

City Council Regular Meeting
Tuesday, March 28, 2023 7:00 PM

Hickman Community Center/City Hall 115
Locust Street, Room 128 Hickman, Nebraska

1. Call to Order

1.A. This is an Open Meeting of the Hickman Nebraska Governing Body. The City of Hickman abides by the Nebraska Open Meetings Act in conducting business. A copy of the Nebraska Open Meetings Act is on display in this meeting room as required by Nebraska State Law. Notice of meeting and copies of this agenda have been publicly posted prior to the meeting at the Hickman City Hall, Hickman U.S. Post Office, U-Stop Market and the City of Hickman website.

1.B. Participant Sign-In Sheet Available & Disclosure of Meeting Recording Process Notice Posted.

1.C. Registered Agenda Speakers: All individuals requesting to be Registered Agenda Speakers must fill out a Registered Speaker Card & submit to Recording Clerk. The Mayor or Presiding Meeting Officer reserves the right to deny this request, or will call you to the podium when your agenda item is ready to be heard. Presentations, if allowed, may be limited to five (5) minutes per person, with a limit of three (3) individuals speaking per topic position. Please come to the podium, and clearly state your name and address for the record and the agenda topic you wish to speak upon in a professional manner.

1.D. The City Council may vote to go into Executive Closed Session on any agenda item as allowed by Nebraska State Law. The Governing Body may be excused and re-enter the City Council meeting room at any time after reconvening open session.

2. Pledge of Allegiance

3. Roll Call

4. Mayor Communications

5. Consent Agenda

5.A. Approval of March 14, 2023 City Council Meeting Minutes

5.B. Claims and Accounts Payable Report

5.C. Statement of Accounts and Budget Cash Report as of February 28, 2023

- 5.D. Monthly City Sales Tax Report
- 6. Proclamations, Presentations, Appointments, Affirmations & Introductions
 - 6.A. Hickman Area Community Foundation Report
 - 6.B. Presentation of City Financial Audit for Fiscal Year Ending September 30, 2022
 - 6.C. Presentation of Terrace View Park Concept Design
- 7. Reports
 - 7.A. Public Works and Parks and Recreation Department
 - 7.B. City Code Violations, Abatements, Nuisances and Permits
 - 7.C. Project Update on 68th Street & Hickman Road Roundabout
 - 7.D. Wastewater Plant Improvements Update
 - 7.E. Water Plant Improvements Update
- 8. Public Hearings - None
- 9. Unfinished Business - None
 - 9.A. Resolution 2023-02, License and Management Agreement for Use of Municipal Property for Sports or Other Recreational Activities, Legion Baseball Lease Agreement
- 10. New Business
 - 10.A. Acceptance of City Financial Audit for Fiscal Year Ending September 30, 2022
 - 10.B. Consideration of Public Parking Lot Development on City Owned Property at 1st and Locust Street (Hickman, Block 26, Lot 8-11)
 - 10.C. Agreement for Professional Services with Olsson's for Terrace View 5th Addition Construction Oversight in the Amount not to Exceed \$45,300.00
 - 10.D. Agreement Amendment #2 for Professional Services with Olsson's for Construction Phase Services, Water and Wastewater Advisory Committee
 - 10.E. Proposal of Resolution of Necessity and Move for Passage of Resolution Setting a Public Hearing Date for April 25, 2023

- 10.F. Ordinance 2023-05, Issuing General Obligation Water Bonds, Series 2023 in the Amount not to Exceed \$1,600,000.00
- 10.G. Terrace View 5th Addition Plan Revision for Water and Sanitary Sewer Line Extensions to the East Side of 82nd Street
- 10.H. Strategy Session with City Attorney to Provide Negotiation Guidance with Respect to Potential Acquisition of Real Estate
- 11. City Administrator's Report
- 12. Governing Body Comments & Council Correspondence
 - 12.A. Lower Platte South Natural Resources District Groundwater Management Plan Annual Review
 - 12.B. City of Lincoln Nebraska Board of Zoning Appeals, 4140 Princeton Road
- 13. Meeting Adjournment

MINUTES OF THE HICKMAN CITY COUNCIL MEETING HELD

President Doug Wagner called the meeting to order at 7:00 pm on March 14, 2023 and referenced the meeting recording process, optional sign in sheet, and open meeting law posting. All those present stood and recited The Pledge of Allegiance. Council Members Chad Parker, John Meese, Steve Noren, Doug Wagner, Justina Ziemann, and Travis Borchardt were present for Roll Call. Mayor Phil Goering was absent and excused. Prior notice of the meeting and agenda were provided to the Mayor and all members of the Governing Body. Notice of the meeting was distributed and posted at Hickman City Hall, U.S. Post Office-Hickman, U-Stop Market and the City of Hickman Website.

Mayor Communications

Council President Wagner informed the Governing Body of Mayor Goering's and the City Administrator's absence today due to attending the Rural Water Conference. No action was taken.

Council President Wagner informed the Governing Body of his attendance at the Dam Safety Program put on by the Lower Platt South NRD, last Friday, to go over the Hazard Dam Protocol in case of a flood. President Wagner noted there is a High Hazard Dam located north of Hickman. No action was taken.

Consent Agenda

Council President Wagner presented and discussed the February 28, 2023 Meeting Minutes, and line-item content of Claims Report with the Governing Body. Motion by Council Member Ziemann and a second by Parker to approve the consent agenda. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

Proclamations, Presentations, Appointments, Affirmations & Introductions - None

Reports

Council President Wagner presented the Lancaster County Sheriff's Report to the Governing Body. Motion by Council Member Parker and a second by Meese to approve the Lancaster County Sheriff's Report. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

Council President Wagner presented and discussed the February 2023 Community Center Report with the Governing Body. Motion by Council Member Meese and a second by Noren to approve the Community Center Report. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

Public Hearings – None

Unfinished Business - None

New Business

Council President Wagner presented the Certificate of Payment No. 8 to Bauer Infrastructure, LLC for Hickman Roundabout and Trail Undercrossing Project for approximately \$224,551.50. Motion by Council Member Parker and a second by Ziemann to approve the Certificate of Payment No. 8 to Bauer Infrastructure, LLC for Hickman Roundabout and Trail Undercrossing Project for approximately \$224,551.50. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

Council President Wagner presented the CBDG #18-TD-004 Drawdown #5, Nebraska Communities Playhouse in the amount of \$5,595.00. Motion by Council Member Noren and a second by Ziemann to approve the CBDG #18-TD-004 Drawdown #5, Nebraska Communities Playhouse in the amount of \$5,595.00. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

City Administrator's Report – None

Governing Body Comments and Correspondence – None

Adjournment

Motion by Council Member Ziemann and a second by Borchardt to adjourn the meeting at 7:14 PM. The following Council Members voted "YEA": Parker, Meese, Noren, Wagner, Ziemann, and Borchardt. The following Council Members voted "NAY": None. Motion passed 6-0.

Doug Wagner, City Council President

Jaala Johnson, City Clerk

DRAFT

**City Council Meeting March 28, 2023
Accounts Payable as of March 24, 2023**

Vendor	Memo	Open Balance	Check No.
Ambition Electric	Inv# 3185 - Electrical Installation Storage Building @ Main Park	3,200.00	
Aspen Builders	New Construction Deposit Return, Bldg. Permit # 2021-211	500.00	
Bizco Technologies	3.1.2023 - 3.31.2023 Proofpoint Monitoring Service	36.00	
Chris Navratil	2023 Softball Player Fee Refund	110.00	
Crawford Plumbing Co.	Inv# 11995 Repair of Leak in CA Office (insurance claim)	608.33	
Crawford Plumbing Co.	Inv# 11982 Material for Repair of Faucet in Community Center Kitchen	233.67	
Crowne Plaza Kearney	Inv# 2941 - NPZA Conference Stay 3 Nights Heidi	404.85	
DHHS Drinking Water Division	Chris Wallman Certification and Examination Application 3.6.2023	78.75	
Electronic Contracting Company	Inv# 40214 - Service Call GO Over Door System at Community Center	295.00	
Executive Answering Service	Inv# 221600023- Answering Service 2.6.2023-3.6.2023	70.75	
Georgiana, Trent A- Reimb	WWTP Class Meal Reimbursement	18.43	
Hawkins, Inc.	Invoice #6423060- Water Treatment Supplies Chlorine	30.00	
HBE, LLP	INV # 127563- 2nd Progress Bill Audit FYE 2022	5,000.00	
Hickman True Value	Bolts New Valves WWTP & Water Leak CA Office Supplies	61.28	
Hoglund, Heidi - Reimb.	Meal Reimbursement - NPZA Conference	37.04	
Hunt-Clark Builders	New Construction Deposit Refund, 2022-34	500.00	
Johnson, Jaala	Mileage & Meal Reimbursement Clerk School 2023	233.51	
L.P. Stewart & Sons, Inc.	Inv# 7850 - Rock (Alley, Streets & Park)	5,331.38	
MacQueen Equip (Ne Enviro Products)	Inv# W03456 - Sewer Throttle Issues Repaired	1,229.52	
Menard's	Inv# 05522 - Scoreboard Parts, straps & Bolts	66.23	
MJ Concrete Concepts, Inc	Inv #1153 - Repair Concrete Section Kristi Lane	2,500.00	
Municipal Supply, Inc. of Omaha	Inv# 0863970 - 1 Inch Water Meters	17,556.00	
Murphy Tractor & Equipment Co.	Inv# 2002465 - Washers & Lug Nuts Tractor Wheel	64.35	
Nebraska Public Health Environmental Lab	Inv # 562464- Water Sampling Tests, Water Dept	79.00	
Nelson, Jessica	2023 Hickman Area Baseball Refund	60.00	
Olsson	Inv# 450213- Project # 021-01497 WRRF Headworks & Final Clarifier	2,836.60	
Olsson	Inv# 449333- Project # 020-31290 Phase 70 Water Model	2,033.26	
Olsson	Inv# 449928 - 2023 General Engineer Service	148.54	
Olsson	Inv# 437108- Project # 022-02777 WTP Improvement	2,835.00	
PIP Marketing Signs Print	Inv# 125830 - Utility Paper	838.20	
TOTAL		\$46,995.69	

**City Council Meeting March 28, 2023
Accounts Payable as of March 24, 2023**

Vendor	Memo	Payment	Check No
Ameritas Life Ins., Corp.	Employee Pension Plans	\$4,055.02	ACH
Black Hills Energy	Utilities - 588 Chestnut & 5th St. Street Shop, Community Center	\$769.35	ACH
Blue Cross/Blue Shield of NE	March 2023 Employee Premiums	\$7,410.84	ACH
ICMA Mission Square	Employee Retirement Contribution	\$486.92	ACH
IRS	Payroll Taxes	\$7,852.85	EFTPS
Ne Dept. of Revenue	Monthly Income Tax	\$2,576.38	ACH
Nebraska Department of Revenue	Sales Tax December 2022	\$15,025.74	ACH
Payroll Distribution (Net Pay)	City Staff 3.24.2023	\$26,074.46	ACH
State of NE & Erin M McCartney	Employee Liabilities	\$727.85	EFTPS/33530
United Healthcare Insurance Company	April 2023 Employee Premiums	\$285.14	ACH
Windstream	Wastewater Treatment Plant Phone & City Office Phone & Interne	\$977.86	ACH
TOTAL		\$ 66,242.41	
TOTAL CLAIMS REPORT		\$ 113,238.10	

Reviewed and Approved on March 28, 2023

Mayor Phil Goering Council Member Ziemann

Council President Wagner Council Member Noren

Council Member Parker Council Member Borchardt

Council Member Meese

CITY OF HICKMAN
BUDGET CASH REPORT
As of February 28, 2023

Fiscal Year Completed:
41.67%

	February Receipts	February Expenditures	Expenditures to Date	Expenditures Budget	Budget Available	% of Budget Spent
GENERAL FUND	160,645.86	215,157.24	589,643.31	1,046,535.00	456,891.69	56.34%
STREET FUND	29,012.37	212,694.89	1,449,512.16	2,642,338.00	1,192,825.84	54.86%
WATER FUND	43,790.36	36,254.16	531,660.96	2,355,795.00	1,824,134.04	22.57%
ELECTRIC FUND	152,950.45	131,315.73	604,407.90	1,920,063.00	1,315,655.10	31.48%
SEWER FUND	69,175.45	21,615.26	223,266.86	1,925,652.00	1,702,385.14	11.59%
POLICE FUND	0.00	11,971.58	60,076.23	141,063.00	80,986.77	42.59%
PARK FUND	19,355.00	3,943.25	83,750.31	254,843.00	171,092.69	32.86%
TOTAL FUNDS	474,929.49	632,952.11	3,542,317.73	10,286,289.00	6,743,971.27	34.44%

	Principal Balances as of 10/01/22	February Expenditures	Loan Payments to Date	Expenditures Budget	Budget Available	% of Budget Spent
DEBT SERVICE						
2017 SEWER GO REFI	1,325,000.00		234,267.50	238,132.50	3,865.00	98.38%
2021 WATER GO REFI	1,265,000.00		144,633.75	149,057.50	4,423.75	97.03%
NDEE #317887 CLEAN WATER UV	458,680.23		22,600.45	45,150.13	22,549.68	50.06%
2018 ELEC/SEWER REFUNDING BOND	940,000.00		13,131.25	161,262.50	148,131.25	8.14%
2018 ELEC/SEWER NEW REVENUE (T.View)	1,040,000.00		0.00	80,590.00	80,590.00	0.00%
2021 COPS (Community Center)	3,190,000.00		0.00	174,897.50	174,897.50	0.00%
TOTAL DEBT SERVICE	8,218,680.23	0.00	414,632.95	849,090.13	434,457.18	
TIF LOANS						
AUTO CENTER	10,971.68		1,540.12	4,792.00	3,251.88	32.14%
FORMER SCHOOL HOUSE	7,052.36		2,396.00	3,080.24	684.24	77.79%
TOTAL TIF LOANS	18,024.04	0.00	3,936.12	7,872.24	3,936.12	

UTILITY ENTERPRISE	February BILLING	REVENUE TO DATE	% of Budget Met
ELECTRIC	150,133.92	708,324.75	44.67%
WASTEWATER	67,095.94	319,015.15	46.48%
WATER	41,301.77	237,598.62	45.96%
MISC (ie: SERVICE CALL, RETURNED CHECK FEE)	45.00	672.56	-
TOTAL UTILITIES	258,576.63	1,265,611.08	45.38%
CUSTOMER DEPOSITS	1-Feb 79,698.26	Monthly In/Out 900.00	28-Feb 80,598.26

**City of Hickman
Statement of Cash Bank Accounts
FY2022/2023**

<u>Account #</u>	<u>Account Name</u>	<u>December 2022</u>	<u>January 2023</u>	<u>February 2023</u>
	Cash on Hand	\$200.00	\$200.00	\$200.00
	Cash on Hand - Reading Centre	\$24.00	\$24.00	\$24.00
...8760	General Fund Checking	\$445,112.59	\$322,236.15	\$554,685.16
...1586	Linear Park Fund	\$9,948.75	\$9,948.75	\$9,948.75
...7412	Reading-Tech & Historical Center	\$3,574.29	\$3,574.29	\$4,010.29
...4500	Arts Council	\$3,116.59	\$3,116.59	\$3,116.59
...2843	Keno Revenue	\$63,393.72	\$68,467.40	\$72,619.37
...7578	Electrical Reserve (Baylor Heights Reserve)	\$73,995.68	\$74,011.90	\$74,026.09
...0938	TIF Account	\$630.84	\$630.84	\$630.84
...0863	Parks & Recreation Activities	\$46,441.79	\$34,627.66	\$50,482.66
...7420	Debt Service Reserve (CURR Series 2018 Bond Reserve)	\$155,477.09	\$155,545.24	\$155,633.67
...7479	Sewer Reserve Acct	\$60,603.29	\$60,616.57	\$60,628.20
...2883	CUR Revenue Series 2018 (Terrace View Reserve)	\$274,351.87	\$274,532.27	\$274,789.73
...4664	Street Sinking Fund	\$706,692.33	\$707,466.79	\$534,671.84
...5322	ARP Funds	\$97,742.17	\$97,750.74	\$0.00
...5333	Sales Tax Revenues	\$928,536.64	\$981,998.91	\$1,034,890.71
	Total Funds Available	\$2,869,841.64	\$2,794,748.10	\$2,830,357.90
...7404	Hickman Area Economic Dev. Association	\$15,928.22	\$15,928.22	\$15,928.22
	Total HAEDA Funds Available	\$15,928.22	\$15,928.22	\$15,928.22



2023 Projects

- Dog Park
- Oakview Park
- Firefighters Memorial
- Accessible Playground
- Hometown Intern





Dog Park

- Funding Target Q2/Q3 2024
- Expense Estimation \$40k
- Financial, Materials & Services



Oakview Park

- 2 Stage Funding Target
- Seating + Bike Racks Q2/Q3 2023
- Shelter Space Q2/Q3 2024



Firefighters Memorial

- Funding Target Q4 2023
- Ongoing Additions
- Cost Estimates Finalized April 2023

Firefighters Memorial

To honor the service and sacrifice of the men and women within the fire service, the memorial that is situated in Hickman Ne, is one that is dedicated to active firefighters and to those that have passed.

Hickman Firefighters Memorial



Firefighters Memorial

Below the stacked uniform is the Firefighter's Prayer. The left side is the "Roll Call", dedicated to those who have served or are still serving and have done so for a period of at least 5 years. The right side, is the "Last Call" dedicated to those who have served in any capacity and have passed away.



Accessible Playground

- Funding Target Q4 2023
- Total \$183k Needed with \$80k in
- Time is of the utmost importance



Hometown Intern

- Reconnecting College Students to their hometowns
- Realignment of community vision
- 3mo Program. Kickoff May 2023

*City of Hickman, Nebraska
Hickman, Nebraska*

September 30, 2022

*Financial Statements
and
Independent Auditor's Report*

City of Hickman, Nebraska

For the year ended September 30, 2022

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor’s Report	1-3
Basic Financial Statements	
Government-Wide Financial Statement	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position – Business-Type Activities	10
Statement of Revenues, Expenses, and Changes in Fund Net Position – Business-Type Activities	11
Statement of Cash Flows – Business-Type Activities	12
Notes to Financial Statements	13-24
Supplemental Information	
Schedule of Resources, Appropriations and Changes in Fund Balance – Budget and Actual – Budgetary Basis – All Fund Types	26-27
Combining Balance Sheet – Non-Major Governmental Funds	28
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	29
Schedule of Expenses	30-31

City of Hickman, Nebraska

For the year ended September 30, 2022

TABLE OF CONTENTS - CONTINUED

	<u>Page No.</u>
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 <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	35-36
Corrective Action Plan	37
Summary Schedule of Prior Audit Findings	38

INDEPENDENT AUDITOR'S REPORT

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 XX, 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 XX, 2023

(This page left blank intentionally)

City of Hickman, Nebraska

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities (Note A)	Business-Type Activities (Note A)	Total
ASSETS			
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
Total assets	11,835,839	8,935,324	20,771,163
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	119,930	119,930
Total assets and deferred outflows of resources	\$ 11,835,839	\$ 9,055,254	\$ 20,891,093
LIABILITIES			
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
Total liabilities	3,849,842	5,170,869	9,020,711
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	81,199	-	81,199
Total liabilities and deferred inflows of resources	3,931,041	5,170,869	9,101,910
NET POSITION (note A)			
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
Total net position	7,904,798	3,884,385	11,789,183
Total liabilities, deferred inflows of resources and net position	\$ 11,835,839	\$ 9,055,254	\$ 20,891,093

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
Primary government							
Governmental activities							
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)
Business-type activities							
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)
General receipts							
Property taxes					1,266,791	-	1,266,791
Homestead exemption					36,711	-	36,711
Motor vehicle taxes					87,899	-	87,899
Motor vehicle prorata					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
Net position							
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
ASSETS								
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
Total assets	\$ 1,501,196	\$ 939,489	\$ 7,521	\$ 1,040,235	\$ 93,535	\$ -	\$ 103,703	\$ 3,685,679
LIABILITIES								
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
Total liabilities	113,529	463,995	-	-	4,329	-	-	581,853
DEFERRED INFLOWS OF RESOURCES								
Deferred taxes	8,362	-	3,243	-	-	-	-	11,605
FUND BALANCES (notes A and C)								
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
Total fund balances	1,379,305	475,494	4,278	1,040,235	89,206	-	103,703	3,092,220
Total liabilities, deferred inflows and fund balances	\$ 1,501,196	\$ 939,489	\$ 7,521	\$ 1,040,235	\$ 93,535	\$ -	\$ 103,703	\$ 3,685,678

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)
Net position of governmental activities	\$ 7,904,798

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
Revenues								
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
Total revenues	1,730,529	382,741	389,382	539,572	330,973	-	56,501	3,429,698
Expenditures								
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
Total expenditures	1,062,975	1,223,395	3,695	16,468	745,709	-	137,865	3,190,108
Excess (deficiency) of revenues over (under) expenditures	667,554	(840,654)	385,687	523,104	(414,736)	-	(81,364)	239,590
Other financing sources (uses)								
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)
Total other financing sources (uses)	496,229	240,697	(395,614)	91,331	438,030	-	36,401	907,074
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	1,163,783	(599,957)	(9,927)	614,435	23,294	-	(44,963)	1,146,664
Fund balance								
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
Ending fund balance	\$ 1,379,305	\$ 475,494	\$ 4,278	\$ 1,040,235	\$ 89,206	\$ -	\$ 103,703	\$ 3,092,220

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
ASSETS				
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>
DEFERRED OUTFLOWS OF RESOURCES				
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>
LIABILITIES				
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	152,620	200,465	379,768	732,853
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>
NET POSITION (note A)				
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
Total revenues	798,365	1,756,656	800,993	3,356,014
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
Total operating expenses	333,862	1,411,394	353,005	2,098,261
Operating income	464,503	345,262	447,988	1,257,753
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)
Total non-operating revenues (expenses)	(581,653)	(389,917)	(71,590)	(1,043,160)
Change in net position	(117,150)	(44,655)	376,398	214,593
Beginning net position	1,447,267	1,267,548	954,977	3,669,792
Ending net position	\$ 1,330,117	\$ 1,222,893	\$ 1,331,375	\$ 3,884,385

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	\$ 464,503	\$ 345,262	\$ 447,988	\$ 1,257,753
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	\$ 22,844

NOTE E - RESTRICTED CASH

Cash is restricted for the following purposes as of September 30, 2022 is 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
Governmental activities				
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
Business-type activities				
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
Total	\$ 1,482,259	\$ 871,376	\$ 570,164	\$ 339,608	\$ 25,325	\$ 31,991	\$ 414,240	\$ 264,128	\$ 95,454	\$ 4,094,545

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.

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.

SUPPLEMENTAL INFORMATION

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	378,771	128,704	250,067
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	130,495	129,394	1,101
Public works, streets			
Operating expenses	343,980	319,018	24,962
Capital improvements and outlays	1,881,750	450,427	1,431,323
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	285,000	628,230	(343,230)
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE				
Restricted	<u> </u>	<u>100,118</u>	<u>3,585</u>	<u>103,703</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 100,118</u>	<u>\$ 3,585</u>	<u>\$ 103,703</u>

Preliminary Draft

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

	Law Enforcement	Keno	Reading Center	Total Non-major Governmental Funds
Revenues				
Interest income	\$ -	\$ 46	\$ -	\$ 46
Keno revenue	-	55,814	-	55,814
Grants and contributions	-	-	641	641
Total revenues	-	55,860	641	56,501
Expenditures				
General government	-	8,232	-	8,232
Public Safety	129,394	-	-	129,394
Culture and recreation	-	-	239	239
Total expenditures	129,394	8,232	239	137,865
Excess (deficit) of revenue over expenditures before other sources	(129,394)	47,628	402	(81,364)
Other financing sources				
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)
Fund balance				
Beginning fund balance	-	145,627	3,039	148,666
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	<u>\$ 1,049,515</u>	<u>\$ 129,394</u>	<u>\$ 117,479</u>	<u>\$ 3,695</u>	<u>\$ 16,468</u>

City of Hickman, Nebraska

SCHEDULE OF EXPENSES - CONTINUED

For the year ended September 30, 2022

	Street	Keno	Reading Center	Building Foundation
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	-	-
	<u>300,343</u>	<u>8,232</u>	<u>239</u>	<u>-</u>
Total expenses	<u>\$ 300,343</u>	<u>\$ 8,232</u>	<u>\$ 239</u>	<u>\$ -</u>

(This page left blank intentionally)

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*

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 XX, 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).

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

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.

The audit disclosed one significant deficiency in the City of Hickman, Nebraska's internal control over financial reporting summarized as follows:

2022-003 - *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 appropriate segregation of duties.

Context: We observed inadequate segregation of duties by reviewing an organizational chart and through interviews of personnel and management. Cash payments and cash receipts represent the entirety of the cash flow of the entity.

Cause: The City has a limited number of personnel.

Effect or potential effect: The control deficiency is a significant deficiency that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with the governmental basis of accounting such that there is a reasonable possibility that a misstatement of the financial statements, will not be prevented, or detected and corrected, on a timely basis.

Recommendation: Management and the City Council must rely on its review and oversight authority in order to mitigate this inherent weakness in its internal controls.

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

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

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.

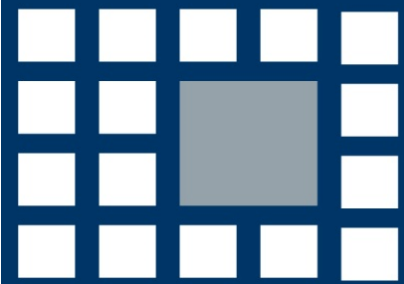
Corrective Action Planned: The City of Hickman, Nebraska's management and City Council will rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

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

City of Hickman

Tony Jerina, CPA
Rose Pinkman, CPA

March 28, 2023



CPAs & Consultants | Wealth Management



AUDIT REPORT

Independent Auditor's Role

To audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and express an opinion.

The Audit Process

Plan, understand internal controls, risk assessments, confirmations, fieldwork, analytical procedures, inquiries, testing, financial statement preparation.

Board of Directors and Management's role

The financial statements.

Basis of Accounting

Modified accrual basis – Governmental Funds

Accrual basis – Business Funds

Accrual basis – Government-wide

Audit Opinion

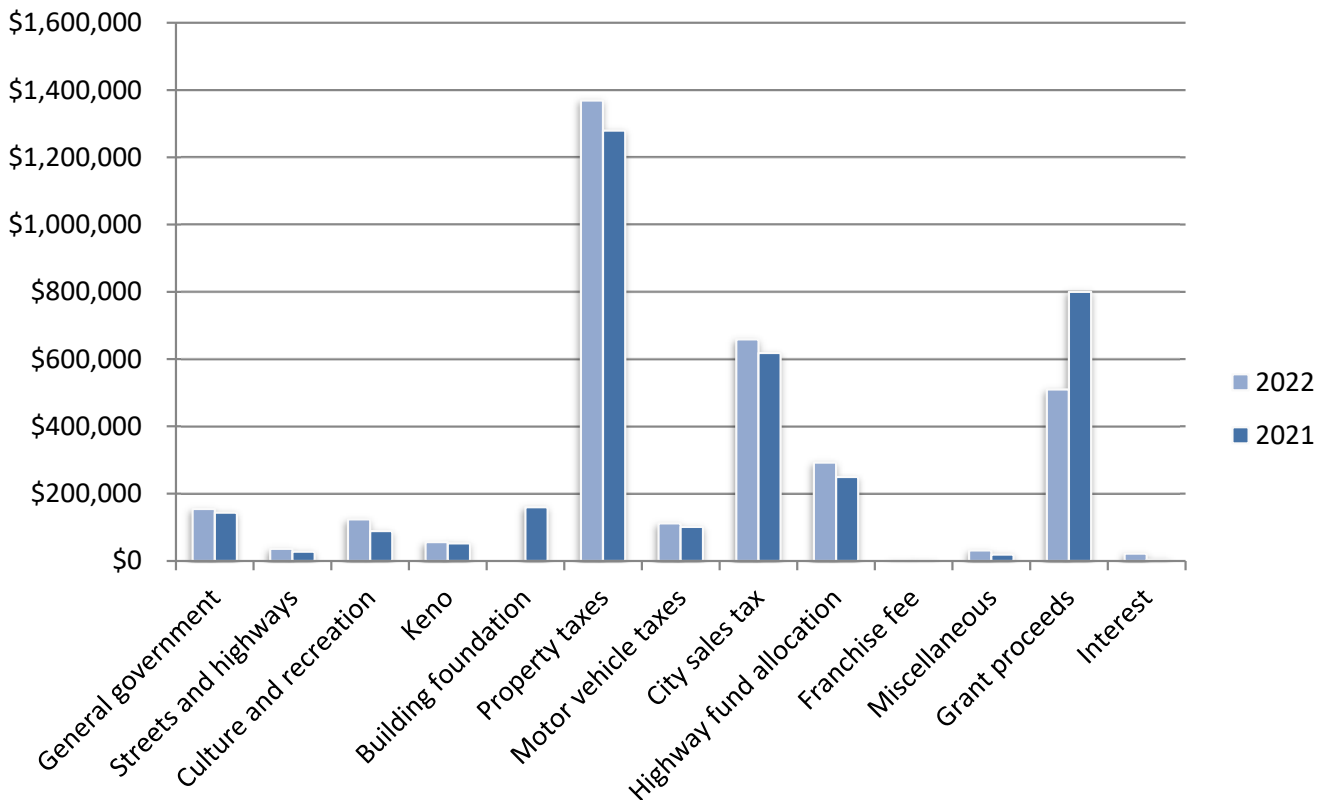
Unmodified.

Internal Control over Financial Reporting

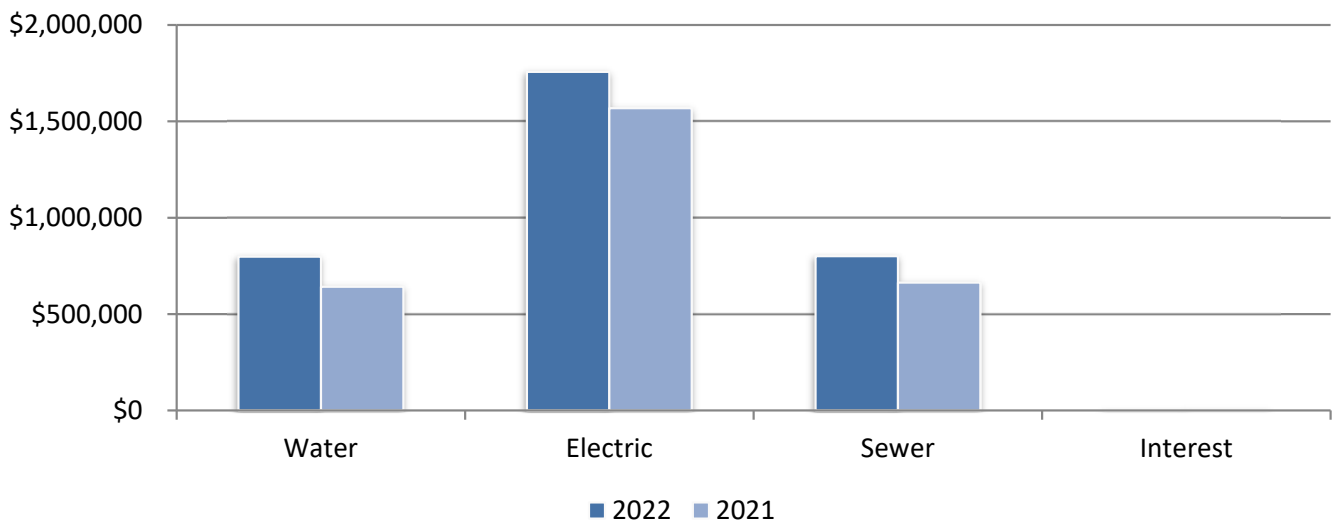
Last paragraph.

CITY OF HICKMAN

Revenues - Governmental activities	2022	2021
General government	\$154,601	\$143,784
Streets and highways	\$36,080	\$27,280
Culture and recreation	\$123,572	\$88,785
Keno	\$55,814	\$52,391
Building foundation	\$0	\$159,974
Property taxes	\$1,369,019	\$1,279,611
Motor vehicle taxes	\$111,878	\$101,319
City sales tax	\$658,461	\$617,904
Highway fund allocation	\$292,582	\$249,904
Franchise fee	\$175	\$1,152
Miscellaneous	\$31,423	\$19,001
Grant proceeds	\$509,641	\$799,891
Interest	\$21,789	\$3,792
TOTAL REVENUES	\$3,365,035	\$3,544,788

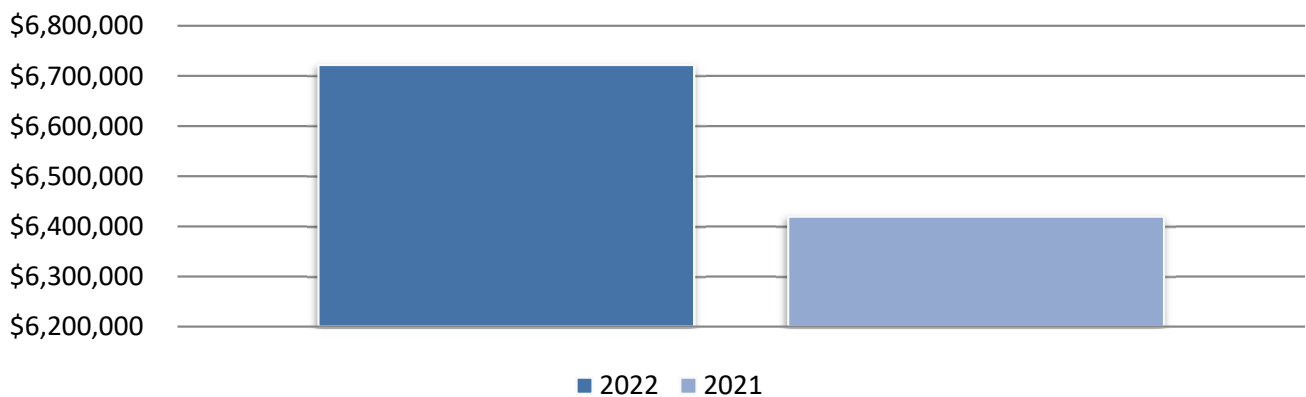


Revenues - Business-type activities	2022	2021
Water	\$798,365	\$641,857
Electric	\$1,756,656	\$1,568,156
Sewer	\$800,993	\$663,558
Interest	\$395	\$878
TOTAL REVENUES	\$3,356,409	\$2,874,449

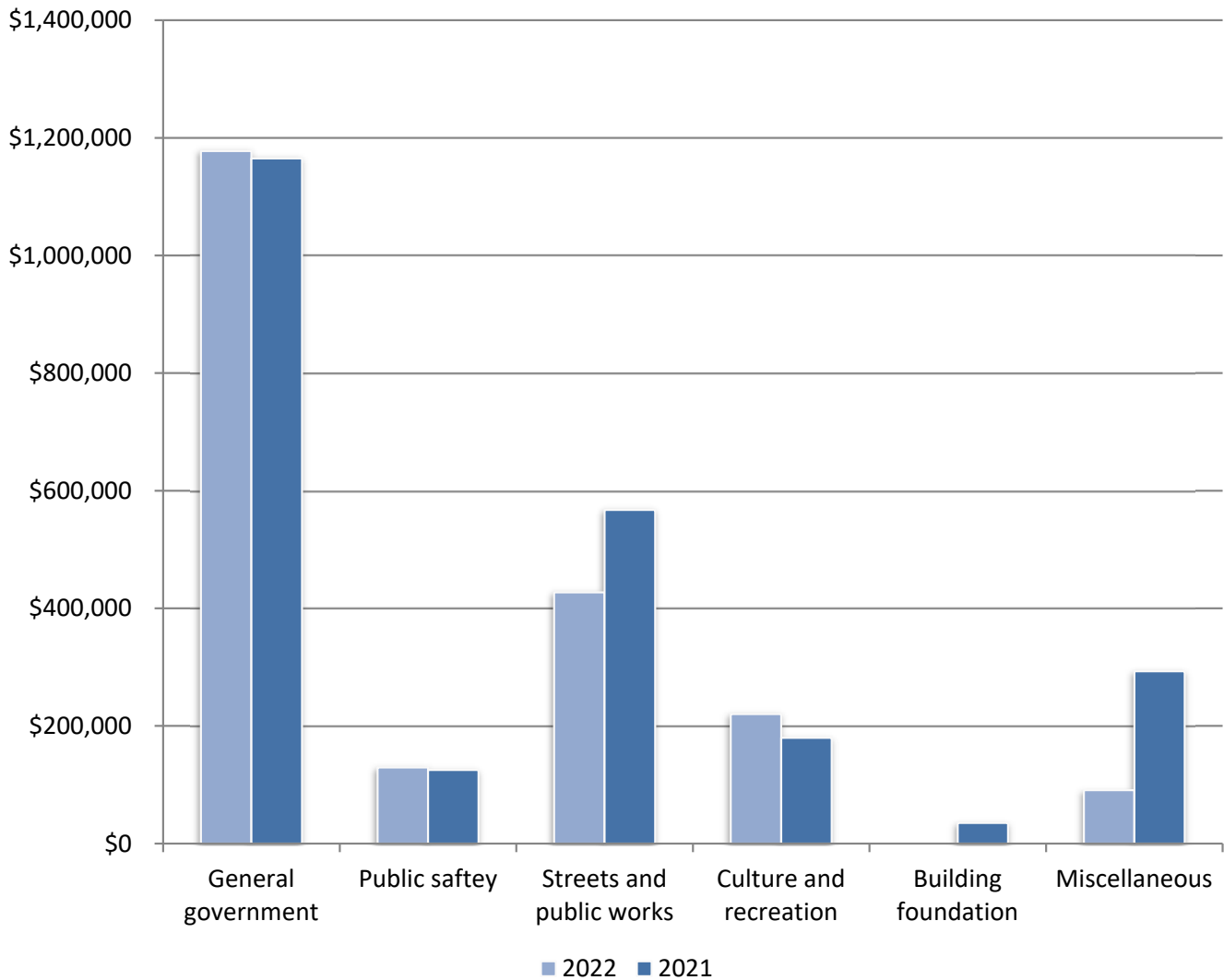


Current Year vs. Previous Year	2022	2021
Total Revenues	\$6,721,444	\$6,419,237

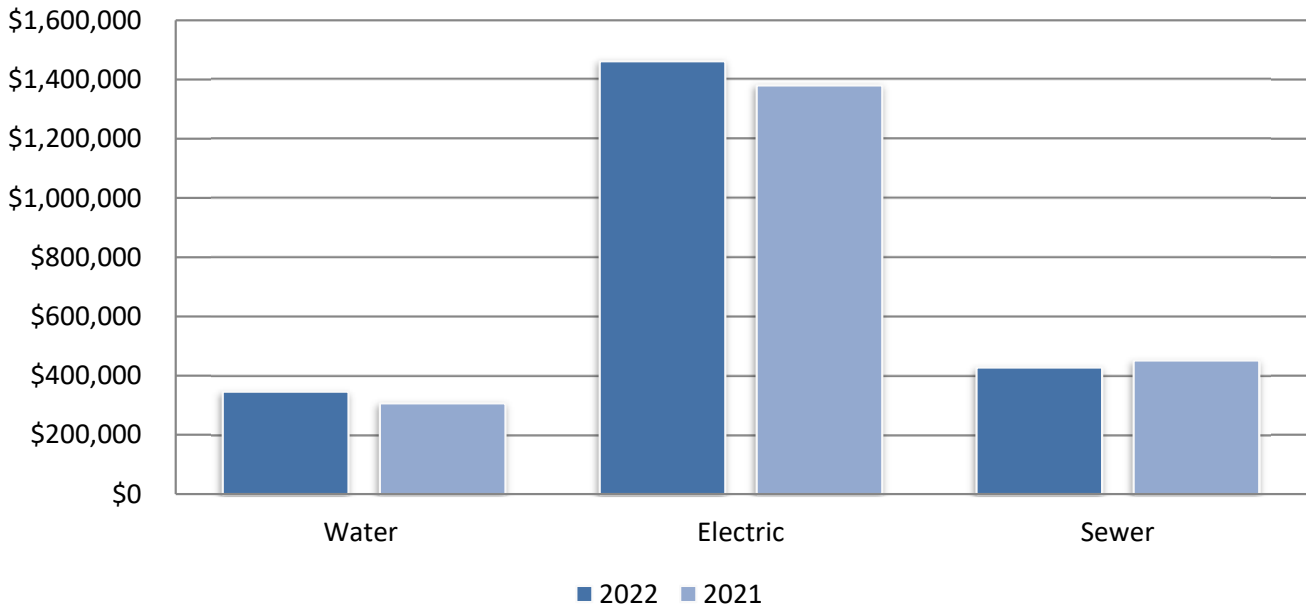
Total Revenues



Expenses - Governmental activities	2022	2021
General government	\$1,177,654	\$1,165,042
Public saftey	\$129,394	\$125,052
Streets and public works	\$427,084	\$567,295
Culture and recreation	\$220,130	\$179,631
Building foundation	\$0	\$35,214
Miscellaneous	\$90,747	\$292,922
TOTAL EXPENSES	\$2,045,009	\$2,365,156



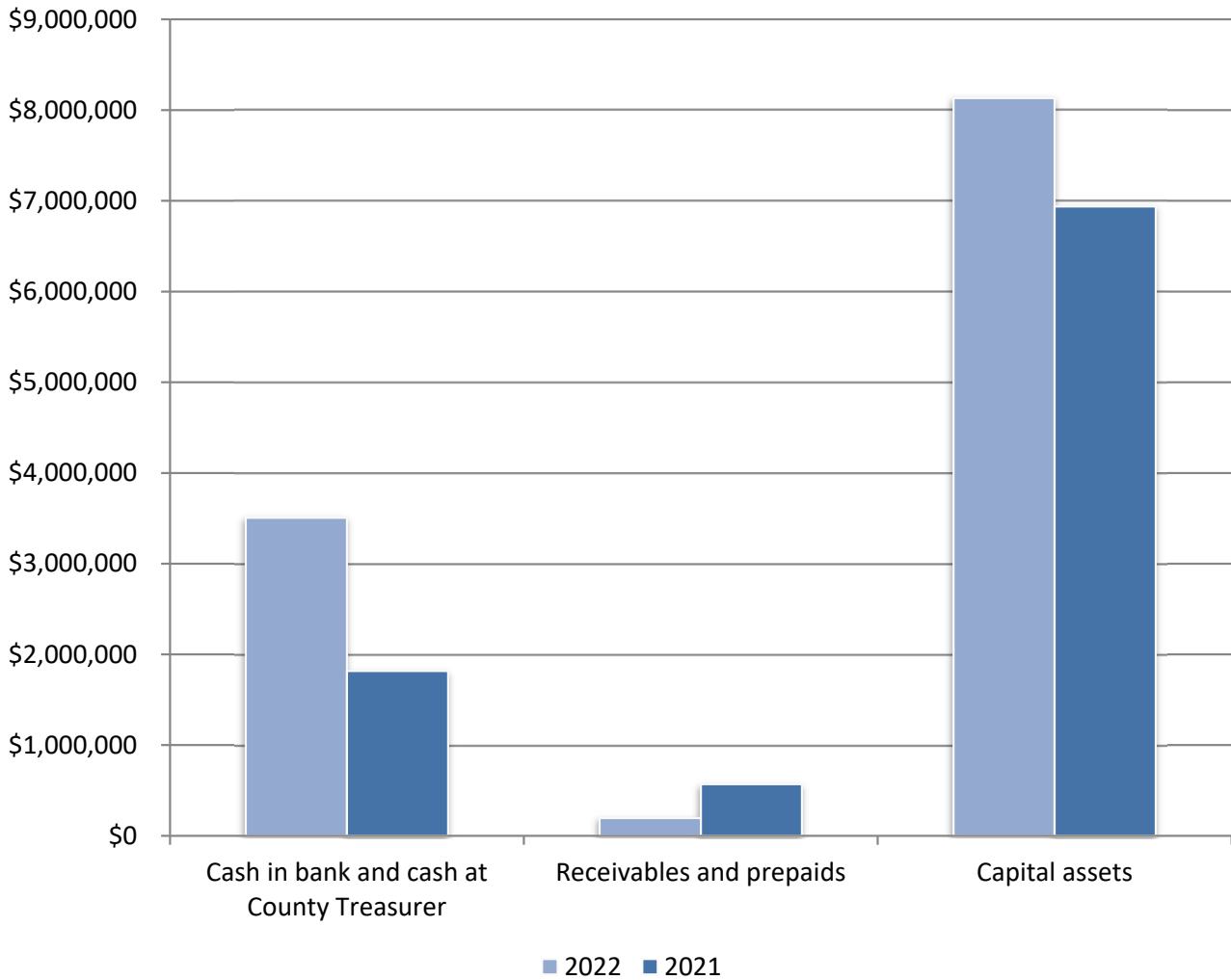
Expenses - Business-type activities	2022	2021
Water	\$345,508	\$305,991
Electric	\$1,461,721	\$1,380,082
Sewer	\$427,513	\$451,197
TOTAL EXPENSES	\$2,234,742	\$2,137,270



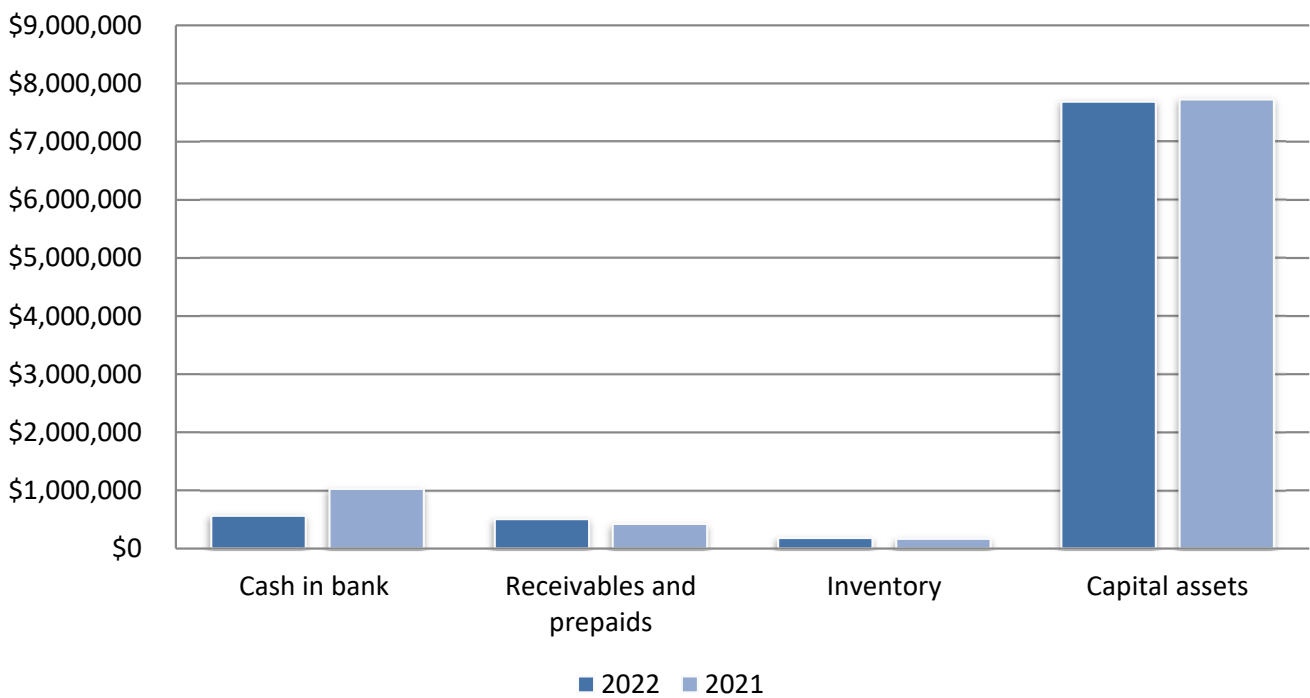
Current Year vs. Previous Year	2022	2021
Total Expenses	\$4,279,751	\$4,502,426

Summary Statements of Activities	2022	2021
Revenues	\$6,721,444	\$6,419,237
Expenses	\$4,279,751	\$4,502,426
Increase in Net Position	\$2,441,693	\$1,916,811

Assets - Governmental activities	2022	2021
Cash in bank and cash at County Treasurer	\$3,506,981	\$1,817,357
Receivables and prepaids	\$195,434	\$568,303
Capital assets	\$8,133,424	\$6,937,720
TOTAL ASSETS	\$11,835,839	\$9,323,380



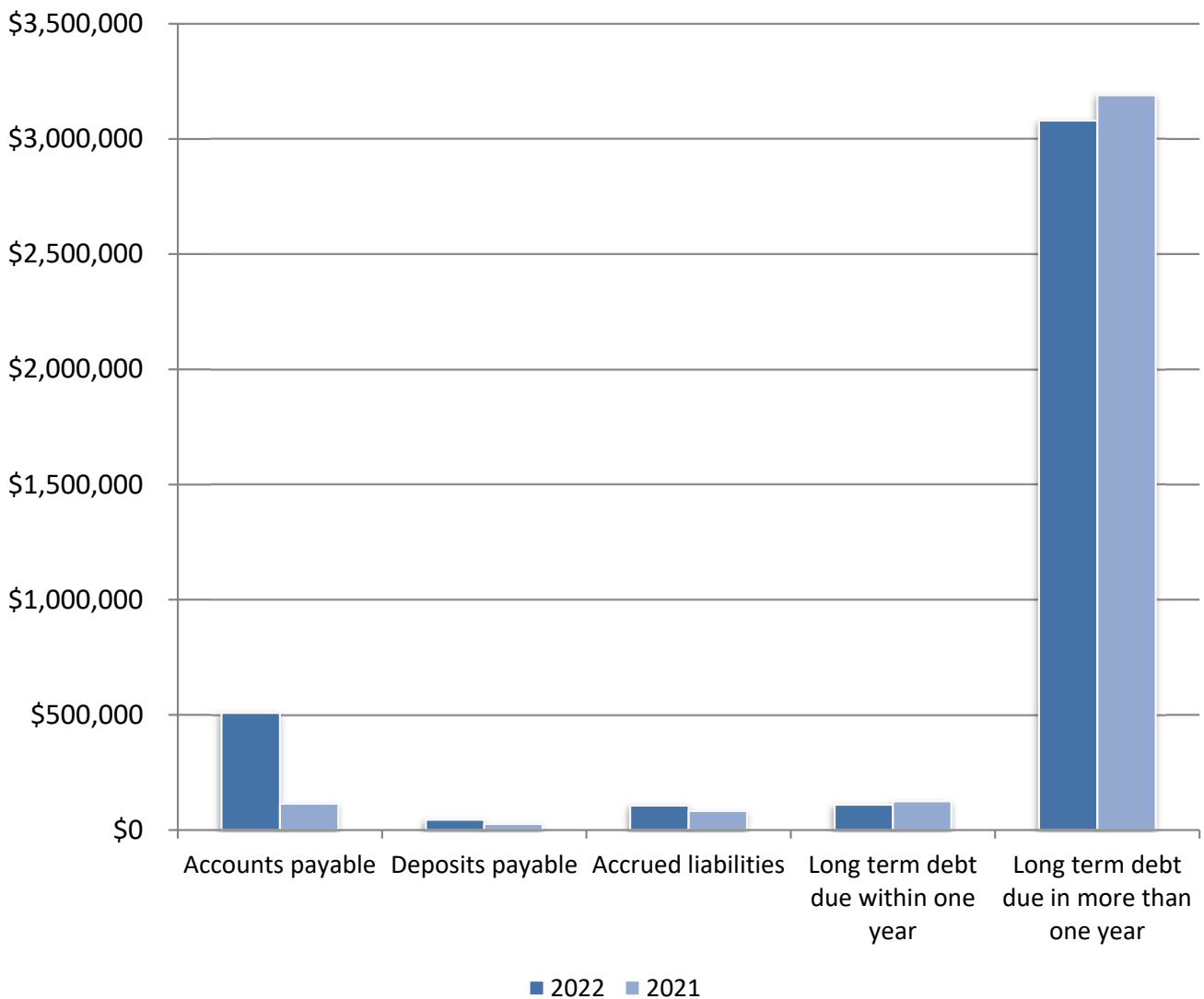
Assets - Business-type activities	2022	2021
Cash in bank	\$563,774	\$1,026,176
Receivables and prepaids	\$504,832	\$421,762
Inventory	\$180,875	\$168,070
Capital assets	\$7,685,843	\$7,724,478
TOTAL ASSETS	\$8,935,324	\$9,340,486



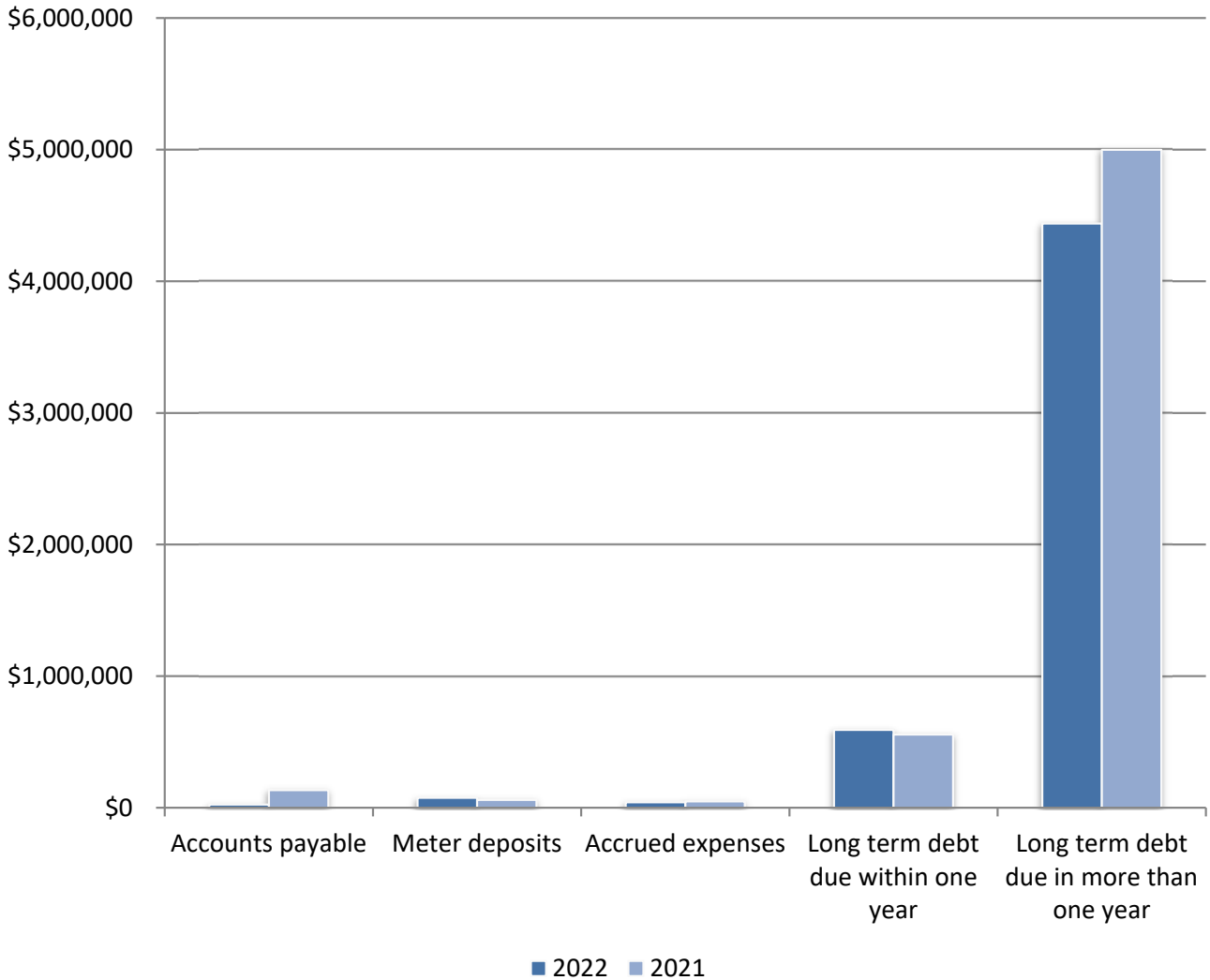
Deferred outflows – Business-type activities	2022	2021
Deferred refunding	\$119,930	\$125,339
TOTAL DEFERRED OUTFLOWS	\$119,930	\$125,339

Current Year vs. Previous Year	2022	2021
Total Assets and Deferred Outflows	\$20,891,093	\$18,789,205

Liabilities - Governmental activities	2022	2021
Accounts payable	\$508,232	\$114,732
Deposits payable	\$45,100	\$26,200
Accrued liabilities	\$106,510	\$82,521
Long term debt due within one year	\$110,000	\$125,000
Long term debt due in more than one year	\$3,080,000	\$3,190,000
TOTAL LIABILITIES	\$ 3,849,842	\$ 3,538,453



Liabilities - Business-type activities	2022	2021
Accounts payable	\$24,501	\$133,837
Meter deposits	\$75,760	\$59,860
Accrued expenses	\$41,927	\$48,194
Long term debt due within one year	\$590,665	\$555,462
Long term debt due in more than one year	\$4,438,016	\$4,998,680
TOTAL LIABILITIES	\$ 5,170,869	\$ 5,796,033



Deferred inflows – Governmental activities	2022	2021
Deferred refunding	\$81,199	\$84,729
TOTAL DEFERRED OUTFLOWS	\$81,199	\$84,729

Current Year vs. Previous Year	2022	2021
Total Liabilities	\$ 9,101,910	\$9,334,486

Net Position - Governmental activities	2022	2021
Invested in capital assets, net of related debt	\$ 4,943,424	\$ 3,622,720
Restricted	\$ 159,411	\$ 643,103
Unrestricted	\$ 2,801,963	\$ 1,434,375
TOTAL NET POSITION	\$ 7,904,798	\$ 5,700,198

Net Position - Business-type activities	2022	2021
Invested in capital assets, net of related debt	\$ 2,657,162	\$ 2,170,336
Restricted	\$ 563,774	\$ 1,026,176
Unrestricted	\$ 663,449	\$ 473,280
TOTAL NET POSITION	\$ 3,884,385	\$ 3,669,792

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Revenues	Budget	Actual (Budgetary Basis)	Variance
Property taxes	\$1,393,199	\$1,288,956	(\$104,243)
Motor vehicle taxes	\$99,800	\$111,878	\$12,078
Highway allocation	\$222,799	\$288,582	\$65,783
City sales tax	\$550,000	\$648,912	\$98,912
Utility revenue	\$2,793,325	\$3,000,607	\$207,282
Transfers in	\$0	\$0	\$0
Permits and fees	\$436,800	\$1,167,999	\$731,199
Grant proceeds	\$2,103,000	\$181,298	(\$1,921,702)
Bonds/notes issued	\$0	\$1,325,000	\$1,325,000
Miscellaneous	\$3,280,145	\$3,166,544	(\$113,601)
TOTAL REVENUES	\$10,879,068	\$11,179,776	\$300,708

CITY OF HICKMAN

Schedule of Resources, Appropriations and Changes in Fund Balance – Budget and Actual Government Activities

General Government	Budget	Actual (Budgetary Basis)	Variance
Operating expenses	\$855,116	\$1,090,730	(\$235,614)
Capital improvements and outlays	\$24,000	\$7,803	\$16,197
Debt service	\$378,771	\$128,704	\$250,067
TOTAL EXPENDITURES	\$1,257,887	\$1,227,237	\$30,650

Public Safety - Police and Fire	Budget	Actual (Budgetary Basis)	Variance
Operating expenses	\$130,495	\$129,394	\$1,101
TOTAL EXPENDITURES	\$130,495	\$129,394	\$1,101

Public Works, Streets	Budget	Actual (Budgetary Basis)	Variance
Operating expenses	\$343,980	\$319,018	\$24,962
Capital improvements and outlays	\$1,881,750	\$450,427	\$1,431,323
TOTAL EXPENDITURES	\$2,225,730	\$769,445	\$1,456,285

Culture and Recreation	Budget	Actual (Budgetary Basis)	Variance
Operating expenses	\$107,523	\$117,250	(\$9,727)
Capital improvements and outlays	\$285,000	\$628,230	(\$343,230)
TOTAL EXPENDITURES	\$392,523	\$745,480	(\$352,957)

Building Foundation	Budget	Actual (Budgetary Basis)	Variance
Debt service	\$0	\$66,047	(\$66,047)
TOTAL EXPENDITURES	\$0	\$66,047	(\$66,047)

Sales tax	Budget	Actual (Budgetary Basis)	Variance
Operating expenses	\$0	\$16,468	(\$16,468)
TOTAL EXPENDITURES	\$0	\$16,468	(\$16,468)

Schedule of Resources, Appropriations and Changes in Fund Balance – Budget and Actual Business-type Activities

Electric Utility	Budget	Actual (Budgetary Basis)	Variance
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 EXPENDITURES	\$1,794,120	\$1,607,086	\$187,034

Sewer	Budget	Actual (Budgetary Basis)	Variance
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 EXPENDITURES	\$1,137,624	\$2,143,590	(\$1,005,966)

Water	Budget	Actual (Budgetary Basis)	Variance
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 EXPENDITURES	\$2,177,270	\$404,274	\$1,772,996

TOTAL EXPENDITURES FOR GOVERNMENT AND BUSINESS-TYPE ACTIVITIES	Budget	Actual (Budgetary Basis)	Variance
TOTAL EXPENDITURES	\$9,115,649	\$7,109,021	\$2,006,628

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Note B – Stewardship, Compliance and Accountability

Note C – Fund Balances/Net Position

Note D – Special Assessment

Note E – Restricted Cash

Note F – Capital Assets

Note G – Interfund

Note H – Accrued Absences

Note I – Tax Abatements and Custodial Account

Note J – Long-term Obligations

Note K – Risk Management

Note L – Retirement Plan

Note M – Donated Land

Note N – Concentrations of Credit Risk

Note O – Prior Period Adjustment of Net Position and Fund Balance

Note P – Subsequent Events

AUDITOR COMMUNICATIONS

Board Communication Letter

- **Significant accounting policies:** No changes in significant accounting policies
- **Sensitive financial statement disclosures:** None
- **Difficulties encountered in performing the audit:** None
- **Corrected and uncorrected misstatements:** Material audit adjustments fully corrected. Remaining other items were immaterial to the financials as a whole.
- **Disagreements with management:** None
- **Supplemental information:** No changes in methods of preparation

Management Letter

Suggestions and opportunities:

Funds Transfer - Procedures to ensure funds transfers and other transactions are recorded correctly and to ensure each individual fund balances



13680 South 220th St · Gretna, NE 68028
Office Phone: (402) 332-4537 Fax: (402) 332-2881
Mobile Phone: Bodie (402) 670-8506
Email: bodiedostal@hotmail.com

To: Julie at Creative Sites
From: Bodie Dostal
Date: 3/14/2023
Re: City of Hickman Park

Budget Number

Area 47'x43'

Dirtwork	\$	2,750.00
8"x10" Concrete Ringwall 180 LF @ \$50 LF	\$	9,000.00
Install Playground - 905-165878-1	\$	8,450.00
Drainage	\$	2,850.00
Fabric - 2,021 SF	\$	900.00
Provide & Install EWF - 90 CY	\$	4,250.00
Seeding & Restoration	\$	1,500.00

Total Budget Number \$ 29,700.00

Note:

- No private locates and no sprinkler repair
- Schedule will be determined at the time of Bid Acceptance
- Bid Proposal Applies for 90 Days
- Fall 2023 Pricing; We will need to Revise if Spring 2024 Project
- Need pictures of site to make a Bid Proposal



COLOR KEY	
● RED	RED
● ORANGE	ORANGE
● PURPLE	PURPLE
● PURPLE/GRAY	PURPLE/GRAY



Public Work & Parks Department Report

March 2023

Public Works

- 811 Locate Tickets
- Communication with contractors on the 68th St project and the Terrace View 5th Addition infrastructure installation.
- I attended the Rural Water Conference in Kearney.

Water & Wastewater

- Routine Sampling Water and Wastewater.
- Dispersed new water meters for new builds.
- Trent and I attended a wastewater certification course in Hastings. We both successfully passed our exam and have grade 2 licenses.
- Chris took the grade 4 water exam and passed.
- Call about low water pressure. Measured at hose bib 46 psi homeowner was present.
- Flushed and put the 10" main back on line on 68th Street.

Electric

- Repaired street lights
- Reset a light pole in front of 1028 Asher that was damaged.
- Had a power issue that left 3 houses on Terrace View with half power. Schmader Electric dug it up and repaired where Windstream had driven a ground rod and hit the line during initial development.
- The scoreboard for Buchanan Field has new power ran to it and is operational.
- The new garage by batting cage has power to it.

Streets

- Filled large cracks and some small holes with cold patch.
- Started on Miscellaneous brush removal.

Parks

- The new Gravely mower was delivered.
- Approximately 120 tons of rock in north parking lot.
- Started the maintenance of dragging the ball fields.
- Looked at and got a quote on a used workman.

OPEN CODE VIOLATIONS REPORT

NEW VIOLATIONS

Updated March 24, 2023

Address	Reason	Date Contacted	Person Contacted	Follow Up Date	Result	Notes
Autumn Road	Vehicle standing on city street greater than 24 hours	3.7.2023	Deputy Sheriff	3.14.23	in process	Deputy Sheriff to contact vehicle owner.
Brentwood Ave	Dumpster next to house	3.17.2023	Property Owner	4.7.23	in process	Complaint regarding a large roll-off dumpster placed uncovered next to a house. Neighborhood cats are using it for a liter box/shelter. Spoke with the homeowner and they are trying to hire a contractor to remodel a bathroom. Homeowner agreed to remove the dumpster until they have a permit and contractor lined up.
Pioneer Court	Barking Dog	3.23.2023	Deputy Sheriff	3.30.23	in process	Barking dog complaint referred to Lancaster sheriff non-emergency number.
Ridge Road	Camper front wheels in yard and living in it	3.23.2023	Property Owner	4.23.2023	in process	Property owner noted the camper is temporary and is angled to not impede pedestrian traffic on the sidewalk. Owner noted it is not used as living space but occasionally used as work space for a family member. Their plan is to move it in 30 days.
UPDATE ON VIOLATIONS						
Address	Reason	Date Contacted	Person Contacted	Follow Up Date	Result	Notes
Autumn Road	No Parking	2.7.2023	Deputy Sheriff	3.8.2023	action complete	Email received regarding no parking signs on Autumn Road and residents not abiding by them.
City Park	Trail standing water and ice	2.8.2023	Public Works	3.8.2023	in process	Email received. They are concerned over the standing water and ice on the trail in Main Park. Also concerned about scrub brush and lack of tree maintenance behind the ball fields on the southside of the park.
City Street	Mud on City Street	2.13.2023	Builder	3.8.2023	action complete	Builders are being reminded to watch their build sites and subcontractors as they are responsible for cleaning the mud off of city streets.



68TH & HICKMAN RD. RAB and RCB CONSTRUCTION PROGRESS MEETING MINUTES

Thursday, March 9, 2023

NAME OF PROJECT:	Hickman RAB and RCB
PROJECT LOCATION:	68 th & Hickman Road, NE
MEETING LOCATION:	Prairie View Ln. and S. 68 th St. (or City Building)
PROJECT #:	017-3213

Project Status/Schedule:

- RCB Phase Start Date – January 9
- Revised/updated schedule received 2-14-22 – **Micah stated that the schedule has been pushed 2 weeks.**
 - RCB Culvert complete – March 3rd
 - Retaining Wall Complete – March 22nd
 - Asphalt Paving – March 14th
 - Open to traffic – March 18th
 - Permanent striping – March 31st
- Current Operations:
 - **Water Main**
 - Pressure testing performed on Thursday (3-09)
 - Flushing/chlorination – Line was flushed prior to pressure testing. Bac-T samples will be collected beginning on Thursday (3-09)
 - **RCB Construction**
 - Wall / deck poured
 - Flowable fill in Pedestrian Barrel
 - Borrow Dirt for backfill operations – Scheduled for next week. Olsson has proctors from the RAB phase
 - Storm Sewer – Manholes and Pipe is on site, installation will be done with RCB backfill.
 -

Bauer Infrastructure:

- RCB
 - Schedule received – February 14
 -
- RAB
 - **Pedestrian Railing**
 - Anchor bolts and repositioned to avoid joints, gaps up to 8” is acceptable.
 - Bauer will remove railing sections that straddle joints and replace base plates with new galvanization. Will check/verify sections currently being fabricated to ensure base plates don’t fall on joints. Will modify as needed.



Olsson:

- RCB
 - Retaining wall
 - Flowable fill in Pedestrian Barrel will be installed next week. Smoothness concerns were discussed.
 -
 - Water Main
 - Additional air release tap on the south end in order to keep trapped air from entering the system. Trent/Wade will consider options when the time comes.
 - Bac-T tests will be submitted as soon as available. Beginning on Thursday 3-09 after successful pressure test has been performed.
 - Utility Status
 - Proposed Unite boring (east) – to be installed 10’ below proposed work
 - Coordinate electrical connection for ped lighting with Trent/Wade
 - Electrical/Lighting submittal – reviewed 2-28-23 – City has a copy
 - Conduit is stubbed and ready
- RAB
 - Formal status of substantially complete has not been achieved
 - Drainage at retaining wall concern – Flume solution is approved. Will perform after RCB is complete.
 - Schedule for damage repairs at NB exit lane.....
 - Striping schedule.....
 - Sidewalk Railing
 - Railing installation issues – Bauer will resolve (see page 1).

City of Hickman:

- Replace post/post anchors in kind, Bauer indicated that he is waiting for his supplier
- Damage at NB exit lane of the RAB, closing this lane and repairing the concrete was discussed.
- Brian mentioned a concern of the City that any damage to the existing S. 68th Street paving as a result of the staging activities will need to be repaired

Action Items:

- Pay application #8 – Approved
- Next Meeting— March 16, 2023

Attendance: Brad T., Arthur H. (Olsson), Micah M., Bob S., Scott L., Mark C. (Bauer), Kelly O., Trent G., Wade L., (City of Hickman)



68TH & HICKMAN RD. RAB and RCB CONSTRUCTION PROGRESS MEETING MINUTES

Thursday, March 16, 2023

NAME OF PROJECT:	Hickman RAB and RCB
PROJECT LOCATION:	68 th & Hickman Road, NE
MEETING LOCATION:	Prairie View Ln. and S. 68 th St. (or City Building)
PROJECT #:	017-3213

Project Status/Schedule:

- RCB Phase Start Date – January 9
- Revised/updated schedule received 2-14-22 – Micah stated that the schedule has been pushed 2 weeks.
Substantial Completion is estimated to be approx. April 15th
 - RCB Culvert complete – March 3rd
 - Backfill of RCB – **Approx. 65% Complete**
 - **N/S traffic open – March 31 (estimated)**
- Current Operations:
 - Water Main
 - **Passing Bac-T samples provided to the City – Monday, March 14th**
 - **NDEE permit/approval to place into service is not required per EOR.**
 - RCB Construction
 - **Storm Sewer – Manhole and Pipe installation is concurrent with RCB backfill.**

Bauer Infrastructure:

- RCB
 - Schedule received – February 14
 - **Bauer was reminded of the retaining wall submittal still being in their court for re-submittal.**
 - **Flowable fill in Pedestrian Barrel was proposed/discussed, Olsson stressed the need to ensure no low points and asked how to achieve smoothness. Bauer asked if sand could be used in lieu of flowable fill. Olsson will discuss w/ EOR.**
 - **Electrical supply coordination was discussed with the City (Wade)**
- RAB
 - Pedestrian Railing
 - **Railing gaps up to 8” is acceptable.**
 - **Bauer will remove railing sections that straddle joints and replace base plates with new galvanization. Will check/verify sections currently being fabricated to ensure base plates don’t fall on joints. Will modify as needed.**



Olsson:

- RCB
 - Retaining wall
 - Flowable fill in Pedestrian Barrel and smoothness and drainage concerns were discussed (see above). The use of sand would require a 3-4” perforated pipe w/ filter sock along the length of the barrel and daylighted on the west (positive drainage).
 - Water Main
 - Water main pressure test report to be provided by Olsson (Provided 3-17-23)
 - Utility Status
 - Proposed Unite boring (east) – to be installed 10’ below proposed work
- RAB
 - Formal status of substantially complete has not been achieved
 - Drainage at retaining wall concern – Flume solution is approved. Will perform after RCB is complete.
 - Schedule for damage repairs at NB exit lane..... Bauer asked if the panel replacement could be performed later with other potential warranty work to avoid a closure. The City was open to this idea.
 - Striping schedule..... will be performed with the RCB pavement striping, possibly at night.
 - Sidewalk Railing
 - Railing installation issues – Bauer will resolve (see page 1).

City of Hickman:

- Replace post/post anchors in kind, Bauer indicated that he is waiting for their supplier
- Damage at NB exit lane of the RAB - The City is open to night or off hours work to avoid closure.
- All damage to S. 68th Street and side street paving due to staging activities will need to be repaired.

Action Items:

- Pay application #8 – Approved
- Next Meeting— March 23, 2023
- Bauer – Provide retaining wall re-submittal.
- Bauer – Provide RFI proposal for using sand in lieu of flowable fill.
- ~~Olsson – Provide water main pressure test report.~~
- Olsson – Coordinate with Stacey R. regarding PI messaging for road opening and cleanup activities.
- Olsson – Return approved asphalt mix design submittal.
- ~~Olsson – Review ROW at Dollar General (provide exhibit).~~

Attendance: Brad T, Arthur H. (Olsson), Micah M., Bob S., ~~Mark C.~~ (Bauer), Kelly O., ~~Trent G.~~, Wade L., (City of Hickman)



South 68th Street & Hickman Road

General Information:

Design Project Manager: Brian Schuele, Olsson
Construction Admin: Brian Jueneman, Olsson
RPR: Brad Thomas and Arthur Hutt, Olsson

Sunday, March 12th Partly Cloudy 27° at 8:00 AM 36° at 3:00 PM

Site (General)

- No work performed on-site.
- Water continues to be pumped from the box culvert pit.

Monday, March 13th Cloudy 21° at 8:00 AM 36° at 4:00 PM

Box Culvert

- Bauer crew moves in backfill material for box.
- The crew continued setting forms for exterior center walls at the box inlet and outlet.

Site (General)

- Water continues to be pumped from the pit.
- City of Hickman on-site locating utilities for new fiber conduit being run under the box.
- Bauer Infrastructure on-site unloading equipment for fiber conduit installation.

Tuesday, March 14th Clear 18° at 7:00 AM 54° at 6:00 PM

Box Culvert

- Bauer crew begins backfilling box on North and South side.
- The crew continued setting forms for exterior center walls at the box inlet and outlet.

Site (General)

- Water continues to be pumped from the box culvert pit.

Wednesday, March 15th Partly Cloudy 39° at 8:00 AM 70° at 4:00 PM

Box Culvert

- Bauer crew grouts tie-holes and voids on box interior.
- Bauer crew continues backfilling box. (~75% complete)
- The crew preps forms for removal from site.
- The crew pours exterior center walls at the box inlet and outlet.

Site (General)

- Water continues to be pumped from the box culvert pit.
- Bauer crew moves Storm Sewer RCP on-site and begins storm work by installing 24" FES.

Thursday, March 16th Snow/Very Windy 8° at 11:30 PM 52° at 12:30 AM

Box Culvert

- No work performed due to weather conditions.



South 68th Street & Hickman Road

Site (General)

- Water continues to be pumped from the box culvert pit.

Friday, February 17th Partly Cloudy/Light Snow 21° at 11:30 PM 43° at 3:00 PM

Box Culvert

- Bauer crew removed forms from exterior center walls at the box inlet and outlet which were poured on Wednesday.

Site (General)

- Water continues to be pumped and diverted from the box culvert pit.
- Site conditions are very muddy.
- The crew continues installing 24" RCP Storm Sewer from the FES, moving to the East. (50% complete)

Saturday, February 18th Partly Cloudy 14° at 7:00 AM 30° at 4:00 PM

Site (General)

- Water continues to be pumped from the box culvert pit.
- The crew finishes installation of 24" RCP Storm Sewer. (100% complete)



South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description:</p> <p>Bauer crew shown setting forms for exterior stem wall at RC box inlet. (03/13)</p>		
<p>Description:</p> <p>Bauer crew shown beginning to backfill on the South side of the RC box. (03/13)</p>		

South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description:</p> <p>Backfill work at the RC Box continues as shown. (03/14)</p>	 A skid steer loader is shown dumping a load of dark brown soil into a deep trench. To the right of the trench is a large, rectangular concrete structure, likely a retention wall or culvert. The background shows a residential area with houses and bare trees under a clear blue sky.	
<p>Description:</p> <p>Bauer crew pours exterior center stem walls. Wall at culvert outlet is shown (03/15)</p>	 A large excavator is positioned in a trench, pouring concrete into a formwork structure. In the foreground, a construction worker wearing a high-visibility yellow vest and a dark jacket stands with their back to the camera, looking towards the excavation. The scene is set in a wooded area with bare trees.	

South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description:</p> <p>Backfill work nears ~75% completion and exterior center stem walls remain covered the day after pour. Culvert inlet shown. (03/16)</p>	 A wide-angle photograph showing the culvert inlet structure. The concrete walls are visible, and the area around the inlet is covered with dark soil and gravel. A yellow excavator is visible in the background. The sky is overcast.	
<p>Description:</p> <p>Bauer crew removes forms from exterior center stem walls. Culvert outlet is shown. (03/17)</p>	 A close-up photograph of the culvert outlet. The concrete structure is shown in detail, with the outlet opening visible. The surrounding area is dark soil and gravel. A blue bucket is visible on the ground near the outlet.	



68TH & HICKMAN RD. RAB and RCB CONSTRUCTION PROGRESS MEETING MINUTES

Thursday, March 23, 2023

NAME OF PROJECT:	Hickman RAB and RCB
PROJECT LOCATION:	68 th & Hickman Road, NE
MEETING LOCATION:	Prairie View Ln. and S. 68 th St. (or City Building)
PROJECT #:	017-3213

Project Status/Schedule:

- RCB Phase Start Date – January 9
- Revised/updated schedule received 2-14-22
- **Substantial Completion is estimated to be approx. April 15th**
 - RCB Culvert complete – March 3rd
 - Backfill of RCB – **Approx. 100% Complete, rip rap is currently being placed.**
 - **Asphalt is a 2 day notice for the subcontractor (subgrade prep is required).**
 - **N/S traffic open – March 31 (estimated) is still the target date.**
- Current Operations:
 - RCB Construction
 - **Storm Sewer – Manhole and Pipe installation is 95% complete.**
 - **Rip Rap is currently being placed and should be complete by end of the week**
 - **Excess soil is being removed and roadway/slope grading is in progress**

Bauer Infrastructure:

- RCB
 - Schedule received – February 14
 - **Bauer will install RCB railings using elbow/joint system including additional railing on stem walls (extra work). Posts will be sleeved.**
 - **Retaining wall railing will be pre-fabricated similar to the RAB railing**
 - **Bauer stated that Windstream temp re-location will be in conflict with trail grading and will need to be moved before trail work on the west side can be performed.**
- RAB
 - **Pedestrian Railing issues (outstanding)**
 - **Damage to RAB apron curb was discussed, it appears that removal of unsound/broken curb pieces and clean/seal is appropriate.**
- **Bauer has significant concerns with opening the roadway and continuing to work under traffic with liquidated damages still being assessed. They would very much like to open the road as soon as possible, but if liquidated damages remain in effect, keeping it closed is safer and more efficient for them. It was suggested that they formally submit this request to the City in writing.**



Olsson:

- RCB
 - Retaining wall
 - Retaining wall re-submittal is on Olsson court for review.
 -
 - Utility Status
 - Proposed Unite boring (east) – to be installed 10’ below proposed work.
 - Bauer stated that Windstream temp re-location will be in conflict with trail grading and will need to be moved before trail work on the west side can be performed.
- RAB
 - Formal status of substantially complete has not been achieved
 - Drainage at retaining wall concern – Flume solution is approved. Will perform after RCB is complete.
 - Schedule for damage repairs at NB exit lane..... Bauer asked if the panel replacement could be performed later with other potential warranty work to avoid a closure. The City was open to this idea.
 - Striping schedule..... will be performed with the RCB pavement striping, possibly at night, markings are permanent Paint.
- Olsson will prepare a draft/preliminary list of punch list items (see attached). A final/formal walk thru will be performed at a later date.

City of Hickman:

- Replace post/post anchors in kind, Bauer indicated that he is waiting for their supplier
- Damage at NB exit lane of the RAB - The City is open to night or off hours work to avoid closure.
- Water main is not live yet, but may be by the end of the day (3-23-23)
- All damage to S. 68th Street and Prairie View St. paving due to staging activities will need to be repaired.

Action Items:

- Pay application #9 – thru end of March
- Next Meeting - Not scheduled at this time
- Olsson – Return retaining wall re-submittal

Attendance: Brad T, Arthur H. (Olsson), Micah M., Bob S., Mark C. (Bauer), Kelly O., Trent G., Wade L., (City of Hickman)



Hickman RAB and RCB Preliminary Punch list / Remaining work
as of March 24, 2023

1. Complete filling of “voids” within box and grind walls smooth
2. Coordinate with Windstream for removal of temporary relocated facilities
3. Install block retaining walls & backfilling, east & west side of box culvert
4. Install safety railing on block retaining walls, east and west side of box culvert
5. Install safety railing on RCB parapet, wingwalls and stem walls
6. Complete installation of storm sewer MH’s – riser sections and ring and cover, MH-01 &MH-02
7. Complete backfill and sub-grade preparation for asphalt and concrete pavement over RCB
8. Placement of asphalt and concrete pavement at RCB location
9. Adjust hydrant and valve boxes to grade at sidewalk and trail
10. Grading for sidewalk trail, east & west side and over box culvert
11. Installation of 10’ wide concrete trail paving, east & west side of box culvert
12. Installation of electrical service and RCB interior pedestrian lighting
13. Remove and replace damaged curb and gutter and pavement on Prairie View Lane and any other damage to asphalt surfacing on S. 68th Street (restore shoulder as needed)
14. Install pavement markings and lane striping (both locations)
15. Complete final grading and request grading approval prior to final seeding and matting
16. Complete final seeding and matting and repair turf areas damaged during construction
17. Install/re-install roadway signage, replace damaged signs, replace nuts/bolts/washers appropriately
18. Install TRM matting at North west side (Dollar General)
19. Install Hydrant extension (6th Street)
20. Construct Flume drain at bank property (extra work), trim drain tiles
21. Repair damage at RAB (north exit), may be warranty work
22. Repair damage at RAB (South apron curb)
23. Replace sign post/anchors in kind
24. Seal back of sidewalk at retaining wall locations
25. General project clean up



South 68th Street & Hickman Road

General Information:

Design Project Manager: Brian Schuele, Olsson
Construction Admin: Brian Jueneman, Olsson
RPR: Brad Thomas and Arthur Hutt, Olsson

Sunday, March 19th Clear 7° at 8:00 AM 52° at 4:00 PM

Site (General)

- No work performed on-site.
- Water continues to be pumped from the box culvert pit.

Monday, March 20th Clear 32° at 7:00 AM 66° at 4:00 PM

Box Culvert & Storm Drain

- Bauer crew sets storm drain manholes.
- The crew excavates for 24" storm drain FES head wall.
- The crew also excavates at the box culvert inlet for placement of filter fabric and riprap.
- The crew installs filter fabric and riprap at the box culvert inlet.
- The crew backfills the South side of the box.

Site (General)

- Water continues to be pumped from the box culvert pit.

Tuesday, March 21st Partly Cloudy 39° at 7:00 AM 50° at 10:00 AM

Box Culvert & Storm Drain

- Bauer crew backfills the South side of the box.
- The crew excavates behind both Wing Walls and places filter fabric and ¾" crushed rock backfill.
- The crew completes prep. for 24" storm drain FES headwall and pours head wall.
- The crew also pours the storm drain manhole inverts.
- The crew pumps/pours flowable fill within the trail section of the box culvert.

Site (General)

- Water continues to be pumped from the box culvert pit.

Wednesday, March 22nd Partly Cloudy 36° at 7:00 AM 54° at 3:30 PM

Box Culvert

- Bauer crew completes backfill on the South side of the box.
- The crew pumps/pours 5" concrete trail within the trail section of the box culvert.
- The crew broom finishes and covers the poured section with insulating blankets.

Site (General)

- Water continues to be pumped from the box culvert pit.



Olsson Weekly Progress Report
Sunday March 19, 2023 to Saturday March 25, 2023

South 68th Street & Hickman Road

Thursday, March 23rd Partly Cloudy 28° at 11:30 PM 45° at 6:00 PM

Box Culvert & Storm Drain

- Bauer crew excavates at 24" FES for placement of filter fabric and riprap.
- The crew also places filter fabric and riprap at the outlet of the box culvert.
- The crew saw cuts joints in the concrete trail section through the box culvert. Afterwards they re-cover the trail with insulating blankets.
- The crew also continues to fill/grout small voids in the walls of the box culvert.

Site (General)

- Water continues to be pumped from the box culvert pit.
- Bauer crew removes excess dirt off-site.
- The City of Hickman flushes new water main and puts main into service.

Friday, February 24th Clear 23° at 5:00 AM 55° at 3:30 PM

Box Culvert & Storm Drain

- Bauer crew excavates temporary construction access path at the East end of the box and completes placing remaining riprap at the box culvert inlet.
- The crew sets storm drain manhole risers and place the ring and cover on the West storm drain manhole.

Site (General)

- Bauer crew perform general site clean-up – the clear rock from the grass on the East side of S. 68th St., broom the roadway, and haul excess dirt off-site.

Saturday, February 25th Clear 34° at 7:00 AM 55° at 5:00 PM

Site (General)

- No work performed on-site.

South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description: Bauer crew shown setting storm drain manhole. (03/20)</p>		
<p>Description: Bauer crew shown placing ¾" crushed rock backfill with filter fabric behind the NE Wingwall. (03/21)</p>		

South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description:</p> <p>Bauer crew shown pumping flowable fill at box culvert trail section. (03/22)</p>	 A wide-angle photograph of a construction site. In the foreground, a large concrete box culvert is under construction, with its two openings visible. A worker in a high-visibility vest and hard hat is standing near the entrance. In the background, several pieces of heavy machinery, including a yellow skid steer loader, a red excavator, and a white concrete mixer truck, are parked on a dirt embankment. The sky is overcast.	
<p>Description:</p> <p>Flowable fill at trail section of box culvert shown poured. (03/22)</p>	 A perspective view from inside a concrete box culvert. The walls and floor are made of smooth, light-colored concrete. The floor is covered with a layer of grey, flowable fill material. At the far end of the culvert, there is a bright opening leading to the outside. In the lower-left corner, the tips of several metal rods or pipes are visible, protruding from the floor.	

South 68th Street & Hickman Road

		Project No. 017-32130
<p>Description: Bauer crew shown pumping trail/sidewalk at box culvert trail section. (03/22)</p>		
<p>Description: Bauer crew shown setting storm drain manhole risers. (03/24)</p>		

RESOLUTION 2023-02
License and Management Agreement
for Use of Municipal Property for Sports
or Other Recreational Activities

WHEREAS, This License and Management Agreement (the "License"), dated for reference purposes only as of the ____ day of _____, 2023, is entered into by and between The City of Hickman ("City") and American Legion Post 105, Hickman, Nebraska ("Legion").

WHEREAS, City is the owner of certain real property, Buchanan Field, located in the Main City Park on West 2nd Street, located in Hickman, Nebraska and hereinafter referred to as "Field".

WHEREAS, Legion has requested the use of said Field for the purpose of operating a Legion Baseball Program with multiple teams;

WHEREAS, City and Legion desire to support the development of Legion Baseball youth recreational opportunities, to improve the Buchanan Field Complex and Field Area, and to provide adequate field facilities for the play of baseball;

NOW THEREFORE, City and Legion agree as follows:

1. TERM: (a) City will lease Field to the Legion for the sum of \$3,000.00 annually for the term of one season commencing effective at the conclusion of Norris Public School District 160 High School baseball season. Either party shall have the right to terminate this License by providing the other party with no less than 7 days' prior written notice. Such notice shall specify the date that the License shall terminate. Payment is due within 30 days of full execution of this agreement. The City agrees to notify the Legion of any increase of Leasing Fee prior to December 31st of the current year or the year this agreement is executed and each succeeding year thereafter. At the conclusion of the Initial Term and any Renewal Term, this Agreement shall automatically renew for a twelve-month Renewal Term, unless terminated by either Party pursuant to Section 8.
2. RESPONSIBILITIES:
 - A. Legion
 1. The Legion shall be responsible for clearing debris (garbage) from the Field and placing it in containers provided by the City resulting from the Legion's use for baseball practices and games. The Legion is not responsible for cleaning debris (garbage) left by other user groups or individuals.
 2. The Legion shall be responsible for maintaining and caring for the Field and shall consist of the following:

Daily Routine before Practice and Games

 - Remove tarps from strike plate and pitcher mound areas
 - Drag the skinned areas smooth
 - Water down the skinned infield (if needed)
 - Repair pitching and batter box area with field clay
 - Sweep and clean dugouts
 - Set the chalk lines and mark officially
 - Paint or wash bases, pitching plate and home plate
 - Prepare the bullpens
 - Prepare the press box and operation of the PA System and Scoreboard

Daily Routine after Practice and Games

- Repair the pitching mound and strike plate area and cover areas with tarps
- Remove the bases and insert base plugs
- Remove loose dirt from grass along base paths, mound circle, and infield edge
- Rebuild the bullpen mounds, home plate area, and cover with tarps
- Replace and tamp any loose divots in the turf areas
- Dispose of trash in and around field, dugouts, bleacher and take trash to dumpsters
- Remove L-Screens and portable turtle backstop from field (store behind Home Team's bullpen)
- Place all field equipment inside crow's nest
- Lock all facility gates and doors and turn off lights

3. The Legion shall submit baseball practice and game schedules to the City's Parks & Recreation Director, or their designee, thirty (30) days prior to the **first practice start of their season**. However, the schedule for practices and/or games may be changed on short notice as a result of inclement weather conditions, the needs of the City, condition of playing surface(s), etc. The Legion will attempt to keep changes to a minimum. Said schedules shall include the dates, start and estimated ending times for all practices and game. Further, the City's Parks & Recreation Director, or their designee, shall be notified of any schedule changes as soon as reasonably possible (i.e., rain cancellation, change in site location).
4. The Legion shall be allowed to apply field conditioner, clay, or similar product (approved and provided by the City) to the playing surface in the Field as deemed necessary by the Legion.
5. The Legion shall provide adult supervision, including coaches and umpires as appropriate, during all Legion sponsored baseball practices and games in the Field. City personnel, unless employed under a separate agreement or volunteering for the Legion, will not be utilized for supervision of events.
6. At their discretion, the Legion may charge admission at the Legion scheduled practices and games in the Field.
7. The Legion may post signage on Buchanan Field fence line and will remove all signage at the end of the season.
8. The Legion shall inspect the Field prior to each use to insure they are safe for use. The Legion will be responsible for repair of damage to the playing surfaces and facilities caused by spectators and/or participants at Legion scheduled practices and/or games. Practices and games will not be held in a Field that is not safe.
- ~~9. The Legion shall be responsible for post-game/practice clean up, including removal of equipment and depositing of trash in receptacles provided by the City.~~
9. The Legion shall be responsible to report any hazardous conditions or damage requiring repair to the City Field to the Parks & Recreation Director, or their designee, as soon as possible but no later than the beginning of the next business day or remedy such condition or damage prior to use.

B. City/City

1. The City shall be responsible for inspection, mowing, maintenance and care, except as provided for in Section 2. A., including, inspection of the Field, aerating, watering turf, painting foul lines, including the playing surfaces, restrooms, bleachers, scoreboard, etc. In response to the request from the City, the Legion may, at its discretion, assist the City with personnel and/or equipment for the above listed maintenance items.
2. The City shall ensure that there are garbage receptacles near the Field during all periods of use by the Legion.

3. The City shall provide restrooms for the Field that are available and in usable condition during the Legion's scheduled practices and games.
4. The City will make every effort possible to schedule major improvements and repairs to the Field during the off-season to avoid closing the facilities during the Legion's scheduled usage. If a field is damaged, the City and the Legion will examine the field and jointly determine whether or not the field is safe for use. If it is determined the field is unsafe for use, the City and Legion will estimate a date and time the field will once again be available and the City will begin and complete repairs agreed to by the City as soon as reasonably possible. The Legion shall make the determination whether to cancel or delay games due to weather conditions.
5. The City reserves the right to close the Field for any period of time necessary to undertake emergency major repairs if needed. The City will work with the Legion to avoid any delay or cancellation of practices or games to the extent possible. In the event it becomes necessary to close the Field, the City will provide as much advance notice as possible and project the date and time the Field will be available to the Legion.
6. The City will handle changes to the Legion's scheduled use to the best of its ability to avoid any conflicts.

C. Joint Responsibility

1. The parties agree to work closely and cooperatively to resolve any maintenance, care, or safety issues concerning the Field and to make improvements and expansion to the facilities through grants, donations, etc.
2. The parties will conduct an inspection of the Field after the season to establish a meeting time to discuss a work list to be completed prior to the start of the following spring sport season. City agrees to notify the Legion of any increase of Leasing Fee prior to August 1.
- ~~3. The parties shall mutually agree to cost share on capital expenditures that cost over three thousand (\$3,000) dollars.~~
3. No cost share on any capital improvements over \$3,000 unless mutually agreed upon by the parties.
4. All Alterations, Additions, and Fixtures other than the Legion's baseball equipment which is used or have been made or installed by either the City or the Legion on the premise shall remain as the City Property and shall be surrendered with premises as part thereof.

3. UTILITIES: Legion acknowledges that the utilities necessary for the operation of the Field are provided by City and Legion shall use such utilities in the manner required for the proper operation of the Field and shall not unreasonably use the same or cause any damage thereto. The cost of the utilities applicable to the Field shall be paid by City before the same become due.
4. INSURANCE: During the License Term, Legion shall, at its own cost and expense, procure and continue in force such insurance policies as are required by City. Such insurance shall, at a minimum include commercial general liability insurance with a combined policy limit of at least \$1,000,000 or such other amount as is reasonably agreed to by the parties. City shall be named as an additional named insured on all such policies of insurance. A renewal policy shall be procured not less than ten (10) days prior to the expiration of any policy. Each original policy or a certified copy thereof, or a satisfactory certificate of the insurer evidencing insurance carried with proof of payment of the premium, shall be deposited with City prior to the commencement date of the term hereof and within ten (10) days of each anniversary date thereafter. Legion shall provide workers' compensation and employer liability coverage as may be required by the State of Nebraska.
5. LEGION'S INDEMNIFICATION: Legion agrees to indemnify and hold City harmless from and against any and all claims, damages, or causes of action and all liability, cost or expense specifically including court costs and all reasonable attorney fees to the extent the same arise out of or in any way connected with Legion's or Legion's agents' use of the Field during the term

hereof. Whether the same are raised during the term hereof or after. Without limiting the foregoing, the parties acknowledge and agree that the foregoing indemnification specifically includes any claims, damages, or causes of action and all liability, cost or expense specifically including court costs and all reasonable attorney fees for any related issues.

6. ENTRY BY CITY: City and its agents and employees shall have the right to enter the Premises at all reasonable times and during normal business hours, to examine the same, to make such maintenance and repairs of the Premises and such maintenance, repairs, alterations, decorations, additions, and improvements to other portions of the Premises as City requires.
7. ASSIGNMENT: Legion shall not assign, sub-license, or otherwise transfer, by operation of law or otherwise, this License or any interest herein without the prior written consent of City, which consent may be withheld in City's sole discretion. **Any agreed upon Assignment by the Legion may be adopted by Hickman City Council as an addendum to this agreement and will be known as Exhibit A-<enter year>.**
8. NOTICES: All Notices regarding this modifications or cancellation of this Agreement can be sent to the following:
 - City of Hickman
Attn: City Administrator
PO Box 127
Hickman, NE 68372

 - American Legion Post #105
Attn: Legion Baseball Coordinator
PO Box 263
Hickman, NE 68372
9. BINDING EFFECT. This License shall be binding upon and shall inure to the benefit of City, Legion, and their respective successors and assignees.

CITY OF HICKMAN, NEBRASKA, a Municipal Corporation

By: _____
Phil Goering, Mayor
STATE OF NEBRASKA ss. COUNTY OF LANCASTER

The foregoing License Agreement was acknowledged before me on ____day of _____ 2023, by Phil Goering, Mayor of HICKMAN NEBRASKA, a Municipal Corporation.

NOTARY PUBLIC: _____ NOTARY SEAL:

HICKMAN LEGION POST 105, LEGION BASEBALL ORGANIZATION, a Not For Profit Corporation

By: _____
Dennis Egger, Legion Baseball Coordinator
STATE OF NEBRASKA ss. COUNTY OF LANCASTER

The foregoing License Agreement was acknowledged before me on ____day of _____ 2023, by Dennis Egger, Baseball Coordinator of HICKMAN LEGION POST 105, LEGION BASEBALL ORGANIZATION, a Not For Profit Corporation.

NOTARY PUBLIC: _____ NOTARY SEAL:

EXHIBIT A-2023
ADDENDUM TO RESOLUTION 2023-02

Norris Baseball Association 14U (NBA) shall be responsible and held accountable to the following sections of Resolution 2032-02 License and Management Agreement as entered into by and between The City of Hickman ("City") and American Legion Post 105, Hickman, Nebraska ("Legion"), in addition to an inspection of Buchanan Field and the field facilities, attended by all parties, before and after the tournament, and payment of \$350.00 to the City of Hickman, due June 1, 2023:

Predetermined Assignment 1: City and Legion to allow the Norris Baseball Association 14U to occupy and utilize Buchanan Field and the field facilities for a baseball tournament on June 16, 17, 18, 19, 2023. Norris Baseball Association 14U shall be held to the same agreement sections titled as follows, in addition to an inspection of Buchanan Field and the field facilities, attended by all parties, before and after the tournament, and payment of \$350.00 to the City of Hickman, due June 1, 2023:

2. RESPONSIBILITIES; 4. INSURANCE; 5. LEGION'S INDEMNIFICATION; 6. ENTRY BY THE CITY

2. RESPONSIBILITIES

A. NBA

1. The NBA shall be responsible for clearing debris (garbage) from the Field and placing it in containers provided by the City resulting from the Legion's use for baseball practices and games. The Legion is not responsible for cleaning debris (garbage) left by other user groups or individuals.
2. NBA shall be responsible for maintaining and caring for the Field and shall consist of the following:

Daily Routine before Practice and Games

- Remove tarps from strike plate and pitcher mound areas
- Drag the skinned areas smooth
- Water down the skinned infield (if needed)
- Repair pitching and batter box area with field clay
- Sweep and clean dugouts
- Set the chalk lines and mark officially
- Paint or wash bases, pitching plate and home plate
- Prepare the bullpens
- Prepare the press box and operation of the PA System and Scoreboard

Daily Routine after Practice and Games

- Repair the pitching mound and strike plate area and cover areas with tarps
- Remove the bases and insert base plugs
- Remove loose dirt from grass along base paths, mound circle, and infield edge
- Rebuild the bullpen mounds, home plate area, and cover with tarps
- Replace and tamp any loose divots in the turf areas
- Dispose of trash in and around field, dugouts, bleacher and take trash to dumpsters
- Remove L-Screens and portable turtle backstop from field (store behind Home Team's bullpen)
- Place all field equipment inside crowd's nest
- Lock all facility gates and doors and turn off lights

4. INSURANCE

During the License Term, NBA shall, at its own cost and expense, procure and continue in force such insurance policies as are required by City. Such insurance shall, at a minimum include commercial general liability insurance with a combined policy limit of at least \$1,000,000 or such other amount as is reasonably agreed to by the parties. City shall be named as an additional named insured on all such policies of insurance. A renewal policy shall be procured not less than ten (10) days prior to the expiration of any policy. Each original policy or a certified copy thereof, or a satisfactory certificate of the insurer evidencing insurance carried with proof of payment of the premium, shall be deposited with City prior to the commencement date of the term hereof and within ten (10) days of the each anniversary date thereafter. NBA shall provide workers' compensation and employer liability coverage as may be required by the State of Nebraska.

5. LEGION'S (NBA) INDEMNIFICATION

NBA agrees to indemnify and hold the Legion and City harmless from and against any and all claims, damages, or causes of action and all liability, cost or expense specifically including court costs and all reasonable attorney fees to the extent the same arise out of or in any way connected with NBA's or NBA's agents' use of the Field during the term hereof. Whether the same are raised during the term hereof or after. Without limiting the foregoing, the parties acknowledge and agree that the foregoing indemnification specifically includes any claims, damages, or causes of action and all liability, cost or expense specifically including court costs and all reasonable attorney fees for any related issues.

6. ENTRY BY THE CITY

City and its agents and employees shall have the right to enter the Premises at all reasonable times and during normal business hours, to examine the same, to make such maintenance and repairs of the Premises and such maintenance, repairs, alterations, decorations, additions, and improvements to other portions of the Premises as City requires.

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

September 30, 2022

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

Preliminary Draft

City of Hickman, Nebraska

For the year ended September 30, 2022

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1-3
Basic Financial Statements	
Government-Wide Financial Statement	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position – Business-Type Activities	10
Statement of Revenues, Expenses, and Changes in Fund Net Position – Business-Type Activities	11
Statement of Cash Flows – Business-Type Activities	12
Notes to Financial Statements	13-24
Supplemental Information	
Schedule of Resources, Appropriations and Changes in Fund Balance – Budget and Actual – Budgetary Basis – All Fund Types	26-27
Combining Balance Sheet – Non-Major Governmental Funds	28
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	29
Schedule of Expenses	30-31

City of Hickman, Nebraska

For the year ended September 30, 2022

TABLE OF CONTENTS - CONTINUED

	<u>Page No.</u>
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 <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	35-36
Corrective Action Plan	37
Summary Schedule of Prior Audit Findings	38

INDEPENDENT AUDITOR'S REPORT

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 XX, 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 XX, 2023

(This page left blank intentionally)

City of Hickman, Nebraska

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities (Note A)	Business-Type Activities (Note A)	Total
ASSETS			
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
Total assets	11,835,839	8,935,324	20,771,163
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	119,930	119,930
Total assets and deferred outflows of resources	\$ 11,835,839	\$ 9,055,254	\$ 20,891,093
LIABILITIES			
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
Total liabilities	3,849,842	5,170,869	9,020,711
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	81,199	-	81,199
Total liabilities and deferred inflows of resources	3,931,041	5,170,869	9,101,910
NET POSITION (note A)			
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
Total net position	7,904,798	3,884,385	11,789,183
Total liabilities, deferred inflows of resources and net position	\$ 11,835,839	\$ 9,055,254	\$ 20,891,093

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
Primary government							
Governmental activities							
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)
Business-type activities							
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)
General receipts							
Property taxes					1,266,791	-	1,266,791
Homestead exemption					36,711	-	36,711
Motor vehicle taxes					87,899	-	87,899
Motor vehicle prorata					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
Net position							
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
ASSETS								
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
Total assets	\$ 1,501,196	\$ 939,489	\$ 7,521	\$ 1,040,235	\$ 93,535	\$ -	\$ 103,703	\$ 3,685,679
LIABILITIES								
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
Total liabilities	113,529	463,995	-	-	4,329	-	-	581,853
DEFERRED INFLOWS OF RESOURCES								
Deferred taxes	8,362	-	3,243	-	-	-	-	11,605
FUND BALANCES (notes A and C)								
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
Total fund balances	1,379,305	475,494	4,278	1,040,235	89,206	-	103,703	3,092,220
Total liabilities, deferred inflows and fund balances	\$ 1,501,196	\$ 939,489	\$ 7,521	\$ 1,040,235	\$ 93,535	\$ -	\$ 103,703	\$ 3,685,678

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)
Net position of governmental activities	\$ 7,904,798

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
Revenues								
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
Total revenues	1,730,529	382,741	389,382	539,572	330,973	-	56,501	3,429,698
Expenditures								
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
Total expenditures	1,062,975	1,223,395	3,695	16,468	745,709	-	137,865	3,190,108
Excess (deficiency) of revenues over (under) expenditures	667,554	(840,654)	385,687	523,104	(414,736)	-	(81,364)	239,590
Other financing sources (uses)								
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)
Total other financing sources (uses)	496,229	240,697	(395,614)	91,331	438,030	-	36,401	907,074
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	1,163,783	(599,957)	(9,927)	614,435	23,294	-	(44,963)	1,146,664
Fund balance								
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
Ending fund balance	\$ 1,379,305	\$ 475,494	\$ 4,278	\$ 1,040,235	\$ 89,206	\$ -	\$ 103,703	\$ 3,092,220

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
ASSETS				
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>
DEFERRED OUTFLOWS OF RESOURCES				
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>
LIABILITIES				
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	152,620	200,465	379,768	732,853
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>
NET POSITION (note A)				
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
Total revenues	798,365	1,756,656	800,993	3,356,014
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
Total operating expenses	333,862	1,411,394	353,005	2,098,261
Operating income	464,503	345,262	447,988	1,257,753
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)
Total non-operating revenues (expenses)	(581,653)	(389,917)	(71,590)	(1,043,160)
Change in net position	(117,150)	(44,655)	376,398	214,593
Beginning net position	1,447,267	1,267,548	954,977	3,669,792
Ending net position	\$ 1,330,117	\$ 1,222,893	\$ 1,331,375	\$ 3,884,385

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	\$ 464,503	\$ 345,262	\$ 447,988	\$ 1,257,753
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	\$ 22,844

NOTE E - RESTRICTED CASH

Cash is restricted for the following purposes as of September 30, 2022 is 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
Governmental activities				
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	<u>8,952,319</u>	<u>1,507,054</u>	<u>-</u>	<u>10,459,373</u>
Less accumulated depreciation for				
Building	(475,736)	(112,615)	-	(588,351)
Equipment	(484,185)	(87,535)	-	(571,720)
Infrastructure	<u>(1,430,362)</u>	<u>(163,231)</u>	<u>-</u>	<u>(1,593,593)</u>
Total accumulated depreciation	<u>(2,390,283)</u>	<u>(363,381)</u>	<u>-</u>	<u>(2,753,664)</u>
Total governmental capital assets, depreciated, net	<u>6,562,036</u>	<u>1,143,673</u>	<u>-</u>	<u>7,705,709</u>
Total governmental capital assets, net	<u>\$ 6,937,720</u>	<u>\$ 1,195,704</u>	<u>\$ -</u>	<u>\$ 8,133,424</u>
	Balance 09/30/21	Additions	Deletions	Balance 09/30/22
Business-type activities				
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	<u>11,858,422</u>	<u>370,842</u>	<u>-</u>	<u>12,229,264</u>
Total business-type capital assets, depreciated	<u>12,655,474</u>	<u>380,784</u>	<u>-</u>	<u>13,036,258</u>
Less accumulated depreciation for				
Building	(2,928)	(4,262)	-	(7,190)
Equipment	(520,183)	(49,990)	-	(570,173)
Distributions and collection system	<u>(4,482,086)</u>	<u>(365,167)</u>	<u>-</u>	<u>(4,847,253)</u>
Total accumulated depreciation	<u>(5,005,197)</u>	<u>(419,419)</u>	<u>-</u>	<u>(5,424,616)</u>
Total business-type capital assets, depreciated, net	<u>7,650,277</u>	<u>(38,635)</u>	<u>-</u>	<u>7,611,642</u>
Total business-type activities capital assets, net	<u>\$ 7,724,478</u>	<u>\$ (38,635)</u>	<u>\$ -</u>	<u>\$ 7,685,843</u>

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
Total	\$ 1,482,259	\$ 871,376	\$ 570,164	\$ 339,608	\$ 25,325	\$ 31,991	\$ 414,240	\$ 264,128	\$ 95,454	\$ 4,094,545

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.

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.

SUPPLEMENTAL INFORMATION

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	378,771	128,704	250,067
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	130,495	129,394	1,101
Public works, streets			
Operating expenses	343,980	319,018	24,962
Capital improvements and outlays	1,881,750	450,427	1,431,323
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	285,000	628,230	(343,230)
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE				
Restricted	<u> </u>	<u>100,118</u>	<u>3,585</u>	<u>103,703</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 100,118</u>	<u>\$ 3,585</u>	<u>\$ 103,703</u>

Preliminary Draft

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

	Law Enforcement	Keno	Reading Center	Total Non-major Governmental Funds
Revenues				
Interest income	\$ -	\$ 46	\$ -	\$ 46
Keno revenue	-	55,814	-	55,814
Grants and contributions	-	-	641	641
Total revenues	-	55,860	641	56,501
Expenditures				
General government	-	8,232	-	8,232
Public Safety	129,394	-	-	129,394
Culture and recreation	-	-	239	239
Total expenditures	129,394	8,232	239	137,865
Excess (deficit) of revenue over expenditures before other sources	(129,394)	47,628	402	(81,364)
Other financing sources				
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)
Fund balance				
Beginning fund balance	-	145,627	3,039	148,666
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	<u>\$ 1,049,515</u>	<u>\$ 129,394</u>	<u>\$ 117,479</u>	<u>\$ 3,695</u>	<u>\$ 16,468</u>

City of Hickman, Nebraska

SCHEDULE OF EXPENSES - CONTINUED

For the year ended September 30, 2022

	Street	Keno	Reading Center	Building Foundation
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	-	-
	<u>300,343</u>	<u>8,232</u>	<u>239</u>	<u>-</u>
Total expenses	<u>\$ 300,343</u>	<u>\$ 8,232</u>	<u>\$ 239</u>	<u>\$ -</u>

(This page left blank intentionally)

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*

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 XX, 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).

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

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.

The audit disclosed one significant deficiency in the City of Hickman, Nebraska's internal control over financial reporting summarized as follows:

2022-003 - *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 appropriate segregation of duties.

Context: We observed inadequate segregation of duties by reviewing an organizational chart and through interviews of personnel and management. Cash payments and cash receipts represent the entirety of the cash flow of the entity.

Cause: The City has a limited number of personnel.

Effect or potential effect: The control deficiency is a significant deficiency that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with the governmental basis of accounting such that there is a reasonable possibility that a misstatement of the financial statements, will not be prevented, or detected and corrected, on a timely basis.

Recommendation: Management and the City Council must rely on its review and oversight authority in order to mitigate this inherent weakness in its internal controls.

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

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

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.

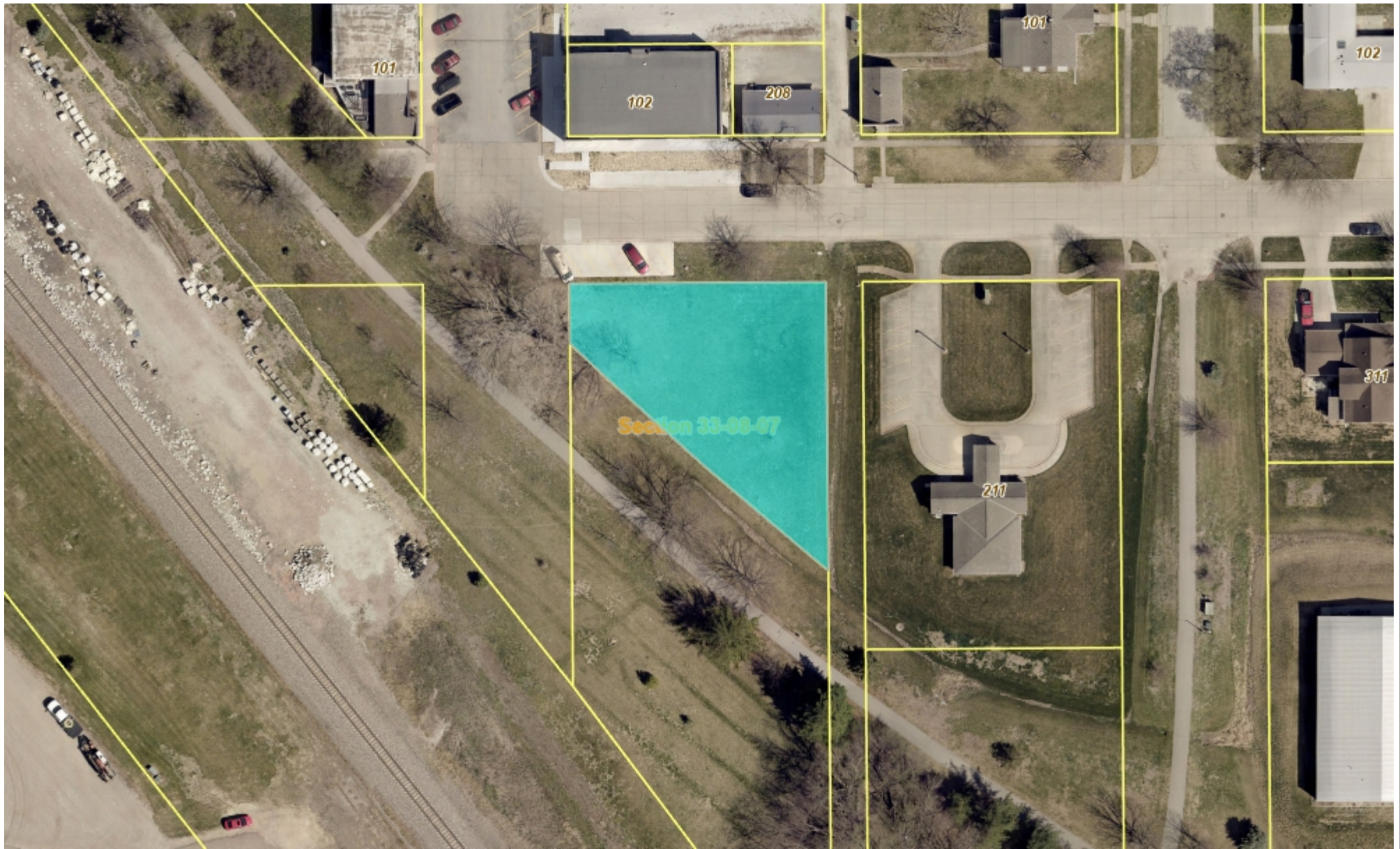
Corrective Action Planned: City of Hickman, Nebraska's management, Mayor and City Council will rely on its review and oversight authority to mitigate this inherent weakness in its internal control system.

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 continues to be a finding in the 2022 audit.



Parcel ID: 1533226011000

Owner: CITY OF HICKMAN

Property Address:

Legal Description: HICKMAN, BLOCK 26, Lot 8 - 11, THOSE PARTS LYING 50' NE OF CENTERLINE OF VAC MO PAC RR

Printed: 3/22/2023

Disclaimer:

The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments. If you have questions or comments regarding the data displayed on this map, please email assessor@lanaster.ne.gov and you will be directed to the appropriate department.



MASTER AGREEMENT WORK ORDER

This exhibit dated December 12, 2022 is hereby attached to and made a part of the Master Agreement for Professional Services dated August 31, 2020 between the City of Hickman, NE ("Client") and Olsson, Inc. ("Olsson") providing for professional services. Olsson's Scope of Services for the Agreement is as indicated below.

GENERAL

Olsson has acquainted itself with the information provided by Client relative to the project and based upon such information offers to provide the services described below for the project. Client warrants that it is either the legal owner of the property to be improved by this Project or that Client is acting as the duly authorized agent of the legal owner of such property.

PROJECT DESCRIPTION AND LOCATION

Project will be located at: Hickman, Nebraska

Project Description: Terrace View 5th Addition Construction Oversight.

SCOPE OF SERVICES

Olsson shall provide the following services (Scope of Services) to Client for the Project:

Olsson serves as the City Engineer for the City of Hickman and will be a representative of the City during the construction phase of Terrace View 5th Addition, a private subdivision within the City's jurisdiction. Olsson will furnish Project Management, Construction Oversight, Material testing, and Project Close-Out Services during this construction phase for the public infrastructure improvements.

By performing the services, no authority or responsibility is assumed to supervise, direct, or control the Contractor's work or the Contractor's means, methods, techniques, or procedures of construction. Olsson shall not have authority or responsibility for safety precautions and programs incident to the Contractor's work or for any failure of the Contractor to comply with laws, regulations, rules, ordinances, codes or orders applicable to the Contractor furnishing and performing the work. The Contractor shall have sole responsibility for safety and for maintaining safe practices and avoiding unsafe practices or conditions.

These services shall in no way relieve the Contractor of complete supervision of the work or the Contractor's obligation for complete compliance with the drawings and specifications. These services shall in no way relieve the Engineer of Record for the public improvements for complete compliance with federal, state, and local requirements and standards. Olsson agrees to provide

all its services in a timely, competent and professional manner, in accordance with applicable standards of care, for projects of similar geographic location, quality and scope.

Phase 100 – Project and Construction Management

Task 100100 - Project Management

Olsson will provide General Project Management for the duration of the project. This task includes management of project staff and budget along with coordination with City staff. Olsson will provide monthly invoices to the City.

Task 100200 - Construction Administration and Oversight

Olsson shall furnish personnel for the administration and general oversight of the project. A main point of contact will be provided to the City of Hickman to assist in construction related questions and/or communicate changes in conditions that may be encountered. The scope includes construction manager time for administration and project management.

Olsson shall perform the following construction phase services:

1. Olsson will review/use available project documentation provided by the Developer and/or his representatives for reference during the construction of the public infrastructure.
2. Olsson will provide construction reporting and documentation to the City of Hickman and the Developer and/or his representatives.
3. Olsson will review all testing data and reports for general compliance with the plans and specifications.
4. Olsson shall make periodic visits to the site to oversee the general progress of the work. Reports shall be prepared and provided to the City on a weekly basis as construction activity/progress warrants the need for such reporting.

Items of interest related to the Utility Construction (Sanitary Sewer, Water Main) shall include but not be limited to the following:

- Periodic observation of trench excavation, subsurface/foundation conditions, and backfill operations.
- General observation of system layout and installation operations of pipes, manholes, fire hydrants, valves, and other appurtenances to the utility construction.
- Review of methods and results of acceptance testing (TV / mandrel / pressure / vacuum) and periodic observation of the testing operations.

Items of interest related to the Paving Construction (concrete) shall include but not be limited to the following:

- Review of subgrade preparation and proof rolling prior to paving operations.
- Observation and Inspection of paving methods and operations.
- Part time observation of pavement jointing, and curb backfill.
- Part time observation of ADA ramp, sidewalk and trail construction.
- Testing of Materials – acceptance testing (density, concrete field testing, concrete strength).

This Scope of Services includes construction inspection and management services, contractor coordination and materials testing services.

Phase 200 – Material Testing

Task 200100 - Materials Testing

Olsson shall provide materials testing and other testing as required for construction of the new utilities and pavements. This would include concrete testing for new pavement, compaction testing for pavement construction, and compaction testing for trench backfill and backfill at structures. Final quantities and frequency of testing will be dependent on the construction schedule, but the hourly rate and unit prices proposed will remain the same for the duration of the project.

- Utility Backfill: Olsson will obtain samples of backfill material for standard Proctor and Atterberg limits testing. Field moisture-density tests will be performed in backfill placed within segments of the utility trenches as well as the proposed pavement subgrade. Testing frequency will be performed at the discretion of the onsite inspector as backfill is placed for the storm sewer, sanitary sewer and water main. We have assumed the following number of Proctors and Atterberg's required for testing of soil to be used as backfill:
 - On-site material – (2) EA Standard Proctors
 - On-site material – (2) EA Atterberg Limits
- Concrete – Pavement: Olsson will perform concrete sampling; including slump, air entrainment and temperature on composite samples of concrete. Cylinders will be cast

from the concrete used in the construction of the structures for compressive strength testing. The following have been assumed:

- Concrete Pavement – (10) sets of three test cylinders
- Reporting: Olsson field professionals will prepare field reports summarizing each day's field observations, presenting test results, and detailing items not in compliance with the project drawings and/or specifications. Field reports will be reviewed by our Construction Manager and summarized in letters transmitted to the Client and General Contractor. Olsson is not responsible for the Contractor's means or methods and does not have the obligation or authority to stop Contractor's work. Olsson responsibility as special inspector is to report our field observations and test results to the Contractor and Client as provided herein.

Phase 300 – Project Closeout

Task 300100 – Project Closeout

1. Upon Substantial Completion, Olsson will attend the walk-through of the project and assist the City in identifying the “punch list” of deficiencies. The “punch list” will be prepared and distributed for the Contractor to achieve Final Completion of the project.
2. Olsson will follow up with the Contractor to determine that all items on the “punch list” were addressed, and if necessary, compile a list of outstanding items, to be completed prior to final completion of the project
3. Olsson will provide written documentation to the City concerning final completion and payment to the Contractor.
4. Olsson will review the record drawings for accuracy and ensure a complete set of redlined record drawings in PDF format have been provided to the City at the completion of the project.
5. Olsson will furnish a letter certifying public infrastructure was constructed in general conformance to the project plans and specifications.

Should Client request work in addition to the Scope of Services, Olsson shall invoice Client for such additional services (Optional Additional Services) at the standard hourly billing labor rate charged for those employees actually performing the work, plus reimbursable expenses if any. Olsson shall not commence work on Optional Additional Services without Client's prior written approval.

Olsson agrees to provide all of its services in a timely, competent and professional manner, in accordance with applicable standards of care, for projects of similar geographic location, quality and scope.

SCHEDULE FOR OLSSON'S SERVICES

Unless otherwise agreed, Olsson expects to perform its services under the Agreement as follows:

Anticipated Start Date: January 15, 2023

Anticipated Completion Date: June 1, 2023

Olsson will endeavor to start its services on the Anticipated Start Date and to complete its services on the Anticipated Completion Date. However, the Anticipated Start Date, the Anticipated Completion Date, and any milestone dates are approximate only, and Olsson reserves the right to adjust its schedule and any or all of those dates at its sole discretion, for any reason, including, but not limited to, delays caused by Client or delays caused by third parties.

COMPENSATION

Client shall pay to Olsson for the performance of the Scope of Services, the actual time of personnel performing such services in accordance with the Labor Billing Rate Schedule(s), and all actual reimbursable expenses in accordance with the Reimbursable Expense Schedule attached to this agreement. Olsson shall submit invoices on a monthly basis, and payment is due within 30 calendar days of invoice date.

Olsson's Scope of Services will be provided on a time-and-expense basis not to exceed \$45,300.00.


TERMS AND CONDITIONS OF SERVICE

We have discussed with you the risks, rewards and benefits of the Project, the Scope of Services, and our fees for such services and the Agreement represents the entire understanding between Client and Olsson with respect to the Project. The Agreement may only be modified in writing signed by both parties.

Client's designated Project Representative shall be _____.

If this Work Order satisfactorily sets forth your understanding of our agreement, please sign in the space provided below. Retain a copy for your files and return an executed original to Olsson, 601 P Street, Suite 200, Lincoln, Nebraska 68508. This proposal will be open for acceptance for a period of 30 days from the date set forth above, unless changed by us in writing.

OLSSON, INC.

By 
Brian Jueneman

By 
Brian Schuele

By signing below, you acknowledge that you have full authority to bind Client to the terms of the Agreement. If you accept this Work Order, please sign:

CITY OF HICKMAN

By _____
Signature

Print Name _____

Title _____

Dated: _____



LETTER AGREEMENT AMENDMENT #2

Date: March 21, 2023

This AMENDMENT (“Amendment”) shall amend and become a part of the Letter Agreement for Professional Services dated September 23, 2021 between City of Hickman, Nebraska (“Client”) and Olsson, Inc. (“Olsson”) providing for professional services for the following Project (the “Agreement”):

Project Description: Wastewater Treatment Plant (WWTP) Headworks & Final Clarifier

PROJECT DESCRIPTION AND LOCATION

Project is located at: Hickman, Nebraska

Project Description: This amendment was prepared to provide construction phase services for the above referenced improvements. Initial language was included in the original contract stating the need for this amendment.

SCOPE OF SERVICES

Client and Olsson hereby agree that Olsson’s Scope of Services under the Agreement is amended by adding the services specifically described below for the additional compensation set forth below:

PHASE 100 Project Management

a. Project Management

Add project management associated with assisting the Client to complete and submit the required documents to the Water and Wastewater Advisory Committee (WWAC) for the funding pre-application, and review funding offers.

PHASE 300 Final Design

c. Construction documents

- Add front end documents required by SRF or USDA for project funding as decided once a funding source is selected.

PHASE 600 Construction Administration

Olsson’s Project Manager will provide general administration services to ensure that work is performed in general conformance with the Construction Documents. By performing the services, no authority or responsibility is assumed to supervise, direct, or control the Contractor’s work or the Contractor’s means, method, techniques, or procedures of construction. Tasks may include interpretation of documents, submittal of invoices, and progress monitoring including status of submittals and construction schedule.

It is anticipated that construction will occur over a period of 12 months, or 52 weeks. Construction Administration time was estimated to be 10 hours per week, on average, including up to two (2) site visits per month to review progress and participate in site meetings, as necessary.

➤ *Pre-Construction Meeting*

At date and time selected by the Client and at facilities provided by the Client, conduct pre-construction conference for each Bid Section. The Engineer shall prepare an agenda for the conference and prepare and distribute minutes. The pre-construction conference will include a discussion of the Contractor's tentative schedule, procedures for transmittal and review of the Contractor's submittal, processing payment applications, critical work sequencing, change orders, record documents, and the Contractor's responsibilities for safety and first aid.

➤ *Attend Progress Meetings*

Attend regularly scheduled progress meetings to be conducted by Contractor as determined by conditions of the specifications. The Engineer shall review recorded minutes of each meeting, review project status, and review budget reports. The Engineer will attend up to twelve (12) meetings.

➤ *Schedule Reviews*

Review and comment on the Contractor's initial and updated construction schedule(s) and advise Client as to acceptability. Analyze Contractor's construction schedule(s), activity sequences, and construction procedures regarding Client's ability to keep existing facilities in operation.

➤ *Periodic Site Visits*

Make periodic visits to the construction site to observe progress of the work and consult with the Client and Contractor concerning problems and/or progress of the work. The number anticipated for the construction phase of the work shall be as determined for the orderly execution of work.

➤ *Investigate/Negotiate Contractor Claims*

Investigate and process construction contract change order justifications and related changes to the contract documents as needed, including American Iron and Steel (AIS) and Davis-Bacon Wage requirements. Negotiate with the Contractor to assist in obtaining a fair price for the work. Said negotiation will be subject to the approval of the Client.

➤ *Administer Change Orders*

Review documentation and administer the processing of change orders, including applications for extensions of construction time. Up to three (3) change orders are included in the scope. Documentation will be provided by Resident Observer and Contractor.

➤ *Review Monthly Contractor Pay Requests*

Review and process the Contractor's monthly payment requests and forward them to the Client for approval. Up to twelve (12) pay requests are anticipated and included in the scope. Review will be for the purpose of making a full independent mathematical check of the Contractor's payment request. Resident Observer will be responsible for verifying the quantities of work which are the basis of the payment request.

- *Review Contractor's Submittals*
Review drawings and other data submitted by the Contractor as determined by the construction contract documents. Review will be for general conformity to the construction contract drawings and specifications for the contract and will not relieve the Contractor of any of his contractual responsibilities. Such review will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Reviews will be provided by electrical, mechanical, controls, structural, and architectural designers who assembled the initial contract documents.
- *Substantial Completion Review*
Upon substantial completion, review the construction work and prepare a listing of those items to be completed or corrected before final completion of the contract. Submit results of the review to the City and the Contractor.

Post Construction Services

- *Final Completion Review*
Upon completion or correction of the items of work on the punch list, conduct final review to determine whether the work is complete. Provide written recommendations concerning final payment to the Client, including a list of items, if any, to be completed prior to the making of such. Final funding documents will be prepared for contract closeout, as needed.
- *Prepare Record Drawings*
Olsson will maintain a marked set of record drawings and specifications based on data provided by the Contractor. This information will be combined with information maintained by the Contractor to produce a master set of record documents. Upon completion of the project, the construction contract drawings will be revised to conform to the construction records. Submit two (2) hard copies and (1) one electronic copy to the Client.
- *Technical Support*
Provide up to 50 hours of technical support to City staff after final completion of the construction contract. This includes, but is not limited to, process troubleshooting, assisting with manufacturer warranty claims, and process optimization.

CONSTRUCTION OBSERVATION

Olsson will furnish a part-time Resident Project Representative (RPR), at approximately 2 to 2.5 full days per week, for an anticipated construction schedule of 12 months, or 52 weeks. The RPR will observe the Contractor's work and perform the services listed below. The RPR shall not have the responsibility for the superintendence of construction site conditions, safety, safe practices or unsafe practices or conditions, operation, equipment, or personnel other than employees of Olsson. This service shall in no way relieve the Contractor of complete supervision of the work or the Contractor's obligation for complete compliance with the drawings and specifications. The Contractor shall have sole responsibility for safety and for maintaining safe practices and avoiding unsafe practices or conditions. Specific services performed by the RPR are anticipated to be as follows:

- Conduct on-site observations of the general progress of the work to assist Project Manager in determining if the work is proceeding in accordance with the construction contract documents.
- Attend pre-construction conference and assist Project Manager in explaining administrative procedures which will be followed during construction.
- Submit to the Client construction progress reports containing a summary of the Contractor's progress, general conditions of the work, problems, and resolutions or proposed resolutions of problems.
- Verify that testing conforms to the contract documents.
- Maintain a marked set of record drawings and specifications at the job site based on data provided by the Contractor. This information will be combined with information maintained by the Contractor and a master set of record documents produced.
- Before Olsson issues a Certificate of Substantial Completion, assist the Project Manager in submitting to the Contractor a punch list of observed items requiring completion or correction.
- Assist the Project Manager in conducting final review in the company of the Client and the Contractor and prepare a final list of items to be completed or corrected.
- Compile data from the Contractor and from our records to prepare conforms-to-construction-records drawings. These drawings will reflect the information available about the facility as constructed.
- Conduct a project warranty review at eleven months after completion of the project. The Project Manager will attend the review to review the project with the Client. Minutes will be developed from the review to confirm actions and schedules for corrections should any deficiencies be found.

CONSTRUCTION STAKING

Olsson will furnish construction staking services for installation of the proposed project, including new structures, utilities, site grading, and site features. These services will include up to five (5) trips to the site, as requested by the Contractor.

1. Locate and maintain existing and new vertical and horizontal control points.
2. Provide horizontal control for the site removals within the limits of the project. Our estimate is based on one (1) trip only to the site for this service.
3. Provide vertical and horizontal offset control for sidewalk and flatwork. Our estimate is based on one (1) trips only to the site for this service.
4. Provide the horizontal location of the four corners of the Headworks building with offsets both ways. Set a finish floor benchmark within the limits of the proposed building. Our estimate is based on one (1) trip only to the site for this service.

5. Provide center location of and four quadrant locations for the new Final Clarifier with offsets. Set a top of structure benchmark within the limits of the proposed footprint. Our estimate is based on one (1) trip only to the site for this service.

Items not included in this proposal: utilities other than those described above, attending weekly progress meetings, excavation, erosion control, limits for seeding, tree removals, potential staging areas, landscaping, pavement stripping, electrical service, gas service, fiber optic/telephone, irrigation or a final as-built. These services can be provided on a time and expense basis if requested.

Project specifications include a provision stating that re-staking services for lost or damaged points must be performed by Olsson but will be paid for by Contractor and not the Owner.

CONSTRUCTION TESTING

Construction testing services shall consist of the following:

SPECIAL INSPECTIONS AND MATERIALS TESTING SERVICES

Construction materials testing services have been requested for structural fill and backfill placement, reinforced concrete, and structural masonry. We propose to provide our materials testing services in the following manner:

TASK I – EARTHWORK OBSERVATION AND SOILS TESTING

Soils Testing for Structural Fill and Backfill – Olsson will observe the exposed subgrade within the construction limits of the building and pavement areas to verify that soils unsuitable for foundation slab and pavement support have been removed and to identify unstable areas that require additional excavation prior to placement of the foundations and concrete pavement sections. A proofroll will be performed when accessible.

Olsson will obtain samples of materials proposed for use as structural fill and backfill for laboratory testing. Laboratory tests, including standard Proctors and Atterberg limits tests, will be performed to evaluate the physical properties of the proposed fill and backfill materials. Olsson will observe field placement methods and perform field density tests on structural fill and backfill placed within the footprint of the building and pavement areas, as well as backfill along segments of utility trenches and foundation wall backfill. We have assumed a maximum of 3 Proctors and Atterberg Limits tests will be required for testing of soil to be used as structural fill and backfill.

Foundation Bearing Materials – Olsson will observe the bearing materials at the base of the shallow foundation excavations. The bearing materials will be evaluated with respect to the design bearing pressure.

TASK II – REINFORCED CONCRETE TESTING

Foundations, Walls, Beams, Slabs – Olsson will observe placement of reinforcing steel in the foundations, walls, slabs on grade, elevated slabs and beams, and site pavements. Field tests including slump, air entrainment and temperature will be performed on samples of concrete obtained from these areas. Cylinders will be cast from the concrete used in construction of the

structure for compressive strength testing at a rate of one set of 5 cylinders for every 100 yards of concrete placed per day. The following have been assumed:

- Footings and Foundation walls – 19 sets of 5 cylinders per set, cast over 16 placement events
- Floor Slabs, CIP Beams – 3 sets of 5 cylinders per set, cast over 3 placement events
- Concrete Pavement/Sidewalks – 3 sets of 5 cylinders per set, cast over 3 placement events

TASK II – STRUCTURAL MASONRY INSPECTIONS AND TESTING

Headworks Building Masonry – Olsson will observe construction of the structural masonry walls on a periodic basis prior to grouting operations and continuous observations during grouting operation. Olsson has estimated 3 site visits for observation of reinforcing and grouting procedures. Samples of masonry materials used in construction will be attained for laboratory testing at a frequency of 1 set of compressive strength specimens per 5,000 square feet of masonry constructed. Olsson has estimated the following:

- 3 – Site visits for inspection and observation of reinforcing steel, grout placement, wall construction and sampling masonry materials for laboratory testing
 - 1 set of compressive strength specimens including:
 - 4 grout prism specimens per set

TASK IV – REPORTING/PROJECT MANAGEMENT

Olsson's field professionals will prepare electronic field reports summarizing each day's field observations presenting test results and detailing items not in compliance with the project drawings and/or specifications.

Field reports will be reviewed by our project manager and submitted electronically to the designated project team on a weekly basis. Olsson is not responsible for the Contractor's means and methods and does not have the obligation or authority to stop the Contractor's work. Olsson's responsibility as the special inspection firm is to report field observations and test results to the Contractor and Client as provided herein.

Safety – It is the responsibility of the general contractor or their subcontractors to provide safe access to work requiring observation or testing by the special inspector or tester.

When fall protection is needed for Olsson personnel to perform their work, we will supply our personnel with harnesses and lanyards which can be tied off to contractor-provided anchorage points. If the contractor cannot supply an anchorage point for Olsson personnel, we will work with the general contractor to come up with a solution possibly including Olsson providing our own anchorage, which may cause a delay to obtain the equipment needed and will result in additional charges to Olsson's Client.

SCHEDULE FOR OLSSON'S SERVICES

Unless otherwise agreed, Olsson expects to perform its services covered by this Amendment as follows:

Anticipated Start Date: March 1, 2023 (continued from original contract)
Anticipated Completion Date: December 2024

Olsson will endeavor to start its services on the Anticipated Start Date and to complete its services on the Anticipated Completion Date. However, the Anticipated Start Date, the Anticipated Completion Date, and any milestone dates are approximate only, and Olsson reserves the right to adjust its schedule and any or all those dates at its sole discretion, for any reason, including, but not limited to, delays caused by Client or delays caused by third parties.

COMPENSATION

For the additional Scope of Services specifically set forth in this Amendment, Client shall pay Olsson the following fee in addition to the fee(s) set forth in the Agreement:

Client shall pay to Olsson for the performance of the added Project Management and Final Design Scope of Services and a lump sum of Seven Thousand Two Hundred and Seventy-Five dollars (\$7,275.00).

Client shall pay to Olsson for the performance of the Construction Observation Scope of Services only, the actual time of personnel performing such services in accordance with the Labor Billing Rate Schedule(s), and all actual reimbursable expenses in accordance with the Reimbursable Expense Schedule attached to this agreement.

Olsson's Scope of Services for Construction Administration, Construction Observation, Construction Staking, Construction Testing, and Post Construction Scope of Services will be provided on a time-and-expense basis not to exceed Two Hundred Eighty-Three Thousand Five Hundred Eighty-Five dollars (\$283,585.00).

The total compensation is summarized in the table below.

Scope	Fee Type	Fee
Project Management	Lump Sum	\$ 3,150.00
Final Design	Lump Sum	\$ 4,125.00
Construction Administration	Time and Materials, Not to Exceed	\$136,940.00
Construction Observation	Time and Materials, Not to Exceed	\$115,695.00
Construction Staking	Time and Materials, Not to Exceed	\$ 4,200.00
Construction Testing	Time and Materials, Not to Exceed	\$ 19,250.00
Post Construction Services	Time and Materials, Not to Exceed	\$ 7,500.00
Amendment #2 Total		\$290,860.00

The total contract amount with this amendment increases from \$257,337.00 to \$548,197.00

Olsson shall submit invoices on a monthly basis, and payment is due within 30 calendar days of invoice date.

TERMS AND CONDITIONS OF SERVICE

All provisions of the original Agreement not specifically amended herein shall remain unchanged.

If this Contract Amendment satisfactorily sets forth your understanding of our agreement, please sign in the space provided below. Retain a copy for your files and return an executed original to Olsson. This proposal will be open for acceptance for a period of 30 days from the date set forth above, unless changed by us in writing.

OLSSON, INC.

By Justin R Starb By [Signature]

By signing below, you acknowledge that you have full authority to bind Client to the terms of this Amendment. If you accept this Amendment, please sign:

City of Hickman, Nebraska

By _____
Signature

Printed Name _____

Title _____

Dated: _____

F:\2021\01001-01500\021-01497\20-Management\Contracts\Amendment No. 2\23-01-16_Hickman WWTF Amendment 02_Construction Phase_021-01497.docx

The Clerk presented a proposed Resolution of Necessity for the creation of Sewer Improvement District No. 2023-1. The City Clerk advised the Mayor and City Council it would be necessary to give notice of the proposed Resolution of Necessity and Notice of Hearing on the proposed resolution by publication two consecutive weeks prior to the hearing. A hearing would then be held on April 25, 2023 and following such hearing the Resolution of Necessity could then be considered for passage by vote of the City Council.

The following is the text of said proposed Resolution of Necessity:

RESOLUTION NO. _____

A RESOLUTION DECLARING THE NECESSITY OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE CITY'S SANITARY SEWER SYSTEM; CREATING SEWER IMPROVEMENT DISTRICT NO. 2023-1 OF THE CITY; MAKING REFERENCE TO AND APPROVING PLANS AND SPECIFICATIONS; APPROVING THE ENGINEERS' ESTIMATE OF COSTS; PROVIDING FOR THE ISSUANCE OF BONDS, WARRANTS AND NOTES, DETERMINING IMPROVEMENTS TO BE GENERAL PUBLIC IMPROVEMENTS NOT OF SPECIAL BENEFIT TO PROPERTY WITHIN SAID DISTRICT AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HICKMAN, NEBRASKA, as follows:

Section 1. The Mayor and City Council hereby find and determine that it is necessary and advisable to construct additions and improvements to the City's Sanitary Sewer System consisting of the following:

New Influent Gravity Sewer, New Headworks, New Final Clarifier, Raw Sewage Pump Station
Upgrades with New Flow Meter, Oxidation Ditch Piping & Valves, Plant Electrical System
Upgrades, Land Acquisition, Engineering Services and Demolition Activities

Section 2. For purposes of constructing said additions and improvements, there is hereby ordered created Sewer Improvement District No. 2023-1, which shall include certain property within the City fully described as follows:

Site Address: 5433 HICKMAN RD, HICKMAN, NE 68372
Legal Description: S33, T8, R7, 6th Principal Meridian, LOT 85 NW

Section 3. Reference is hereby made to the plans and specifications (the "Plans") for said additions and improvements which have been prepared by Olssons, engineers for the City, and which, together with the estimate of total cost for said additions and improvements have been filed with the City Clerk prior to the proposing of this resolution.

Section 4. The engineer's estimate of total cost for the proposed sewer system additions and improvements for said District is \$2,594,550, which amount does not include interest cost, cost of issuance or other expenses of the City.

Section 5. It is hereby found and determined that such improvements are of general benefit to the City and that no special assessments shall be levied against the property in the District. Temporary financing may be provided through the issuance of bond anticipation notes as provided by Section 10-137, R.R.S. Neb., as amended. Said additions and improvements shall be financed on a permanent basis by the issuance of the City's general obligation sewer bonds issued pursuant to Section 17-925, R.R.S. Neb., as amended.

Section 6. This resolution of necessity shall be in force and effect from and after its adoption as provided by law.

PASSED AND APPROVED this ____ day of _____, 2023.

Mayor

City Clerk

[SEAL]

After further discussion, Council Member _____ offered the following resolution and moved its adoption:

RESOLUTION NO. 2023-__

A RESOLUTION DECLARING THE NECESSITY OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE CITY'S SANITARY SEWER SYSTEM; CREATING SEWER IMPROVEMENT DISTRICT NO. 2023-1 OF THE CITY; MAKING REFERENCE TO AND APPROVING PLANS AND SPECIFICATIONS; APPROVING THE ENGINEERS' ESTIMATE OF COSTS; PROVIDING FOR THE ISSUANCE OF BONDS, WARRANTS AND NOTES, DETERMINING IMPROVEMENTS TO BE GENERAL PUBLIC IMPROVEMENTS NOT OF SPECIAL BENEFIT TO PROPERTY WITHIN SAID DISTRICT AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION

BE IT RESOLVED by the Mayor and City Council of the City of Hickman, Nebraska:

Section 1. By Acton of the Mayor and City Council, a contract agreement was approved for the hiring of _____, for the design and preparation of plans, specifications and estimate of cost for certain storm water system improvements;

Section 2. That the plans, specifications and estimate of construction cost of \$ _____ filed by the City's Engineers, _____, in the office of the City Clerk for the construction of sewer improvements in Sewer Improvement District No. 2023-1, have by the Mayor and City Council been heretofore approved, and the said plans specifications and cost estimate be and the same are hereby additionally approved;

Section 3. All actions of the Mayor and City Council and City Clerk, as set out in Sections 1 and 2, herein, are in all respects hereby approved, ratified and confirmed;

Section 4. That a Resolution of Necessity, designated Resolution No. 2023-__ creating Sewer Improvement District No. 2023-1 of the City of Hickman be and it is hereby proposed; and

Section 5. That ____:00 o'clock p.m. on April 25, 2023, at the _____ in Hickman, Nebraska, is hereby set as the time and place for the Mayor and City Council to conduct a hearing on the adoption of said resolution and to hear any objections to its passage, at which owners of real property located in said district may appear and make objections to such improvements, and the City Clerk is hereby instructed to provide notice of such hearing as required by law.

PASSED AND APPROVED this _____ day of _____, 2023.

Mayor

City Clerk
[SEAL]

Council Member _____ seconded the motion. The Mayor stated the question "Shall Resolution No. 2023-__ be passed and adopted?" Upon roll call the following voted YEA: _____ . The following voted NAY: _____ . The following were absent and did not vote: _____ . The passage and adoption of said Resolution having been concurred in by a majority of all the members of the City Council, the Mayor declared the Resolution passed and adopted.

NOTICE OF HEARING ON RESOLUTION OF NECESSITY

Public notice is hereby given that the Mayor and City Council of the City of Hickman will meet at __:00 o'clock p.m. on April 25, 2023, at _____ in Hickman, Nebraska, for the purpose of conducting a hearing on a Resolution of Necessity, Resolution 2023-____, creating Sewer Improvement District No. 2023-1 of said City. At such hearing all interested persons may appear and be heard. After such hearing the resolution may be passed as proposed or amended and passed as amended. The following is the text of said resolution:

RESOLUTION NO. 2023-__

A RESOLUTION DECLARING THE NECESSITY OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE CITY’S SANITARY SEWER SYSTEM; CREATING SEWER IMPROVEMENT DISTRICT NO. 2023-1 OF THE CITY; MAKING REFERENCE TO AND APPROVING PLANS AND SPECIFICATIONS; APPROVING THE ENGINEERS’ ESTIMATE OF COSTS; PROVIDING FOR THE ISSUANCE OF BONDS, WARRANTS AND NOTES, DETERMINING IMPROVEMENTS TO BE GENERAL PUBLIC IMPROVEMENTS NOT OF SPECIAL BENEFIT TO PROPERTY WITHIN SAID DISTRICT AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HICKMAN, NEBRASKA, as follows:

Section 1. The Mayor and City Council hereby find and determine that it is necessary and advisable to construct additions and improvements to the City’s Sanitary Sewer System consisting of the following:

[INSERT DESCRIPTION OF IMPROVEMENTS]

Section 2. For purposes of constructing said additions and improvements, there is hereby ordered created Sewer Improvement District No. 2023-1, which shall include certain property within the City fully described as follows:

[INSERT DESCRIPTION OF PROPERTY]

Section 3. Reference is hereby made to the plans and specifications (the "Plans") for said additions and improvements which have been prepared by _____, engineers for the City, and which, together with the estimate of total cost for said additions and improvements have been filed with the City Clerk prior to the proposing of this resolution.

Section 4. The engineer’s estimate of total cost for the proposed sewer system additions and improvements for said District is \$ _____, which amount does not include interest cost, cost of issuance or other expenses of the City.

Section 5. It is hereby found and determined that such improvements are of general benefit to the City and that no special assessments shall be levied against the property in the District. Temporary financing may be provided through the issuance of bond anticipation notes as provided by Section 10-137, R.R.S. Neb., as amended. Said additions and improvements shall be financed on a permanent basis by the issuance of the City’s general obligation sewer bonds issued pursuant to Section 17-925, R.R.S. Neb., as amended.

Section 6. This resolution of necessity shall be in force and effect from and after its adoption as provided by law.

PASSED AND APPROVED this ____ day of _____, 2023.

Mayor

City Clerk

[SEAL]

PUBLICATION REQUIREMENTS: Publish: *Two weekly publications, the last of which shall be not greater than two weeks or less than five (5) days prior to date of hearing.*

BOND DEBT SERVICE

City of Hickman, Nebraska
GO Sewer Bonds, Series 2023 - 20 Year Am Funding \$2.535m

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/15/2023			57,106.25	57,106.25	
04/15/2024	95,000	3.850%	57,106.25	152,106.25	209,212.50
10/15/2024			55,277.50	55,277.50	
04/15/2025	95,000	3.850%	55,277.50	150,277.50	205,555.00
10/15/2025			53,448.75	53,448.75	
04/15/2026	100,000	3.850%	53,448.75	153,448.75	206,897.50
10/15/2026			51,523.75	51,523.75	
04/15/2027	105,000	3.850%	51,523.75	156,523.75	208,047.50
10/15/2027			49,502.50	49,502.50	
04/15/2028	110,000	3.850%	49,502.50	159,502.50	209,005.00
10/15/2028			47,385.00	47,385.00	
04/15/2029	110,000	4.000%	47,385.00	157,385.00	204,770.00
10/15/2029			45,185.00	45,185.00	
04/15/2030	115,000	4.000%	45,185.00	160,185.00	205,370.00
10/15/2030			42,885.00	42,885.00	
04/15/2031	120,000	4.000%	42,885.00	162,885.00	205,770.00
10/15/2031			40,485.00	40,485.00	
04/15/2032	125,000	4.000%	40,485.00	165,485.00	205,970.00
10/15/2032			37,985.00	37,985.00	
04/15/2033	130,000	4.000%	37,985.00	167,985.00	205,970.00
10/15/2033			35,385.00	35,385.00	
04/15/2034	135,000	4.600%	35,385.00	170,385.00	205,770.00
10/15/2034			32,280.00	32,280.00	
04/15/2035	140,000	4.600%	32,280.00	172,280.00	204,560.00
10/15/2035			29,060.00	29,060.00	
04/15/2036	150,000	4.600%	29,060.00	179,060.00	208,120.00
10/15/2036			25,610.00	25,610.00	
04/15/2037	155,000	4.600%	25,610.00	180,610.00	206,220.00
10/15/2037			22,045.00	22,045.00	
04/15/2038	165,000	4.600%	22,045.00	187,045.00	209,090.00
10/15/2038			18,250.00	18,250.00	
04/15/2039	170,000	5.000%	18,250.00	188,250.00	206,500.00
10/15/2039			14,000.00	14,000.00	
04/15/2040	180,000	5.000%	14,000.00	194,000.00	208,000.00
10/15/2040			9,500.00	9,500.00	
04/15/2041	185,000	5.000%	9,500.00	194,500.00	204,000.00
10/15/2041			4,875.00	4,875.00	
04/15/2042	195,000	5.000%	4,875.00	199,875.00	204,750.00
	2,580,000		1,343,577.50	3,923,577.50	3,923,577.50

BOND SUMMARY STATISTICS

City of Hickman, Nebraska
GO Sewer Bonds, Series 2023 - 20 Year Am Funding \$2.535m

Dated Date	04/15/2023
Delivery Date	04/15/2023
Last Maturity	04/15/2042
Arbitrage Yield	4.601391%
True Interest Cost (TIC)	4.783177%
Net Interest Cost (NIC)	4.769764%
All-In TIC	4.811295%
Average Coupon	4.636223%
Average Life (years)	11.233
Duration of Issue (years)	8.483
Par Amount	2,580,000.00
Bond Proceeds	2,580,000.00
Total Interest	1,343,577.50
Net Interest	1,382,277.50
Total Debt Service	3,923,577.50
Maximum Annual Debt Service	209,212.50
Average Annual Debt Service	206,504.08
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	15.000000
Total Underwriter's Discount	15.000000
Bid Price	98.500000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Term Bond	505,000.00	100.000	3.850%	3.079
Term Bond #2	600,000.00	100.000	4.000%	8.083
Term Bond #3	745,000.00	100.000	4.600%	13.101
Term Bond #4	730,000.00	100.000	5.000%	17.555
	2,580,000.00			11.233

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,580,000.00	2,580,000.00	2,580,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-38,700.00	-38,700.00	
- Cost of Issuance Expense		-5,160.00	
- Other Amounts		-750.00	
Target Value	2,541,300.00	2,535,390.00	2,580,000.00
Target Date	04/15/2023	04/15/2023	04/15/2023
Yield	4.783177%	4.811295%	4.601391%

BOND DEBT SERVICE

**City of Hickman, Nebraska
 GO Water Bonds, Series 2023 - 20 Year Am Funding \$1.5m**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/15/2023			31,606.17	31,606.17	
04/15/2024	55,000	3.850%	33,863.75	88,863.75	120,469.92
10/15/2024			32,805.00	32,805.00	
04/15/2025	55,000	3.850%	32,805.00	87,805.00	120,610.00
10/15/2025			31,746.25	31,746.25	
04/15/2026	60,000	3.850%	31,746.25	91,746.25	123,492.50
10/15/2026			30,591.25	30,591.25	
04/15/2027	60,000	3.850%	30,591.25	90,591.25	121,182.50
10/15/2027			29,436.25	29,436.25	
04/15/2028	65,000	3.850%	29,436.25	94,436.25	123,872.50
10/15/2028			28,185.00	28,185.00	
04/15/2029	65,000	4.000%	28,185.00	93,185.00	121,370.00
10/15/2029			26,885.00	26,885.00	
04/15/2030	70,000	4.000%	26,885.00	96,885.00	123,770.00
10/15/2030			25,485.00	25,485.00	
04/15/2031	70,000	4.000%	25,485.00	95,485.00	120,970.00
10/15/2031			24,085.00	24,085.00	
04/15/2032	75,000	4.000%	24,085.00	99,085.00	123,170.00
10/15/2032			22,585.00	22,585.00	
04/15/2033	80,000	4.000%	22,585.00	102,585.00	125,170.00
10/15/2033			20,985.00	20,985.00	
04/15/2034	80,000	4.600%	20,985.00	100,985.00	121,970.00
10/15/2034			19,145.00	19,145.00	
04/15/2035	85,000	4.600%	19,145.00	104,145.00	123,290.00
10/15/2035			17,190.00	17,190.00	
04/15/2036	90,000	4.600%	17,190.00	107,190.00	124,380.00
10/15/2036			15,120.00	15,120.00	
04/15/2037	95,000	4.600%	15,120.00	110,120.00	125,240.00
10/15/2037			12,935.00	12,935.00	
04/15/2038	95,000	4.600%	12,935.00	107,935.00	120,870.00
10/15/2038			10,750.00	10,750.00	
04/15/2039	100,000	5.000%	10,750.00	110,750.00	121,500.00
10/15/2039			8,250.00	8,250.00	
04/15/2040	105,000	5.000%	8,250.00	113,250.00	121,500.00
10/15/2040			5,625.00	5,625.00	
04/15/2041	110,000	5.000%	5,625.00	115,625.00	121,250.00
10/15/2041			2,875.00	2,875.00	
04/15/2042	115,000	5.000%	2,875.00	117,875.00	120,750.00
	1,530,000		794,827.42	2,324,827.42	2,324,827.42

BOND SUMMARY STATISTICS

**City of Hickman, Nebraska
 GO Water Bonds, Series 2023 - 20 Year Am Funding \$1.5m**

Dated Date	04/27/2023
Delivery Date	04/27/2023
Last Maturity	04/15/2042
Arbitrage Yield	4.600378%
True Interest Cost (TIC)	4.782404%
Net Interest Cost (NIC)	4.768660%
All-In TIC	4.813015%
Average Coupon	4.634832%
Average Life (years)	11.208
Duration of Issue (years)	8.472
Par Amount	1,530,000.00
Bond Proceeds	1,530,000.00
Total Interest	794,827.42
Net Interest	817,777.42
Total Debt Service	2,324,827.42
Maximum Annual Debt Service	125,240.00
Average Annual Debt Service	122,574.38
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	15.000000
Total Underwriter's Discount	15.000000
Bid Price	98.500000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Term Bond	295,000.00	100.000	3.850%	3.051
Term Bond #2	360,000.00	100.000	4.000%	8.064
Term Bond #3	445,000.00	100.000	4.600%	13.057
Term Bond #4	430,000.00	100.000	5.000%	17.525
	1,530,000.00			11.208

	<u>TIC</u>	<u>All-In TIC</u>	<u>Arbitrage Yield</u>
Par Value	1,530,000.00	1,530,000.00	1,530,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-22,950.00	-22,950.00	
- Cost of Issuance Expense		-3,060.00	
- Other Amounts		-750.00	
Target Value	1,507,050.00	1,503,240.00	1,530,000.00
Target Date	04/27/2023	04/27/2023	04/27/2023
Yield	4.782404%	4.813015%	4.600378%

ORDINANCE NO. 2023-05

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION WATER BONDS OF THE CITY OF HICKMAN, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000) FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE COSTS OF EXTENSIONS, IMPROVEMENTS AND ENLARGEMENTS TO THE CITY'S WATER SYSTEM; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HICKMAN, NEBRASKA:

Section 1. The Mayor and City Council hereby find and determine that (a) the City is authorized pursuant to Section 17-534, Reissue Revised Statutes of Nebraska, as amended, (the "Act") to incur indebtedness and issue and sell general obligation water bonds of the City in an amount not to exceed 12% of the taxable valuation of all the taxable property within the City according to the last preceding assessment thereof and to use the proceeds thereof for the maintenance, extension, improvement, or enlargement of any existing system of waterworks or water supply owned by the City (the "System") upon a favorable vote of not less than three-fourths of the Mayor and Council; (b) it is necessary, desirable, advisable and in the best interest of the City to maintain, extend, improve and enlarge the System to promote the general health and welfare of the inhabitants of the City by financing the construction of improvements, additions and appurtenances to the System (the "Project"); (c) the estimated cost of the Project is estimated to be not less than \$1,600,000; (d) that the taxable valuation of all the taxable property within the City according to the last preceding assessment thereof is \$265,334,382; (e) that the City currently has \$6,904,763 in outstanding indebtedness issued under the Act; and (f) that all conditions, acts and things required to exist or to be done precedent to the issuance of a general obligation water bond of the City in an amount not to exceed \$1,600,000 do exist and have been done as required by law.

Section 2. To provide funds for the Project as set out in Section 1 hereof, there shall be and there are hereby ordered issued the Bonds, in one or more series, in the aggregate stated principal amount of not to exceed \$1,600,000. The Bonds or any portion thereof are hereby authorized to be sold pursuant to a negotiated sale with Piper Sandler & Co., as initial purchaser (the "Underwriter"). In connection with such sale, the Mayor, City Administrator, City Clerk or City Treasurer (each, an "Authorized Officer") are hereby authorized to specify, determine, designate, establish and appoint, as the case may be, in one or more written designations which may be included in a bond purchase agreement (each, a "Designation"), (i) the aggregate purchase price of the Bonds and the underwriting discount which shall not exceed 2.00% of the aggregate stated principal amount thereof, (ii) the form and contents of any bond purchase agreement in connection with such sale, (iii) the title (including series designation), aggregate principal amount (including the aggregate principal amounts of serial Bonds and term Bonds, if any), which aggregate stated principal amount shall not exceed \$1,600,000, and the final maturity date, which shall not be later than December 15, 2043, (iv) the principal amounts maturing in each year, (v) the rate or rates of interest to be borne by each principal maturity, provided that the true interest cost of the Bonds shall not exceed 6.50%, (vi) the principal payment dates and interest payment dates, (vii) whether the Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, (viii) the amount and due date of each sinking fund installment for any of the Bonds issued as term Bonds, (ix) the designation of the Paying Agent and Registrar and the form and content of any agreement between the City

and such entity and (x) all other terms and provisions of the Bonds not otherwise specified or fixed by this Ordinance.

The Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rates for each maturity, shall be payable as determined in the Designation, (each of said dates an "Interest Payment Date") and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day immediately preceding the Interest Payment Date (or such other date as may be determined in the Designation, the "Record Date"), subject to the provisions of Section 4 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. No Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be designated by the City's Treasurer as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or date of redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and accrued interest thereon due at maturity or at any date fixed for redemption prior to maturity shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Bond in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. The Paying Agent and Registrar designated pursuant to the Designation shall serve in such capacities under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" between the City and said Paying Agent and Registrar, in a form approved by an Authorized Officer. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Bonds at its principal corporate trust office. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the principal corporate trust office of said Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar on behalf of the City will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Bond or Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Ordinance, one such bond may be transferred for several such bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several such bonds may be transferred for one or several such bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond or Bonds shall be canceled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the Bonds surrendered and shall be entitled to all the benefits and protection of this Ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its

immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 4. In the event that payments of interest due on the Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 6. In addition to any mandatory sinking fund redemptions as may be provided for as set out in Section 2 of this Ordinance, the Bonds shall be subject to redemption at the option of the City, in whole or in part, prior to maturity at any time on or after such date as may be provided in the Designation, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the Bonds to be redeemed for optional redemption in its sole discretion. Bonds for mandatory redemption shall be selected by the Paying Agent and Registrar using any random method of selection determined appropriate by the Paying Agent and Registrar. Bonds redeemed pursuant to the requirements for mandatory redemption shall be redeemed at par plus accrued interest on the principal amount redeemed. The Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new Bond evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given, at the direction of the City in the case of optional redemption and without further direction in the case of mandatory redemption, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue, series and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the City designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

Section 7. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF LANCASTER**

**GENERAL OBLIGATION WATER BOND OF
THE CITY OF HICKMAN, NEBRASKA
SERIES 2023**

No. R-____ \$_____

<u>Interest Date</u> %	<u>Maturity Date</u> _____, 20__	<u>Date of Original Issue</u> _____, 2023	<u>CUSIP No.</u>
---------------------------	--	--	------------------

**Registered Owner: Cede & Co.
13-2555119**

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Hickman, in the County of Lancaster, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable semiannually on _____ and _____ of each year, commencing _____, 20__ (each of said dates an "Interest Payment Date"). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal hereof and unpaid accrued interest thereon due at maturity or upon redemption prior to maturity are payable upon presentation and surrender of this bond at the office of the _____, the Paying Agent and Registrar, in Lincoln, Nebraska. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's registered address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available. For the prompt payment of this bond, principal and interest, as the same become due, the full faith, credit and resources of said City are hereby irrevocably pledged.

This bond is one of an issue of fully registered bonds of the total principal amount of _____ Dollars (\$_____), of even date and like tenor except as to date of maturity, rate of interest and denomination which were issued by the City for the purpose of paying the cost of related improvements, additions and appurtenances to the water system of the City (the "Project"), all in pursuance of Section 17-534, R.R.S. Neb. 2012, as amended. The issuance of said bonds has been authorized by proceedings duly had and an ordinance legally passed, approved and published by the Mayor and Council of said City.

THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREOF IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

This bond shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Mayor and Council of the City of Hickman, Nebraska, have caused this bond to be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and by causing the official seal of the City to be imprinted hereon or affixed hereto, all as of the date of original issue specified above.

CITY OF HICKMAN, NEBRASKA

ATTEST:

(facsimile signature)
Mayor

(facsimile signature)
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by the Ordinance of the Mayor and City Council of the City of Hickman, in the State of Nebraska, described in the foregoing bond.

_____,
Lincoln, Nebraska
Paying Agent and Registrar

By: _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Medallion Signature Guarantee:

Section 8. Each of the Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and shall have imprinted thereon the City's seal. The Bonds shall be issued initially as "book-entry-only" bonds under the services of The Depository Trust Company (the "Depository"), with one typewritten bond per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the "Letter of Representations") in the form required by the Depository (which may be in the form of a blanket letter, including any such letter previously executed and delivered), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. With respect to the issuance of the Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a Bond from a Bond Participant while the Bonds are in book-entry form (each, a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Bonds,

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Bonds. The Paying Agent and Registrar shall make payments with respect to the Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such Bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the Bonds be delivered to the ultimate beneficial owners of the Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Bond and

all notices with respect to such Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section and the terms of the Paying Agent and Registrar's Agreement.

(f) In the event of any partial redemption of a Bond unless and until such partially redeemed bond has been replaced in accordance with the provisions of this Ordinance, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository is terminated or resigns and is not replaced, the City shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Mayor and City Clerk and by imprinting thereon or affixing thereto the City's seal. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such bond (including such certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to the Underwriter upon receipt of the total stated principal amount of the Bonds, plus accrued interest thereon to date of payment for the Bonds, less Underwriter's discount in an amount determined in the Designation. Such purchaser and its agents, representatives and counsel (including the City's bond counsel) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the Bonds, including without limitation, authorizing the release of the Bonds by the Depository at closing. Said initial purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. The City Clerk shall make and certify a transcript of the proceedings of the Mayor and Council with respect to the Bonds, a copy of which shall be delivered to the initial purchaser of the Bonds. The Authorized Officers are hereby each individually authorized to execute the Bond Purchase Agreement, in the form such Authorized Officers may deem necessary and appropriate, and are further authorized to do any and all things necessary and appropriate in connection with the issuance of the Bonds.

Section 9. The net sale proceeds of the Bonds, along with any necessary funds of the City on hand, shall be applied to pay the costs of the Project and the costs of issuance of the Bonds. Accrued interest received from the sale of the Bonds, if any, shall be applied to pay interest first falling due on the Bonds. Expenses of issuance of the Bonds may be paid from the proceeds of the Bonds.

Section 10. The City agrees that it shall cause to be levied and collected annually a special levy of taxes on all the taxable property in this City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal of and interest on the Bonds when and as such principal and interest become due, to the extent not paid from other sources.

Section 11. The City hereby covenants and agrees that it will make no use of the proceeds of the Bonds which would cause the Bonds to be arbitrage bonds within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with said Sections 103(b)(2) and 148 and all applicable regulations thereunder throughout the term of said issue, including all requirements with respect to payment and reporting of rebates, if applicable. The City hereby covenants to take all action necessary to preserve the tax-exempt status of the interest on the Bonds for federal income tax purposes under the Code with respect to taxpayers generally. The City further agrees that it will not take any actions which would cause the Bonds to constitute "private activity bonds" within the meaning of Section 141 of the Code. The City hereby designates the Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably expect to issue bonds or other obligations aggregating in principal amount more than \$10,000,000 during the calendar year or years in which the Bonds are issued (taking into consideration the exception for current refunding issues). The Mayor is hereby authorized to make, or cause to be made, any and all certifications deemed necessary in connection with the designation of the Bonds as "qualified tax-exempt obligations", including "deemed designating" the Bonds.

Section 12. The City's obligations under this Ordinance with respect to any or all of the Bonds herein authorized shall be fully discharged and satisfied as to any or all of such Bonds and any such Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the City and canceled or when the payment of the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided for by depositing with the Paying Agent and Registrar, or with a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payment; provided, however, that with respect to any Bond to be paid prior to maturity, the City shall have duly called such bond for redemption and given notice of such redemption as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with a bank or trust company or the Paying Agent and Registrar may be invested or reinvested in U.S. Government Obligations at the direction of the City, and all interest and income from U.S. Government Obligations in the hands of such bank or trust company or Paying Agent and Registrar in excess of the amount required to pay principal of and interest on the Bonds for which such monies or U.S. Government Obligations were deposited shall be paid over to the City as and when collected.

Section 13. The Authorized Officers or any one or more of them is authorized to approve, deem final and deliver a Preliminary Official Statement and a final Official Statement with respect to the Bonds for and on behalf of the City, all in accordance with the requirements of Reg. Sec. 240.15c2-12 of the Securities and Exchange Commission.

Section 14. The City hereby (a) authorizes and directs that an Authorized Officer execute and deliver, on the date of issue of the Bonds, a continuing disclosure undertaking in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission in such form as

determined necessary and appropriate by such Authorized Officer (the “Continuing Disclosure Undertaking”) and (b) covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Undertaking) or any Beneficial Owner or any Registered Owner of a Bond (as such terms are defined in the Continuing Disclosure Undertaking) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this section, and under the Continuing Disclosure Undertaking. An Authorized Officer may appoint a Dissemination Agent for the Bonds in the Authorized Officer’s discretion.

Section 15. All documents, agreements, certificates, and instruments related to the Bonds shall be valid, binding, and enforceable against the City when executed and delivered by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by electronic signatures laws, including any relevant provisions of the Uniform Commercial Code, in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each document, agreement, certificate, and instrument related to the Bonds may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same document, agreement, certificate, or instrument, as applicable.

Section 15. This Ordinance shall be in full force and effect from and after its passage and publication in pamphlet or electronic form as provided by law.

PASSED AND APPROVED this 28th day of March, 2023.

ATTEST:

Mayor, Phil Goering

City Clerk, Jaala Johnson

[SEAL]

Motion for adjournment was duly made, seconded and on roll call vote was declared adopted by the Mayor.

I, _____, the undersigned City Clerk for the City of Hickman, Nebraska, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Mayor and Council on March 28, 2023; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during such meeting in the room in which such meeting was held; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

City Clerk, Jaala Johnson

[SEAL]

NOTICE OF PUBLICATION
OF ORDINANCE NO. _____
IN PAMPHLET FORM

Public Notice is hereby given that at a meeting of the Mayor and City Council of the City of Hickman, Nebraska, held at _:_ .m. on Tuesday, March 28, 2023, there was passed and adopted Ordinance No. _____ (the “Ordinance”) entitled:

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION WATER BONDS OF THE CITY OF HICKMAN, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000) FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE COSTS OF EXTENSIONS, IMPROVEMENTS AND ENLARGEMENTS TO THE CITY’S WATER SYSTEM; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

The Ordinance was published in pamphlet form on _____, 2023. Copies of said Ordinance as published in pamphlet form are available for inspection and distribution at the Office of the City Clerk, in the City of Hickman, Nebraska.

City Clerk, Jaala Johnson

[SEAL]

Publish: _____, 2023.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**NEW ISSUE--BOOK-ENTRY ONLY
(BANK QUALIFIED)**

NON-RATED

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 28, 2023

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

\$1,530,000*
CITY OF HICKMAN, NEBRASKA
GENERAL OBLIGATION WATER BONDS
SERIES 2023

Dated: Date of Delivery

Due: April 15, as shown below

The General Obligation Water Bonds, Series 2023 (the "**Series 2023 Bonds**") are issuable as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository for the Series 2023 Bonds. Purchases of the Series 2023 Bonds will be made in book-entry only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2023 Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2023 Bonds. Interest is payable semiannually on October 15 and April 15 of each year, commencing October 15, 2023*. So long as DTC or its nominee is the registered owner of the Series 2023 Bonds, payments of the principal or redemption price of and interest on the Series 2023 Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "**THE SERIES 2023 BONDS - Global Book-Entry Bonds.**" BOKF, National Association, Lincoln, Nebraska, will act as Paying Agent and Registrar for the Series 2023 Bonds. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see "**THE SERIES 2023 BONDS.**"

The Series 2023 Bonds are subject to optional redemption prior to maturity at any time on or after the fifth anniversary* of the date of delivery thereof, as described herein.

MATURITY SCHEDULE- See Inside Cover

The proceeds of the Series 2023 Bonds will be used to pay the costs of related improvements, additions and appurtenances to the water system of the City as described more fully herein. Principal and interest on the Series 2023 Bonds are payable by an unlimited ad valorem tax to be levied against all taxable property located in the City. The City agrees that it will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest of the Series 2023 Bonds as the same become due, to the extent not paid from other sources. This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2023 Bonds are offered in book-entry form, when, as and if issued and received by the Underwriter and subject to the approval of legality by Gilmore & Bell, P.C., Omaha, Nebraska, Bond Counsel to the City, and certain other conditions. It is expected that the Series 2023 Bonds will be available for delivery through The Depository Trust Company, in New York, New York, on or about April 27, 2023.

PIPER | SANDLER

* Preliminary, subject to change.

\$1,530,000*
CITY OF HICKMAN, NEBRASKA
GENERAL OBLIGATION WATER BONDS
SERIES 2023

MATURITY SCHEDULE*

<u>April 15</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	CUSIP
2028†	\$295,000			
2033†	360,000			
2038†	445,000			
2042†	430,000			

†Term Bonds. See “**THE SERIES 2023 BONDS - Mandatory Sinking Fund Redemption.**”

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the City of Hickman or the Underwriter to give any information or to make any representations with respect to the Series 2023 Bonds other than the information and representations contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2023 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or with respect to the Combined Utilities since the date hereof.

In connection with the offering of the Series 2023 Bonds, the underwriter may overallocate or effect transactions which stabilize or maintain the market price of such bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

	Page No.
INTRODUCTION	1
THE SERIES 2023 BONDS	2
SOURCES AND APPLICATIONS OF FUNDS	7
DEBT SERVICE	8
BONDHOLDERS' RISKS	8
NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION	9
TAX MATTERS	10
LEGAL MATTERS	12
LITIGATION	12
CONTINUING DISCLOSURE UNDERTAKING	12
UNDERWRITING	12
MISCELLANEOUS	13
INFORMATION CONCERNING THE CITY OF HICKMAN	APPENDIX A
CITY OF HICKMAN AUDITED FINANCIAL STATEMENTS	APPENDIX B
FORM OF CONTINUING DISCLOSURE UNDERTAKING	APPENDIX C

The securities described in this official statement have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has any document been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. In making an investment decision, investors must rely on their own examinations of the terms of the offering. The securities described herein have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this official statement.

**OFFICIAL STATEMENT
RELATING TO

\$1,530,000*
CITY OF HICKMAN, NEBRASKA
GENERAL OBLIGATION WATER BONDS
SERIES 2023**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth information concerning the City of Hickman, Nebraska, (“**Hickman**” or the “**City**”), and the City’s \$1,530,000 of General Obligation Water Bonds, Series 2023 (the “**Series 2023 Bonds**”) offered hereby. The Series 2023 Bonds have been authorized by an ordinance passed and approved by the Mayor and Council of the City on March 28, 2023 (the “**Ordinance**”).

Sources of Certain Information

There follow in this Official Statement brief descriptions of the Series 2023 Bonds, the City and other related documents. All descriptions of documents herein are only summaries and are qualified in their entirety by reference to each such document. During the offering period, copies of such documents may be obtained from the City or from Piper Sandler & Co.

Information in this Official Statement concerning the City has been furnished by the City.

Forward-Looking Statements

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan,” “expect,” “estimate,” “budget” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or change.

Purpose and Authority

The proceeds from the sale of the Series 2023 Bonds will be used to (1) to maintain, extend, improve and enlarge the existing system of waterworks or water supply owned by the City (the “System”) to promote the general health and welfare of the inhabitants of the City by financing the construction of improvements, additions and appurtenances to the System (the “Project”); and 2) pay the costs of issuance of the Series 2023 Bonds.

The Series 2023 Bonds are being issued pursuant to the Constitution and laws of the State of Nebraska, specifically Section 17-534, Reissue Revised Statutes, as amended, (the “Act”) and the Ordinance. The City is authorized under the provisions of the Act to incur indebtedness and issue and sell general obligation water bonds of the City in an amount not to exceed 12% of the taxable valuation of all the taxable property within the City according to the last preceding assessment thereof and to use the proceeds thereof for the maintenance, extension, improvement, or enlargement of any existing system of waterworks or water

* Preliminary, subject to change.

supply owned by the City upon a favorable vote of not less than three-fourths of the Council. The actual valuation of all the taxable property in the City, except intangible property, according to the last preceding assessment is \$265,334,382.

The Bonds are being issued pursuant to the Constitution and laws of the State of Nebraska, specifically Section 10-142, R.R.S. Neb., as amended, and an Ordinance of the City passed and approved on March 28, 2023.*

Security

Principal and interest on the Series 2023 Bonds are payable by an unlimited ad valorem tax to be levied against all taxable property located in the City, and other available sources. The City agrees that it will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest of the Series 2023 Bonds as the same become due, to the extent not paid from other sources.

For the prompt payment of the Series 2023 Bonds, principal and interest as the same become due, the full faith, credit and resources of said city are irrevocably pledged.

THE SERIES 2023 BONDS

The Series 2023 Bonds will be issued in the aggregate principal amount of \$1,530,000*, will be dated the date of delivery, bear interest (computed on the basis of a year of 360 days consisting of twelve thirty-day months) at specified rates, payable semiannually on October 15 and April 15 of each year, commencing October 15, 2023* (collectively, the “**Interest Payment Dates**”), and mature on the dates, all as set forth on the cover page of this Official Statement. The Series 2023 Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Initially, the Series 2023 Bonds will be issued using the services of The Depository Trust Company (“**DTC**”) and will be registered in the name of Cede & Co. and will be made available to beneficial owners in book-entry only form, as described below.

The principal of and interest on the Series 2023 Bonds due at maturity or upon redemption prior to maturity are payable at the office of BOKF, National Association, Lincoln, Nebraska (the “**Registrar**”) or of any successor paying agent and registrar appointed by the City, as provided in the Ordinance upon presentation and surrender thereof. Interest on the Series 2023 Bonds due prior to maturity or earlier date of redemption will be paid to the registered owners thereof as of the close of business on the fifteenth day next preceding each Interest Payment Date (the “**Record Date**”) and will be paid by check or draft drawn on the Registrar and mailed on each Interest Payment Date to the registered owners thereof at the addresses shown on the registration books maintained by the Registrar notwithstanding the cancellation of any such Series 2023 Bond upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date. The principal of and interest on the Series 2023 Bonds will be paid in lawful money of the United States of America. The foregoing procedures and methods for payment will apply in the event that provisions for global book-entry bonds as described below cease to be in effect and will apply to the holding and transfer of Series 2023 Bonds by DTC subject to certain modifications provided for in a Letter of Representations between the City, the Registrar and DTC.

* Preliminary, subject to change.

Global Book-Entry Bonds

The Series 2023 Bonds will be available to the ultimate purchasers in global book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Series 2023 Bonds will not receive certificates representing their interests in the Series 2023 Bonds purchased, except as described below.

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2023 Bonds, payment of interest and other payments on the Series 2023 Bonds to Participants (as hereinafter defined) or Beneficial Owners (as hereinafter defined) of the Series 2023 Bonds, confirmation and transfer of beneficial ownership interests in the Series 2023 Bonds and other related transactions by and between DTC, Participants and Beneficial Owners of the Series 2023 Bonds, is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Accordingly, the City and the Registrar do not make any representations concerning these matters, and the Beneficial Owners of the Series 2023 Bonds should not rely on the following information with respect to such matters, but should instead confirm the same with the Participants from whom they purchased the Series 2023 Bonds.

The Depository Trust Company (“**DTC**”), New York, NY, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for each separate maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participant’s accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and at www.dtc.org.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2023 Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership

interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Series 2023 Bonds. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City (or the Registrar) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar (from funds provided by the City), disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a

successor depository is not obtained, certificates for the Series 2023 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2023 Bonds will be printed and delivered to DTC.

The information under this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City and the Registrar will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal or redemption price of or interest on the Series 2023 Bonds; (iii) any notice which is permitted or required to be given to bondholders under the Ordinance; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the Series 2023 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information included under this subcaption, other than in this paragraph, the preceding paragraph hereof and the first two full paragraphs under this subcaption, has been provided by DTC. No representation is made by the City or the Registrar as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the Series 2023 Bonds will rely on DTC Participants or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owners the rights of a bondholder. No assurances can be given, in the event of the bankruptcy or insolvency of DTC or the Direct Participant or Indirect Participant through which a Beneficial Owner holds beneficial interest in the Series 2023 Bonds, that payment will be made by DTC, the Direct Participant or the Indirect Participant on a timely basis.

Notice to Bondholders

Notice of any proposed modification or amendment of the Ordinance by means of a supplemental ordinance that is to be effective with the consent of the registered owners of the Series 2023 Bonds as well as all notices of redemption will be mailed to DTC, as the registered owner of the Series 2023 Bonds then outstanding.

No assurance can be given by the City or the Registrar that DTC will distribute to the Participants, or that the Participants will distribute to the Beneficial Owners, (i) payment of debt service on the Series 2023 Bonds paid to DTC, or its nominee, as the registered owner, or (ii) any redemption or other notices, or that DTC or the Participants will serve and act on a timely basis or in the manner described in this Official Statement.

Optional Redemption

The Series 2023 Bonds are subject to redemption at the option of the City prior to maturity at any time on or after the fifth anniversary* of the date of delivery thereof, in whole or in part, at par plus accrued interest to the date fixed for redemption.

The City may select Series 2023 Bonds to be redeemed by optional redemption in its sole discretion.

* Preliminary, subject to change

Mandatory Sinking Fund Redemption

Term Bonds maturing in the years 2028, 2033, 2038 and 2042 shall be subject to call for redemption through application of mandatory sinking fund payments, said bonds being callable by lot in the amounts and on the dates as set out below at par plus accrued interest to the date of such call:

\$ _____ Principal Maturing _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ Payable _____, 20__

\$ _____ Principal Maturing _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ Payable _____, 20__

\$ _____ Principal Maturing _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ Payable _____, 20__

\$ _____ Principal Maturing _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ to be called _____, 20__
\$ _____ Payable _____, 20__

Notice of Redemption; Effect of Redemption

Notice of call for redemption, identifying the Series 2023 Bonds or portions thereof to be redeemed shall be given by the Registrar by mail (or by other means acceptable to DTC for so long as Cede & Co. or another nominee of DTC is the registered owner), sent to the registered owners of the Series 2023 Bonds to be redeemed (initially, Cede & Co.) at their registered addresses as shown on the registration books maintained by the Registrar, first class, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption. Failure to give notice to any registered owner or any defect in the notice shall not affect the validity of the proceedings calling the Series 2023 Bonds or the redemption of any Series 2023 Bonds for which proper notice has been given. The City shall have the right to direct further notice of redemption for any Series 2023 Bond for which defective notice has been given.

Transfer of Series 2023 Bonds

The Series 2023 Bonds are transferable upon presentation for cancellation to the Registrar at its offices in Lincoln, Nebraska. To be transferred, any Series 2023 Bonds must be accompanied by a written instrument of transfer in form satisfactory to the Registrar and must be accompanied by such signature guaranties and other evidence as the Registrar may require. Upon surrender of any Series 2023 Bond in proper form, the Registrar will deliver at its office or send by registered mail to the transferee owner or owners at such transferee owner's or owners' risk and expense, a new Series 2023 Bond or Series 2023 Bonds of the same maturity, interest rate and aggregate principal amount registered in the name of the transferee owner or owners. To the extent of the denominations permitted by the Ordinance, one Series 2023 Bond may be

transferred for several Series 2023 Bonds of a like maturity, interest rate and aggregate principal amount and several Series 2023 Bonds may be transferred for one or several Series 2023 Bonds, respectively, of the same maturity, interest rate and aggregate principal amount. Transfer of interests by Beneficial Owners, so long as there is a securities depository serving will be governed by the procedures described under “**THE SERIES 2023 BONDS - Global Book-Entry Bonds**” herein.

SOURCES AND APPLICATIONS OF FUNDS

Following are the estimated sources and applications of funds:

Sources of Funds:

Par Amount of Series 2023 Bonds	\$ _____
Total Sources of Funds	\$ _____

Applications of Funds:

Deposit to Project Fund	\$ _____
Estimated Issuance Expenses (Including Underwriter’s discount)	\$ _____
Total Applications of Funds	\$ _____

[Remainder of Page Intentionally Left Blank]

DEBT SERVICE*

The following table sets forth the debt service on the City's outstanding general obligation bonds and the Series 2023 Bonds for each of the fiscal years ending September 30.

Fiscal Year	Outstanding Bonds	Principal*	<u>Series 2023 Bonds</u>		Combined Total
			Interest	Total	Total
			\$	\$	\$
2023	\$562,087.50	\$0		\$	\$
2024	560,216.25	55,000.00			
2025	557,870.00	55,000.00			
2026	569,910.00	60,000.00			
2027	561,251.25	60,000.00			
2028	497,127.50	65,000.00			
2029	318,620.00	65,000.00			
2030	320,645.00	70,000.00			
2031	317,345.00	70,000.00			
2032	174,730.00	75,000.00			
2033	177,830.00	80,000.00			
2034	175,767.50	80,000.00			
2035	178,535.00	85,000.00			
2036	176,130.00	90,000.00			
2037	177,937.50	95,000.00			
2038	174,022.50	95,000.00			
2039	175,035.00	100,000.00			
2040	175,902.50	105,000.00			
2041	176,625.00	110,000.00			
2042	177,125.00	<u>115,000.00</u>			
2043	177,400.00				
2044	177,525.00				
2045	172,575.00				
2046	172,550.00				
Total	<u><u>\$6,904,762.50</u></u>	<u><u>\$1,530,000.00</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

BONDHOLDERS' RISKS

Among the factors affecting an investment in the Bonds, the following items, among others, should be considered by potential investors:

1. Infectious Diseases. Recent events with the COVID-19 pandemic have shown that an outbreak of infectious disease can trigger governmentally imposed restrictions and changes in consumer behavior which could negatively impact the City's financial condition. Such changes can cause unemployment rates to rise, taxable sales to decrease, delinquencies in tax payments, and other negative pressures on economic activity which can trigger decreased tax collections and other negative impacts to the operations and finances of the City.

With respect to the COVID-19 pandemic, economic conditions have stabilized in the State. The unemployment rate in the State was 3.0% in February 2020 before the pandemic, rose to a high of 8.6% in April 2020, and recovered to pre-pandemic levels by October 2020. The unemployment rate and similar

* Preliminary, subject to change.

indicators may worsen before the COVID-19 pandemic is over, and it is possible that the operations and finances of the City could be negatively impacted.

2. Limitation of Rights Upon Insolvency. The United States Bankruptcy Code enables debtors, including cities, which are insolvent to obtain relief through petition and plan which may result in the modification or delay of payments to creditors, including bondholders. In the event of any insolvency upon the part of the City, the holders of the Bonds would be treated as creditors of the City secured by the revenues of the Sales Tax. The extent to which holders of Bonds are to be treated as a separate class or otherwise given priority over other claimants is a matter that would be subject to future determinations of Nebraska state and federal courts interpreting and applying both state law and the United States Bankruptcy Code. Procedures under the Bankruptcy Code or other insolvency laws could result in delays in payment and modifications of payment rights. The State of Nebraska has authorized its political subdivisions to seek relief under the United States Bankruptcy Code by statute.

3. Nebraska Developments Related to Budgets and Taxation. The Nebraska Legislature has taken actions designed to reduce the reliance of local governmental units on property taxation. For a discussion of such changes, see “**NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION.**”

4. Secondary Market. There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

5. The Bonds Not Rated. The Bonds have not been rated or reviewed by any rating agency and it is not expected that any rating will be applied for. The absence of a rating may limit the market for reselling the Bonds because certain institutional and other investors limit their purchases to securities which have received a rating.

NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION

The Nebraska Legislature has enacted legislation intended to reduce the level of property taxation and political subdivision expenditures in the State. The Legislature has enacted legislation to provide for budget limitations and legislation requiring reductions in the rate of taxation for general property taxes. Budget limitations relating to cities, villages, counties and other political subdivisions (Sections 13-518 to 13-522, R.R.S. Neb., as amended, and related sections, the “**Budget Limitations**”) limit the growth in amounts which may be budgeted with respect to certain restricted funds. Restricted funds include sales taxes, property taxes and certain other revenue sources. The limitation imposed does not apply to tax revenues pledged to retire bonded indebtedness. The Budget Limitations currently provide for a base limitation of 2.5% upon increases. Such base limitation is subject to review by the Nebraska Legislature from year to year. The base limitation may be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. These limitations are to be enforced through the office of the Auditor of Public Accounts of the State of Nebraska and state aid may be withheld from governmental units which fail to comply. The Budget Limitations do not apply to (i) restricted funds pledged to retire bonded indebtedness or (ii) to the revenues of proprietary funds unless such revenues are transferred to fund a service for a function not directly related to the charges and activity for which the charges are imposed.

Tax levy limitations (Section 77-3442, R.R.S. Neb., as amended, and related sections, the “**Levy Limitations**”) provide for overall limitations on the tax levies of political subdivisions, including cities.

The Levy Limitations provide for an express exclusion from the limitations for property tax levies for bonded indebtedness.

Taxes to pay principal and interest on the City's general obligation bonds are thus not subject either to the Budget Limitations or the Levy Limitations.

Under the Levy Limitations, the rates for levying property taxes have been reduced for each type of governmental unit in the State of Nebraska. The rate for cities is set at 45¢ per \$100 of taxable valuation with an additional 5¢ available for payments under interlocal cooperation agreements.

The future methods for providing for financing cities, schools and other local units may be altered depending upon future actions to be taken by the Nebraska Legislature, further decisions of the Nebraska Supreme Court and federal courts and future initiative petitions proposed by voters.

TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

Federal and State of Nebraska Tax Exemption. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Nebraska.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Nebraska income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading "**TAX MATTERS.**"

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,”

foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Series 2023 Bonds are subject to the unqualified approving opinion of Gilmore & Bell, P.C. as Bond Counsel to the City. Gilmore & Bell, P.C. has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2023 Bonds.

LITIGATION

No litigation is pending or, to the knowledge of the City, threatened in any court to restrain or enjoin the issuance or delivery of any of the Series 2023 Bonds, or in any way contesting or affecting the validity of the Series 2023 Bonds or the Ordinance, or contesting the powers or authority of the City to issue the Series 2023 Bonds or adopt the Ordinance.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the “**Rule**”) promulgated by the Securities and Exchange Commission, the City has agreed in the Ordinance that it will provide continuing disclosure information as described in **APPENDIX C** to this Official Statement.

Compliance with Existing Continuing Disclosure Undertakings

The City believes that it has complied during the past five years with its prior undertakings under the Rule.

UNDERWRITING

Piper Sandler & Co., as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2023 Bonds from the City at the price of \$_____, taking into consideration an underwriter’s discount of \$_____, plus accrued interest, if any. The Underwriter intends to offer the Series 2023 Bonds to the public initially at the offering prices or bond yields as set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2023 Bonds to the public. The Underwriter will be obligated to purchase all such Series 2023 Bonds if any such Series 2023 Bonds are purchased. The Series 2023 Bonds may be offered and sold to certain dealers at prices lower than the public offering prices, and the public offering prices may be changed, from time to time, by the Underwriter.

While the Underwriter expects, insofar as possible, to maintain a secondary market for the Series 2023 Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriter

or others, and prospective purchasers of the Series 2023 Bonds should therefore be prepared to hold their Series 2023 Bonds to their maturity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled or prepared from information obtained from the City and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

CITY OF HICKMAN, NEBRASKA

APPENDIX A

INFORMATION CONCERNING THE CITY OF HICKMAN

**APPENDIX A
INFORMATION CONCERNING THE CITY OF HICKMAN**

FINANCIAL INFORMATION

City of Hickman

Taxable Valuation (2022-23)	\$265,334,382
Direct Bonded Debt	
General Obligation Water Bonds, Series 2023 (this issue)	\$1,530,000*
General Obligation Refunding Bonds, Series 2021B	1,095,000
General Obligation Refunding Bonds, Series 2021	1,125,000
Certificates of Participation, Series 2021	<u>3,080,000</u>
Total	\$6,830,000*
Direct Debt to Taxable Valuation	2.57%*

Other Debt (not included in Direct Debt to Taxable Valuation %)

Combined Utilities Revenue Bonds, Series 2018	\$1,040,000
Combined Utilities Revenue Refunding Bonds, Series 2018	940,000
Promissory Note NDEQ for UV Treatment Facility (estimated amount)	<u>458,680</u>
Total	\$2,438,680

Overlapping Debt:

Lancaster County

Taxable Valuation (2022-23)	\$33,855,264,851
General Obligation Debt	\$-0-

Lancaster County Fairground JPA

Taxable Valuation (2022-23)	\$33,815,744,206
General Obligation Debt	\$5,845,000
City's Pro-Rata Share (0.78%)	\$45,591

Lancaster County Public Building Commission

Taxable Valuation (2022-23)	\$33,855,264,851
General Obligation Debt	\$19,250,000
City's Pro-Rata Share (0.78%)	\$150,150

Lancaster County Correctional Facility

Taxable Valuation (2022-23)	\$33,855,264,851
General Obligation Debt (est. portion of debt applicable to Lancaster Cnty)	\$11,000,000
City's Pro-Rata Share (0.78%)	\$85,800

Lancaster County School District 0160

Taxable Valuation (2022-23)	\$1,879,368,222
General Obligation Debt	\$15,417,737
City's Pro-Rata Share (14.12%)	\$2,176,984

Hickman Rural Fire Protection District

Taxable Valuation (2022-23)	\$802,620,331
General Obligation Debt	\$2,410,000

City's Pro-Rata Share (33.06%)	\$796,746
--------------------------------	-----------

* Preliminary, subject to change.

Total Direct & Overlapping G.O. Debt	10,085,271*
Direct & Overlapping Debt to Taxable Valuation (not including "Other Debt")	3.80%*

Additional Indebtedness

The City plans to issue approximately \$2,600,000 in Sewer Bond Anticipation Notes and eventually bonds to retire the notes.

General Information

The City of Hickman is located 11 miles south of Lincoln and 4 miles east of Highway 77. The majority of Hickman’s residents are employed in Lincoln, Nebraska. The City owns and profitably operates its own electric distribution system, water system and sanitary sewage system. In addition to the services in nearby Lincoln, there are several retail operations in Hickman.

The City is governed by a mayor-city council form of government. The following are the current City officials, their offices and City staff:

- Phil Goering..... Mayor
- Doug Wagner..... Council President
- Justina Ziemann..... Council Member
- Steve Noren Council Member
- Chad Parker Council Member
- Travis Borchardt..... Council Member
- John Meese Jr. Council Member
- Kelly Oelke City Administrator
- Jaala Johnson..... City Clerk
- Cydnee Golden..... City Treasurer
- Kelly Hoffschneider City Attorney

Population

	<u>2020 Census</u>	<u>2010 Census</u>
Lancaster County	322,608	285,407
City of Hickman	2,607	1,657

Source: U.S. Bureau of the Census

Employment Statistics-Lancaster County

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Labor Force	181,766	178,631	178,390	179,477	176,561
Employed	177,968	174,272	171,029	174,514	171,912
Unemployment Rate	2.1%	2.4%	4.1%	2.8%	2.6%

Source: Nebraska Department of Labor

Retail Sales

Net taxable retail sales for Lancaster County and the City of Hickman for recent years are as follows.

<u>Year</u>	<u>City of Hickman</u>	<u>Lancaster County</u>
2021	\$14,063,688	\$4,475,973,710
2020	12,019,034	3,868,482,961
2019	10,447,978	4,042,755,921
2018	9,984,848	3,946,261,717
2017	8,741,913	3,892,522,238

Source: Nebraska Department of Revenue

Schools

The Norris School District is Class III District located in Lancaster, Otoe and Gage counties. The District is located 3 miles northwest of Firth, Nebraska. The District's K-12 enrollment is approximately 2,483 students.

Health Care

Health care needs are met by Lincoln area clinics and area hospitals and nursing homes.

Financial Institutions

Banking facilities are provided by First State Bank, Nebraska (Branch of Lincoln, NE) and Nebraska Bank.

Fire and Police Protection

Fire protection is provided by the Hickman Volunteer Fire Department. Police protection is provided by the Lancaster County Sheriff's office.

Water System

The City owns and operates the city water system through the facilities and maintenance director.

Sewer System & Electric System

The City owns and operates the city sewer and electric system through the facilities and maintenance director.

Housing

The U.S. Census Bureau reports the following averages for Lancaster County and the State of Nebraska:

	<u>Lancaster County</u>	<u>State of Nebraska</u>
Homeownership rate, 2017-2021	59.6%	66.8%
Median value of owner-occupied housing units, 2017-2021	\$204,400	\$174,100
Median household income, 2017-2021	\$65,086	\$66,644

Taxable Valuations

<u>Year</u>	<u>Lancaster County</u>	<u>City of Hickman</u>
2022-23	\$33,855,264,851	\$265,334,382
2021-22	32,551,521,803	235,252,273
2020-21	29,305,321,129	201,481,215
2019-20	28,509,846,062	189,885,518
2018-19	26,672,869,594	161,452,683

Source: Nebraska State Auditor

Tax Levies (\$ per \$100 taxable valuation)

<u>Year</u>	<u>Lancaster County</u>	<u>City of Hickman</u>
2022	0.260814	0.598137
2021	0.264076	0.598137
2020	0.281576	0.598137
2019	0.281576	0.598136
2018	0.266576	0.630871

Source: Nebraska Department of Revenue

Largest Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2022 Valuation</u>	<u>% of Total</u>
Buel Properties LLC	Real Estate	\$7,125,000	2.69%
Haven Manor Hickman LLC	Assisted Living	2,235,000	0.84
Whitehead Oil Company	Fuel/Wholesale	2,190,400	0.83
Pennsylvania Avenue Properties LLC	Real Estate	1,642,300	0.62
Thistle Glen Investments LLC	Financial Services	1,552,100	0.58
Farmers State Bank	Financial Services	1,456,000	0.55
MGG Enterprises Inc.	Real Estate	1,347,800	0.51
M&G Holdings LLC	Real Estate	1,254,000	0.47
Regor LLC	n/a	1,219,800	0.46
Keslar Properties LLC	Real Estate	1,134,200	0.43

Source: Lancaster County Assessor

APPENDIX B

**CITY OF HICKMAN AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING dated as of _____, 2023 (the “**Disclosure Undertaking**”), is executed and delivered by the **City of Hickman, Nebraska** (the “**City**”).

RECITALS

A. This Disclosure Undertaking is executed and delivered by the City in connection with the issuance by the City of \$ _____ **General Obligation Water Bonds, Series 2023** (the “**Bonds**”), pursuant to an ordinance adopted by the Mayor and Council of the City on _____, 2023 (the “**Ordinance**”).

B. The City is entering into this Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The City is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the City pursuant to, and as described in, **Section 2** of this Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday, or legal holiday, (b) a day on which banks located in the city in which the designated payment office of the paying agent for the Bonds is located is required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the **12-month** period beginning on **October 1** and ending on **September 30** or any other **12-month** period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3** of this Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **8 months** after the end of the Fiscal Year, commencing with the Fiscal Year ending September 30, 2023, provide to the MSRB the following financial information and operating data (the “**Annual Report**”):

(i) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(ii) Updates as of the end of the Fiscal Year of the financial information and operating data relating to the Issuer described in **Exhibit A**.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been filed with the MSRB.

Section 3. Reporting of Material Events. Not later than **10** business days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

(1) principal and interest payment delinquencies;

- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in **Section 2**, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations under this Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities

law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Disclosure Undertaking.

If a provision of this Disclosure Undertaking is amended or waived, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City fails to comply with any provision of this Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Disclosure Undertaking shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The following operating data from “**APPENDIX A: FINANCIAL STATEMENT: CITY OF HICKMAN**” in the final Official Statement relating to the Bonds:

- Taxable Valuation
- Direct G.O. Bonded Debt
- Direct Debt to Taxable Valuation



City Of Hickman

Annual Water Quality Report For January 1 to December 31, 2022

This report is intended to provide you with important information about your drinking water and the efforts made by the City Of Hickman water system to provide safe drinking water.

Para Clientes Que Hablan Español: Este informe contiene información muy importante sobre el agua que usted bebe. Tradúzcalo ó hable con alguien que lo entienda bien.

For more information regarding this report, or to request a hard copy, contact:

WADE LUTHER
402-937-3944

If you would like to observe the decision-making processes that affect drinking water quality, please attend the regularly scheduled meeting of the Village Board/City Council. If you would like to participate in the process, please contact the Village/City Clerk to arrange to be placed on the agenda of the meeting of the Village Board/City Council.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline (800-426-4791).

Source Water Assessment Availability:

The Nebraska Department of Environment and Energy (NDEE) has completed the Source Water Assessment. Included in the assessment are a Wellhead Protection Area map, potential contaminant source inventory, and source water protection information. To view the Source Water Assessment or for more information please contact the person named above on this report or the NDEE at 402-471-3376 or go to <http://dee.ne.gov>.

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Sources of Drinking Water:

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and groundwater wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up

substances resulting from the presence of animals or from human activity.

The source of water used by City Of Hickman is ground water.

Contaminants that may be present in source water include:

* Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.

* Inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm water runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming.

* Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

* Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems.

* Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

Drinking Water Health Notes:

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. All Community water systems are responsible for providing high quality drinking water but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (800-426-4791), at <http://www.epa.gov/safewater/lead> or at the NDEE Drinking Water Division (402-471-1009).

The City Of Hickman is required to test for the following contaminants: Coliform Bacteria, Antimony, Arsenic, Asbestos, Barium, Beryllium, Cadmium, Chromium, Copper, Cyanide, Fluoride, Lead, Mercury, Nickel, Nitrate, Nitrite, Selenium, Sodium, Thallium, Atrazine, Benzo(a)pyrene, Carbofuran, Chlordane, Dalapon, Di(2-ethylhexyl)adipate, Dibromochloropropane, Dinoseb, Di(2-ethylhexyl)-phthalate, Diquat, 2,4-D, Endothall, Endrin, Ethylene dibromide, Glyphosate, Heptachlor, Heptachlor epoxide, Hexachlorobenzene, Hexachlorocyclopentadiene, Lindane, Methoxychlor, Oxamyl (Vydate), Pentachlorophenol, Picloram, Polychlorinated biphenyls, Simazine, Toxaphene, Dioxin, Silvex, Benzene, Carbon Tetrachloride, o-Dichloro-

benzene, Para-Dichlorobenzene, 1,2-Dichloroethane, 1,1-Dichloroethylene, Cis-1,2,-Dichloroethylene, Trans-1,2-Dichloroethylene, Dichloromethane, 1,2-Dichloropropane, Ethylbenzene, Monochlorobenzene, 1,2,4-Trichlorobenzene, 1,1,1-Trichloroethane, 1,1,2-Trichloroethane, Trichloroethylene, Vinyl Chloride, Styrene, Tetrachloroethylene, Toluene, Xylenes (total), Gross Alpha (minus Uranium & Radium 226), Radium 226 plus Radium 228, Sulfate, Chloroform, Bromodichloromethane, Chlorodibromomethane, Bromoform, Chlorobenzene, m-Dichlorobenzene, 1,1-Dichloropropene, 1,1-Dichloroethane, 1,1,2,2-Tetrachloroethane, 1,2-Dichloropropane, Chloromethane, Bromomethane, 1,2,3-Trichloropropane, 1,1,1,2-Tetrachloroethane, Chloroethane, 2,2-Dichloropropane, o-Chlorotoluene, p-Chlorotoluene, Bromobenzene, 1,3-Dichloropropene, Aldrin, Butachlor, Carbaryl, Dicamba, Dieldrin, 3-Hydroxycarbofuran, Methomyl, Metolachlor, Metribuzin, Propachlor.

How to Read the Water Quality Data Table:

The EPA and State Drinking Water Program establish the safe drinking water regulations that limit the amount of contaminants allowed in drinking water. The table shows the concentrations of detected substances in comparison to the regulatory limits. Substances not detected are not included in the table. The state requires monitoring of certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Therefore, some of this data may be older than one year.

MCL (Maximum Contaminant Level) – The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG (Maximum Contaminant Level Goal) – The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

AL (Action Level) – The concentration of a contaminant which, if exceeded triggers treatment or other requirements which a water system must follow.

MRDL (Maximum Residual Disinfectant Level) – The highest level of a disinfectant allowed in drinking water.

N/A – Not applicable.

Units in the Table:

ND – Not detectable.

ppm (parts per million) – One ppm corresponds to 1 gallon of concentrate in 1 million gallons of water.

mg/L (milligrams per liter) – Equivalent to ppm.

ppb (parts per billion) – One ppb corresponds to 1 gallon of concentrate in 1 billion gallons of water.

ug/L (micrograms per liter) – Equivalent to ppb.

pCi/L (Picocuries per liter) – Radioactivity concentration unit.

RAA (Running Annual Average) – An ongoing annual average calculation of data from the most recent four quarters.

LRAA (Locational Running Annual Average) – An ongoing annual average calculation of data from the most recent four quarters at each sampling location.

90th Percentile – Represents the highest value found out of 90% of the samples taken in a representative group. If the 90th percentile is greater than the action level, it will trigger a treatment or other requirements that a water system must follow.

TT (Treatment Technique) – A required process intended to reduce the level of a contaminant in drinking water.

Microbiological	Highest No. of Positive Samples	MCL	MCLG	Likely Source of Contamination	Violations Present		
No Detected Results were Found in the Calendar Year of 2022							
Lead and Copper	Monitoring Period	90 th Percentile	Range	Unit	AL	Sites Over AL	Likely Source of Contamination
COPPER, FREE	2020 - 2022	0.112	0.0096 - 0.114	ppm	1.3	0	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing.
LEAD	2020 - 2022	2.64	0 - 3.1	ppb	15	0	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing.
Regulated Contaminants	Collection Date	Highest Value	Range	Unit	MCL	MCLG	Likely Source of Contamination
ARSENIC	9/21/2020	1.96	1.96	ppb	10	0	Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes.
BARIUM	10/6/2020	0.145	0.145	ppm	2	2	Discharge from drilling wastes; Discharge from metal refineries; Erosion of natural deposits.
FLUORIDE	10/6/2020	0.267	0.267	ppm	4	4	Erosion of natural deposits; water additive which promotes strong teeth; Fertilizer discharge.
Disinfection Byproducts	Monitoring Period	Highest RAA	Range	Unit	MCL	MCLG	Likely Source of Contamination
TTHM	1/1/2022 - 12/31/2022	2.63	2.63	ppb	80	0	By-product of drinking water disinfection.
Radiological Contaminants	Collection Date	Highest Value	Range	Unit	MCL	MCLG	Likely Source of Contamination
COMBINED RADIUM (-226 & -228)	11/14/2022	1.536	1.536	pCi/L	5	0	Erosion of natural deposits
GROSS ALPHA, INCL. RADON & U	11/14/2022	3.25	3.25	pCi/L	15	0	Erosion of natural deposits
RADIUM-226	11/14/2022	0.666	0.666	pCi/L		0	Erosion of natural deposits.
RADIUM-228	11/14/2022	0.87	0.87	pCi/L		0	Erosion of natural deposits
Unregulated Water Quality Data	Collection Date	Highest Value	Range	Unit	Secondary MCL		
SULFATE	10/26/2020	73.4	73.4	mg/L	250		
During the 2022 calendar year, we had the below noted violation(s) of drinking water regulations.							
Violation Type	Category	Analyte	Compliance Period				
No Violations Occurred in the Calendar Year of 2022							

The City Of Hickman has taken the following actions to return to compliance with the Nebraska Safe Drinking Water Act:

There are no additional required health effects notices.

There are no additional required health effects violation notices.



LOWER PLATTE SOUTH
natural resources district

3125 Portia Street | P.O. Box 83581 • Lincoln, Nebraska 68501-3581
P: 402.476.2729 • F: 402.476.6454 | www.lpsnrd.org



March 17, 2023

City of Hickman
P.O. Box #127
Hickman, NE 68372-0127

To Whom It May Concern:

Every year according to its regulations, the Lower Platte South Natural Resources District completes a Groundwater Management Plan Annual Review, which summarizes the results of the District's groundwater quality and quantity monitoring, as well as a variety of other activities involving groundwater. As in the past, LPSNRD is making the report available to you in a digital format. To view and/or download the report for calendar year 2022, please visit the District website at www.lpsnrd.org.

As always, if you would prefer to have a hardcopy mailed to you or if you have any questions, please feel free to contact me at (402) 476-2729 or via email at dehrman@lpsnrd.org. Thanks very much for your interest and cooperation in protecting the District's precious groundwater resources!

Sincerely,

Dick Ehrman
Water Resources Coordinator

/de
Copy (Letter & Mailing List): Ground Water file



PLANNING
555 South 10th Street, Suite 213 | Lincoln, NE 68508
402-441-7491 | F: 402-441-6377 | plan@lincoln.ne.gov



February 24, 2023

RE: Board of Zoning Appeals BZA23002 - Requested by Rodney and Cheryl Koehler for a variance to reduce the required side yard setback from 15 feet to 4 feet for a garage (4140 Princeton Road)

Dear Property Owner:

Pursuant to Section 22.005 of the Lancaster County Zoning Resolution, this notification is being sent to property owners within 1 mile of the following zoning request, based on information secured from the County Assessors computer records. The County of Lancaster has received an application for **BOARD OF ZONING APPEALS 23002**, requested by Rodney and Cheryl Koehler for a variance to reduce the required side yard setback from 15 feet to 4 feet for a garage, on property legally described as Lot 38, located in the SW 1/4 of Section 17-7-7, Lincoln, Lancaster County, Nebraska, generally located at 4140 Princeton Road.

A public hearing on this application will be held before the Lancaster County Board of Zoning Appeals on **Friday, March 10, 2023**. The public hearing is your opportunity to appear and speak upon the merits of this application. The Lancaster County Board of Zoning Appeals meeting commences at 2:30 p.m. in Hearing Room 112 on the first floor of the County-City Building, 555 South 10th Street, Lincoln, Nebraska.

If you would like additional information, you are encouraged to contact the applicant/contact person, Jill Schuerman, at 402-434-8494, or jschuerman@civildq.com; or the project planner in the Planning Department, Tom Cajka, at 402-441-5662, or tcajka@lincoln.ne.gov.

In the event you are unable to attend, you are encouraged to submit your comments prior to the public hearing in writing to the Board of Zoning Appeals at the Planning Department address, or by utilizing the online Public Comment Form. This form is available on-line at www.lincoln.ne.gov (search for "Planning Commission"). Click on "Planning Commission" at the top of the page then go to the "Submit Comments" tab. In order to help ensure that your comments are included as part of the public record prior to the Planning Commission hearing, please submit them no later than 8:00 a.m. on the Thursday prior to the scheduled hearing. It is also recommended that if you have documents you want to reference at the hearing on this application, that you provide an electronic copy by emailing them to plan@lincoln.ne.gov and they will be distributed to the Board of Zoning Appeals members for their review.

The Planning Department staff report will be available in the Planning Department office on Friday, March 3, after 9:00 a.m. The "Lancaster County Board of Zoning Appeals Agenda", including the staff report on this application, will also be available on the Internet at that time, www.lincoln.ne.gov (search for "Board of Zoning Appeals"). Click on "County Board of Zoning Appeals" at the top of the page then go to the "Agenda" tab.

In the meantime, all information which has been submitted on this application may be found at www.lincoln.ne.gov (search for "PATS"). Click on "Planning Application Tracking Service (PATS)" at the top of the page, click "Selection Screen" under "PATS Tools" on the right side of the screen, type in the application number (i.e. BZA23002), click on "Search", then "Select", and go to "Related Documents".

If you have any questions, please do not hesitate to contact me.

Sincerely yours,


Shell Reid
Administrative Officer

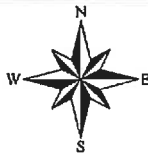
cc: Rodney and Cheryl Koehler Jill Schuerman/Civil Design Group

ACCOMMODATION NOTICE

The City of Lincoln complies with Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 guidelines. Ensuring the public's access to and participating in public meetings is a priority for the City of Lincoln. In the event you are in need of a reasonable accommodation in order to attend or participate in a public meeting conducted by the City of Lincoln, please contact the Lincoln Commission on Human Rights at 402-441-7624 or the City Ombudsman at 402-441-7511 as soon as possible before the scheduled meeting date in order to make your request.



Board of Zoning Appeals #: BZA23002
S 38th St & Princeton Rd



2022 aerial

Zoning:

- R-1 to R-8 Residential District
- AG Agricultural District
- AGR Agricultural Residential District
- O-1 Office District
- O-2 Suburban Office District
- O-3 Office Park District
- R-T Residential Transillon District
- B-1 Local Business District
- B-2 Planned Neighborhood Business District
- B-3 Commercial District
- B-4 Lincoln Center Business District
- B-5 Planned Regional Business District
- H-1 Interstate Commercial District
- H-2 Highway Business District
- H-3 Highway Commercial District
- H-4 General Commercial District
- I-1 Industrial District
- I-2 Industrial Park District
- I-3 Employment Center District
- P Public Use District

One Square Mile:
Sec.17 T07N R07E

Area of Application

Zoning Jurisdiction Lines

City of Lincoln Jurisdiction

