



CPAs & Consultants | Wealth Management

March 30, 2023

61345-000

City of Hickman, Nebraska  
PO Box 127  
Hickman, NE 68372-0127

Dear Kelly:

Enclosed are 10 copies of the audited financial statements of City of Hickman, Nebraska, as of September 30, 2022.

It was our pleasure to provide services to City of Hickman, Nebraska, and we appreciate your assistance while conducting the audit.

If we can be of further assistance, please do not hesitate to contact our office.

Very truly yours,

HBE LLP

Anthony C. Jerina, CPA  
Manager

ACJ/sas

Enclosures

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***City of Hickman, Nebraska  
Hickman, Nebraska***

***September 30, 2022***

***Financial Statements  
and  
Independent Auditor's Report***



CPAs & Consultants | Wealth Management

City of Hickman, Nebraska

For the year ended September 30, 2022

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City of Hickman, Nebraska

For the year ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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Mayor and City Council  
City of Hickman, Nebraska  
Hickman, Nebraska

**Report on Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Hickman, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Hickman, Nebraska's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of City of Hickman, Nebraska, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Hickman, Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Hickman, 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 City of Hickman, 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 City of Hickman, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

***Other Information***

Management is responsible for the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual. The Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual 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 material 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 30, 2023 on our consideration of City of Hickman, 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 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 City of Hickman, Nebraska’s internal control over financial reporting and compliance.



Lincoln, Nebraska  
March 30, 2023

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City of Hickman, Nebraska

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities (Note A)	Business-Type Activities (Note A)	Total
<b>ASSETS</b>			
Cash (note A)	\$ 2,428,377	\$ -	\$ 2,428,377
Cash on deposit, County Treasurer	43,329	-	43,329
Accounts receivable (note A)	1,720	459,835	461,555
Taxes receivable (note B)	125,873	-	125,873
Inventory (note A)	-	180,875	180,875
Prepaid expenses	44,997	44,997	89,994
Special assessment (note D)			
Current	6,108	-	6,108
Non-current	16,736	-	16,736
Restricted cash (note E)	1,035,275	563,774	1,599,049
Capital assets, net (notes A and F)	8,133,424	7,685,843	15,819,267
<b>Total assets</b>	<b>11,835,839</b>	<b>8,935,324</b>	<b>20,771,163</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	-	119,930	119,930
<b>Total assets and deferred outflows of resources</b>	<b>\$ 11,835,839</b>	<b>\$ 9,055,254</b>	<b>\$ 20,891,093</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 508,232	\$ 24,501	\$ 532,733
Accrued wages	28,521	8,353	36,874
Deposits payable	45,100	-	45,100
Accrued absences (note H)	47,963	14,049	62,012
Accrued interest payable	30,026	19,525	49,551
Meter deposits	-	75,760	75,760
Non-current liabilities			
Due within one year (note J)	110,000	590,665	700,665
Due in more than one year (note J)	3,080,000	4,438,016	7,518,016
<b>Total liabilities</b>	<b>3,849,842</b>	<b>5,170,869</b>	<b>9,020,711</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred gain on refunding	81,199	-	81,199
<b>Total liabilities and deferred inflows of resources</b>	<b>3,931,041</b>	<b>5,170,869</b>	<b>9,101,910</b>
<b>NET POSITION (note A)</b>			
Net investment in capital assets	4,943,424	2,657,162	7,600,586
Restricted (note C)	159,411	563,774	723,185
Unrestricted	2,801,963	663,449	3,465,412
<b>Total net position</b>	<b>7,904,798</b>	<b>3,884,385</b>	<b>11,789,183</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 11,835,839</b>	<b>\$ 9,055,254</b>	<b>\$ 20,891,093</b>

See accompanying notes to financial statements.

City of Hickman, Nebraska  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities (Note A)	Business-Type Activities (Note A)	Total
<b>Primary government</b>							
<b>Governmental activities</b>							
General government	\$ 1,177,654	\$ 154,601	\$ 307,900	\$ -	\$ (715,153)	\$ -	\$ (715,153)
Public safety	129,394	-	-	-	(129,394)	-	(129,394)
Streets and highways	427,084	36,080	-	-	(391,004)	-	(391,004)
Culture and recreation	220,130	123,572	201,741	-	105,183	-	105,183
Keno	8,232	55,814	-	-	47,582	-	47,582
Debt service	66,047	-	-	-	(66,047)	-	(66,047)
Sales tax	16,468	-	-	-	(16,468)	-	(16,468)
Total governmental activities	2,045,009	370,067	509,641	-	(1,165,301)	-	(1,165,301)
<b>Business-type activities</b>							
Water system	345,508	798,365	-	-	-	452,857	452,857
Electric system	1,461,721	1,756,656	-	-	-	294,935	294,935
Sewer system	427,513	800,993	-	-	-	373,480	373,480
Total business-type activities	2,234,742	3,356,014	-	-	-	1,121,272	1,121,272
Total primary government	\$ 4,279,751	\$ 3,726,081	\$ 509,641	\$ -	(1,165,301)	1,121,272	(44,029)
<b>General receipts</b>							
Property taxes					1,266,791	-	1,266,791
Homestead exemption					36,711	-	36,711
Motor vehicle taxes					87,899	-	87,899
Motor vehicle prorated					3,393	-	3,393
Property tax credit					65,517	-	65,517
Highway allocation					288,582	-	288,582
Highway incentive					4,000	-	4,000
Motor vehicle fees					20,586	-	20,586
Franchise fee					175	-	175
Interest income					21,789	395	22,184
City sales tax					658,461	-	658,461
Miscellaneous					31,423	-	31,423
Interfund transfers in (out)					907,074	(907,074)	-
Total general receipts and transfers					3,392,401	(906,679)	2,485,722
Change in net position					2,227,100	214,593	2,441,693
<b>Net position</b>							
Beginning net position, as previously stated					5,700,198	3,669,792	9,369,990
Prior period adjustment (note O)					(22,500)	-	(22,500)
Beginning net position, as restated					5,677,698	3,669,792	9,347,490
Ending net position					\$ 7,904,798	\$ 3,884,385	\$ 11,789,183

See accompanying notes to financial statements.

City of Hickman, Nebraska  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2022

	General Fund	Street Fund	Debt Service Fund	Sales Tax Fund	Park Fund	Building Foundation	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash (note A)	\$ 1,431,459	\$ 918,382	\$ -	\$ -	\$ 78,536	\$ -	\$ -	\$ 2,428,377
Cash on deposit-County Treasurer	40,441	-	2,888	-	-	-	-	43,329
Accounts receivable (note A)	1,720	-	-	-	-	-	-	1,720
Taxes receivable (note B)	11,946	-	4,633	109,294	-	-	-	125,873
Special assessment (note D)	-	6,108	-	-	-	-	-	6,108
Restricted cash (notes B and E)	631	-	-	930,941	-	-	103,703	1,035,275
Prepaid expenses	14,999	14,999	-	-	14,999	-	-	44,997
<b>Total assets</b>	<b>\$ 1,501,196</b>	<b>\$ 939,489</b>	<b>\$ 7,521</b>	<b>\$ 1,040,235</b>	<b>\$ 93,535</b>	<b>\$ -</b>	<b>\$ 103,703</b>	<b>\$ 3,685,679</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 48,562	\$ 456,801	\$ -	\$ -	\$ 2,869	\$ -	\$ -	\$ 508,232
Deposits payable	45,100	-	-	-	-	-	-	45,100
Accrued wages	19,867	7,194	-	-	1,460	-	-	28,521
<b>Total liabilities</b>	<b>113,529</b>	<b>463,995</b>	<b>-</b>	<b>-</b>	<b>4,329</b>	<b>-</b>	<b>-</b>	<b>581,853</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred taxes	8,362	-	3,243	-	-	-	-	11,605
<b>FUND BALANCES (notes A and C)</b>								
Nonspendable	14,999	14,999	-	-	14,999	-	-	44,997
Restricted	631	-	4,278	1,040,235	-	-	103,703	1,148,847
Assigned	-	-	-	-	74,207	-	-	74,207
Unassigned	1,363,675	460,495	-	-	-	-	-	1,824,169
<b>Total fund balances</b>	<b>1,379,305</b>	<b>475,494</b>	<b>4,278</b>	<b>1,040,235</b>	<b>89,206</b>	<b>-</b>	<b>103,703</b>	<b>3,092,220</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 1,501,196</b>	<b>\$ 939,489</b>	<b>\$ 7,521</b>	<b>\$ 1,040,235</b>	<b>\$ 93,535</b>	<b>\$ -</b>	<b>\$ 103,703</b>	<b>\$ 3,685,678</b>
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, not reported in the funds								8,133,424
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.								
Deferred taxes								11,605
Non-current special assessments								16,736
Accrued absences and interest do not require the use of current financial resources and, therefore, not reported as expenditures in the governmental funds.								(77,989)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.								
General obligation debt								(3,783,457)
Deferred gain on refunding								(81,199)
<b>Net position of governmental activities</b>								<b>\$ 7,904,798</b>

See accompanying notes to financial statements.

City of Hickman, Nebraska

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

For the year ended September 30, 2022

	General	Street	Debt Service	Sales Tax Fund	Park Fund	Building Foundation	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 953,675	\$ -	\$ 359,719	\$ -	\$ -	\$ -	\$ -	\$ 1,313,394
Homestead exemption	26,452	-	10,259	-	-	-	-	36,711
Motor vehicle taxes	87,899	-	-	-	-	-	-	87,899
Motor vehicle prorated	2,410	-	983	-	-	-	-	3,393
Property tax credit	47,209	-	18,308	-	-	-	-	65,517
Street allocation	-	288,582	-	-	-	-	-	288,582
Incentive payment	-	4,000	-	-	-	-	-	4,000
Motor vehicle fee	-	20,586	-	-	-	-	-	20,586
Permits and licenses	13,279	-	-	-	-	-	-	13,279
Building permit fee	127,762	36,080	-	-	63,140	-	-	226,982
Franchise fees	175	-	-	-	-	-	-	175
Interest income	7,210	13,857	-	676	-	-	46	21,789
Miscellaneous	23,433	1,576	113	-	6,301	-	-	31,423
Rental income	13,560	-	-	-	-	-	-	13,560
Keno income	-	-	-	-	-	-	55,814	55,814
Park program fees	-	-	-	-	60,432	-	-	60,432
Special assessments	-	18,060	-	-	-	-	-	18,060
Grants and contributions	307,900	-	-	-	201,100	-	641	509,641
City sales tax	119,565	-	-	538,896	-	-	-	658,461
<b>Total revenues</b>	<b>1,730,529</b>	<b>382,741</b>	<b>389,382</b>	<b>539,572</b>	<b>330,973</b>	<b>-</b>	<b>56,501</b>	<b>3,429,698</b>
<b>Expenditures</b>								
General government	1,049,515	-	3,695	-	-	-	8,232	1,061,442
Public safety	-	-	-	-	-	-	129,394	129,394
Streets and highways	-	300,344	-	-	-	-	-	300,344
Culture and recreation	-	-	-	-	117,479	-	239	117,718
Debt service	5,657	-	-	-	-	-	-	5,657
Capital outlay	7,803	923,052	-	-	628,230	-	-	1,559,085
Sales tax	-	-	-	16,468	-	-	-	16,468
<b>Total expenditures</b>	<b>1,062,975</b>	<b>1,223,395</b>	<b>3,695</b>	<b>16,468</b>	<b>745,709</b>	<b>-</b>	<b>137,865</b>	<b>3,190,108</b>
Excess (deficiency) of revenues over (under) expenditures	667,554	(840,654)	385,687	523,104	(414,736)	-	(81,364)	239,590
<b>Other financing sources (uses)</b>								
Interfund transfers in (note G)	1,978,488	240,697	18,626	355,459	470,021	-	131,855	3,195,146
Interfund transfers out (note G)	(1,482,259)	-	(414,240)	(264,128)	(31,991)	-	(95,454)	(2,288,072)
<b>Total other financing sources (uses)</b>	<b>496,229</b>	<b>240,697</b>	<b>(395,614)</b>	<b>91,331</b>	<b>438,030</b>	<b>-</b>	<b>36,401</b>	<b>907,074</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,163,783	(599,957)	(9,927)	614,435	23,294	-	(44,963)	1,146,664
<b>Fund balance</b>								
Beginning fund balance, previously stated	238,022	1,075,451	14,205	425,800	65,912	-	148,666	1,968,056
Prior period adjustment (note O)	(22,500)	-	-	-	-	-	-	(22,500)
Beginning fund balance, as restated	215,522	1,075,451	14,205	425,800	65,912	-	148,666	1,945,556
<b>Ending fund balance</b>	<b>\$ 1,379,305</b>	<b>\$ 475,494</b>	<b>\$ 4,278</b>	<b>\$ 1,040,235</b>	<b>\$ 89,206</b>	<b>\$ -</b>	<b>\$ 103,703</b>	<b>\$ 3,092,220</b>

See accompanying notes to financial statements.

City of Hickman, Nebraska

RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2022

Amounts reported for governmental activities in the statement of activities (page 6) are different because:

Net change in fund balances - total governmental funds (page 8)	\$ 1,146,664
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful lives of the assets:	
Capital asset purchases capitalized	1,364,914
Depreciation expense	(363,381)
Revenues in the statement of activities that do not provided current financial resources are not reported as revenues in the funds:	
Deferred revenues increased by this amount during the year	(15,516)
Special assessment revenue provided current financial resources to the governmental funds, however it has no effect on net assets.	
Special assessments received during the year	(18,060)
Accrued compensated absences and accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Accrued absences decreased by this amount during the year	(12,694)
Accrued interest decreased by this amount during the year	173
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds, however, it has no effect on net assets.	
Debt repaid during the year	<u>125,000</u>
Change in net position of governmental activities	<u>\$ 2,227,100</u>

See accompanying notes to financial statements.

City of Hickman, Nebraska

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES

September 30, 2022

	Water	Electric	Sewer	Total
<b>ASSETS</b>				
Current assets				
Accounts receivable, net of allowance for uncollectible revenues \$2,000, \$9,000, and \$2,600, respectively (note A)	\$ 119,945	\$ 235,422	\$ 104,468	\$ 459,835
Inventory (note A)	23,473	157,402	-	180,875
Prepaid expenses	14,999	14,999	14,999	44,997
Total current assets	<u>158,417</u>	<u>407,823</u>	<u>119,467</u>	<u>685,707</u>
Noncurrent assets				
Restricted cash (notes B and E)	-	366,236	197,538	563,774
Capital assets, net (notes A and F)	2,431,775	1,806,458	3,447,610	7,685,843
Total noncurrent assets	<u>2,431,775</u>	<u>2,172,694</u>	<u>3,645,148</u>	<u>8,249,617</u>
Total assets	<u>2,590,192</u>	<u>2,580,517</u>	<u>3,764,615</u>	<u>8,935,324</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred refunding	<u>17,545</u>	<u>16,891</u>	<u>85,494</u>	<u>119,930</u>
Total assets and deferred outflows of resources	<u>\$ 2,607,737</u>	<u>\$ 2,597,408</u>	<u>\$ 3,850,109</u>	<u>\$ 9,055,254</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 2,102	\$ 5,023	\$ 17,376	\$ 24,501
Accrued wages	3,562	2,842	1,949	8,353
Accrued absences (note H)	5,991	4,780	3,278	14,049
Accrued interest payable	965	11,710	6,850	19,525
Meter deposits	-	75,760	-	75,760
Current maturities on long-term obligations (note J)	140,000	100,350	350,315	590,665
Total current liabilities	<u>152,620</u>	<u>200,465</u>	<u>379,768</u>	<u>732,853</u>
Noncurrent liabilities				
Long-term obligations, net of current maturities (note J)	<u>1,125,000</u>	<u>1,174,050</u>	<u>2,138,966</u>	<u>4,438,016</u>
Total liabilities	<u>1,277,620</u>	<u>1,374,515</u>	<u>2,518,734</u>	<u>5,170,869</u>
<b>NET POSITION (note A)</b>				
Net investment in capital assets	1,166,775	532,058	958,329	2,657,162
Restricted (note C)	-	366,236	197,538	563,774
Unrestricted	163,342	324,599	175,508	663,449
Total net position	<u>1,330,117</u>	<u>1,222,893</u>	<u>1,331,375</u>	<u>3,884,385</u>
Total liabilities and net position	<u>\$ 2,607,737</u>	<u>\$ 2,597,408</u>	<u>\$ 3,850,109</u>	<u>\$ 9,055,254</u>

See accompanying notes to financial statements.

City of Hickman, Nebraska

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - BUSINESS-TYPE ACTIVITIES

For the year ended September 30, 2022

	Water	Electric	Sewer	Total
Operating revenues				
User fees	\$ 652,020	\$ 1,687,485	\$ 692,748	\$ 3,032,253
Building and development fees	140,998	54,235	90,200	285,433
Service charge and penalty income	4,469	13,814	6,194	24,477
Miscellaneous	878	1,122	11,851	13,851
<b>Total revenues</b>	<b>798,365</b>	<b>1,756,656</b>	<b>800,993</b>	<b>3,356,014</b>
Operating expenses				
Salaries	73,150	57,422	36,611	167,183
Retirement	3,917	3,381	2,116	9,414
Payroll taxes	5,438	4,269	2,722	12,429
Employee benefits	8,581	8,581	8,581	25,743
Schooling	2,079	-	579	2,658
Telephone	1,990	769	1,653	4,412
Insurance	17,593	17,593	17,593	52,779
Electricity purchased	-	1,084,807	-	1,084,807
Public utilities	13,578	3,816	41,595	58,989
Repairs and maintenance	26,376	50,667	38,121	115,164
Testing	1,543	-	2,964	4,507
Miscellaneous	1,015	1,830	1,035	3,880
Professional services	5,600	9,727	6,366	21,693
Operating supplies	42,160	39,523	6,600	88,283
Computer and software	83	2,457	2,457	4,997
Uniforms and clothing	760	760	760	2,280
Dues and subscriptions	1,827	1,806	1,602	5,235
Postage	3,471	3,471	2,411	9,353
Bad debts	1,259	2,279	1,498	5,036
Depreciation	123,442	118,236	177,741	419,419
<b>Total operating expenses</b>	<b>333,862</b>	<b>1,411,394</b>	<b>353,005</b>	<b>2,098,261</b>
<b>Operating income</b>	<b>464,503</b>	<b>345,262</b>	<b>447,988</b>	<b>1,257,753</b>
Non-operating revenues (expenses)				
Interest income	157	18	220	395
Interest expense	(11,646)	(50,327)	(63,070)	(125,043)
Debt issuance expense	-	-	(11,438)	(11,438)
Interfund transfer in (note G)	-	-	28,023	28,023
Interfund transfer out (note G)	(570,164)	(339,608)	(25,325)	(935,097)
<b>Total non-operating revenues (expenses)</b>	<b>(581,653)</b>	<b>(389,917)</b>	<b>(71,590)</b>	<b>(1,043,160)</b>
<b>Change in net position</b>	<b>(117,150)</b>	<b>(44,655)</b>	<b>376,398</b>	<b>214,593</b>
<b>Beginning net position</b>	<b>1,447,267</b>	<b>1,267,548</b>	<b>954,977</b>	<b>3,669,792</b>
<b>Ending net position</b>	<b>\$ 1,330,117</b>	<b>\$ 1,222,893</b>	<b>\$ 1,331,375</b>	<b>\$ 3,884,385</b>

See accompanying notes to financial statements.

City of Hickman, Nebraska

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES

For the year ended September 30, 2022

	Water Fund	Electric Fund	Sewer Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 772,350	\$ 1,804,405	\$ 771,949	\$ 3,348,704
Cash payments to suppliers	(132,108)	(1,398,113)	(115,853)	(1,646,074)
Cash payments to employees	(87,917)	(72,063)	(51,713)	(211,693)
Net cash provided by operating activities	<u>552,325</u>	<u>334,229</u>	<u>604,383</u>	<u>1,490,937</u>
Cash flows from noncapital financing activities				
Transfers to other funds	(570,164)	(339,608)	(25,325)	(935,097)
Transfers from other funds	-	-	28,023	28,023
Net cash provided (used) for noncapital financing activities	<u>(570,164)</u>	<u>(339,608)</u>	<u>2,698</u>	<u>(907,074)</u>
Cash flows used (provided) for capital and related financing activities				
Acquisition of property and equipment	(37,698)	(91,570)	(251,516)	(380,784)
Proceeds from issuance of bonds	-	-	1,325,000	1,325,000
Principal paid on bond maturities	(135,000)	(72,050)	(1,643,412)	(1,850,462)
Cost of debt issuance	-	-	(14,480)	(14,480)
Interest paid on bonds	(9,449)	(49,110)	(67,374)	(125,933)
Net cash used by capital and related financing activities	<u>(182,147)</u>	<u>(212,730)</u>	<u>(651,782)</u>	<u>(1,046,659)</u>
Cash flows from investing activities				
Interest income	157	18	220	395
Net decrease in cash and cash equivalents	(199,829)	(218,091)	(44,481)	(462,401)
Cash and cash equivalents - restricted, beginning of year	199,830	584,327	242,019	1,026,176
Cash and cash equivalents - restricted, end of year	<u>\$ -</u>	<u>\$ 366,236</u>	<u>\$ 197,538</u>	<u>\$ 563,774</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	<u>\$ 464,503</u>	<u>\$ 345,262</u>	<u>\$ 447,988</u>	<u>\$ 1,257,753</u>
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	123,442	118,236	177,741	419,419
(Increase) decrease in assets				
Accounts receivable	(26,015)	(28,011)	(29,044)	(83,070)
Inventory	(4,233)	(8,572)	-	(12,805)
Increase (decrease) in liabilities				
Accounts payable	(8,541)	(170,036)	9,381	(169,196)
Accrued wages	1,387	814	(4)	2,197
Accrued absences	1,782	776	(1,679)	879
Meter deposits	-	75,760	-	75,760
Total adjustments to operating income	<u>87,822</u>	<u>(11,033)</u>	<u>156,395</u>	<u>233,184</u>
Net cash provided by operating activities	<u>\$ 552,325</u>	<u>\$ 334,229</u>	<u>\$ 604,383</u>	<u>\$ 1,490,937</u>

See accompanying notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity.** The accompanying financial statements present the government of the City of Hickman, Nebraska (City).

The City is a local government governed by an elected mayor and six-member board. The City provides the following services as authorized by its charter: public safety, streets, electricity, water, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

**Basis of Presentation.** The **government-wide financial statements**, which include the statement of net position and the statement of activities, report financial information for the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are generally supported by property taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely on fees and charges to external customers.

The **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 constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and business-type activities. The City presently has no fiduciary funds. Major individual governmental funds and major individual business-type activities are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **general fund** is the primary operating fund of the City and is always classified as a major fund. All financial resources except those required to be accounted for in another fund, are accounted for in the general fund.

The **street fund** (special revenue fund) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for this purpose.

The **debt-service fund** accounts for the City's portion of revenues and expenses for debt service.

The **sales tax fund** accounts for the receipts and disbursements the sales tax for the construction of public infrastructure.

The **park fund** is used to account for the activities related to the upkeep of the City's parks.

Business-type activities are used to account for business-like activities provided to the general public.

The **water fund** accounts for the activities of the City's water distribution operations.

The **electric fund** accounts for the activities of the City's electricity distribution operations.

The **sewer fund** accounts for the activities of the City's sanitary sewer operations.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Measurement Focus and Basis of Accounting.** Measurement focus is a term used to describe “how” transactions are recorded within the financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus.** In the **government-wide** statement of net position and statement of activities, both governmental and business-type activities are reported using the economic resources measurement focus.

In the **fund** financial statements, the **governmental funds** utilize the current financial resources measurement focus. Under this method, the balance sheet generally includes only current financial assets and liabilities. The statement of revenues, expenditures, and changes in fund balances, presents sources and uses of available spendable financial resources during the given period. These funds use fund balance as a measure of available spendable financial resources at the end of the given period.

In the **fund** financial statements, the **business-type activities** utilize the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Business-type activity equity is classified as net position.

**Basis of Accounting.** In the **governmental activities** in the **government-wide** statement of net position and statement of activities, the activities are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. In the **governmental fund financial statements**, activities are presented using the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

In the **business-type activities** in the **government-wide statement of net position** and **business-type activity fund financial statements**, activities are presented using accrual basis of accounting.

**Cash and Cash Equivalents.** For purposes of the statements of cash flows, the City considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

**Accounts Receivable.** Accounts receivable are reported at the amount management expects to collect from outstanding balances at year-end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Inventory.** Inventory is recorded at the lower of cost or net realizable value on a first-in/first-out basis, and consists of mainly water and electrical meters and electrical transformers.

**Capital Assets.** The City reports capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and reports depreciation where appropriate. The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental or business-type activities operations and whether they are reported in the government-wide or fund financial statements.

In the **government-wide** and **business-type activity fund** financial statements, capital assets are reported in the applicable governmental or business-type activities columns as assets in the statement of net position. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at acquisition value at the date of donation.

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

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided for over the assets' estimated useful lives using the straight-line method of depreciation. Capital assets are defined by the City as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
Utility distribution and collection systems	20-50 years
Infrastructure	20-50 years
Buildings and improvements	15-40 years

In the **governmental fund** financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are included in capital outlay expenditures of the governmental fund upon acquisition.

**Long-Term Obligations and Deferred Charges.** In the **government-wide** and **business-type activity fund** financial statements, all long-term debt and other long-term obligations arising from cash basis transactions to be repaid from governmental and business-type resources are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Equity.** In the government-wide and business-type activity fund financial statements equity is classified as net position and displayed in three components:

**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 improvements of those assets.

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

**Unrestricted net position.** Consists of all other assets that do not meet the definition of “net investment in capital assets” or “restricted.”

In the **governmental fund** financial statements equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

**Nonspendable.** Amounts that are not in a spendable form or are required to be maintained intact.

**Restricted.** Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed.** Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

**Assigned.** Amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

**Unassigned.** Amounts that are available for any purpose.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the City. Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fund assets or construction or for other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the City’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned and unassigned as they are needed.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue, Expenditures and Expenses.**

**Program Revenues.** In the statement of activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Government:	Community building rental, fees and permits
Culture and Recreation:	Park program fees
Keno:	Keno operations

All other governmental revenues are reported as general receipts. All taxes are classified as general revenue even if restricted for a specific purpose.

**Operating Revenue and Expenses.** Operating revenues and expenses for business-type activities result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

**Internal Activities.** In the process of aggregating the financial information for the government-wide financial statements some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. Interfund transfers represent flow of assets from one fund to another where repayment is not expected.

**Government and Other Grants.** The City is the recipient of federal, state, and local grants. Grants are recorded as revenue when the related approved expenditures are made. Unearned grant revenue represents advances of grant funds received prior to the incurrence of related costs by the City.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Uninsured and Uncollateralized Deposits.** State Statutes authorize the City to invest in certificates of deposit and time deposits in any state or national bank in the State of Nebraska. Additionally, State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the extent that deposits exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2022, the bank accounts exceeded federally insured limits by \$366,008 . The City has not experienced any losses on such accounts.

**Budgets and Budgetary Accounting.** As prescribed by State Statutes, the City adopts an annual budget for all fund types. The annual budget is prepared in accordance with the modified cash basis of accounting. All annual appropriations lapse at year end.

**Property Taxes.** Property tax levies are set by the local governing board and filed with the County Clerk on or before September 20. Real and personal property taxes are due and become an enforceable lien on property on December 31. The first half of real estate and personal property taxes become delinquent on April 1, and the second half become delinquent August 1 following the levy date.

City of Hickman, Nebraska

NOTES TO FINANCIAL STATEMENTS

**NOTE C - FUND BALANCES/NET POSITION**

Fund Balance/Net Position is unspendable, restricted, or assigned in the governmental funds and business-type funds for the following purposes as

Type	Fund	Purpose	Amount
Unspendable	General	Insurance	\$ 14,999
Unspendable	Street	Insurance	\$ 14,999
Unspendable	Park	Insurance	\$ 14,999
Restricted	General	Debt on TIF debt service	\$ 631
Restricted	Debt Service	General obligation debt	\$ 4,278
Restricted	Sales Tax	Public infrastructure	\$ 1,040,235
Restricted	Keno	Community betterment	\$ 100,118
Restricted	Reading Center	Library purposes	\$ 3,585
Restricted	Electric	Repair and replacement	\$ 366,236
Restricted	Sewer	Repair and replacement	\$ 197,538
Assigned	Park	Park maintenance	\$ 74,207

The Government-wide Net Position is restricted for the following purposes as of September 30, 2022 as follows:

Type	Fund	Purpose	Amount
Restricted	General	Debt on TIF debt service	\$ 631
Restricted	Debt Service	General obligation debt	\$ 33,641
Restricted	Sales Tax	Public infrastructure	\$ 1,040,235
Restricted	Keno	Community betterment	\$ 100,118
Restricted	Reading Center	Library purposes	\$ 3,585
Restricted	Electric	Repair and replacement	\$ 366,236
Restricted	Sewer	Repair and replacement	\$ 197,538

**NOTE D - SPECIAL ASSESSMENT**

Amounts receivable from a special assessment at September 30, 2022, consist of the following:

Year Assessed	Payment Period	Interest Rate	Type of Assessment	Amount Receivable
2012	15	2.50	Street improvement	<u>\$ 22,844</u>

**NOTE E - RESTRICTED CASH**

Cash is restricted for the following purposes as of September 30, 2022 as follows:

Source	Fund	Purpose	Amount
Taxes assessed	General	Debt on TIF debt service	\$ 631
Sales taxes	Sales Tax	Public infrastructure	\$ 930,941
Keno proceeds	Keno	Community betterment	\$ 100,118
Donations	Reading Center	Library purposes	\$ 3,585
Utility revenues	Electric	Repair and replacement	\$ 366,236
Utility revenues	Sewer	Repair and replacement	\$ 197,538

City of Hickman, Nebraska

NOTES TO FINANCIAL STATEMENTS

**NOTE F - CAPITAL ASSETS**

Capital asset activity for the City for the year ended September 30, 2022 is as follows:

	Balance 09/30/21	Additions	Deletions	Balance 09/30/22
<b>Governmental activities</b>				
Governmental capital assets, not depreciated				
Land	\$ 375,684	\$ 52,031	\$ -	\$ 427,715
Governmental capital assets, depreciated				
Building	4,278,728	20,455	-	4,299,183
Equipment	722,625	210,470	-	933,095
Infrastructure	3,950,966	1,276,129	-	5,227,095
Total governmental capital assets, depreciated	8,952,319	1,507,054	-	10,459,373
Less accumulated depreciation for				
Building	(475,736)	(112,615)	-	(588,351)
Equipment	(484,185)	(87,535)	-	(571,720)
Infrastructure	(1,430,362)	(163,231)	-	(1,593,593)
Total accumulated depreciation	(2,390,283)	(363,381)	-	(2,753,664)
Total governmental capital assets, depreciated, net	6,562,036	1,143,673	-	7,705,709
Total governmental capital assets, net	\$ 6,937,720	\$ 1,195,704	\$ -	\$ 8,133,424
	Balance 09/30/21	Additions	Deletions	Balance 09/30/22
<b>Business-type activities</b>				
Business-type capital assets, not depreciated				
Land	\$ 74,201	\$ -	\$ -	\$ 74,201
Business-type capital assets, depreciated				
Building	70,744	-	-	70,744
Equipment	726,308	9,942	-	736,250
Distribution and collection system	11,858,422	370,842	-	12,229,264
Total business-type capital assets, depreciated	12,655,474	380,784	-	13,036,258
Less accumulated depreciation for				
Building	(2,928)	(4,262)	-	(7,190)
Equipment	(520,183)	(49,990)	-	(570,173)
Distributions and collection system	(4,482,086)	(365,167)	-	(4,847,253)
Total accumulated depreciation	(5,005,197)	(419,419)	-	(5,424,616)
Total business-type capital assets, depreciated, net	7,650,277	(38,635)	-	7,611,642
Total business-type activities capital assets, net	\$ 7,724,478	\$ (38,635)	\$ -	\$ 7,685,843



City of Hickman, Nebraska

NOTES TO FINANCIAL STATEMENTS

**NOTE F - CAPITAL ASSETS - CONTINUED**

The financial statements include depreciation expense of \$133,965, \$127,470, \$101,946, \$123,442 \$118,236, and \$177,741 for the general, street, park, water, electric, and sewer funds respectively, for the year ended September 30, 2022.

**NOTE G - INTERFUND**

During the year, the General fund transferred \$119,565 to the Street fund in accordance with Nebraska State Statute. Other interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or to use unrestricted revenues in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These amounts have been eliminated in the government-wide financial statements.

Transfers from other funds for the year ended September 30, 2022, consist of:

Transfer To	Transfer From									Total
	General Fund	Street Fund	Water Fund	Electric Fund	Sewer Fund	Park Fund	Debt Service Fund	Sales Tax Fund	Nonmajor Fund	
General Fund	\$ -	\$ 871,376	\$ 570,164	\$ 339,608	\$ 25,325	\$ 31,991	\$ 414,240	\$ -	\$ 95,454	\$ 2,348,158
Street Fund	833,734	-	-	-	-	-	-	264,128	-	1,097,862
Sewer Fund	28,023	-	-	-	-	-	-	-	-	28,023
Park Fund	470,021	-	-	-	-	-	-	-	-	470,021
Debt Service Fund	18,626	-	-	-	-	-	-	-	-	18,626
Nonmajor Governmental	131,855	-	-	-	-	-	-	-	-	131,855
<b>Total</b>	<b>\$ 1,482,259</b>	<b>\$ 871,376</b>	<b>\$ 570,164</b>	<b>\$ 339,608</b>	<b>\$ 25,325</b>	<b>\$ 31,991</b>	<b>\$ 414,240</b>	<b>\$ 264,128</b>	<b>\$ 95,454</b>	<b>\$ 4,094,545</b>

**NOTE H - ACCRUED ABSENCES**

In the event of termination, employees with 20 years or more of continuous service are reimbursed for accumulated sick leave based upon a percentage of years of service; vacation leave is capped at 200 hours. All vacation and sick leave are accrued when incurred in the government-wide financial statements. In the governmental funds, only compensated absences expected to be liquidated with expendable available financial resources are recorded as a fund liability. Amounts earned but not yet used totaled \$62,011 as of September 30, 2022.

**NOTE I - TAX ABATEMENTS AND CUSTODIAL ACCOUNT**

As of September 30, 2022, the City provides tax abatements through the Tax Increment Financing (TIF) program.

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes of community redevelopment/TIF are found in Neb.Rev.Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period.



City of Hickman, Nebraska

NOTES TO FINANCIAL STATEMENTS

**NOTE I - TAX ABATEMENTS AND CUSTODIAL ACCOUNT - CONTINUED**

The City is a paying agent and registrar of various tax increment financing/community redevelopment revenue notes and as such records restricted cash and restricted fund balance in its financial statements. As agent and registrar, the City accounts, but is not responsible for, the collection of receipts by which the notes will be paid, and the payment of principal and interest due on the notes. These notes are a debt of the tax increment financing projects and not of the City of Hickman. As of September 30, 2022, the total TIF indebtedness was \$24,244. The City is the custodian of funds amounting to \$631 as of September 30, 2022, relating to the tax increment financing projects. For the year ended September 30, 2022, the City abated \$32,958 in property tax revenue under the tax increment/community redevelopment program.

**NOTE J - LONG-TERM OBLIGATIONS**

Long-term obligations consist of:

**Governmental activities**

	Balance 09/30/21	Additions	Reductions	Balance 09/30/22	Due in One Year
General obligation bonds					
(a) Refunding Certificates of Participation Series 2021	\$ 3,315,000	\$ -	\$ (125,000)	\$ 3,190,000	\$ 110,000

(a) On April 12, 2021, the City issued \$3,315,000 of Refunding Certificates of Participation Series 2021, to redeem the Promissory Note, USDA. Under the terms of the agreement, the City entered into a lease-purchase agreement with the trustee. Payments towards the lease represent payment of principal and interest for the certificates. The certificates require annual principal payments each March 15, beginning March 15, 2022. Semi-annual interest payments are due each March 15 and September 15. Interest varies from .3% to 3%. Final payment of the certificates is due March 15, 2046. The certificates were allocated solely to the General Fund and are secured by a building.

**Business-Type Activities**

	Balance 09/30/21	Additions	Reductions	Balance 09/30/22	Due In One Year
General obligation bonds					
(a) Series 2017 G.O. Refunding Bonds	\$ 1,505,000	\$ -	(1,505,000)	\$ -	\$ -
(a) Series 2021 G.O. Refunding Bonds	-	1,325,000	-	1,325,000	230,000
(b) Series 2018 Combined Revenue Bonds	1,085,000	-	(45,000)	1,040,000	45,000
(c) Series 2018 Combined Revenue and Refunding Bonds	1,065,000	-	(125,000)	940,000	135,000
(d) Series 2021 G.O. Refunding Bonds	1,400,000	-	(135,000)	1,265,000	140,000
	<u>5,055,000</u>	<u>1,325,000</u>	<u>(1,810,000)</u>	<u>4,570,000</u>	<u>550,000</u>
Notes from direct borrowings					
(e) Promissory Note, NDEQ	499,142	-	(40,462)	458,680	40,665
	<u>499,142</u>	<u>-</u>	<u>(40,462)</u>	<u>458,680</u>	<u>40,665</u>
Total	<u>\$ 5,554,142</u>	<u>\$ 1,325,000</u>	<u>\$(1,850,462)</u>	<u>\$ 5,028,680</u>	<u>\$ 590,665</u>

NOTES TO FINANCIAL STATEMENTS

**NOTE J - LONG-TERM OBLIGATIONS - CONTINUED**

The City's outstanding notes from direct borrowings related to business-type activities of \$458,680 are secured by the revenue generated by the City's utilities. The outstanding notes from direct borrowings related to business-type activities contain a provision that if the City is unable to make payment, outstanding amounts are due immediately.

- (a) On November 30, 2021, the City issued \$1,325,000 of G.O. Refunding Bonds, Series 2021, to redeem the General Obligation Refunding Bonds, Series 2017. The bonds require annual principal payments each December 15, beginning December 15, 2022. Semi-annual interest payments are due each June 15 and December 15. Interest varies from .35% to 1.05%. Final payment of the bonds is due December 15, 2027.
- (b) On May 29, 2018, the City issued \$1,220,000 of Combined Utilities Revenue Bonds, Series 2018. The bonds require annual principal payments each May 15, beginning May 15, 2019. Semi-annual interest payments are due each November 15 and May 15. Interest varies from 1.95% to 3.85%. Final payment of the bonds is due May 15, 2038. The bonds are payable solely from revenue and earnings derived from sewer and electric usage fees.
- (c) On March 16, 2018, the City issued \$1,585,000 of Combined Utilities Revenue and Refunding Bonds, Series 2018, to redeem the Electric and Sewer Revenue Refunding Bonds, Series 2012. The bonds require annual principal payments each August 15, beginning August 15, 2018. Semi-annual interest payments are due each February 15 and August 15. Interest varies from 1.5% to 3.1%. Final payment of the bonds is due August 15, 2028.
- (d) On June 22, 2021, the City issued \$1,400,000 of G.O. Water Bonds, Series 2021, to redeem the G.O. Water Bonds, Series 2016. The bonds require annual principal payments each December 15, beginning December 15, 2021. Semi-annual interest payments are due each June 15 and December 15. Interest varies from .25% to 1.25%. Final payment of the bonds is due December 15, 2030. The refinancing of the bond resulted in a cash savings of \$75,035 and an economic gain of \$86,339.
- (e) Promissory note with the Nebraska Department of Environmental Quality, dated September 11, 2013, issued to finance the construction of a U.V. treatment facility. Original amount, \$747,719 with semiannual principal and interest payments each June 15 and December 15, beginning December 15, 2014. Final payment on the note is due June 15, 2033. The loan's stated interest rate and administrative fee was reduced in the current year to 0.5% each.

City of Hickman, Nebraska

NOTES TO FINANCIAL STATEMENTS

**NOTE J - LONG-TERM OBLIGATIONS - CONTINUED**

Annual requirements to pay principal and interest to maturity on long-term obligations for the years following September 30, 2022 are as follows:

Year Ended September 30,	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2023	\$ 110,000	\$ 64,898	\$ 174,898
2024	115,000	64,390	179,390
2025	115,000	63,728	178,728
2026	115,000	62,924	177,924
2027	115,000	61,975	176,975
2027-2031	590,000	289,704	879,704
2032-2036	645,000	241,200	886,200
2037-2041	725,000	153,710	878,710
2042-2046	660,000	40,050	700,050
	<u>\$ 3,190,000</u>	<u>\$ 1,042,579</u>	<u>\$ 4,232,579</u>

Year Ended September 30,	Business-type Activities						
	Bonds			Notes from Direct Borrowings and Direct Placements			
	Principal	Interest	Total	Principal	Interest	Admin Fee	Total
2023	\$ 550,000	\$ 77,919	\$ 627,919	\$ 40,665	\$ 2,243	\$ 2,243	\$ 45,151
2024	550,000	72,082	622,082	40,868	2,039	2,039	44,946
2025	555,000	65,647	620,647	41,073	1,834	1,834	44,741
2026	605,000	59,712	664,712	41,279	1,629	1,629	44,537
2027	570,000	50,501	620,501	41,485	1,422	1,422	44,329
2027-2031	1,235,000	146,499	1,381,499	210,563	3,974	3,974	218,511
2032-2036	345,000	71,449	416,449	42,747	160	160	43,067
2037-2041	160,000	6,160	166,160	-	-	-	-
	<u>\$ 4,570,000</u>	<u>\$ 549,969</u>	<u>\$ 5,119,969</u>	<u>\$ 458,680</u>	<u>\$ 13,301</u>	<u>\$ 13,301</u>	<u>\$ 485,282</u>

The financial statements include interest expense of \$65,305, \$0, \$11,646, \$50,327, and \$63,070 for the year ended September 30, 2022 for the general, street, water, electric, and sewer funds, respectively.

**NOTE K - RISK MANAGEMENT**

The City is exposed to various risks of loss related to limited torts; theft of damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

**NOTE L - RETIREMENT PLAN**

The City sponsors a 401(k) pension plan administered by the Ameritas Life Insurance Corporation on behalf of eligible employees. The City makes a matching contribution to each employee's account up to 6% of eligible wages. Mandatory withholding for each employee is 6% of eligible wages. The City and employees both contributed \$36,997 for the year ended September 30, 2022.

**NOTE M - DONATED LAND**

The City received donated land in the current year with a fair market value of \$255,750. If a pool or public park with recreational equipment is not developed within seven years of closing, the property will be reverted back to the donor.

**NOTE N - CONCENTRATIONS OF CREDIT RISK**

The City provides water, sewer, and electric services to residents of the City. In the course of providing these services, the City extends credit to its customers, which is uncollateralized.

**NOTE O - PRIOR PERIOD ADJUSTMENT OF NET POSITION AND FUND BALANCE**

During the year, the City restated the Construction Deposit balance and the net position of the governmental activities by \$22,500 to correct for the understatement of the deposits received.

**NOTE P - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

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SUPPLEMENTAL INFORMATION

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City of Hickman, Nebraska

SCHEDULE OF RESOURCES, APPROPRIATIONS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - ALL FUND TYPES

For the year ended September 30, 2022

	Amended Budget	Actual Amounts (Budgetary Basis) (See note B)	Variance with Final Budget
Budgetary fund balance, October 1	\$ 2,938,745	\$ 2,843,534	\$ (95,211)
Resources (inflows)			
Property taxes	1,393,199	1,288,956	(104,243)
Homestead exemption	-	36,711	36,711
Motor vehicle tax	79,600	87,899	8,299
Motor vehicle pro-rate	3,500	3,393	(107)
Property tax credit	-	65,517	65,517
Highway allocation and incentives	222,799	288,582	65,783
Other State receipts	420	4,000	3,580
Motor vehicle fee	16,700	20,586	3,886
Franchise fee	1,380	175	(1,205)
Interest income	3,100	22,184	19,084
Sales tax revenue	550,000	648,912	98,912
Miscellaneous	14,400	31,423	17,023
Utility, usage revenue	2,793,325	3,000,607	207,282
Building and development fees	416,500	1,154,720	738,220
Permits and licenses	20,300	13,279	(7,021)
Rental income	10,900	13,560	2,660
Keno proceeds	52,500	55,814	3,314
Park program fees	33,600	60,432	26,832
Special assessments	185,900	32,594	(153,306)
Grants and contributions	2,103,000	181,898	(1,921,102)
TIF income	39,200	-	(39,200)
Bonds/notes issued	-	1,325,000	1,325,000
Amounts available for appropriation	<u>10,879,068</u>	<u>11,179,776</u>	<u>300,708</u>
Charges to appropriations (outflows)			
Governmental activities			
General government			
Operating expenses	855,116	1,090,730	(235,614)
Capital improvements and outlays	24,000	7,803	16,197
Debt service	<u>378,771</u>	<u>128,704</u>	<u>250,067</u>
Total general government charges to appropriations	<u>1,257,887</u>	<u>1,227,237</u>	<u>30,650</u>
Public safety - police and fire			
Operating expenses	<u>130,495</u>	<u>129,394</u>	<u>1,101</u>
Public works, streets			
Operating expenses	343,980	319,018	24,962
Capital improvements and outlays	<u>1,881,750</u>	<u>450,427</u>	<u>1,431,323</u>
Total public works, streets charges to appropriations	<u>2,225,730</u>	<u>769,445</u>	<u>1,456,285</u>
Culture and recreation			
Operating expenses	107,523	117,250	(9,727)
Capital improvements and outlays	<u>285,000</u>	<u>628,230</u>	<u>(343,230)</u>
Total culture and recreation charges to appropriations	<u>392,523</u>	<u>745,480</u>	<u>(352,957)</u>

See accompanying notes to financial statements.

City of Hickman, Nebraska

SCHEDULE OF RESOURCES, APPROPRIATIONS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - ALL FUND TYPES (CONTINUED)

For the year ended September 30, 2022

	Original and Final Budget	Actual Amounts (Budgetary Basis) (See note B)	Variance with Final Budget
Charges to appropriations (outflows) - continued			
Government activities - continued			
General government - continued			
Debt service	-	66,047	(66,047)
Sales tax			
Operating expenses	-	16,468	(16,468)
Business-type activities			
Electric utility			
Operating expenses	1,228,894	1,394,355	(165,461)
Capital improvements and outlays	407,750	91,570	316,180
Debt service	157,476	121,161	36,315
Total electric utility charges to appropriations	<u>1,794,120</u>	<u>1,607,086</u>	<u>187,034</u>
Wastewater			
Operating expenses	149,898	152,815	(2,917)
Capital improvements and outlays	339,250	251,516	87,734
Debt service	648,476	1,739,259	(1,090,783)
Total wastewater charges to appropriations	<u>1,137,624</u>	<u>2,143,590</u>	<u>(1,005,966)</u>
Water			
Operating expenses	197,636	222,127	(24,491)
Capital improvements and outlays	1,690,750	37,698	1,653,052
Debt service	288,884	144,449	144,435
Total water charges to appropriations	<u>2,177,270</u>	<u>404,274</u>	<u>1,772,996</u>
Total charges to appropriations	<u>9,115,649</u>	<u>7,109,021</u>	<u>2,006,628</u>
Ending budgetary fund balance	<u>\$ 1,763,419</u>	<u>\$ 4,070,755</u>	<u>\$ 2,307,336</u>
Reconciliation from budgetary basis to government-wide basis:			
Budgetary fund balance at end of year		\$ 4,070,755	
Add: Capital assets (net of depreciation)		15,819,267	
Subtract: Debt issued		(8,179,950)	
Add: Revenue accruals		610,272	
Subtract: Expense accruals		<u>(531,161)</u>	
Net position - government-wide basis		<u>\$ 11,789,183</u>	

See accompanying notes to financial statements.

City of Hickman, Nebraska

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2022

	<u>Law Enforcement</u>	<u>Keno</u>	<u>Reading Center</u>	<u>Total Non-major Governmental Funds</u>
ASSETS				
Restricted assets				
Cash	\$ -	\$ 100,118	\$ 3,585	\$ 103,703
FUND BALANCE				
Restricted	-	100,118	3,585	103,703
Total liabilities and fund balance	\$ -	\$ 100,118	\$ 3,585	\$ 103,703





City of Hickman, Nebraska

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2022

	<u>Law Enforcement</u>	<u>Keno</u>	<u>Reading Center</u>	<u>Total Non-major Governmental Funds</u>
<b>Revenues</b>				
Interest income	\$ -	\$ 46	\$ -	\$ 46
Keno revenue	-	55,814	-	55,814
Grants and contributions	-	-	641	641
<b>Total revenues</b>	<u>-</u>	<u>55,860</u>	<u>641</u>	<u>56,501</u>
<b>Expenditures</b>				
General government	-	8,232	-	8,232
Public Safety	129,394	-	-	129,394
Culture and recreation	-	-	239	239
<b>Total expenditures</b>	<u>129,394</u>	<u>8,232</u>	<u>239</u>	<u>137,865</u>
Excess (deficit) of revenue over expenditures before other sources	(129,394)	47,628	402	(81,364)
<b>Other financing sources</b>				
Interfund transfer in	129,394	1,770	691	131,855
Interfund transfer out	-	(94,907)	(547)	(95,454)
Excess of revenue over expenditures after other sources	-	(45,509)	546	(44,963)
<b>Fund balance</b>				
Beginning fund balance	<u>-</u>	<u>145,627</u>	<u>3,039</u>	<u>148,666</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 100,118</u>	<u>\$ 3,585</u>	<u>\$ 103,703</u>

City of Hickman, Nebraska

SCHEDULE OF EXPENSES

For the year ended September 30, 2022

	Administrative Operations	Law Enforcement	Park	Debt Service	Sales Tax
Salaries	\$ 390,269	\$ -	\$ 28,680	\$ -	\$ -
Retirement	18,065	-	1,518	-	-
Payroll taxes	30,650	-	1,937	-	-
Employee benefits	61,014	-	7,641	-	-
Contract services	89,637	-	-	-	-
Law enforcement	-	124,860	-	-	-
Extra duty	-	4,534	-	-	-
Schooling	25,044	-	-	-	-
Uniforms and clothing	1,389	-	10,605	-	-
Telephone	11,997	-	769	-	-
Transportation	4,655	-	89	-	-
Printing and publishing	5,962	-	296	-	-
Insurance	18,403	-	18,429	-	-
Public utilities	9,060	-	4,033	-	-
Repairs and maintenance	117,981	-	12,420	-	-
Office and copier supplies	14,753	-	373	-	-
Operating supplies	6,375	-	24,340	-	-
Professional services	88,466	-	4,079	-	-
Computer expense	36,102	-	83	-	-
County Treasurer's commission	9,796	-	-	3,695	-
Dues and subscriptions	22,626	-	130	-	-
Postage	2,967	-	-	-	-
Bank charges	59	-	8	-	-
General taxes	-	-	-	-	16,468
Grants	82,257	-	-	-	-
Miscellaneous	1,988	-	2,049	-	-
	<u>\$ 1,049,515</u>	<u>\$ 129,394</u>	<u>\$ 117,479</u>	<u>\$ 3,695</u>	<u>\$ 16,468</u>
Total expenses					

City of Hickman, Nebraska

SCHEDULE OF EXPENSES - CONTINUED

For the year ended September 30, 2022

	<u>Street</u>	<u>Keno</u>	<u>Reading Center</u>	<u>Building Foundation</u>
Salaries	\$ 141,325	\$ -	\$ -	\$ -
Retirement	8,000	-	-	-
Payroll taxes	10,543	-	-	-
Employee benefits	8,581	-	-	-
Telephone	769	-	-	-
Insurance	17,593	-	-	-
Public utilities	18,858	-	-	-
Repairs and maintenance	36,748	-	-	-
Professional fees	3,027	-	-	-
Operating supplies	31,546	-	239	-
Fuel	15,508	-	-	-
Printing and publishing	101	-	-	-
Computer expense	2,517	-	-	-
Miscellaneous	4,431	-	-	-
Uniforms and clothing	796	-	-	-
Keno expenses	-	8,232	-	-
Total expenses	<u>\$ 300,343</u>	<u>\$ 8,232</u>	<u>\$ 239</u>	<u>\$ -</u>



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INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

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Mayor and City Council  
City of Hickman  
Hickman, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hickman, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Hickman, Nebraska's basic financial statements, and have issued our report thereon dated March 30, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Hickman, Nebraska'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 our opinion on the effectiveness of the City of Hickman, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hickman, Nebraska's internal control.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses (2022-001 and 2022-002).

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Hickman, Nebraska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 is required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the City of Hickman, Nebraska in a separate letter dated March 30, 2023.

### **The City's Response to Findings**

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

### **Purpose of This Report**

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

Handwritten signature in black ink, appearing to read "HBE LLP".

Lincoln, Nebraska  
March 30, 2023

SCHEDULE OF FINDINGS AND RESPONSES

Year ended September 30, 2022

**Findings – Financial Statement Audit**

The audit disclosed two material weaknesses in the City of Hickman, Nebraska’s internal control over financial reporting summarized as follows:

2022-001 - *Criteria:* Professional standards require the communication, in writing, to management and those charged with governance, of significant deficiencies and material weaknesses identified in an audit.

*Condition:* Material audit adjustments were proposed that were not identified by the City’s internal control system.

*Context:* Through the course of audit work material audit adjustments were proposed.

*Cause:* Accounting personnel of the City have the required training and knowledge to be able to record transactions in accordance with accounting principles generally accepted in the United States of America. However, this knowledge is not consistently utilized in the recording of daily accounting transactions, resulting in errors.

*Effect or potential effect:* The material weakness is a deficiency that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City’s internal control.

*Recommendation:* The City of Hickman, Nebraska will continue to provide continuing education to both accounting personnel and those charged with oversight in order to decrease future proposed material audit adjustments.

*Views of Responsible Officials and Planned Corrective Actions:* The City’s Council continually evaluates the distribution of duties to employees and monitors accounting functions.

2022-002 - *Criteria:* Professional standards require the communication, in writing, to management and those charged with governance, of significant deficiencies and material weaknesses identified in an audit.

*Condition:* The City does not have an internal control system designed to provide for the preparation of the financial statements being audited.

*Context:* We reviewed the organizational chart of the City and performed interviews of personnel and management to determine if management has the ability to prepare the financial statements in accordance with the modified cash basis of accounting.

*Cause:* The City’s accounting personnel do not have the expertise to prepare financial statements, including note disclosures, in accordance with generally accepted accounting principles. This is not an unusual deficiency for an entity of this size.

SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

Year ended September 30, 2022

**Findings – Financial Statement Audit – Continued**

2022-002 *Effect or potential effect:* The material weakness is a deficiency that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City’s internal control.

*Recommendation:* The City of Hickman, Nebraska’s management, Mayor and City Council must rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

*Views of Responsible Officials and Planned Corrective Actions:* The City’s Council continually evaluates the distribution of duties to employees and monitors accounting functions.





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## CORRECTIVE ACTION PLAN

Year ended September 30, 2022

The corrective action plan for the findings included in the schedule of findings and questioned costs is summarized as follows:

### **Finding 2022 - 001 Material Audit Adjustments**

**Corrective Action Planned:** City of Hickman, Nebraska will continue to improve communication of accounting transactions to both accounting personnel and those charged with oversight in order to decrease future proposed material audit adjustments.

**Anticipated Completion Date:** September 30, 2023

**Responsible:** Management, Mayor and City Council.

### **Finding 2022 - 002 Financial Statement Preparation**

**Corrective Action Planned:** City of Hickman, Nebraska's management, Mayor and City Council will rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

**Anticipated Completion Date:** Continuous.

**Responsible:** Management, Mayor and City Council.

---

Phil Goering, Mayor



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2022

### Findings - Financial Statement Audit

2021-001 - *Condition:* Material audit adjustments were proposed that were not identified by the City's internal control system.

*Corrective Action Planned:* City of Hickman, Nebraska will continue to improve communication of accounting transactions to both accounting personnel and those charged with oversight in order to decrease future proposed material audit adjustments.

*Status:* This continues to be a finding in the 2022 audit.

2021-002 - *Condition:* The City does not have an internal control system designed to provide for the preparation of the financial statements being audited.

*Corrective Action Planned:* City of Hickman, Nebraska's management, Mayor and City Council will rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

*Status:* This continues to be a finding in the 2022 audit.

2021-003 - *Condition:* The City does not have appropriate segregation of duties.

*Corrective Action Planned:* The City of Hickman, Nebraska's management and City Council will rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

*Status:* This no longer continues to be a finding in the 2022 audit.