	171,133	-	201,976	(6,658,366)	-	(6,658,366)
Cultural and recreation	8,696,769	1,689,237	1,435,779	-	(5,571,753)	-	(5,571,753)
Community development	1,011,805	710,680	21,255	-	(279,870)	-	(279,870)
Interest	984,960	-	-	-	(984,960)	-	(984,960)
Total governmental activities	<u>35,350,289</u>	<u>4,073,101</u>	<u>1,925,099</u>	<u>3,935,890</u>	<u>(25,416,199)</u>	<u>-</u>	<u>(25,416,199)</u>
<b>Business-type activities</b>							
Water	3,707,921	4,594,996	-	-	-	887,075	887,075
Sewer	6,122,196	8,459,001	-	-	-	2,336,805	2,336,805
Electric	162,489	4,404,119	-	-	-	4,241,630	4,241,630
Storm water	514,811	392,263	-	-	-	(122,548)	(122,548)
Solid waste	2,122,086	2,679,304	-	-	-	557,218	557,218
Total business-type activities	<u>12,629,503</u>	<u>20,529,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,900,180</u>	<u>7,900,180</u>
<b>Total primary government</b>	<u>\$ 47,979,792</u>	<u>\$ 24,602,784</u>	<u>\$ 1,925,099</u>	<u>\$ 3,935,890</u>	<u>\$ (25,416,199)</u>	<u>\$ 7,900,180</u>	<u>\$ (17,516,019)</u>
<b>General revenues</b>							
Property taxes					6,963,585	-	6,963,585
Sales taxes					15,386,442	-	15,386,442
Other taxes and fees					4,211,152	-	4,211,152
Miscellaneous					1,053,977	-	1,053,977
Investment earnings					1,402,957	1,655,403	3,058,360
Gain (loss) on disposal of capital assets					52,133	130	52,263
Transfers					4,529,139	(4,052,027)	477,112
Total general revenues					<u>33,599,385</u>	<u>(2,396,494)</u>	<u>31,202,891</u>
Change in net position					<u>8,183,186</u>	<u>5,503,686</u>	<u>13,686,872</u>
Net position - beginning of year					<u>160,033,035</u>	<u>85,443,060</u>	<u>245,476,095</u>
Error correction (note 19)					-	(203,408)	(203,408)
Net position - beginning of year, as restated					<u>160,033,035</u>	<u>85,239,652</u>	<u>245,272,687</u>
Net position - end of year					<u>\$ 168,216,221</u>	<u>\$ 90,743,338</u>	<u>\$ 258,959,559</u>

See notes to the basic financial statements.

**City of Columbus**  
**Balance Sheet - Governmental Funds**  
**September 30, 2024**

	General Fund	Streets Engineering Fund	Sales Tax Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 248,340	\$ -	\$ -
Cash at county treasurer	239,938	-	-
Due from other funds	5,106,056	-	-
Investments	5,415,875	694,836	4,241,662
Receivables			
Accounts	33,004	66,042	-
Due from other governments	38,117	-	1,085,124
Property taxes	33,755	355,219	-
Special assessments	-	1,743,567	-
Notes	-	96,377	-
Leases	297,395	-	-
	<u>\$ 11,412,480</u>	<u>\$ 2,956,041</u>	<u>\$ 5,326,786</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,816,229	\$ 434,120	\$ -
Accrued expenses	386,066	39,642	-
Due to other funds	-	1,318,958	-
Total liabilities	<u>2,202,295</u>	<u>1,792,720</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	1,807,578	-
Deferred inflows related to leases	266,446	-	-
Total deferred inflows of resources	<u>266,446</u>	<u>1,807,578</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	-	91,009	5,326,786
Committed	-	-	-
Assigned	75,029	-	-
Unassigned	8,868,710	(735,266)	-
Total fund balances	<u>8,943,739</u>	<u>(644,257)</u>	<u>5,326,786</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,412,480</u>	<u>\$ 2,956,041</u>	<u>\$ 5,326,786</u>

<u>1/2 Cent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,165,102	\$ 2,413,442
-	101,442	341,380
-	-	5,106,056
-	5,486,061	15,838,434
3,000,000	518,550	3,617,596
503,129	100,626	1,726,996
-	-	388,974
-	107,630	1,851,197
-	1,345,145	1,441,522
-	234,261	531,656
<u>\$ 3,503,129</u>	<u>\$ 10,058,817</u>	<u>\$ 33,257,253</u>
\$ -	\$ 632,006	\$ 2,882,355
-	36,945	462,653
2,922,926	864,172	5,106,056
<u>2,922,926</u>	<u>1,533,123</u>	<u>8,451,064</u>
-	1,489,844	3,297,422
-	229,903	496,349
-	<u>1,719,747</u>	<u>3,793,771</u>
-	158,037	158,037
580,203	5,761,727	11,759,725
-	1,468,727	1,468,727
-	-	75,029
-	(582,544)	7,550,900
<u>580,203</u>	<u>6,805,947</u>	<u>21,012,418</u>
<u>\$ 3,503,129</u>	<u>\$ 10,058,817</u>	<u>\$ 33,257,253</u>



PRELIMINARY

**City of Columbus**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**September 30, 2024**

Total fund balances - governmental funds \$ 21,012,418

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Capital assets	256,206,401
Less accumulated depreciation	(82,440,001)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond principal payable	(23,510,000)
Leases payable	(390,916)
SBITA payable	(523,525)
Compensated absences payable	(1,321,051)
COPs	(5,480,000)
Bond premium	(954,710)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred outflows of resources related to pensions	
Deferred inflows of resources related to pensions	

Governmental funds do not report a liability for accrued interest until due and payable. (183,195)

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 3,297,422

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.

2,503,378

Total net position - governmental activities \$ 168,216,221

**City of Columbus**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended September 30, 2024**

	General Fund	Streets Engineering Fund	Sales Tax Fund
<b>Revenues</b>			
Property taxes	\$ 6,900,639	\$ -	\$ -
Fees, taxes, permits and licenses	949,181	358,297	-
Sales tax	1,781,737	3,408,986	6,737,580
Gaming tax	-	-	-
Charges for services	2,955,774	161,568	-
Donations	67,880	-	-
Grants	2,935,161	670,293	-
Investment earnings	289,526	15,920	276,084
Miscellaneous	138,274	29,873	1,051
Total revenues	<u>16,018,172</u>	<u>4,644,937</u>	<u>7,014,715</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	2,715,102	-	-
Public safety	9,638,554	-	-
Public works	-	3,253,809	-
Cultural and recreation	6,251,281	-	-
Community development	771,865	-	-
Capital outlay	6,998,567	4,175,648	-
<b>Debt service</b>			
Principal on leases	111,055	-	-
Interest on leases	20,079	-	-
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>26,506,503</u>	<u>7,429,457</u>	<u>-</u>
Excess of revenues over (under) expenditures	(10,488,331)	(2,784,520)	7,014,715
<b>Other Financing Sources (Uses)</b>			
Proceeds from bond issuance	-	-	-
Original issue premium	-	-	-
Transfers in	13,191,619	1,055,360	506,755
Transfers out	(986,755)	-	(8,833,335)
Total other financing sources (uses)	<u>12,204,864</u>	<u>1,055,360</u>	<u>(8,326,580)</u>
Net change in fund balances	1,716,533	(1,729,160)	(1,311,865)
<b>Fund Balances</b>			
Beginning of year	<u>7,227,206</u>	<u>1,084,903</u>	<u>6,638,651</u>
End of year	<u>\$ 8,943,739</u>	<u>\$ (644,257)</u>	<u>\$ 5,326,786</u>

1/2 Cent Sales Tax Fund	ARP Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 62,946	\$ 6,963,585
-	-	262,683	1,570,161
3,032,095	-	425,592	15,385,990
-	-	253,999	253,999
-	-	853,833	3,971,175
-	-	16,798	84,678
3,000,000	733,914	288,104	7,627,472
126,255	35,938	551,153	1,294,876
-	-	2,811,186	2,980,384
<u>6,158,350</u>	<u>769,852</u>	<u>5,526,294</u>	<u>40,132,320</u>
-	-	20,270	2,735,372
-	-	1,620,319	11,258,873
-	-	258,174	3,511,983
-	-	4,555	6,255,836
-	-	236,449	1,008,314
-	-	910,954	12,085,169
-	-	-	111,055
-	-	-	20,079
10,660,000	-	880,000	11,540,000
642,411	-	375,203	1,017,614
<u>11,302,411</u>	<u>-</u>	<u>4,305,924</u>	<u>49,544,295</u>
(5,144,061)	769,852	1,220,370	(9,411,975)
5,055,000	-	-	5,055,000
77,483	-	-	77,483
-	-	1,388,637	16,142,371
-	(883,468)	(909,674)	(11,613,232)
<u>5,132,483</u>	<u>(883,468)</u>	<u>478,963</u>	<u>9,661,622</u>
(11,578)	(113,616)	1,699,333	249,647
<u>591,781</u>	<u>113,616</u>	<u>5,106,614</u>	<u>20,762,771</u>
<u>\$ 580,203</u>	<u>\$ -</u>	<u>\$ 6,805,947</u>	<u>\$ 21,012,418</u>



PRELIMINARY

**City of Columbus**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the**  
**Statement of Activities - Governmental Funds**  
**Year Ended September 30, 2024**

Net change in fund balances - governmental funds	\$ 249,647
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlay is reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlay	12,085,184
Depreciation and amortizaation expense	(9,588,638)
Remaining book value of disposed assets	(781)
Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	
	(47,149)
Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities.	
	11,802,543
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	(28,582)
The issuance of long-term debt provides current financial resources to governmental funds and has no effect on net position. These amounts are reported in the governmental funds as a source of funds. These amounts are not shown as revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	
Issuance of bonds	(5,055,000)
Effects of bond premiums, discounts and related items	(77,483)
The governmental funds report the effect of bond premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of	
Amortization of bond premiums	81,317
Delinquent receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.	
Special assessments delinquent	(136,429)
Notes receivable	(134,285)
Other receivables	(1,092,917)
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 activitied	
	125,759
Change in net position - governmental activities	\$ 8,183,186

City of Columbus  
Statement of Net Position - Proprietary Funds  
September 30, 2024

	Water Fund	Sewer Fund	Electric Fund
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,910,863	\$ 1,761,673	\$ -
Investments	9,641,988	9,736,457	522,930
Receivables			
Interfund	-	-	2,362,040
Accounts and leases (net of allowance)	654,688	1,367,468	-
Unbilled receivables	480,695	702,104	1,222,301
Inventory	211,953	59,780	-
Total current assets	<u>13,900,187</u>	<u>13,627,482</u>	<u>4,107,271</u>
<b>Noncurrent assets</b>			
<b>Capital assets</b>			
Land	243,714	356,806	-
Buildings	33,899,955	68,997,339	6,191,214
Equipment	5,410,696	3,040,922	-
Construction in progress	641,218	605,986	-
Accumulated depreciation	(19,798,909)	(23,657,173)	(5,814,405)
Total capital assets, net	<u>20,396,674</u>	<u>49,343,880</u>	<u>376,809</u>
<b>Restricted Assets</b>			
Investments	840,933	7,614,663	-
Total assets	<u>35,137,794</u>	<u>70,586,025</u>	<u>4,484,080</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 96,187	\$ 143,209	\$ -
Accrued expenses	8,467	56,792	-
Interfund payable	-	-	-
Interest payable	33,845	312,961	-
Current portion of long-term obligations	325,265	1,639,735	-
Total current liabilities	<u>463,764</u>	<u>2,152,697</u>	<u>-</u>
<b>Noncurrent liabilities</b>			
Compensated absences	27,536	234,642	-
Unamortized bond premiums	549,653	2,424,230	-
Noncurrent portion of long-term obligations	1,076,779	29,898,221	-
Total noncurrent liabilities	<u>1,653,968</u>	<u>32,557,093</u>	<u>-</u>
Total liabilities	<u>2,117,732</u>	<u>34,709,790</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	33,975	-	-
<b>Net Position</b>			
Net investment in capital assets	18,444,977	15,381,694	376,809
Restricted for debt service	840,933	7,614,663	-
Unrestricted	13,700,177	12,879,878	4,107,271
Total net position	<u>32,986,087</u>	<u>35,876,235</u>	<u>4,484,080</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,137,794</u>	<u>\$ 70,586,025</u>	<u>\$ 4,484,080</u>

See notes to the basic financial statements.

Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
\$ 946,626	\$ 2,008,120	\$ 7,627,282	\$ 500,387
496,129	2,022,548	22,420,052	2,298,447
-	-	2,362,040	-
154,900	187,646	2,364,702	-
30,235	23,705	2,459,040	-
-	-	271,733	-
<u>1,627,890</u>	<u>4,242,019</u>	<u>37,504,849</u>	<u>2,798,834</u>
3,000	105,538	709,058	-
19,759,485	5,557,977	134,405,970	-
40,378	1,872,202	10,364,198	-
-	-	1,247,204	-
(10,039,970)	(2,784,741)	(62,095,198)	-
<u>9,762,893</u>	<u>4,750,976</u>	<u>84,631,232</u>	<u>-</u>
-	-	8,455,596	-
<u>11,390,783</u>	<u>8,992,995</u>	<u>130,591,677</u>	<u>2,798,834</u>
\$ 5,711	\$ 100,706	\$ 345,813	\$ 295,456
-	15,749	81,008	-
-	2,362,040	2,362,040	-
-	441	347,247	-
-	230,000	2,195,000	-
<u>5,711</u>	<u>2,708,936</u>	<u>5,331,108</u>	<u>295,456</u>
-	42,195	304,373	-
-	-	2,973,883	-
-	230,000	31,205,000	-
-	272,195	34,483,256	-
<u>5,711</u>	<u>2,981,131</u>	<u>39,814,364</u>	<u>295,456</u>
-	-	33,975	-
9,762,893	4,290,976	48,257,349	-
-	-	8,455,596	-
<u>1,622,179</u>	<u>1,720,888</u>	<u>34,030,393</u>	<u>2,503,378</u>
<u>11,385,072</u>	<u>6,011,864</u>	<u>90,743,338</u>	<u>2,503,378</u>
<u>\$ 11,390,783</u>	<u>\$ 8,992,995</u>	<u>\$ 130,591,677</u>	<u>\$ 2,798,834</u>

**City of Columbus**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended September 30, 2024**

	Water Fund	Sewer Fund	Electric Fund
<b>Operating Revenues</b>			
Charges for services	\$ 4,249,444	\$ 7,882,084	\$ -
Franchise fees	-	-	4,404,119
Fees, taxes, permits, and licenses	82,051	62,490	-
Sales tax	33,719	482,860	-
Misc operating revenues	229,782	31,567	-
Total operating revenues	<u>4,594,996</u>	<u>8,459,001</u>	<u>4,404,119</u>
<b>Operating Expenses</b>			
Personnel services	1,086,933	1,720,965	-
Insurance	54,760	124,546	-
Supplies	349,825	310,972	-
Professional services	4,826	1,332	-
Repairs and maintenance	410,606	163,051	-
Heat, light and power, phone	251,015	308,997	-
Landfill disposal	-	-	-
Sales tax remitted	90,905	467,965	-
Other operating	358,733	52,790	-
Depreciation	1,099,702	2,076,673	162,489
Advertising and promotion	87	-	-
Total operating expenses	<u>3,707,392</u>	<u>5,227,291</u>	<u>162,489</u>
Operating income (loss)	887,604	3,231,710	4,241,630
<b>Nonoperating Revenues (Expenses)</b>			
Interest expense, net	(529)	(894,905)	-
Gain (loss) on disposal of asset	130	-	-
Investment earnings	551,996	803,563	92,239
Total nonoperating revenues (expenses)	<u>551,597</u>	<u>(91,342)</u>	<u>92,239</u>
Change in net position before transfers	1,439,201	3,140,368	4,333,869
<b>Operating Transfers</b>			
Transfers in	373,111	510,357	-
Transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(4,646,495)</u>
Change in net position	1,692,312	3,530,725	(312,626)
<b>Net Position</b>			
Beginning of year, as previously stated	31,293,775	32,345,510	4,796,706
Error correction (Note 19)	-	-	-
Beginning of year, as restated	<u>31,293,775</u>	<u>32,345,510</u>	<u>4,796,706</u>
End of year	<u>\$ 32,986,087</u>	<u>\$ 35,876,235</u>	<u>\$ 4,484,080</u>

Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
\$ -	\$ 2,659,412	\$ 14,790,940	\$ 55,193
-	-	4,404,119	-
367,168	1,100	512,809	72,555
25,095	-	541,674	-
-	18,792	280,141	-
<u>392,263</u>	<u>2,679,304</u>	<u>20,529,683</u>	<u>127,748</u>
43,214	689,729	3,540,841	-
-	24,239	203,545	-
1,631	142,213	804,641	-
6,445	635	13,238	110,070
6,131	126,548	706,336	-
532	13,341	573,885	-
-	874,204	874,204	-
25,004	-	583,874	-
1,175	1,712	414,410	-
429,572	241,404	4,009,840	-
1,107	-	1,194	-
<u>514,811</u>	<u>2,114,025</u>	<u>11,726,008</u>	<u>110,070</u>
(122,548)	565,279	8,803,675	17,678
-	(8,061)	(903,495)	-
-	-	130	-
54,268	153,337	1,655,403	108,081
<u>54,268</u>	<u>145,276</u>	<u>752,038</u>	<u>108,081</u>
(68,280)	710,555	9,555,713	125,759
-	-	883,468	-
-	(49,000)	(4,935,495)	-
<u>(68,280)</u>	<u>661,555</u>	<u>5,503,686</u>	<u>125,759</u>
11,656,760	5,350,309	85,443,060	2,377,619
(203,408)	-	(203,408)	-
<u>11,453,352</u>	<u>5,350,309</u>	<u>85,239,652</u>	<u>2,377,619</u>
<u>\$ 11,385,072</u>	<u>\$ 6,011,864</u>	<u>\$ 90,743,338</u>	<u>\$ 2,503,378</u>

**City of Columbus**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended September 30, 2024**

	Water Fund	Sewer Fund	Electric Fund
<b>Cash Flows - Operating Activities</b>			
Receipts from customers and users	\$ 4,256,139	\$ 8,454,641	\$ 4,364,744
Payments to suppliers	(1,496,834)	(1,463,332)	-
Payments to employees	(1,081,136)	(1,672,071)	-
Other receipts	229,782	31,567	-
Net cash flows - operating activities	<u>1,907,951</u>	<u>5,350,805</u>	<u>4,364,744</u>
<b>Cash Flows - Noncapital Financing Activities</b>			
Transfer from other funds	373,111	510,357	-
Transfer to other funds	(120,000)	(120,000)	(4,646,495)
Net cash flows - noncapital financing activities	<u>253,111</u>	<u>390,357</u>	<u>(4,646,495)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>			
Principal paid on debt	(225,031)	(1,589,969)	-
Interest paid on debt	(158,022)	(1,258,792)	-
Proceeds from disposal of capital assets	130	-	-
Acquisition of capital assets	(2,209,535)	(1,103,189)	-
Net cash flows - capital and related financing activities	<u>(2,592,458)</u>	<u>(3,951,950)</u>	<u>-</u>
<b>Cash Flows - Investing Activities</b>			
Net (purchase) sales of investments	(1,259,550)	(1,899,993)	175,538
Interest and dividends	551,996	803,563	92,239
Net cash flows - investing activities	<u>(707,554)</u>	<u>(1,096,430)</u>	<u>267,777</u>
Net change in cash and cash equivalents	(1,138,950)	692,782	(13,974)
<b>Cash and Cash Equivalents</b>			
Beginning of year	<u>4,049,813</u>	<u>1,068,891</u>	<u>13,974</u>
End of year	<u>\$ 2,910,863</u>	<u>\$ 1,761,673</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>			
Operating income (loss)	\$ 887,604	\$ 3,231,710	\$ 4,241,630
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation expense	1,099,702	2,076,673	162,489
Accounts receivable	(143,050)	27,207	(39,375)
Inventory	67,789	(26,815)	-
Accounts payable	(43,866)	(6,864)	-
Salaries payable	5,797	48,894	-
Unearned revenues	33,975	-	-
Total adjustments	<u>1,020,347</u>	<u>2,119,095</u>	<u>123,114</u>
Net cash flows - operating activities	<u>\$ 1,907,951</u>	<u>\$ 5,350,805</u>	<u>\$ 4,364,744</u>
<b>Noncash Investing, Capital, and Related Financing Activities</b>			
Amortization of bond premiums and discounts	<u>\$ 151,599</u>	<u>\$ 358,749</u>	<u>\$ -</u>

See notes to the basic financial statements.

Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
\$ 392,258	\$ 2,659,427	\$ 20,127,209	\$ 127,748
(43,073)	(1,163,808)	(4,167,047)	(39,492)
(43,214)	(692,629)	(3,489,050)	-
-	18,792	280,141	-
<u>305,971</u>	<u>821,782</u>	<u>12,751,253</u>	<u>88,256</u>
-	-	883,468	-
-	(49,000)	(4,935,495)	-
-	(49,000)	(4,052,027)	-
-	(225,000)	(2,040,000)	-
-	(8,245)	(1,425,059)	-
-	-	130	-
(52,721)	-	(3,365,445)	-
(52,721)	(233,245)	(6,830,374)	-
(11,863)	(33,766)	(3,029,634)	(23,533)
54,268	153,337	1,655,403	108,081
42,405	119,571	(1,374,231)	84,548
295,655	659,108	494,621	172,804
650,971	1,349,012	7,132,661	327,583
<u>\$ 946,626</u>	<u>\$ 2,008,120</u>	<u>\$ 7,627,282</u>	<u>\$ 500,387</u>
\$ (122,548)	\$ 565,279	\$ 8,803,675	\$ 17,678
429,572	241,404	4,009,840	-
(5)	(1,085)	(156,308)	-
-	-	40,974	-
(1,048)	19,084	(32,694)	70,578
-	(2,900)	51,791	-
-	-	33,975	-
<u>428,519</u>	<u>256,503</u>	<u>3,947,578</u>	<u>70,578</u>
<u>\$ 305,971</u>	<u>\$ 821,782</u>	<u>\$ 12,751,253</u>	<u>\$ 88,256</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,348</u>	<u>\$ -</u>

City of Columbus  
Statement of Fiduciary Net Position - Fiduciary Funds  
September 30, 2024

	Custodial Funds
<b>Assets</b>	
Cash	\$ 615,302
Receivables	8,100
Total assets	\$ 623,402
<b>Liabilities</b>	
Accounts payable and amounts due to others	\$ 623,402
Total liabilities	623,402
<b>Net Position</b>	\$ -

City of Columbus  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended September 30, 2024

	Custodial Funds
<b>Additions</b>	
Collections for schools	\$ 25,955
Collections for tax increment financing	1,644,075
Total additions	1,670,030
<b>Deductions</b>	
Payments to schools	25,955
Payments for tax increment financing	1,166,963
Transfers out	477,112
Total deductions	1,670,030
Change in net assets	-
<b>Net Assets</b>	
Beginning of year	-
Ending of year	\$ -

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**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.

**A. 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 basic 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.

**B. 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.

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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide Financial Statements (Continued)**

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.

**C. 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.

**Description of Funds:**

**Major Governmental Funds:**

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

The Streets/Engineering Fund - This 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 Funds - These funds 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 - This fund accounts for funds received from the American Rescue Plan Act.

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

Special Revenue Funds - These 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, and Library Foundation funds.

**City of Columbus, Nebraska  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds:(Continued)**

**Non-Major Governmental Funds:**

Capital Projects Fund - This 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 - This 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 - These 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.

**Major Proprietary Funds:**

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

The Electric Fund - This 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- -This 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 - This accounts for the receipts and disbursements of funds on behalf of other organizations.

**D. 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.

**E. 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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Investments (Continued)**

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.

**F. 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 2023-2024 tax year are recorded as revenue in the governmental fund financial statements when levied and collected within 60 days after September 30, 2024. 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, 2024, 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.

**G. 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.

**H. 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.

**City of Columbus, Nebraska  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. 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

**J. 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 of the lease term or the useful life of the underlying asset.

**K. Subscription-Based Information Technology Arrangements**

The City recorded right-to-use lease assets as a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The SBITA assets are initially measured at an amount equal to the initial measurement of the SBITA liability plus any payments made prior to the SBITA term, less SBITA incentives, and plus ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related lease.

**L. Restricted Assets**

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

**M. 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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Deferred Inflows of Resources (Continued)**

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

**N. Fund Balance**

Fund balances for the City's governmental funds are classified as follows:

- **Nonspendable Fund Balances** - These are 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 Fund Balances** - These are 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 Fund Balances** - These are 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.
- **Assigned Fund Balances** - These are 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 Fund Balances** - These are 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.

**O. 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.

**P. 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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Compensated Absences (Continued)**

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.

**NOTE 2 - BUDGET PROCESS AND PROPERTY TAXES**

For the fiscal year ended September 30, 2024, 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 30, 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 2023 on the assessed value of listed property. The County Assessor of Platte County, Nebraska, determined the City of Columbus's valuation to be \$2,290,193,749 in August of 2023.

The City, through the budget process, requested a total of \$6,701,493 in property taxes. Based on the August of 2023 valuation previously mentioned, the tax levy for the City of Columbus was established at \$0.292617 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.

**A. 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:** This 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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

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, 2024.

**B. Investments**

The City's investments consist of investments in nonnegotiable certificates of deposits, equity securities, fixed income funds, mutual funds, and money markets.

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	Investment Maturities	
	Fair Value	Less than One Year
Certificates of deposit	\$ 25,134,400	\$ 25,134,400
Equities	119,517	119,517
Fixed income funds	90,180	90,180
Mutual funds	1,414,940	1,414,940
Money markets	22,253,492	22,253,492
Total Investments	\$ 49,012,529	\$ 49,012,529

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 Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. 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 market-based inputs or unobservable inputs that are corroborated by market data
- 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 certificates of deposit and money markets are carried at cost and thus are not included within the fair value hierarchy.

**D. 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, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Equities	\$ 119,517	\$ 119,517
Fixed income funds	90,180	90,180
Mutual funds	<u>1,414,940</u>	<u>1,414,940</u>
 Total Investments	 <u>\$ 1,624,637</u>	 <u>\$ 1,624,637</u>

**E. Summary of Carrying Values**

Deposits and investments of the City at September 30, 2024, consisted of the following:

Deposits	\$ 11,156,413
Investments	<u>49,012,529</u>
 Total	 <u>\$ 60,168,942</u>

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**E. Summary of Carrying Values (Continued)**

Included in the following statement of net position captions:

	Statement of Net Position		Total
	Government- Wide	Fiduciary Funds	
Cash and cash equivalents	\$ 10,541,111	\$ 615,302	\$ 11,156,413
Investments	40,556,933	-	40,556,933
Restricted cash, cash equivalents, and investments	8,455,596	-	8,455,596
 Total	 <u>\$ 59,553,640</u>	 <u>\$ 615,302</u>	 <u>\$ 60,168,942</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, 2024, is \$88,075.

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. The outstanding balance at September 30, 2024, is \$0.

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, 2024, 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, 2024 is \$225,000.

On April 15, 2024, the City loaned NeighborWorks Northeast Nebraska \$390,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 15, 2028. The outstanding balance at September 30, 2024 is \$390,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 4 - NOTES RECEIVABLE (CONTINUED)**

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, 2024, is \$539,070.

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, 2023, is \$96,377.

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

	Original Date	Due Date	Original Amount	Interest Rate	2024 Balance
2012 Central American Foods	8/3/2012	7/1/2017	\$ 91,000	0.00%	\$ 88,075
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
2024 Neighborworks - Quail Meadows	4/15/2024	4/15/2028	390,000	1.00%	390,000
Total					806,075
Housing rehabilitation loans	Various	Various	Various	Various	539,070
East Central District Health Department	12/5/2017	8/5/2027	\$ 286,254	4.00%	96,377
Total					<u>\$ 1,441,522</u>

**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, 2024, was \$30,701 in the general fund, \$88,234 in the nonmajor governmental funds, and \$33,975 in the water fund.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL AND LEASE ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,728,689	\$ -	\$ -	\$ 3,728,689
Construction in progress	42,022,570	2,895,905	35,057,412	9,861,063
Total capital assets not being depreciated	<u>45,751,259</u>	<u>2,895,905</u>	<u>35,057,412</u>	<u>13,589,752</u>
Capital assets being depreciated				
Buildings	170,479,345	40,900,307	-	211,379,652
Machinery, equipment and vehicles	26,602,162	3,346,384	134,395	29,814,151
SBITA	723,866	-	-	723,866
Leased assets - buildings	698,980	-	-	698,980
Total capital assets being depreciated	<u>198,504,353</u>	<u>44,246,691</u>	<u>134,395</u>	<u>242,616,649</u>
Less accumulated depreciation for				
Buildings	(54,873,941)	(5,098,979)	-	(59,972,920)
Machinery, equipment and vehicles	(17,828,781)	(4,210,394)	(133,614)	(21,905,561)
SBITA	(53,005)	(164,640)	-	(217,645)
Leased assets - buildings	(229,250)	(114,625)	-	(343,875)
Total accumulated depreciation	<u>(72,984,977)</u>	<u>(9,588,638)</u>	<u>(133,614)</u>	<u>(82,440,001)</u>
Total capital assets being depreciated, net	<u>125,519,376</u>	<u>34,658,053</u>	<u>781</u>	<u>160,176,648</u>
Governmental activities capital position, net	<u>\$ 171,270,635</u>	<u>\$ 37,553,958</u>	<u>\$ 35,058,193</u>	<u>\$ 173,766,400</u>

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**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	4,526,578	-	3,279,374	1,247,204
Total capital assets not being depreciated	<u>5,235,636</u>	<u>-</u>	<u>3,279,374</u>	<u>1,956,262</u>
Capital assets being depreciated				
Land improvements and buildings	128,115,526	6,290,444	-	134,405,970
Equipment	10,213,231	150,967	-	10,364,198
Total capital assets being depreciated	<u>138,328,757</u>	<u>6,441,411</u>	<u>-</u>	<u>144,770,168</u>
Total accumulated depreciation	<u>(58,085,358)</u>	<u>(4,009,840)</u>	<u>-</u>	<u>(62,095,198)</u>
Total capital assets being depreciated, net	<u>80,243,399</u>	<u>2,431,571</u>	<u>-</u>	<u>82,674,970</u>
Business-type activities capital assets, net	<u>\$ 85,479,035</u>	<u>\$ 2,431,571</u>	<u>\$ 3,279,374</u>	<u>\$ 84,631,232</u>

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

Governmental activities	
General government	\$ 1,497,115
Public safety	2,135,894
Public works	3,511,205
Cultural and recreation	2,440,933
Community development	3,491
Total depreciation expense - governmental activities	<u>\$ 9,588,638</u>
Business-type activities	
Water	\$ 1,099,702
Sewer	2,076,673
Electric	162,489
Storm water	429,572
Solid waste	241,404
Total depreciation expense - business-type activities	<u>\$ 4,009,840</u>

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 6,670,000	\$ -	\$ (515,000)	\$ 6,155,000	\$ 75,000
Sales tax revenue bonds	22,960,000	5,055,000	(10,660,000)	17,355,000	890,000
Certificates of participation	5,845,000	-	(365,000)	5,480,000	380,000
Leases	501,971	-	(111,055)	390,916	118,152
SBITA	675,013	-	(151,488)	523,525	159,910
Unamortized bond premiums	958,544	77,483	(81,316)	954,711	-
	<u>37,610,528</u>	<u>5,132,483</u>	<u>(11,883,859)</u>	<u>30,859,152</u>	<u>1,623,062</u>
Compensated absences	1,273,902	47,148	-	1,321,050	-
Total governmental activities	<u>38,884,430</u>	<u>5,179,631</u>	<u>(11,883,859)</u>	<u>32,180,202</u>	<u>1,623,062</u>
<b>Business-type activities</b>					
Certificates of participation	685,000	-	(225,000)	460,000	230,000
Bonds payable	34,755,000	-	(1,815,000)	32,940,000	1,965,000
Unamortized bond premiums	3,484,231	-	(510,348)	2,973,883	-
	<u>38,924,231</u>	<u>-</u>	<u>(2,550,348)</u>	<u>36,373,883</u>	<u>2,195,000</u>
Compensated absences	271,194	33,179	-	304,373	-
Total business-type activities	<u>39,195,425</u>	<u>33,179</u>	<u>(2,550,348)</u>	<u>36,678,256</u>	<u>2,195,000</u>
Total primary government	<u>\$ 78,079,855</u>	<u>\$ 5,212,810</u>	<u>\$ (14,434,207)</u>	<u>\$ 68,858,458</u>	<u>\$ 3,818,062</u>

**A. 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 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, 2024 is \$12,300,000.

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, 2023 is \$5,480,000.

On September 1, 2021, the City issued Highway Allocation Fund Pledge bonds in the amount of \$6,175,000. The issue bears interest of 3.00%. Final payment is due on December 15, 2036. The outstanding balance at September 30, 2024 is \$6,155,000.

On June 14, 2024, the City issued Sales Tax Revenue bonds in the amount of \$5,055,000. The issue bears interest from 4.00 to 4500%. Final payment is due on June 15, 2039. The outstanding balance at September 30, 2024 is \$5,055,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

**A. General Obligation Bonds (Continued)**

The City has received bond premiums in governmental funds totaling \$1,312,274. 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, 2024, totaled \$81,316. The unamortized premium balance at September 30, 2024, is \$954,710 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, 2024, are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds		Sales Tax Revenue Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 75,000	\$ 183,525	\$ 890,000	\$ 669,170	\$ 380,000	\$ 172,150
2026	135,000	180,375	930,000	630,938	395,000	156,950
2027	195,000	175,425	970,000	591,588	410,000	141,150
2028	260,000	168,600	1,010,000	550,538	425,000	128,850
2029	330,000	159,750	1,055,000	507,788	435,000	116,100
2030-2034	2,795,000	588,825	5,870,000	1,930,113	2,380,000	376,650
2035-2039	2,365,000	102,675	6,630,000	742,550	1,055,000	47,700
Total	\$ 6,155,000	\$ 1,559,175	\$ 17,355,000	\$ 5,622,683	\$ 5,480,000	\$ 1,139,550

**B. 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, 2024, is \$460,000.

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. The outstanding balance at September 30, 2023, is \$2,824,818.

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 4.00 to 5.00% and final payment is due on June 15, 2035. The outstanding balance at September 30, 2024, is \$9,175,182.

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, 2024, is \$10,560,000.

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, 2024, is \$10,380,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

**B. Business-Type Activity Debt (Continued)**

The City has received bond premiums totaling \$5,497,235. 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, 2024, totaled \$510,348. The unamortized premium balance at September 30, 2024, is \$2,973,883 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, 2024, are as follows:

Year Ending December 31,	Business-Type Activities			
	Certificates of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2025	\$ 230,000	\$ 5,290	\$ 1,965,000	\$ 1,374,525
2026	230,000	2,806	2,020,000	1,282,025
2027	-	-	2,130,000	1,192,725
2028	-	-	2,205,000	1,095,575
2029	-	-	2,315,000	990,575
2030-2034	-	-	13,270,000	3,265,900
2035-2039	-	-	9,035,000	639,763
Total	<u>\$ 460,000</u>	<u>\$ 8,096</u>	<u>\$ 32,940,000</u>	<u>\$ 9,841,088</u>

**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, 2024:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 118,152	\$ 15,637	\$ 133,789
2026	125,587	10,911	136,498
2027	133,375	5,887	139,262
2028	3,089	552	3,641
2029	3,321	429	3,750
2030-2032	7,392	449	7,841
Total	<u>\$ 390,916</u>	<u>\$ 33,865</u>	<u>\$ 424,781</u>

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 9 - SBITA LIABILITIES**

The City has subscription based information technology arrangements for call center and various other software, the terms of which expire in various years through 2028.

The following is a schedule by year of payments under the SBITAs as of September 30, 2024:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 159,910	\$ 25,876	\$ 185,786
2026	129,788	14,545	144,333
2027	131,970	9,353	141,323
2028	101,857	4,074	105,931
Total	\$ 523,525	\$ 53,848	\$ 577,373

**NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PLANS**

The City has multiple defined contribution plans.

**A. 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 \$593,123 and \$611,892, respectively. There were no forfeitures used to offset employer contributions for the year ended September 30, 2024. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**B. 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' earnings. 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 \$129,103 and \$258,205, respectively, to the plan during the year ended September 30, 2024. 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 Basic Financial Statements**

**NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)**

**C. 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' earnings. 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 \$227,686 and \$227,686, respectively, to the plan during the year ended September 30, 2024. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**NOTE 11 - DEFINED BENEFIT PENSION PLAN**

**A. 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.

**Plan Membership**

As of September 30, 2024, 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, 2024, were \$7,308.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. 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, 2024. The City has assigned an allocation of certificates of deposit totaling \$75,029 for pension benefits as of September 30, 2024, 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 \$75,029, the remaining balance of \$50,394 has been deemed immaterial by management and is not recorded in the governmental activities financial statements.

**NOTE 12 - 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, 2024, 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.

During 2024 and 2023, the City entered into agreements construction, street improvements and for certain improvement projects that have not been completed and/or fully paid for at year-end.

**NOTE 13 - MAJOR CUSTOMERS**

The City received approximately 25% of the total water and sewer revenues from one major customer in the year ended September 30, 2024.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 14 - 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.

**NOTE 15 - 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 16 - 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". As of September 30, 2024 the Solid Waste Fund owed the Electric Fund \$2,362,040.

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

					Transfer From					Total
	General	Sales Tax	ARP Act Fund	Nonmajor Governmental	Water	Sewer	Electric	Solid Waste	Custodial	
Transfer to										
General	\$ -	\$ 7,399,046	\$ -	\$ 857,078	\$ 120,000	\$ 120,000	\$ 4,646,495	\$ 49,000	\$ -	\$ 13,191,619
Streets/Engineering	340,000	715,360	-	-	-	-	-	-	-	1,055,360
Sales Tax	506,755	-	-	-	-	-	-	-	-	506,755
Nonmajor Governmental	140,000	718,929	-	52,596	-	-	-	-	477,112	1,388,637
Water	-	-	373,111	-	-	-	-	-	-	373,111
Sewer	-	-	510,357	-	-	-	-	-	-	510,357
Total due to other funds	<u>\$ 986,755</u>	<u>\$ 8,833,335</u>	<u>\$ 883,468</u>	<u>\$ 909,674</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 4,646,495</u>	<u>\$ 49,000</u>	<u>\$ 477,112</u>	<u>\$ 17,025,839</u>

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

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 17 - 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 18 - TAX ABATEMENTS**

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

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

Total property taxes abated through TIF for the year ended September 30, 2024, were approximately \$1.6 million.

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. Businesses that qualify must be involved in research, data processing, finance or businesses transporting, wholesaling, storing, or selling products, but not retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to qualify. For the year ended September 30, 2024, the State of Nebraska on behalf of the City abated approximately \$30,000 in sales tax revenue under these two programs.

**NOTE 19 - ERROR CORRECTION**

During the year, the City identified that business-type activities capital assets as of September 30, 2023, was incorrectly reported. The City made adjustments to its capital assets as of September 30, 2023. This adjustment resulted in a net decrease in sewer fund and business-type capital assets and net position of \$203,408.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 20 - FUND BALANCES**

As of September 30, 2024, governmental fund balances are classified as follows:

	General Fund	Streets/ Engineering Fund	Sales Tax Fund	1/2 Cent Sales Tax Fund	Other Governmental Funds	Total
Nonspendable						
Gerrard Park Trust	\$ -	\$ -	\$ -	\$ -	\$ 158,037	\$ 158,037
Restricted for						
Debt service	-	-	-	580,203	-	580,203
Public safety	-	-	-	-	741,854	741,854
Airport	-	-	-	-	1,054,711	1,054,711
Downtown	-	-	-	-	75,069	75,069
Gaming	-	-	-	-	254,414	254,414
Capital improvements	-	91,009	5,326,786	-	-	5,417,795
Housing	-	-	-	-	195,855	195,855
Economic development	-	-	-	-	2,667,519	2,667,519
Library	-	-	-	-	772,305	772,305
Total restricted	-	91,009	5,326,786	580,203	5,761,727	11,759,725
Committed for						
Library endowment	-	-	-	-	1,468,727	1,468,727
Total committed	-	-	-	-	1,468,727	1,468,727
Assigned for						
Pension benefits	75,029	-	-	-	-	75,029
Library	-	-	-	-	-	-
Total assigned	75,029	-	-	-	-	75,029
Unassigned	8,868,710	(735,266)	-	-	(582,544)	7,550,900
Total fund balances	<u>\$ 8,943,739</u>	<u>\$ (644,257)</u>	<u>\$ 5,326,786</u>	<u>\$ 580,203</u>	<u>\$ 6,805,947</u>	<u>\$ 21,012,418</u>

PRELIMINARY

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - General Fund**  
**Year Ended September 30, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Property taxes	\$ 6,387,989	\$ 6,909,996	\$ 522,007
Fees, taxes, permits, and licenses	713,900	949,181	235,281
Sales tax	1,698,984	1,789,984	91,000
Donations	24,800	67,880	43,080
Charges for services	2,461,300	2,955,774	494,474
Grants	890,000	2,924,380	2,034,380
Other local revenues	38,200	128,087	89,887
Investment income	129,950	289,526	159,576
Total revenues	<u>12,345,123</u>	<u>16,014,808</u>	<u>3,669,685</u>
<b>Expenditures</b>			
General government	2,597,700	2,558,972	(38,728)
Public safety	8,151,150	9,638,554	1,487,404
Parks and recreation	5,774,740	6,251,281	476,541
Community development	690,560	771,865	81,305
Capital outlay	7,791,430	5,862,355	(1,929,075)
Principal retirement	-	111,055	111,055
Interest and fiscal charges	-	20,079	20,079
Total expenditures	<u>25,005,580</u>	<u>25,214,161</u>	<u>208,581</u>
Excess of revenues over (under) expenditures	<u>(12,660,457)</u>	<u>(9,199,353)</u>	<u>3,461,104</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out), net	13,885,136	12,204,864	(1,680,272)
Total other financing sources (uses)	<u>13,885,136</u>	<u>12,204,864</u>	<u>(1,680,272)</u>
Net change in fund balances	<u>\$ 1,224,679</u>	<u>\$ 3,005,511</u>	<u>\$ 1,780,832</u>

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - Streets/Engineering Fund**  
**Year Ended September 30, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Fees, taxes, permits, and licenses	\$ 3,649,757	\$ 3,783,939	\$ 134,182
Charges for services	147,900	161,568	13,668
Grants	598,720	666,435	67,715
Other local revenues	30,000	29,873	(127)
Investment income	60,000	15,920	(44,080)
Total revenues	<u>4,486,377</u>	<u>4,657,735</u>	<u>171,358</u>
<b>Expenditures</b>			
Public works	3,106,200	3,247,046	140,846
Capital outlay	5,368,123	3,820,992	(1,547,131)
Total expenditures	<u>8,474,323</u>	<u>7,068,038</u>	<u>(1,406,285)</u>
Excess of revenues over (under) expenditures	<u>(3,987,946)</u>	<u>(2,410,303)</u>	<u>1,577,643</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out), net	1,855,000	1,055,360	(799,640)
Total other financing sources (uses)	<u>1,855,000</u>	<u>1,055,360</u>	<u>(799,640)</u>
Net change in fund balances	<u>\$ (2,132,946)</u>	<u>\$ (1,354,943)</u>	<u>\$ 778,003</u>

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - Sales Tax Fund**  
**Year Ended September 30, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Sales tax	\$ 6,041,667	\$ 6,754,161	\$ 712,494
Investment income	200,000	276,084	76,084
Total revenues	<u>6,241,667</u>	<u>7,031,296</u>	<u>789,629</u>
Excess of revenues over expenditures	<u>6,241,667</u>	<u>7,031,296</u>	<u>789,629</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out), net	(10,670,901)	(8,326,580)	2,344,321
Total other financing sources (uses)	<u>(10,670,901)</u>	<u>(8,326,580)</u>	<u>2,344,321</u>
Net change in fund balances	<u>\$ (4,429,234)</u>	<u>\$ (1,295,284)</u>	<u>\$ 3,133,950</u>

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - 1/2 Sales Tax Fund**  
**Year Ended September 30, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Sales tax	\$ 2,783,333	\$ 3,031,725	\$ 248,392
Investment income	-	126,255	126,255
Total revenues	<u>2,783,333</u>	<u>3,157,980</u>	<u>374,647</u>
<b>Expenditures</b>			
Principal retirement	660,000	10,660,000	10,000,000
Other	552,140	642,411	90,271
Total expenditures	<u>1,212,140</u>	<u>11,302,411</u>	<u>10,090,271</u>
Excess of revenues over (under) expenditures	<u>1,571,193</u>	<u>(8,144,431)</u>	<u>(9,715,624)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from long-term debt, net	-	5,132,483	5,132,483
Total other financing sources (uses)	<u>-</u>	<u>5,132,483</u>	<u>5,132,483</u>
Net change in fund balances	<u>\$ 1,571,193</u>	<u>\$ (3,011,948)</u>	<u>\$ (4,583,141)</u>

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - ARP Act Fund**  
**Year Ended September 30, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ -	\$ 35,938	\$ 35,938
Total revenues	<u>-</u>	<u>35,938</u>	<u>35,938</u>
Excess of revenues over (under) expenditures		35,938	35,938
<b>Other Financing Sources (Uses)</b>			
Transfers in (out), net	(600,000)	(883,468)	(283,468)
Total other financing sources (uses)	<u>(600,000)</u>	<u>(883,468)</u>	<u>(283,468)</u>
Net change in fund balances	<u>\$ (600,000)</u>	<u>\$ (847,530)</u>	<u>\$ (247,530)</u>

**City of Columbus**  
**Note to Required Supplementary Information**

**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, 2024, 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
Excess (deficiency) of revenues over expenditures and other financing uses (budgetary basis)	\$ 3,005,511	\$ (1,354,943)	\$ (1,295,284)	\$ (3,011,948)	\$ (847,530)
Adjustments					
To adjust revenues for receivables and deferred revenue	3,364	(12,798)	(16,581)	3,000,370	733,914
To adjust expenses for payables and accrued expenses	(1,292,342)	(361,419)	-	-	-
Total	<u>\$ 1,716,533</u>	<u>\$ (1,729,160)</u>	<u>\$ (1,311,865)</u>	<u>\$ (11,578)</u>	<u>\$ (113,616)</u>



PRELIMINARY

**SUPPLEMENTARY INFORMATION**

PRELIMINARY

City of Columbus  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2024

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Living Number	Expenditures
<b>U.S. Department of Homeland Security</b>		
COVID-19 - Disaster Grants - Public Assistance	97.036	\$ 1,613,874
Building Resilient Infrastructure and Communities	97.047	87,366
Total U.S. Department of Homeland Security		<u>1,701,240</u>
<b>U.S. Department of Justice</b>		
Bulletproof Vest Partnership Program	16.607	6,118
Total U.S. Department of Justice		<u>6,118</u>
<b>U.S. Department of Agriculture</b>		
Rural business Development Grant	10.351	164,150
Total U.S. Department of Justice		<u>164,150</u>
<b>U.S. Department of Transportation</b>		
Highway Safety Cluster		
Through Nebraska Department of Transportation State and Community Highway Safety	20.600	14,170
Total U.S. Department of Transportation and Highway Safety Cluster		14,170
Through Nebraska Department of Transportation Formula Grants for Rural Areas	20.509	161,799
Airport Improvement Program	20.106	240,876
Total U.S. Department of Transportation		<u>416,845</u>
<b>U.S. Department of Treasury</b>		
Through State of Nebraska		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	733,914
Total U.S. Department of Treasury		<u>733,914</u>
Total Federal Expenditures		<u>\$ 3,022,267</u>

**City of Columbus**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2024**

**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, 2024. 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.



PRELIMINARY



**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**

Honorable Mayor and Members  
of the City Council  
City of Columbus  
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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **March 29, 2024**.

***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 2024-001 to be a material weakness.

**Report on Internal Control Over Financial Reporting (Continued)**

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 2024-002 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Omaha, Nebraska

March 29, 2024



**Report on Compliance for the Major Federal Program  
and Report on Internal Control over Compliance in Accordance with  
the Uniform Guidance**

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Columbus  
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 *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. 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, 2024.

***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.

**Report on Internal Control Over Compliance (Continued)**

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.

Omaha, Nebraska

March 29, 2024

PRELIMINARY

**City of Columbus, Nebraska**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes, Audit finding 2024-001  
Yes, Audit finding 2024-002

Noncompliance material to financial statement noted?

No

**Federal Awards**

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No  
None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

No

**Identification of Major Programs**

Assistance Listing No:

97.036

Name of Federal Program:

COVID-19 - Disaster Grants - Public Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low risk auditee?

No

**City of Columbus, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2024-001 Material Weakness - Year-End Financial Reporting**

*Criteria:*

Management is responsible for achieving appropriate financial reporting objectives, including maintaining complete accounting records and preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

*Condition:*

Material journal entries were proposed to adjust net position to be materially correct for financial reporting.

*Effect or Potential Effect:*

Intentional and unintentional errors could be made and not detected within a timely period by the City's personnel in the normal course of performing their assigned functions since they are not performing this process.

*Recommendation:*

A remedy for this situation would be to regularly review related balances to ensure they are being adjusted appropriately in a timely manner.

*Views of Responsible Officials:*

Management has reviewed the adjustments and will implement procedures to identify and record any necessary entries in the future.

**City of Columbus, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2024-002 Significant Deficiency**

**Segregation of Duties**

*Criteria:*

Proper internal accounting controls require segregation of duties so that no one individual has access to both the accounting records and cash items or handles a transaction from inception to completion.

*Condition:*

The City utilizes its office and accounting personnel to segregate duties where feasible but due to the size of the accounting and office staff during the year the City did not have appropriate segregation of duties in all areas. There are instances where individuals responsible for performing or overseeing accounting functions also have access to cash and cash items.

*Effect or Potential Effect:*

Intentional or unintentional errors could be made and not be detected within a timely period by the City's management in the normal course of performing their assigned functions.

*Recommendation:*

A remedy for this situation would be for the City to reassign duties to other personnel, accounting staff or an outsourced accountant to allow for improved internal accounting control and segregation of duties.

*Views of Responsible Officials:*

The City continues to evaluate its processes and controls and will implement changes to improve its internal control structure where feasible.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**City of Columbus, Nebraska  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2023**

Reference Number	Summary of Finding	Status
2023-001	Material Audit adjustment & prior period adjustment	Partially corrected See 2024-001
2023-002	Segregation of Duties	Repeated See 2024-002

PRELIMINARY

### **3. Adjournment.**