CITY OF KIMBALL, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities – modified cash basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Kimball, Nebraska as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities – modified cash basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Kimball, Nebraska, as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting for the governmental activities and governmental funds. The governmental financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

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A PROFESSIONAL CORPORATION

Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash and accrual basis of accounting described in Note A, and for determining that the modified cash and accrual basis of accounting are acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Kimball, Nebraska's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Kimball, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the City of Kimball, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kimball's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kimball, Nebraska's internal control over financial reporting and compliance.

AMCL, P.C.

Grand Island, Nebraska
March 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Kimball, we offer readers of the City of Kimball financial statements this narrative overview and analysis of the financial activities of the City of Kimball for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets of the City of Kimball exceeded its liabilities at the close of the most recent fiscal year by $14,630,246 (*net position*). Of this amount, $5,692,207 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Kimball governmental activities reported combined ending net position of $4,713,162. Approximately 21.2 percent of this total amount, $1,001,024, is *unrestricted net position*.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Kimball's financial statements. The City of Kimball's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary and other information in addition to the financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Kimball's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Kimball's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Kimball is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Kimball that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Kimball include general government, public safety, highways and streets, planning and zoning, health and social services, culture and recreation, economic development and community development. The business-type activities of the City of Kimball include the Electric, Water, Sewer, Trash and Landfill Enterprise Funds.

The government-wide financial statements include not only the City of Kimball itself (known as the *primary government*), but also the Airport Authority, for which the City of Kimball is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Kimball, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Kimball can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Kimball maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the Golf Fund, the Economic Development Fund, and the Bond Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City of Kimball adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, Golf, and Economic Development Funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds. The City of Kimball maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Kimball uses enterprise funds to account for its Electric, Water, Sewer, Trash and Landfill Funds. *Internal service funds* are an accounting device used to accumulate costs internally among the City of Kimball's various functions. The City of Kimball uses an internal service fund to account for its employee benefits. Because this fund predominantly benefits from governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Sewer, Trash and Landfill Funds, all of which are considered to be major funds of the City of Kimball.

The proprietary fund financial statements can be found on pages 21-23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-54 of this report.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain *supplementary and other information* concerning the City of Kimball's budgetary comparison schedules, nonmajor combining statements, and revenues and expenditures by General Fund department, which can be found on pages 55-61 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Kimball, assets exceeded liabilities by $14,630,246 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2023			September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	$ 3,107,010	$ 8,768,635	$ 11,875,645	$ 3,550,249	$ 10,291,185	$ 13,841,434
Capital Assets	1,661,753	5,956,682	7,618,435	1,638,109	5,448,108	7,086,217
Total Assets	4,768,763	14,725,317	19,494,080	5,188,358	15,739,293	20,927,651
Long-term Liabilities	29,409	3,978,000	4,007,409	27,583	4,188,000	4,215,583
Other Liabilities	26,192	830,233	856,425	28,018	789,797	817,815
Total Liabilities	55,601	4,808,233	4,863,834	55,601	4,977,797	5,033,398
Net Position:						
Net Investment in Capital Assets	1,606,152	4,527,040	6,133,192	1,582,508	4,253,108	5,835,616
Restricted	2,105,986	698,861	2,804,847	2,305,016	737,140	3,042,156
Unrestricted	1,001,024	4,691,183	5,692,207	1,245,233	5,771,248	7,016,481
Total Net Position	$ 4,713,162	$ 9,917,084	$ 14,630,246	$ 5,132,757	$ 10,761,496	$ 15,894,253

A portion of the City of Kimball's net position (41.9 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Kimball uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Kimball's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Kimball's net position (19.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($5,692,207) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Kimball is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

Expenses and Program Revenues - Governmental Activities

Function	Year Ended September 30, 2023 Program Revenues	Year Ended September 30, 2023 Program Expenses	Year Ended September 30, 2022 Program Revenues	Year Ended September 30, 2022 Program Expenses
General Government	$ -	$ 342,221	$ -	$ 174,828
Public Safety	-	705,710	-	588,072
Public Works	21,388	692,629	27,766	628,526
Environment and Leisure	528,643	1,007,561	349,907	818,008
Economic Development	-	466,115	-	260,212
Community Betterment	-	11,050	-	5,548
Interest	-	-	-	4,245
Depreciation	-	184,716	-	157,611
Total	$ 550,031	$ 3,410,002	$ 377,673	$ 2,637,050
Transfers Out	-	-	-	147,803
	$ 550,031	$ 3,410,002	$ 377,673	$ 2,784,853

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	Year Ended September 30, 2023		Year Ended September 30, 2022	
Charges for Services	$ 409,318	13.69 %	$ 241,405	8.50 %
Operating Grants and Contributions	140,713	4.70	136,268	4.80
Property Taxes	513,694	17.18	525,462	18.50
Motor Vehicle Taxes	46,518	1.56	48,035	1.69
Sales Tax	736,390	24.63	678,640	23.89
Occupation Taxes	151,816	5.08	146,678	5.16
Franchise Taxes	30,664	1.02	30,338	1.07
State Allocation	634,060	21.20	617,950	21.76
Keno Proceeds	40,974	1.37	38,066	1.34
Other	212,279	7.10	325,794	11.47
Interest	73,981	2.47	50,013	1.76
Gain on Disposal of Equipment	-	-	1,600	0.06
Total	$ 2,990,407	100.00 %	$ 2,840,249	100.00 %

Net position decreased $(419,595) in the governmental activities during the year ended September 30, 2023.

Business-type activities. Business-type activities decreased the City of Kimball's net position by $(844,412). Key elements of this decrease are as follows:

Expenses and Program Revenues - Business-type Activities

Function	Year Ended September 30, 2023 Program Revenues	Year Ended September 30, 2023 Program Expenses	Year Ended September 30, 2022 Program Revenues	Year Ended September 30, 2022 Program Expenses
Electric	$ 3,168,160	$ 3,363,161	$ 3,234,089	$ 2,842,161
Water	747,813	909,520	757,886	585,540
Sewer	482,323	650,702	642,288	420,228
Trash	201,025	179,152	214,881	221,501
Landfill	567,335	1,024,798	564,181	770,463
Total	$ 5,166,656	$ 6,127,333	$ 5,413,325	$ 4,839,893

Revenues by Source - Business-type Activities

SOURCES OF REVENUE	Year Ended September 30, 2023		Year Ended September 30, 2022	
Charges for Services	$ 5,118,512	96.89 %	$ 5,203,329	92.93 %
Operating Grants and Contributions	48,144	0.91	-	-
Capital Grants and Contributions	-	-	209,996	3.75
Interest	140,888	2.67	38,745	0.69
Loss on Disposal of Equipment	(24,623)	(0.47)	(547)	(0.01)
Transfers	-	-	147,803	2.64
Total	$ 5,282,921	100.00 %	$ 5,599,326	100.00 %

Financial Analysis of the Government's Funds

As noted earlier, the City of Kimball used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Kimball's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Kimball's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Kimball's governmental funds reported combined ending fund balances of $2,546,715. The *unassigned fund balance*, which is available for spending at the government's discretion, was a deficit of $(40,633). The remainder of fund balances is not available for new spending because it has already been 1) restricted for street projects ($515,968), 2) restricted for fire equipment ($91,396), 3) restricted for community betterment ($252,665), 4) restricted for economic development ($375,801), 5) restricted for debt

service ($650,377), 6) assigned for library programs ($23,815), 7) assigned for cemetery improvements ($71,028), 8) assigned for handyman program ($943), 9) restricted for community development ($9,783), 10) restricted for federal programs ($209,996), or 11) assigned for budgetary stabilization ($385,576).

The General Fund is the chief operating fund of the City of Kimball. At the end of the current fiscal year, unassigned fund balance of the General Fund was $0, while total fund balance was $690,415. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0.0 percent of total General Fund expenditures, while total fund balance represents 39.4 percent of that same amount.

The fund balance of the City of Kimball's General Fund decreased by $(321,724), the Street Fund decreased $(139,006), the Golf Fund increased $73,759 and the Economic Development Fund decreased $(92,688) during the current fiscal year.

Proprietary funds. The City of Kimball's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund – $5,198,398, Water Fund – $164,779, Sewer Fund – deficit of $(171,579), Trash Fund – $358,283, and Landfill Fund – deficit of $(858,698). The change in net position for the proprietary funds was as follows: Electric Fund – decrease of $(16,092), Water Fund – decrease of $(211,707), Sewer Fund – decrease of $(193,379), Trash Fund – increase of $21,873, and Landfill Fund – decrease of $(445,107). Other factors concerning the finances of these five funds have already been addressed in the discussion of the City of Kimball's business-type activities.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget.

Capital Asset and Debt Administration

Capital Assets. The City of Kimball's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $7,618,435 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events (greater than $20,000) during the current fiscal year included the following:

- 2020 Chevy Tahoe for the Police Department - $42,699
- 2022 Chevy Silverado with equipment for the Police Department - $24,919

- 2005 Snogo loader - $55,000
- 2004 International dump truck - $36,011
- 2006 Genie telehandler - $40,000
- Four reel turret trailer - $99,955
- Cat 3516B generators construction in progress - $576,780
- Electric meters - $72,293
- Well 86-1 pump rebuild - $71,259
- Pump house north of Kimball - $24,788
- Water meters - $28,693
- Wastewater treatment plant construction in progress - $47,028

City of Kimball's Capital Assets
(net of depreciation)

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	$ 4,000	$ 104,260	$ 108,260	$ 4,000	$ 104,260	$ 108,260
Construction in progress	-	685,008	685,008	-	550,666	550,666
Infrastructure	1,239,340	-	1,239,340	1,307,553	-	1,307,553
Buildings and improvements	-	1,246,469	1,246,469	-	1,278,820	1,278,820
Equipment and vehicles	418,413	677,366	1,095,779	326,556	619,980	946,536
Distribution systems	-	3,243,579	3,243,579	-	2,894,382	2,894,382
Total	$ 1,661,753	$ 5,956,682	$ 7,618,435	$ 1,638,109	$ 5,448,108	$ 7,086,217

Additional information on the City of Kimball's capital assets can be found in Note C3 on pages 43-46 of this report.

Long-term debt. At the end of the current fiscal year, the City of Kimball had a total long-term debt outstanding of $3,410,601.

City of Kimball's Outstanding Debt

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes payable	$ 55,601	$ -	$ 55,601	$ 55,601	$ -	$ 55,601
Bonds payable	-	3,355,000	3,355,000	-	3,695,000	3,695,000
Total	$ 55,601	$ 3,355,000	$ 3,410,601	$ 55,601	$ 3,695,000	$ 3,750,601

The City of Kimball's total debt decreased by $340,000 (9.1 percent) during the current fiscal year, due to scheduled payments.

Additional information on the City of Kimball's long-term debt can be found in Note C4 on pages 46-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property tax asking for the year ending September 30, 2024, is $533,102, an increase of $18,921 (3.7 percent) from the prior year.
- The City is considering increasing utility rates.
- At September 30, 2023, the City had commitments of $183,600 on the generators, $392,872 on the wastewater treatment plant and $5,170,337 on the generation implementation project.

All of these factors were considered in preparing the City of Kimball's budget for the year ending September 30, 2024.

Request for Information

This financial report is designed to provide a general overview of the City of Kimball's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Kimball, 223 S. Chestnut St., Kimball, NE 69145.

CITY OF KIMBALL, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	$ (219,467)	$ 533,919	$ 314,452	$ 236,249
Certificates of deposit	1,197,550	3,476,750	4,674,300	-
County treasurer cash	22,941	-	22,941	2,191
Accounts receivable	-	467,891	467,891	349,995
Unbilled revenue	-	230,973	230,973	-
Inventory	-	438,160	438,160	74,980
Prepaid expenses	-	33,723	33,723	2,486
Total current assets	1,001,024	5,181,416	6,182,440	665,901
Noncurrent assets:				
Restricted cash and cash equivalents	2,105,986	2,135,354	4,241,340	-
Restricted certificates of deposit	-	1,451,865	1,451,865	-
Capital assets:				
Land	4,000	104,260	108,260	-
Construction in progress	-	685,008	685,008	-
Other capital assets, net of depreciation	1,657,753	5,167,414	6,825,167	6,384,310
Net capital assets	1,661,753	5,956,682	7,618,435	6,384,310
Total noncurrent assets	3,767,739	9,543,901	13,311,640	6,384,310
Total assets	4,768,763	14,725,317	19,494,080	7,050,211
LIABILITIES				
Current liabilities:				
Accounts payable	-	234,836	234,836	493,668
Accrued wages and vacation	-	152,020	152,020	-
Sales tax payable	-	20,795	20,795	-
Accrued interest	-	23,097	23,097	3,259
Customer deposits	-	59,485	59,485	-
Current portion of long-term obligations	26,192	340,000	366,192	30,000
Total current liabilities	26,192	830,233	856,425	526,927
Noncurrent liabilities:				
Landfill closure liability	-	963,000	963,000	-
Noncurrent portion of long-term obligations	29,409	3,015,000	3,044,409	595,000
Total noncurrent liabilities	29,409	3,978,000	4,007,409	595,000
Total liabilities	55,601	4,808,233	4,863,834	1,121,927
NET POSITION				
Net investment in capital assets	1,606,152	4,527,040	6,133,192	5,759,310
Restricted for:				
Debt service	650,377	-	650,377	-
Street projects	515,968	-	515,968	-
Capital projects	91,396	-	91,396	-
Community betterment	252,665	-	252,665	-
Economic development	375,801	-	375,801	-
Community development	9,783	-	9,783	-
Federal programs	209,996	209,996	419,992	-
Landfill closure and post-closure	-	488,865	488,865	-
Unrestricted	1,001,024	4,691,183	5,692,207	168,974
Total net position	$ 4,713,162	$ 9,917,084	$ 14,630,246	$ 5,928,284

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 342,221	$ -	$ -
Public safety	705,710	-	-
Public works	692,629	21,388	-
Environment and leisure	1,007,561	387,930	140,713
Economic development	466,115	-	-
Community betterment	11,050	-	-
Depreciation - unallocated	184,716	-	-
Total governmental activities	3,410,002	409,318	140,713
Business-type activities:			
Electric	3,363,161	3,168,160	-
Water	909,520	747,813	-
Sewer	650,702	482,323	-
Trash	179,152	201,025	-
Landfill	1,024,798	519,191	48,144
Total business-type activities	6,127,333	5,118,512	48,144
Total primary government	$ 9,537,335	$ 5,527,830	$ 188,857
Component unit:			
Airport Authority	$ 383,176	$ 100,797	$ 3,872,318

See notes to financial statements.

Capital Grants and Contributions	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	Component Unit (Accrual Basis)
	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			
$ -	$ (342,221)		$ (342,221)	
-	(705,710)		(705,710)	
-	(671,241)		(671,241)	
-	(478,918)		(478,918)	
-	(466,115)		(466,115)	
-	(11,050)		(11,050)	
-	(184,716)		(184,716)	
-	(2,859,971)	$ -	(2,859,971)	
-	-	(195,001)	(195,001)	
-	-	(161,707)	(161,707)	
-	-	(168,379)	(168,379)	
-	-	21,873	21,873	
-	-	(457,463)	(457,463)	
-	-	(960,677)	(960,677)	
$ -	(2,859,971)	(960,677)	(3,820,648)	
$ -				$ 3,589,939
General revenues:				
Taxes:				
Property	513,694	-	513,694	59,920
Motor vehicle	46,518	-	46,518	-
Sales tax	736,390	-	736,390	-
Occupation	151,816	-	151,816	-
Franchise fees	30,664	-	30,664	-
State allocation	634,060	-	634,060	-
Keno proceeds	40,974	-	40,974	-
Miscellaneous	212,279	-	212,279	1,044
Interest income	73,981	140,888	214,869	6,252
Loss on disposal of equipment	-	(24,623)	(24,623)	-
Total general revenues	2,440,376	116,265	2,556,641	67,216
Change in net position	(419,595)	(844,412)	(1,264,007)	3,657,155
Net position - September 30, 2022	5,132,757	10,761,496	15,894,253	2,271,129
Net position - September 30, 2023	$ 4,713,162	$ 9,917,084	$ 14,630,246	$ 5,928,284

CITY OF KIMBALL, NEBRASKA

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Street Fund	Golf Fund
ASSETS			
Cash and cash equivalents	$ (530,076)	$ 515,968	$ (40,633)
Certificates of deposit	1,197,550	-	-
County treasurer cash	22,941	-	-
Total assets	$ 690,415	$ 515,968	$ (40,633)
LIABILITIES AND FUND BALANCES			
Liabilities:	$ -	$ -	$ -
Fund balances:			
Restricted for:			
Street projects	-	515,968	-
Fire equipment	-	-	-
Community betterment	-	-	-
Economic development	-	-	-
Debt service	-	-	-
Community development	-	-	-
Federal programs	209,996	-	-
Assigned for:			
Library programs	23,815	-	-
Cemetery improvements	71,028	-	-
Handyman program	-	-	-
Budgetary stabilization	385,576	-	-
Unassigned	-	-	(40,633)
Total fund balances	690,415	515,968	(40,633)
Total liabilities and fund balances	$ 690,415	$ 515,968	$ (40,633)

See notes to financial statements.

Economic Development Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ 375,801	$ 650,377	$ 354,787	$ 1,326,224
-	-	-	1,197,550
-	-	-	22,941
$ 375,801	$ 650,377	$ 354,787	$ 2,546,715
$ -	$ -	$ -	$ -
-	-	-	515,968
-	-	91,396	91,396
-	-	252,665	252,665
375,801	-	-	375,801
-	650,377	-	650,377
-	-	9,783	9,783
-	-	-	209,996
-	-	-	23,815
-	-	-	71,028
-	-	943	943
-	-	-	385,576
-	-	-	(40,633)
375,801	650,377	354,787	2,546,715
$ 375,801	$ 650,377	$ 354,787	$ 2,546,715

CITY OF KIMBALL, NEBRASKA

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

September 30, 2023

Total fund balances - governmental funds	$ 2,546,715
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $3,110,065 and the accumulated depreciation is $1,448,312.	1,661,753
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	560,295
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Notes payable	(55,601)
Total net position - governmental activities	$ 4,713,162

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the year ended September 30, 2023

	General Fund	Street Fund	Golf Fund
REVENUES			
Taxes:			
Property	$ 504,017	$ -	$ -
Motor vehicle	46,518	-	-
Sales	415,740	77,641	-
Occupation	151,816	-	-
Franchise fees	30,664	-	-
Intergovernmental	194,714	439,346	-
Keno proceeds	-	-	-
Charges for services	40,532	-	364,936
Grants and contributions	32,960	-	107,753
Licenses and permits	13,163	-	-
Interest income	38,879	-	-
Lease and rent	-	-	3,850
Loan collections	-	-	-
Other income	43,360	8,609	43,182
Total revenues	1,512,363	525,596	519,721
EXPENDITURES			
General government	339,291	-	-
Public safety	705,710	-	-
Public works	138,888	553,741	-
Environment and leisure	469,389	-	538,172
Economic development	-	-	-
Community betterment	-	-	-
Capital outlay	97,499	110,861	-
Total expenditures	1,750,777	664,602	538,172
Excess (deficiency) of revenues over expenditures	(238,414)	(139,006)	(18,451)
OTHER FINANCING SOURCES (USES)			
Transfers in	8,900	-	92,210
Transfers out	(92,210)	-	-
Net transfers	(83,310)	-	92,210
Net change in fund balances	(321,724)	(139,006)	73,759
Fund balances - September 30, 2022	1,012,139	654,974	(114,392)
Fund balances - September 30, 2023	$ 690,415	$ 515,968	$ (40,633)

See notes to financial statements.

Economic Development Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 9,677	$ 513,694
-	-	-	46,518
243,009	-	-	736,390
-	-	-	151,816
-	-	-	30,664
-	-	-	634,060
-	-	40,974	40,974
-	-	-	405,468
-	-	-	140,713
-	-	2,190	15,353
27,545	-	2,703	69,127
-	-	-	3,850
97,366	-	-	97,366
5,507	-	-	100,658
373,427	-	55,544	2,986,651
-	-	2,930	342,221
-	-	-	705,710
-	-	-	692,629
-	-	-	1,007,561
466,115	-	-	466,115
-	-	11,050	11,050
-	-	-	208,360
466,115	-	13,980	3,433,646
(92,688)	-	41,564	(446,995)
-	-	-	101,110
-	-	(8,900)	(101,110)
-	-	(8,900)	-
(92,688)	-	32,664	(446,995)
468,489	650,377	322,123	2,993,710
$ 375,801	$ 650,377	$ 354,787	$ 2,546,715

CITY OF KIMBALL, NEBRASKA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

Total net change in fund balances - governmental funds	$ (446,995)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay ($208,360) exceeds depreciation expense ($184,716) during the period.	23,644
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues of internal service funds are reported with governmental activities.	3,756
Change in net position of governmental activities	$ (419,595)

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2023

	Enterprise Funds		
	Electric Fund	Water Fund	Sewer Fund
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,265,107	$ 17,380	$ (213,363)
Certificates of deposit	3,476,750	-	-
Accounts receivable	282,545	87,215	47,613
Unbilled revenue	128,862	45,070	26,764
Inventory	363,174	74,986	-
Prepaid insurance	17,513	5,421	4,380
Total current assets	5,533,951	230,072	(134,606)
Noncurrent assets:			
Restricted cash and cash equivalents	1,925,358	-	209,996
Restricted certificates of deposit	-	-	-
Capital assets:			
Land	23,762	23,812	8,810
Construction in progress	637,980	-	47,028
Distribution systems	5,619,895	3,962,601	2,430,757
Buildings and improvements	102,468	-	-
Equipment	454,760	412,511	415,452
Less accumulated depreciation	(3,854,048)	(3,334,808)	(2,409,880)
Net capital assets	2,984,817	1,064,116	492,167
Total noncurrent assets	4,910,175	1,064,116	702,163
Total assets	10,444,126	1,294,188	567,557
LIABILITIES			
Current liabilities:			
Accounts payable	147,630	48,239	23,931
Accrued wages and vacation	86,270	16,050	12,821
Sales tax payable	20,795	-	-
Accrued interest	21,373	1,004	221
Customer deposits	59,485	-	-
Current portion of long-term obligations	243,997	45,000	11,044
Total current liabilities	579,550	110,293	48,017
Noncurrent liabilities:			
Landfill closure liability	-	-	-
Noncurrent portion of long-term obligations	2,070,724	90,000	12,048
Total noncurrent liabilities	2,070,724	90,000	12,048
Total liabilities	2,650,274	200,293	60,065
NET POSITION			
Net investment in capital assets	2,595,454	929,116	469,075
Restricted	-	-	209,996
Unrestricted	5,198,398	164,779	(171,579)
Total net position	$ 7,793,852	$ 1,093,895	$ 507,492

See notes to financial statements.

Enterprise Funds				Governmental Activities -
Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 281,667	$ (816,872)	$ 533,919	$ 560,295
-	-	3,476,750	-
50,518	-	467,891	-
30,277	-	230,973	-
-	-	438,160	-
2,388	4,021	33,723	-
364,850	(812,851)	5,181,416	560,295
-	-	2,135,354	-
-	1,451,865	1,451,865	-
-	47,876	104,260	-
-	-	685,008	-
-	-	12,013,253	-
25,255	2,170,039	2,297,762	-
761,905	508,844	2,553,472	-
(720,582)	(1,377,755)	(11,697,073)	-
66,578	1,349,004	5,956,682	-
66,578	2,800,869	9,543,901	-
431,428	1,988,018	14,725,317	560,295
3,834	11,202	234,836	-
2,733	34,146	152,020	-
-	-	20,795	-
-	499	23,097	-
-	-	59,485	-
-	39,959	340,000	-
6,567	85,806	830,233	-
-	963,000	963,000	-
-	842,228	3,015,000	-
-	1,805,228	3,978,000	-
6,567	1,891,034	4,808,233	-
66,578	466,817	4,527,040	-
-	488,865	698,861	-
358,283	(858,698)	4,691,183	560,295
$ 424,861	$ 96,984	$ 9,917,084	$ 560,295

CITY OF KIMBALL, NEBRASKA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the year ended September 30, 2023

	Enterprise Funds		
	Electric Fund	Water Fund	Sewer Fund
Operating revenues:			
Sales	$ 2,964,022	$ 704,954	$ 479,833
Interdepartmental charges	-	-	-
Occupation taxes	116,856	28,889	-
Other revenue	87,282	13,970	2,490
Total operating revenues	3,168,160	747,813	482,323
Operating expenses:			
Cost of power	1,449,474	-	-
Personnel costs	756,264	336,763	213,350
Utilities and telephone	12,746	81,190	34,709
Repairs and maintenance	251,754	104,985	109,708
Contract services	23,132	11,400	14,934
Supplies	67,966	13,439	8,570
Professional fees	198,921	150,975	169,639
Insurance	73,915	24,000	18,367
Fuel and transportation	43,866	9,651	4,377
Dues, memberships, and training	8,698	3,898	2,982
Other expenses	23,111	8,247	8,482
Occupation taxes	117,362	30,169	-
Landfill closure costs	-	-	-
Depreciation	258,441	131,145	64,760
Benefits paid	-	-	-
Total operating expenses	3,285,650	905,862	649,878
Operating income (loss)	(117,490)	(158,049)	(167,555)
Nonoperating revenues (expenses):			
Interest income	103,532	-	-
Grant income	-	-	-
Loss on disposal of equipment	(24,623)	-	-
Interest expense	(77,511)	(3,658)	(824)
Total nonoperating revenues (expenses)	1,398	(3,658)	(824)
Excess (deficiency) of revenues over expenses before transfers	(116,092)	(161,707)	(168,379)
Transfers from (to) other funds	100,000	(50,000)	(25,000)
Change in net position	(16,092)	(211,707)	(193,379)
Net position - September 30, 2022	7,809,944	1,305,602	700,871
Net position - September 30, 2023	$ 7,793,852	$ 1,093,895	$ 507,492

See notes to financial statements.

Enterprise Funds			Governmental Activities -
Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 201,025	$ 516,701	$ 4,866,535	$ -
-	-	-	400,424
-	-	145,745	-
-	2,490	106,232	-
201,025	519,191	5,118,512	400,424
-	-	1,449,474	-
74,188	349,793	1,730,358	-
329	30,685	159,659	-
37,732	94,988	599,167	-
-	132,699	182,165	-
7,465	27,354	124,794	-
20,216	85,844	625,595	-
6,637	30,628	153,547	-
13,685	13,511	85,090	-
1,583	15,089	32,250	-
1,496	5,700	47,036	-
-	-	147,531	-
-	130,000	130,000	-
15,821	79,057	549,224	-
-	-	-	401,522
179,152	995,348	6,015,890	401,522
21,873	(476,157)	(897,378)	(1,098)
-	37,356	140,888	4,854
-	48,144	48,144	-
-	-	(24,623)	-
-	(29,450)	(111,443)	-
-	56,050	52,966	4,854
21,873	(420,107)	(844,412)	3,756
-	(25,000)	-	-
21,873	(445,107)	(844,412)	3,756
402,988	542,091	10,761,496	556,539
$ 424,861	$ 96,984	$ 9,917,084	$ 560,295

CITY OF KIMBALL, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2023

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 3,226,896	$ 767,342
Interdepartmental charges	-	-
Payments to suppliers	(2,328,217)	(399,655)
Payments to employees	(755,572)	(330,578)
Net cash provided (used) by operating activities	143,107	37,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from (to) other funds	100,000	(50,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(789,028)	(133,402)
Grant proceeds	-	-
Principal payments on long-term debt	(243,997)	(45,000)
Interest paid on long-term debt	(73,485)	(3,960)
Net cash used by capital and related financing activities	(1,106,510)	(182,362)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in certificates of deposit	(91,118)	-
Decrease in restricted cash and cash equivalents	574,642	-
Increase in restricted certificates of deposit	-	-
Interest received	103,532	-
Net cash provided (used) by investing activities	587,056	-
Increase (decrease) in cash and cash equivalents	(276,347)	(195,253)
Cash and cash equivalents - beginning of the year	1,541,454	212,633
Cash and cash equivalents - end of the year	$ 1,265,107	$ 17,380
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (117,490)	$ (158,049)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	258,441	131,145
Landfill closure costs	-	-
Change in assets and liabilities:		
Accounts receivable and unbilled revenue	58,736	19,529
Inventories	(38,010)	7,918
Prepaid insurance	1,110	481
Accounts payable	(19,571)	29,900
Accrued wages and vacation	692	6,185
Sales tax payable	(501)	-
Customer deposits	(300)	-
Net cash provided (used) by operating activities	$ 143,107	$ 37,109

See notes to financial statements.

Enterprise Funds				Governmental Activities -
Sewer Fund	Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 478,179	$ 208,228	$ 519,191	$ 5,199,836	$ -
-	-	-	-	400,424
(368,148)	(92,300)	(427,968)	(3,616,288)	(401,522)
(209,237)	(72,106)	(343,082)	(1,710,575)	-
(99,206)	43,822	(251,859)	(127,027)	(1,098)
(25,000)	-	(25,000)	-	-
(91,640)	(28,300)	(40,051)	(1,082,421)	-
-	-	48,144	48,144	-
(11,044)	-	(39,959)	(340,000)	-
(917)	-	(29,661)	(108,023)	-
(103,601)	(28,300)	(61,527)	(1,482,300)	-
-	-	-	(91,118)	-
-	-	-	574,642	-
-	-	(91,721)	(91,721)	-
-	-	37,356	140,888	4,854
-	-	(54,365)	532,691	4,854
(227,807)	15,522	(392,751)	(1,076,636)	3,756
14,444	266,145	(424,121)	1,610,555	556,539
$ (213,363)	$ 281,667	$ (816,872)	$ 533,919	$ 560,295
$ (167,555)	$ 21,873	$ (476,157)	$ (897,378)	$ (1,098)
64,760	15,821	79,057	549,224	-
-	-	130,000	130,000	-
(4,144)	7,203	-	81,324	-
-	-	-	(30,092)	-
883	(74)	479	2,879	-
2,737	(3,083)	8,051	18,034	-
4,113	2,082	6,711	19,783	-
-	-	-	(501)	-
-	-	-	(300)	-
$ (99,206)	$ 43,822	$ (251,859)	$ (127,027)	$ (1,098)

CITY OF KIMBALL, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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CITY OF KIMBALL, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kimball, Nebraska (City) are prepared in accordance with the modified cash basis of accounting for the governmental funds and the accrual basis for the proprietary funds. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The City of Kimball, Nebraska, was incorporated in 1921. The City operates under a Mayor-Council form of government with an elected Mayor, and an elected legislative body, Council, composed of four members. The Mayor is elected at large for a four-year term, and the four members of the City Council are elected on four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety, highways and streets, planning and zoning, health and social services, culture and recreation, electric, water, sanitary sewer systems, sanitation, landfill, and general administrative services.

The City's financial reporting entity comprises the following:

Primary Government:	City of Kimball
Discretely Presented Component Unit:	Airport Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following is the discretely presented component unit:

	Brief Description of Activities and Relationship to the City:
Airport Authority	Established to provide for the operation of the airport. The board is elected by the general public.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Projects Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Debt Service Fund

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

Internal Service Funds

Internal Service Funds account for activities that provide goods and services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Major:

Governmental:	
General	See page 27 for description.
Street	The Street Fund is a special revenue fund that accounts for the City's share of highway allocation from the State of Nebraska.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

Major, continued:

Governmental, continued:	
Golf	The Golf Fund is a special revenue fund that accounts for revenues and expenditures for the golf course.
Economic Development	The Economic Development Fund is a special revenue fund that accounts for various economic development programs to include Community Development Block Grant loans.
Bond	See page 28 for description.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, Trash and and Landfill	See page 28 for description.

Nonmajor:

Special Revenue:	
Fire Equipment	Accounts for the collection of taxes for the acquisition of fire equipment.
Keno	Accounts for the Keno receipts and expenditures.
Community Development	The Community Development Fund is a capital project fund that accounts for revenues and expenditures for various capital projects in the City.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

Nonmajor, continued:

Special Revenue, continued:	
Handyman	Accounts for the Handyman program receipts and expenditures.
Fines	Accounts for local fines and fees collected.
Internal Service:	
Employee Benefits	Accounts for the City's self-insurance for health insurance and other employee benefits.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Under the modified cash basis of accounting, proceeds from the issuance of long-term debt increase liabilities and payment of long-term debt reduces liabilities. Capital assets are capitalized and depreciation is recognized over the estimated lives of the related assets. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

Business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified cash basis of accounting using a flow of current financial resources measurement focus. Proceeds from issuance of long-term debt are recognized as revenue when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Certificates of Deposit

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

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Business-type activities report utility billings as their major receivables.

In the fund financial statements, proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Restricted Assets

Restricted assets include cash and certificates of deposit that are legally restricted as to their use. The primary restricted assets are related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets that are purchased or acquired with an original cost of $1,000 or more are capitalized and reported on the Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Government-wide Statements, continued

Depreciation of governmental capital assets is recorded as an unallocated expense in the Statement of Activities. Depreciation for all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	10-50 years
Improvements	5-25 years
Machinery and Equipment	5-20 years
Utility Systems	5-99 years
Infrastructure	25-50 years

Prior to July 1, 1980, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. In the event of termination, an employee is paid for all unused accumulated vacation time. Accumulated vacation time is accrued in the accompanying proprietary funds financial statement but not in the governmental funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the governmental fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Government-wide Statements, continued

c. Unrestricted net position – All other net position that does not meet the definition of "restricted net position" or "net investment in capital assets."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Effective October 1, 2010, the City has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable−Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted−Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed−Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

Assigned−Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

Unassigned−All amounts not included in other spendable classifications.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 17). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a 1 1/2-cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. Two-thirds of the sales tax is recorded in the General Fund and one-third is recorded in the Economic Development Fund. Sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

Property Taxes

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

The tax levies for all political subdivisions in Kimball County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2022-2023 are recorded as revenue when received by the County.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

1. Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include: Special Revenue, Capital Projects, and Debt Service Funds.

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to $250,000 and certificates of deposit/savings accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Any bank deposits in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

4. Debt Restrictions and Covenants

Bonds Payable

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are finance-related. These include covenants such as debt service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.

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

c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.

d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.

e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.

f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.

h. The City of Kimball adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the financial statements for the City's various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash and Certificates of Deposit

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2023. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City's name; or collateralized with no written or approved collateral agreement.

Types of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Demand deposits	$ 11,023,755	$ 1,500,000	$ 9,523,755	$ -	$ 10,918,206

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

1. Cash and Certificates of Deposit, continued

Deposits, continued

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	$ 314,452
Unrestricted certificates of deposit	4,674,300
Restricted cash and cash equivalents	4,241,340
Restricted certificates of deposit	1,451,865
Total primary government	10,681,957
Component Units –	
Unrestricted cash and cash equivalents	236,249
Total	$ 10,918,206

2. Restricted Assets

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

	Governmental Activities	Business-type Activities	Total
Type of Restricted Assets:			
Cash and cash equivalents	$ 2,105,986	$ 2,135,354	$ 4,241,340
Certificates of deposit	-	1,451,865	1,451,865
	$ 2,105,986	$ 3,587,219	$ 5,693,205

The governmental activities restricted assets are restricted for the following purposes:

Street projects	$ 515,968
Economic development	375,801
Debt service	650,377
Federal programs	209,996
Community development	9,783
Fire equipment	91,396
Community betterment	252,665
	$ 2,105,986

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

2. Restricted Assets, continued

The business-type activities restricted assets at September 30, 2023, consisted of $1,925,358 unspent bond proceeds for a project in the Electric Fund, $209,996 in the Sewer Fund restricted for federal programs and $1,451,865 in the Landfill Fund that is restricted for landfill closure and post-closure costs.

3. Capital Assets

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

	Balance at October 1, 2022	Additions	Disposals	Balance at September 30, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 4,000	$ -	$ -	$ 4,000
Other capital assets being depreciated:				
Buildings and improvements	1,727,115	-	-	1,727,115
Equipment and vehicles	1,199,789	208,360	(29,199)	1,378,950
Total other capital assets at historical cost	2,926,904	208,360	(29,199)	3,106,065
Less accumulated depreciation for:				
Buildings and improvements	(419,562)	(68,213)	-	(487,775)
Equipment and vehicles	(873,233)	(116,503)	29,199	(960,537)
Total accumulated depreciation	(1,292,795)	(184,716) *	29,199	(1,448,312)
Other capital assets, net	1,634,109	23,644	-	1,657,753
Governmental activities capital assets, net	$ 1,638,109	$ 23,644	$ -	$ 1,661,753

* Depreciation expense was charged to governmental activities as follows:

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

3. Capital Assets, continued

Governmental Activities, continued:

General Fund:	
Public safety:	
Fire	$ 3,148
Police	42,668
Total public safety	45,816
Cemetery	11,674
Library	1,654
Park and recreation:	
Park and Pool	3,948
Total General Fund	63,092
Special Revenue Funds:	
Golf	33,153
Street	88,471
Total governmental activities depreciation expense	$ 184,716

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

3. Capital Assets, continued

	Balance at October 1, 2022	Additions	Disposals	Reclass	Balance at September 30, 2023
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 104,260	$ -	$ -	$ -	$ 104,260
Construction in progress	550,666	724,794	-	(590,452)	685,008
Total capital assets not being depreciated	654,926	724,794	-	(590,452)	789,268
Other capital assets being depreciated:					
Buildings and improvements	2,273,331	24,431	-	-	2,297,762
Distribution systems	11,427,048	122,858	(127,105)	590,452	12,013,253
Equipment	2,684,517	210,338	(341,383)	-	2,553,472
Total other capital assets at historical cost	16,384,896	357,627	(468,488)	590,452	16,864,487
Less accumulated depreciation for:					
Buildings and improvements	(994,511)	(56,782)	-	-	(1,051,293)
Distribution systems	(8,532,666)	(345,923)	108,915	-	(8,769,674)
Equipment	(2,064,537)	(146,519)	334,950	-	(1,876,106)
Total accumulated depreciation	(11,591,714)	(549,224) *	443,865	-	(11,697,073)
Other capital assets, net	4,793,182	(191,597)	(24,623)	590,452	5,167,414
Business-type capital assets, net	$ 5,448,108	$ 533,197	$ (24,623)	$ -	$ 5,956,682

* Depreciation expense was charged to functions as follows:

Electric	$ 258,441
Water	131,145
Sewer	64,760
Trash	15,821
Landfill	79,057
Total business-type activities depreciation expense	$ 549,224

Construction in progress at September 30, 2023, consists of costs of $637,980 for the generators and $47,028 for the wastewater treatment plant project. See Note D3 for additional details on these projects.

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

3. Capital Assets, continued

	Balance at October 1, 2022	Additions	Disposals	Reclass	Balance at September 30, 2023
Component Unit:					
Airport Authority:					
Capital assets not being depreciated:					
Construction in progress	$ 292,125	$ 4,355,015	$ -	$ (4,647,140)	$ -
Other capital assets being depreciated:					
Improvements	3,851,686	-	-	4,647,140	8,498,826
Machinery and equipment	170,582	-	-	-	170,582
Total other capital assets at historical cost	4,022,268	-	-	4,647,140	8,669,408
Less accumulated depreciation for:					
Improvements	(1,935,280)	(209,111)	-	-	(2,144,391)
Machinery and equipment	(131,984)	(8,723)	-	-	(140,707)
Total accumulated depreciation	(2,067,264)	(217,834)	-	-	(2,285,098)
Other capital assets, net	1,955,004	(217,834)	-	4,647,140	6,384,310
Component Unit capital assets, net	$ 2,247,129	$ 4,137,181	$ -	$ -	$ 6,384,310

4. Long-term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

Type of Debt	Balance October 1, 2022	Additions	Deductions	Balance September 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Notes payable	$ 55,601	$ -	$ -	$ 55,601	$ 26,192

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

4. Long-term Debt, continued

Changes in Long-term Debt, continued

Type of Debt	Balance October 1, 2022	Additions	Deductions	Balance September 30, 2023	Amounts Due Within One Year
Business-type Activities:					
Bonds payable	$ 3,695,000	$ -	$ (340,000)	$ 3,355,000	$ 340,000
Component Unit:					
Bonds payable	$ 655,000	$ -	$ (30,000)	$ 625,000	$ 30,000

Governmental Activities

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

The City entered into a loan agreement with Points West Community Bank on March 21, 2022, in the amount of $155,921 for payoff of an existing loan and purchasing equipment. The loan bears interest at 3.25 percent. The loan is due in annual installments of $29,067 through March 21, 2028. Paid by the Golf Fund. The City has been making payments early on this loan.	$ 55,601
Current portion	$ 26,192
Noncurrent portion	29,409
Total	$ 55,601

Business-type Activities

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

The City issued combined utility revenue bonds in the amount of $875,000 on April 30, 2018, to fund the landfill expansion. Interest ranges from 2.05 percent to 3.60 percent. Interest is due in semi-annual installments and principal is due in annual installments through May 15, 2033. Paid by the Landfill Fund.	$ 830,000

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

4. Long-term Debt, continued

Business-type Activities, continued

The City issued combined utility revenue bonds in the amount of $2,500,000 on July 1, 2022, to fund improvements. Interest ranges from 2.05 percent to 4.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2032. Paid by the Electric Fund.	2,275,000
The City issued combined utilities revenue bonds in the amount of $1,245,000 on November 5, 2013, to refund existing bonds and to finance a landfill project. Interest ranges from 0.50 percent to 3.40 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2024. The Electric Fund pays 34.5 percent, the Sewer Fund pays 20.1 percent and the Landfill Fund pays 45.4 percent of these bonds.	115,000
The City issued general obligation refunding bonds in the amount of $595,000 on November 11, 2014, to refund water bonds and refinance an NDEE loan. Interest ranges from 0.45 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2025. Paid by the Water Fund.	135,000
	$ 3,355,000
Current portion	$ 340,000
Noncurrent portion	3,015,000
Total	$ 3,355,000

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

4. Long-term Debt, continued

Component Unit

The Airport Authority issued bonds in the amount of $655,000 on January 12, 2022, to fund airport improvements. Interest ranges from 0.70 percent to 2.60 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2042.	$ 625,000
Current portion	$ 30,000
Noncurrent portion	595,000
Total	$ 625,000

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

Year Ending September 30,	Governmental Activities Direct Placement Debt Principal	Governmental Activities Direct Placement Debt Interest	Business-type Activities Other Debt Issues Principal	Business-type Activities Other Debt Issues Interest	Component Unit Other Debt Issues Principal	Component Unit Other Debt Issues Interest
2024	$ 26,192	$ 2,875	$ 340,000	$ 91,476	$ 30,000	$ 11,068
2025	28,111	956	350,000	96,619	30,000	10,857
2026	1,298	42	355,000	88,396	30,000	10,648
2027	-	-	320,000	79,565	30,000	10,355
2028	-	-	330,000	70,700	30,000	9,980
2029-2033	-	-	1,660,000	181,110	150,000	43,375
2034-2038	-	-	-	-	175,000	29,029
2039-2042	-	-	-	-	150,000	8,060
	$ 55,601	$ 3,873	$ 3,355,000	$ 607,866	$ 625,000	$ 133,372

5. Interfund Transactions

The General Fund transferred $92,210 to the Golf Fund and the Fire Equipment Fund transferred $8,900 to the General Fund during the year ended September 30, 2023.

The Water Fund transferred $50,000 to the Electric Fund, the Sewer Fund transferred $25,000 to the Electric Fund, and the Landfill Fund transferred $25,000 to the Electric Fund during the year ended September 30, 2023.

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

6. Closure and Postclosure Costs

Landfill

The City has a license to operate a Landfill, which is accounted for in the Landfill Fund of the City, an enterprise fund.

State and federal laws and regulations require the City of Kimball to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $843,000 reported as landfill closure and postclosure care liability at September 30, 2023, represents the cumulative amount reported to date based on the use of approximately 40.5 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $1,237,497 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care at September 30, 2023. The City expects to close the landfill in the year 2041. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

In accordance with the State of Nebraska Title 132 Solid Waste Regulations, the City of Kimball must satisfy the requirements for a financial assurance mechanism (FAM). The City is in compliance with these requirements, and, at September 30, 2023, the City had a certificate of deposit of $1,374,265 at FirsTier Bank. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

C&D Site

The City has a license to operate a Construction and Demolition Landfill Site (C&D Site), which is accounted for in the Landfill Fund of the City, an enterprise fund.

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

6. Closure and Postclosure Costs, continued

C&D Site, continued

State and Federal laws and regulations require the City to place a final cover on the site when it stops accepting waste and maintain the site after closure. Estimated closure costs are estimated by engineers and approved by the Nebraska Department of Environmental Quality (NDEQ) at $172,737. Postclosure costs are estimated at $40,403. In accordance with state law, the City has established a separate account for deposits of monies necessary to fund the estimated costs. As of September 30, 2023, the account balance was $77,600. The City estimates that the site is approximately 56.5 percent full as of September 30, 2023. The City has recorded a liability of $120,000 at September 30, 2023 for the closure and postclosure costs.

7. Fund Equity

The Golf Fund had a deficit fund balance of $40,633 as of September 30, 2023. The City plans to increase fund balance in future years by transferring excess funds from other funds.

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City has a 457(b) deferred compensation plan. The City made monthly contributions on behalf of each full-time employee with a minimum of one year of service based on 6.00 percent of the employee's regular earnings. The total contributions for September 30, 2023 were $61,895.

2. Risk Management

Insurance

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2023, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investments consist of certificates of deposit, money market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City's investment portfolio.

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 certificate of deposit maturities are as follows:

Maturities by Month	Amount
May 2024	$ 5,023,458
August 2024	1,102,707
	$ 6,126,165

Concentration of Credit Risk. The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2023, the City's certificates of deposit consisted of the following:

Financial Institution	Amount
FirsTier Bank	$ 5,023,458
Kimball State Bank	1,102,707
	$ 6,126,165

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2023.

3. Commitments

Leases

On May 17, 2021, the City entered into a 63-month lease for a postage machine from Quadrient Leasing. Monthly payments of $205 are due through August 2026.

On November 22, 2016, the City entered into a 60-month lease for a copier from Great America Leasing Corporation. Monthly payments of $299 are due through December 2025.

On October 22, 2019, the City entered into a 60-month lease for a copier from Great America Leasing Corporation. Monthly payments of $118 are due through October 2024.

Rent expense was $7,464 during the year ended September 30, 2023. The following payments are due under the leases:

Year Ending September 30,	
2024	$ 7,464
2025	3,475
2026	2,255
	$ 13,194

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Construction Commitments

At September 30, 2023, the City had a $204,000 contractual commitment to Powertech for a generator. The City had paid $20,400 on this contract as of September 30, 2023, leaving $183,600 to be paid under the contractual obligation. This project is expected to be completed in the Spring 2024.

At September 30, 2023, the City had a $439,900 contractual commitment to Olsson for engineering on the wastewater treatment plant project. The City had paid $47,028 on this contract as of September 30, 2023, leaving $392,872 to be paid under the contractual obligation. This project is expected to be completed in the Fall 2024.

At September 30, 2023, the City had a $201,500 contractual commitment to Olsson for engineering on the generation implementation project. The City had paid $0 on this contract as of September 30, 2023, leaving $201,500 to be paid under the contractual obligation. This project is expected to be completed in May 2025.

At September 30, 2023, the City had a $4,968,837 contractual commitment to Nebraska Machinery Company, LLC for construction on the generation implementation project. The City had paid $0 on this contract as of September 30, 2023, leaving $4,968,837 to be paid under the contractual obligation. This project is expected to be completed in May 2025.

4. Notes Receivable

The City has eleven LB840 loans that had balances totaling $738,502 at September 30, 2023. Principal and interest are due in monthly installments. Since the Economic Development fund is accounted for on the modified cash basis, notes receivable are not presented in the financial statements.

5. Subsequent Events

Management has evaluated subsequent events through March 25, 2024, the date on which the financial statements were available for issue.

On October 5, 2023, the City issued $2,500,000 of bonds for the electric project.

SUPPLEMENTARY AND OTHER INFORMATION

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	$ 499,470	$ 504,017	$ 4,547
Motor vehicle	50,500	46,518	(3,982)
Sales	357,500	415,740	58,240
Occupation	143,350	151,816	8,466
Franchise fees	35,000	30,664	(4,336)
Intergovernmental	190,020	194,714	4,694
Charges for services	38,800	40,532	1,732
Grants and contributions	4,300	32,960	28,660
Licenses and permits	5,000	13,163	8,163
Interest income	25,650	38,879	13,229
Lease and rent	500	-	(500)
Other	21,350	43,360	22,010
Total resources	1,371,440	1,512,363	140,923
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	189,852	339,291	149,439
Public safety	741,863	705,710	(36,153)
Public works	169,367	138,888	(30,479)
Environment and leisure	399,392	469,389	69,997
Capital outlay	137,300	97,499	(39,801)
Total charges to appropriations	1,637,774	1,750,777	113,003
Resources under charges to appropriations	(266,334)	(238,414)	27,920
OTHER FINANCING USES			
Transfers in	-	8,900	8,900
Transfers out	(192,210)	(92,210)	100,000
Net transfers	(192,210)	(83,310)	108,900
RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	$ (458,544)	$ (321,724)	$ 136,820

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STREET FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	$ 78,000	$ 77,641	$ (359)
Intergovernmental	426,495	439,346	12,851
Other	4,500	8,609	4,109
Total resources	508,995	525,596	16,601
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	557,646	553,741	(3,905)
Capital outlay	116,000	110,861	(5,139)
Total charges to appropriations	673,646	664,602	(9,044)
RESOURCES UNDER CHARGES TO APPROPRIATIONS	$ (164,651)	$ (139,006)	$ 25,645

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GOLF FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Charges for services	$ 227,367	$ 364,936	$ 137,569
Grants and contributions	116,310	107,753	(8,557)
Lease and rent	6,600	3,850	(2,750)
Other	3,250	43,182	39,932
Total resources	353,527	519,721	166,194
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Environment and leisure	412,335	538,172	125,837
Principal payments on debt	29,067	-	(29,067)
Interest and fees on long-term debt	4,200	-	(4,200)
Total charges to appropriations	445,602	538,172	92,570
Resources under charges to appropriations	(92,075)	(18,451)	73,624
OTHER FINANCING SOURCES			
Transfers in	92,210	92,210	-
RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS	$ 135	$ 73,759	$ 73,624

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ECONOMIC DEVELOPMENT FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Sales tax	$ 214,500	$ 243,009	$ 28,509
Interest income	23,037	27,545	4,508
Loan collections	89,932	97,366	7,434
Other	-	5,507	5,507
Total resources	327,469	373,427	45,958
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	644,543	466,115	(178,428)
RESOURCES UNDER CHARGES TO APPROPRIATIONS	$ (317,074)	$ (92,688)	$ 224,386

CITY OF KIMBALL, NEBRASKA

COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Fire Equipment Fund	Keno Fund	Handyman Fund	Community Development Fund	Fines Fund	
ASSETS						
Cash and cash equivalents	$ 91,396	$ 247,827	$ 943	$ 9,783	$ 4,838	$ 354,787
LIABILITIES AND FUND BALANCES						
Liabilities:	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances:						
Restricted for:						
Fire equipment	91,396	-	-	-	-	91,396
Community betterment	-	247,827	-	-	4,838	252,665
Community development	-	-	-	9,783	-	9,783
Assigned for:						
Handyman program	-	-	943	-	-	943
Total fund balances	91,396	247,827	943	9,783	4,838	354,787
Total liabilities and fund balances	$ 91,396	$ 247,827	$ 943	$ 9,783	$ 4,838	$ 354,787

CITY OF KIMBALL, NEBRASKA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Fire Equipment Fund	Keno Fund	Handyman Fund	Community Development Fund	Fines Fund	
REVENUES						
Property taxes	$ 9,677	$ -	$ -	$ -	$ -	$ 9,677
Keno proceeds	-	40,974	-	-	-	40,974
Licenses and permits	-	-	-	-	2,190	2,190
Interest income	-	2,703	-	-	-	2,703
Total revenues	9,677	43,677	-	-	2,190	55,544
EXPENDITURES						
General government	-	-	-	-	2,930	2,930
Community betterment	-	11,050	-	-	-	11,050
Total expenditures	-	11,050	-	-	2,930	13,980
Excess (deficiency) of revenues over expenditures	9,677	32,627	-	-	(740)	41,564
OTHER FINANCING USES						
Transfers out	(8,900)	-	-	-	-	(8,900)
Net change in fund balances	777	32,627	-	-	(740)	32,664
Fund balances - September 30, 2022	90,619	215,200	943	9,783	5,578	322,123
Fund balances - September 30, 2023	$ 91,396	$ 247,827	$ 943	$ 9,783	$ 4,838	$ 354,787

CITY OF KIMBALL, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS - GENERAL FUND DEPARTMENTS

Year ended September 30, 2023

	Administrative	Police	Fire
REVENUES			
Taxes:			
General property tax	$ 2,131	$ 495,435	$ 6,451
Motor vehicle tax	-	46,518	-
Sales tax	47,545	-	-
Occupation tax	15,182	-	30,363
Franchise fees	30,664	-	-
Intergovernmental receipts	173,130	-	20,327
Charges for services	-	-	-
Grants and contributions	-	-	-
Licenses and permits	11,128	2,035	-
Interest income	36,394	-	-
Other receipts	15,827	7,153	-
Total revenues	332,001	551,141	57,141
EXPENDITURES			
Personnel services:			
Salaries and benefits	63,355	445,180	-
Operating expenses:			
Insurance	32,781	31,484	17,724
Contracted services	44,559	68,224	-
Professional fees	125,760	29,764	129
Meetings, seminars, and dues	2,469	14,116	114
Transportation	2,334	10,527	681
Repairs and maintenance	23,375	33,137	4,504
Printing, postage, and publications	5,653	894	-
Utilities and telephone	10,814	8,517	8,209
Total operating expenses	247,745	196,663	31,361
Supplies	15,976	25,265	81
Other expenses	12,215	6,211	949
Capital outlay	-	67,618	-
Total expenditures	339,291	740,937	32,391
Excess (deficiency) of revenues over expenditures before transfers	(7,290)	(189,796)	24,750
OTHER FINANCING USES			
Transfers in	43,900	-	-
Transfers out	(92,210)	-	-
Net transfers	(48,310)	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (55,600)	$ (189,796)	$ 24,750

Park	Pool	Library	Cemetery	Total
$ -	$ -	$ -	$ -	$ 504,017
-	-	-	-	46,518
65,539	69,957	143,596	89,103	415,740
30,363	18,218	25,809	31,881	151,816
-	-	-	-	30,664
-	-	1,257	-	194,714
-	15,645	3,499	21,388	40,532
-	700	32,260	-	32,960
-	-	-	-	13,163
-	-	624	1,861	38,879
3,263	5,967	11,000	150	43,360
99,165	110,487	218,045	144,383	1,512,363
51,502	72,034	156,191	73,218	861,480
4,654	6,712	5,722	6,524	105,601
-	-	-	-	112,783
4,758	6,973	15,617	6,569	189,570
-	1,335	3,278	-	21,312
904	-	115	2,985	17,546
4,105	2,951	22,681	15,889	106,642
-	-	-	8	6,555
6,809	10,868	10,569	24,643	80,429
21,230	28,839	57,982	56,618	640,438
3,426	13,626	31,894	6,638	96,906
11,056	3,097	18,512	2,414	54,454
-	-	11,995	17,886	97,499
87,214	117,596	276,574	156,774	1,750,777
11,951	(7,109)	(58,529)	(12,391)	(238,414)
-	-	-	-	43,900
(25,000)	-	-	(10,000)	(127,210)
(25,000)	-	-	(10,000)	(83,310)
$ (13,049)	$ (7,109)	$ (58,529)	$ (22,391)	$ (321,724)

SINGLE AUDIT REPORTS

CITY OF KIMBALL, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Identifying Number	Expenditures
Department of Transportation:			
Passed Through Nebraska Department of Aeronautics:			
Airport Improvement Program	20.106	3-31-0047	$ 3,926,412 *
National Endowment for the Humanities:			
Passed Through Nebraska Library Commission:			
Grants to States	45.310	47-6006250	1,050
Total Expenditures of Federal Awards			$ 3,927,462

* Major programs

NOTE A - BASIS OF PRESENTATION

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

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

AMGL
CPAs & Advisors

SHAREHOLDERS:
Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans

INDEPENDENT AUDITOR'S REPORT 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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified cash basis for the governmental funds of the City of Kimball, Nebraska, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated March 25, 2024. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of Kimball, Nebraska, prepares its financial statements for the governmental funds on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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A PROFESSIONAL CORPORATION

Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Kimball's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Kimball's Response to Findings

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

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
March 25, 2024

AMGL
CPAs & Advisors

SHAREHOLDERS:
Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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A PROFESSIONAL CORPORATION

Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Kimball, Nebraska's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Kimball, Nebraska's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Kimball, Nebraska's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

AMGL, P.C.

Grand Island, Nebraska
March 25, 2024

CITY OF KIMBALL, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2023

1. A summary of auditor's results:

   (i) Unmodified opinions were issued on all opinion units of the City of Kimball, Nebraska, as of September 30, 2023, and for the year then ended.

   (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The significant deficiency is not reported as a material weakness.

   (iii) The audit disclosed no instances of noncompliance that are material to the financial statements of the City of Kimball, Nebraska.

   (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Kimball, Nebraska.

   (v) An unmodified opinion was issued on compliance for major programs.

   (vi) The audit did not disclose any audit findings that we are required to report under 2 CFR section 200.516(a).

   (vii) Major Program: #20.106 – Airport Improvement Program..

   (viii) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

   (ix) The City of Kimball, Nebraska did not qualify as a low-risk auditee.

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

2023-001

Condition: There is not adequate segregation of duties.

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

Cause: There are a limited number of accounting personnel.

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

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

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

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

None

CITY OF KIMBALL, NEBRASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2023

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

2022-001 – Significant Deficiency

Condition: There is not adequate segregation of duties.

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

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