

CITY OF GERING
Gering, Nebraska

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT

September 30, 2021

CITY OF GERING
Gering, Nebraska

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Gering, Nebraska

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**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Gering, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 11 and 50 - 54 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gering, Nebraska's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 55 - 57 is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 6, 2022, on our consideration of the City of Gering, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gering, Nebraska's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
March 6, 2022

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

September 30, 2021

The management of the City of Gering, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Please consider this discussion in conjunction with the additional information provided in the transactions, events and conditions reflected in the City's financial statements (beginning on page 12).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2021, by \$65,323,752 (net position). Of this amount, \$24,168,093 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$13,921,146. This is an increase of \$1,877,790 in comparison with the prior year.
- As of September 30, 2021, unassigned fund balance for governmental funds was \$1,003,795, or 15.5% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the City's net position changed during the year ended September 30, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, and self-insurance. The business-type activities of the City include electric, water, wastewater, sanitation utilities, golf course, leasing corporation and civic center.

The government-wide financial statements can be found on pages 12-14 of this report.

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

FUND FINANCIAL STATEMENTS

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

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

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

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the KENO fund, the Streets fund, and the LB 840 fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15-20 of this report.

Proprietary funds - The City maintains enterprise funds as a form of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater and sanitation utilities in addition to the golf course, leasing corporation and civic center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of the enterprise funds.

The basic proprietary fund financial statements can be found on pages 21-26 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-47 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget. The City adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the General, KENO, Streets, and LB 840 major funds to demonstrate compliance with this budget.

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$65,323,752 at September 30, 2021.

By far the largest portion of the City's net position (50.1 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Gering
Condensed Statement of Net Position
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 18,526,777	\$ 13,443,207	\$ 21,800,625	\$ 20,212,478	\$ 40,327,402	\$ 33,655,685
Capital assets	10,820,272	10,518,412	31,122,263	30,211,618	41,942,535	40,730,030
Other noncurrent assets	1,359,108	4,134,264	-	-	1,359,108	4,134,264
Total assets	<u>30,706,157</u>	<u>28,095,883</u>	<u>52,922,888</u>	<u>50,424,096</u>	<u>83,629,045</u>	<u>78,519,979</u>
Current liabilities	869,439	986,919	1,824,961	1,702,739	2,694,400	2,689,658
Long-term liabilities outstanding	1,205,925	1,429,737	11,278,238	12,134,201	12,484,163	13,563,938
Total liabilities	<u>2,075,364</u>	<u>2,416,656</u>	<u>13,103,199</u>	<u>13,836,940</u>	<u>15,178,563</u>	<u>16,253,596</u>
Deferred inflow of resources	3,126,730	2,775,156	-	-	3,126,730	2,775,156
Net assets						
Net investment in capital assets	10,820,272	9,233,887	21,892,263	19,966,618	32,712,535	29,200,505
Restricted	5,174,122	5,795,627	2,870,360	3,208,067	8,044,482	9,003,694
Unrestricted	9,289,119	7,689,539	15,277,616	13,597,489	24,566,735	21,287,028
Total net position	<u>\$ 25,283,513</u>	<u>\$ 22,719,053</u>	<u>\$ 40,040,239</u>	<u>\$ 36,772,174</u>	<u>\$ 65,323,752</u>	<u>\$ 59,491,227</u>

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

At September 30, 2021, the City is able to report positive balances in all three categories of net position, for the government as a whole.

City of Gering
Statement of Activities and Changes in Net Assets
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,468,266	\$ 2,123,782	\$ 16,201,305	\$ 16,701,635	\$ 18,669,571	\$ 18,825,417
Operating grants and contributions	1,110,114	2,083,196	-	-	1,110,114	2,083,196
Capital grants and contributions	899,266	-	225,000	-	1,124,266	-
General revenues:						
Property taxes	2,366,911	2,358,433	-	-	2,366,911	2,358,433
Sales and use tax	1,991,289	1,748,953	-	-	1,991,289	1,748,953
Intergovernmental	1,586,013	-	-	-	1,586,013	-
Investment income (loss)	57,542	120,015	71,457	194,584	129,001	314,597
Gain (loss) from sale of assets	(14,285)	-	(136,933)	-	(151,218)	-
Miscellaneous	1,419,313	1,612,497	801,429	-	2,220,742	1,612,499
Payment received from loan	293,133	-	-	-	293,133	2
Total revenues	<u>12,177,562</u>	<u>10,046,876</u>	<u>17,162,258</u>	<u>16,896,219</u>	<u>29,339,822</u>	<u>26,943,097</u>
Expenses:						
General government	2,753,664	2,947,897	-	-	2,753,664	2,947,897
Public safety	2,178,403	2,311,814	-	-	2,178,403	2,311,814
Public works	1,297,362	1,334,482	-	-	1,297,362	1,334,482
Public health	-	-	-	-	-	-
Culture and recreation	2,851,171	2,638,040	-	-	2,851,171	2,638,040
Economic development	2,235,436	869,107	-	-	2,235,436	869,107
Interest on long-term debt	121,018	137,242	-	-	121,018	137,242
Electric	-	-	5,572,202	5,303,000	5,572,202	5,303,000
Water	-	-	1,377,405	1,304,072	1,377,405	1,304,072
Wastewater	-	-	1,015,193	971,777	1,015,193	971,777
Sanitation	-	-	2,581,173	2,566,976	2,581,173	2,566,976
Golf	-	-	802,665	705,322	802,665	705,322
Leasing Corp	-	-	221,743	187,976	221,743	187,976
Civic Center	-	-	499,862	496,714	499,862	496,714
Total expenses	<u>11,437,052</u>	<u>10,238,580</u>	<u>12,070,243</u>	<u>11,535,837</u>	<u>23,507,295</u>	<u>21,774,419</u>
Increase (decrease) in net assets before transfers	740,510	(191,704)	5,092,015	5,360,382	5,832,527	5,168,678
Transfers in (out)	1,823,950	2,084,776	(1,823,950)	(2,084,776)	-	-
Increase (decrease) in net assets	<u>2,564,460</u>	<u>1,893,072</u>	<u>3,268,065</u>	<u>3,275,606</u>	<u>5,832,527</u>	<u>5,168,678</u>
Prior period adjustment (Note 13)	-	(2,985,970)	-	-	-	(2,985,970)
Net assets, October 1	22,719,053	23,811,951	36,772,174	33,496,568	59,491,225	57,308,519
Net assets, September 30	<u>\$ 25,283,513</u>	<u>\$ 22,719,053</u>	<u>\$ 40,040,239</u>	<u>\$ 36,772,174</u>	<u>\$ 65,323,752</u>	<u>\$ 59,491,227</u>

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by a total of \$2,564,460. Key elements in this increase follows:

- Receipt of American Rescue Plan funds in the amount of \$719,278.
- Receipt additional \$.05 property tax levy for public safety amounting to \$252,948.
- Increase in employer health insurance contributions to the self-funded health insurance plan.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$3,268,065. Key elements in this increase follows:

- Electric, water, wastewater and sanitation revenues were all over budgeted amounts.
- Additional reduced expenses in all business type funds from delayed capital improvements due to pandemic shut down and logistical delays.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$13,921,146, an increase of \$1,877,790 in comparison with the prior year. This increase was largely due to the receipt of American Rescue Plan funds.

The general fund is the chief operating fund of the City. At September 30, 2021, the unassigned fund balance of the general fund was \$1,003,795. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 15.5 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,068,536 during fiscal year 2021. This increase was a result of reduced expenditures of \$570,759 as compared to the prior year and increased employer contributions into the health insurance fund.

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

PROPRIETARY FUNDS

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

Unrestricted net position of the electric system and wastewater system amounted to \$14,079,408, and \$1,203,121 respectively, at September 30, 2021. Unrestricted net position of the leasing corporation fund and civic center fund amounted to \$475,645 and \$29,442 respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variances between actual general fund revenues and expenditures and the final budget include:

- \$90,739 negative variance in property taxes.
- \$50,584 positive variance in municipal equalization payments received.
- \$32,874 positive variance in building permit revenue.
- \$83,988 positive variance in charges for services revenue.
- \$439,413 positive variance in grant revenue for CARES Act funding.
- \$339,981 positive variance in payroll and benefit expense.
- \$47,972 positive variance in general fund operating expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, was \$41,942,535 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, storm sewers, electric plant, and water and sewer plant.

City of Gering
Capital assets (net of depreciation)
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 829,498	\$ 829,498	\$ 2,836,020	\$ 3,206,486	\$ 3,665,518	\$ 4,035,984
Construction in progress	86,290	1,075,578	1,268,178	1,628,590	1,354,468	2,704,168
Buildings and improvements	8,520,886	7,280,913	7,373,667	5,000,273	15,894,553	12,281,186
Equipment and vehicles	1,383,598	1,332,423	2,154,828	2,564,774	3,538,426	3,897,197
Utility systems	-	-	17,489,570	17,811,495	17,489,570	17,811,495
Total	\$ <u>10,820,272</u>	\$ <u>10,518,412</u>	\$ <u>31,122,263</u>	\$ <u>30,211,618</u>	\$ <u>41,942,535</u>	\$ <u>40,730,030</u>

CITY OF GERING
Gering, Nebraska

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

Major capital asset events during 2021 included the following:

- Leasing Corp Fund – quad field improvements - \$1,383,549
- Wastewater Fund – WWTP diffuser replacement - \$451,269
- Wastewater Fund – sewer line replacement, railroad right of way - \$209,177
- Streets Fund – Overland Trails mill & overlay - \$289,582
- Streets Fund – purchase new dump truck - \$184,529
- Streets Fund – Holly Drive & A Street mill & overlay - \$176,500
- Streets Fund – Twin City Drive mill & overlay - \$73,709
- Civic Center/Downtown Development Fund – Civic Center remodel - \$566,437

Additional information on the City’s capital assets can be found in Note 5 of the notes to the financial statements on pages 39 of this report.

LONG-TERM DEBT

At September 30, 2021, the City of Gering had total debt outstanding of \$10,287,258. This amount represents bonds secured by specified revenue sources (i.e., revenue bonds).

Additional information on the City's long-term debt can be found in Note 6 of the notes to the financial statements on pages 40-41 of this report.

City of Gering
Outstanding Long-Term Debt
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2019
Notes payable	\$ 1,057,258	\$ 1,284,526	\$ -	\$ -	\$ 1,057,258	\$ 1,284,526
Revenue bonds	-	-	9,230,000	10,245,000	9,230,000	10,245,000
Total	\$ <u>1,057,258</u>	\$ <u>1,284,526</u>	\$ <u>9,230,000</u>	\$ <u>10,245,000</u>	\$ <u>10,287,258</u>	\$ <u>11,529,526</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The increase in the City’s property tax base provided by real growth is estimated at 1.22%, with an actual increase in valuation from the prior year of approximately \$23.2 million.
- For the 2022 budget, the projection for sales tax was budgeted at a 11.6% increase to more align with actual receipts in the most recent years.
- Franchise fees revenues were increased due to the 5 year settlement agreement with ALLO Communications.
- Budgeted transfers from enterprise funds to government funds were decreased 13% due to funds being aligned and becoming more self-sustaining.

Various utility rates were increased for the 2022 budget year. The residential and commercial water and sanitation collection rates and commercial wastewater rates were increased. In addition, the stormwater flat surcharge amount was increased. Electric rates for all users remained the same as last year as did landfill fees. The rate increases implemented are necessary to fund debt service, cover the cost of inflation and cover the cost of Federal mandates.

All of these factors were considered in preparing the City’s budget for the 2022 fiscal year.

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2021

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Gering, Finance Department, 1025 P Street, Gering, NE 69341.

**CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Governmental Activities	Business-type Activities	Eliminations	Total
ASSETS				
Current assets				
Cash	\$ 13,215,254	\$ 14,675,748	\$ -	\$ 27,891,002
Cash - County Treasurer	132,200	-	-	132,200
Receivables				
Property and sales tax	717,722	-	-	717,722
Accounts and grants	893,355	1,689,400	-	2,582,755
Unbilled receivables	-	1,064,181	-	1,064,181
Interest	475	73,098	-	73,573
Notes receivable	3,126,729	-	-	3,126,729
Prepaid expense	-	25,000	-	25,000
Inventory	8,693	1,004,196	-	1,012,889
Total current assets	<u>18,094,428</u>	<u>18,531,623</u>	<u>-</u>	<u>36,626,051</u>
Restricted assets				
Cash and certificates of deposit	432,349	3,269,002	-	3,701,351
Total restricted assets	<u>432,349</u>	<u>3,269,002</u>	<u>-</u>	<u>3,701,351</u>
Capital assets				
Nondepreciable	915,788	4,104,198	-	5,019,986
Depreciable (net)	9,904,484	27,018,065	-	36,922,549
Total capital assets	<u>10,820,272</u>	<u>31,122,263</u>	<u>-</u>	<u>41,942,535</u>
Other long-term assets				
Due from other funds	40,671	261,221	(301,892)	-
Economic development real estate	1,359,108	-	-	1,359,108
Total other long-term assets	<u>1,399,779</u>	<u>261,221</u>	<u>(301,892)</u>	<u>1,359,108</u>
TOTAL ASSETS	<u>\$ 30,746,828</u>	<u>\$ 53,184,109</u>	<u>\$ (301,892)</u>	<u>\$ 83,629,045</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 467,634	\$ 861,576	\$ -	\$ 1,329,210
Sales tax payable	10,661	74,502	-	85,163
Accrued payroll expense	84,852	7,787	-	92,639
Accrued wages	10,853	65,092	-	75,945
Accrued interest	59,921	71,004	-	130,925
Current portion of long-term debt	235,518	745,000	-	980,518
Total current liabilities	<u>869,439</u>	<u>1,824,961</u>	<u>-</u>	<u>2,694,400</u>
Noncurrent liabilities				
Customer deposits	-	567,051	-	567,051
Compensated absences	384,186	240,687	-	624,873
Landfill closure costs	-	1,985,500	-	1,985,500
Due to other funds	261,221	40,671	(301,892)	-
Long-term debt	821,739	8,485,000	-	9,306,739
Total noncurrent liabilities	<u>1,467,146</u>	<u>11,318,909</u>	<u>(301,892)</u>	<u>12,484,163</u>
TOTAL LIABILITIES	<u>2,336,585</u>	<u>13,143,870</u>	<u>(301,892)</u>	<u>15,178,563</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - notes receivable	3,126,730	-	-	3,126,730
Total deferred inflow of resources	<u>3,126,730</u>	<u>-</u>	<u>-</u>	<u>3,126,730</u>
NET POSITION				
Investment in capital assets, net of related debt	10,820,272	21,892,263	-	32,712,535
Restricted	5,174,122	2,870,360	-	8,044,482
Unrestricted	9,289,119	15,277,616	-	24,566,735
Total net position	<u>25,283,513</u>	<u>40,040,239</u>	<u>-</u>	<u>65,323,752</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 30,746,828</u>	<u>\$ 53,184,109</u>	<u>\$ -</u>	<u>\$ 83,629,045</u>

See accompanying notes to financial statements.

**STATEMENT OF ACTIVITIES
CITY OF GERING, NEBRASKA
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/programs				
Primary government				
Governmental activities				
General government	\$ (2,753,664)	\$ 376,415	\$ 18,314	\$ 719,278
Public safety	(2,178,403)	60,082	-	-
Public works	(1,297,362)	-	-	177,369
Culture and recreation	(2,851,171)	2,031,769	-	2,619
Economic development	(2,235,436)	-	1,091,800	-
Interest expense	(121,018)	-	-	-
Total governmental activities	<u>(11,437,054)</u>	<u>2,468,266</u>	<u>1,110,114</u>	<u>899,266</u>
Business-type activities				
Electric	(5,572,202)	9,393,037	-	-
Water	(1,377,405)	1,556,985	-	-
Wastewater	(1,015,193)	1,253,224	-	-
Sanitation	(2,581,173)	3,055,278	-	-
Golf	(802,665)	653,384	-	-
Leasing Corp.	(221,743)	-	-	225,000
Civic Center	(499,862)	289,397	-	-
Total business-type activities	<u>(12,070,243)</u>	<u>16,201,305</u>	<u>-</u>	<u>225,000</u>
Total primary government	<u>\$ (23,507,297)</u>	<u>\$ 18,669,571</u>	<u>\$ 1,110,114</u>	<u>\$ 1,124,266</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for public safety				
Sales tax				
Intergovernmental				
Gain (loss) on sale of assets				
Interest income				
Miscellaneous				
Payment received from loan				
Total general revenues				
Net transfers in (out)				
CHANGE IN NET POSITION				
NET POSITION, beginning of year				
NET POSITION, end of year				

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position
Primary Government

Governmental Activities	Business type Activities	Eliminations	Total
\$ (1,639,658)	\$ -	\$ -	\$ (1,639,658)
(2,118,321)	-	-	(2,118,321)
(1,119,993)	-	-	(1,119,993)
(816,783)	-	(255,143)	(1,071,926)
(1,143,636)	-	-	(1,143,636)
(121,018)	-	-	(121,018)
<u>(6,959,409)</u>	<u>-</u>	<u>(255,143)</u>	<u>(7,214,552)</u>
-	3,820,835	269,119	4,089,954
-	179,580	163,258	342,838
-	238,031	153,000	391,031
-	474,105	371,710	845,815
-	(149,281)	75,647	(73,634)
-	3,257	255,143	258,400
-	(210,465)	-	(210,465)
<u>-</u>	<u>4,356,062</u>	<u>1,287,877</u>	<u>5,643,939</u>
<u>(6,959,409)</u>	<u>4,356,062</u>	<u>1,032,734</u>	<u>(1,570,613)</u>
1,696,891	-	-	1,696,891
402,868	-	-	402,868
267,152	-	-	267,152
1,991,289	-	-	1,991,289
1,586,013	-	-	1,586,013
(14,285)	(136,933)	-	(151,218)
57,545	71,457	-	129,002
1,419,313	801,429	(1,032,734)	1,188,008
293,133	-	-	293,133
<u>7,699,919</u>	<u>735,953</u>	<u>(1,032,734)</u>	<u>7,403,138</u>
<u>1,823,950</u>	<u>(1,823,950)</u>	<u>-</u>	<u>-</u>
2,564,460	3,268,065	-	5,832,525
<u>22,719,053</u>	<u>36,772,174</u>	<u>-</u>	<u>59,491,227</u>
<u>\$ 25,283,513</u>	<u>\$ 40,040,239</u>	<u>\$ -</u>	<u>\$ 65,323,752</u>

**CITY OF GERING, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Keno Fund</u>	<u>Street Fund</u>
ASSETS			
Cash	\$ 3,480,844	\$ 1,546,959	\$ 670,580
Cash - County Treasurer	69,247	-	-
Receivables			
Property and sales tax	651,850	-	54,132
Accounts and grants	32,460	16,651	539,492
Interest	254	177	-
Notes receivable	-	-	-
Inventory	8,693	-	-
Due from other funds	40,671	-	-
Restricted assets			
Cash and certificates of deposit	432,349	-	-
TOTAL ASSETS	\$ <u>4,716,368</u>	\$ <u>1,563,787</u>	\$ <u>1,264,204</u>
LIABILITIES			
Accounts payable	\$ 207,402	\$ 67,761	\$ 53,312
Accrued state and sales tax	2,941	7,720	-
Accrued wages	68,461	-	12,200
Accrued payroll expense	8,917	-	1,552
Due to other funds	-	-	-
Total liabilities	<u>287,721</u>	<u>75,481</u>	<u>67,064</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - property taxes	671,993	-	-
Unavailable revenue - notes receivable	-	-	-
Total deferred inflow of resources	<u>671,993</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	432,349	1,488,306	1,197,140
Nonspendable	8,693	-	-
Committed	-	-	-
Assigned	2,311,817	-	-
Unassigned	1,003,795	-	-
Total fund balances	<u>3,756,654</u>	<u>1,488,306</u>	<u>1,197,140</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>4,716,368</u>	\$ <u>1,563,787</u>	\$ <u>1,264,204</u>

See accompanying notes to financial statements.

LB 840 Fund	Nonmajor Funds	Eliminations	Total Governmental Funds
\$ 778,020	\$ 6,738,851	\$ -	\$ 13,215,254
-	62,953	-	132,200
-	11,740	-	717,722
101,583	203,169	-	893,355
-	43	-	474
1,140,980	1,986,652	-	3,127,632
-	-	-	8,693
-	-	-	40,671
-	-	-	432,349
<u>\$ 2,020,583</u>	<u>\$ 9,003,408</u>	<u>\$ -</u>	<u>\$ 18,568,350</u>
\$ 1,652	\$ 137,507	\$ -	\$ 467,634
-	-	-	10,661
-	4,191	-	84,852
-	384	-	10,853
-	261,220	-	261,220
<u>1,652</u>	<u>403,302</u>	<u>-</u>	<u>835,220</u>
-	12,358	-	684,351
<u>1,140,980</u>	<u>1,986,653</u>	<u>-</u>	<u>3,127,633</u>
<u>1,140,980</u>	<u>1,999,011</u>	<u>-</u>	<u>3,811,984</u>
877,951	1,147,614	-	5,143,360
-	-	-	8,693
-	2,807,476	-	2,807,476
-	2,646,005	-	4,957,822
-	-	-	1,003,795
<u>877,951</u>	<u>6,601,095</u>	<u>-</u>	<u>13,921,146</u>
<u>\$ 2,020,583</u>	<u>\$ 9,003,408</u>	<u>\$ -</u>	<u>\$ 18,568,350</u>

**CITY OF GERING, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 13,921,146

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. 10,820,272

Real estate held for future economic development purposes is not a current financial resource and, therefore, is not reported in the funds. 1,359,108

Deferred inflow of resources in governmental fund financials for property taxes, special assessments and notes receivable is shown as revenue for government wide financials. 684,351

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Due within one year:

Interest payable \$ 59,920
Notes payable 235,518

Due in more than one year:

Notes payable 821,740
Compensated absences 384,186

(1,501,363)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 25,283,513

See accompanying notes to financial statements.

**CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Keno Fund	Street Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 1,480,753	\$ -	\$ -
Sales tax	-	-	314,107
Intergovernmental and grants	383,339	-	1,398,357
Charges for services	669,289	1,788,745	-
Interest income	3,392	2,590	2,841
Other revenue	2,189,950	-	1,074
Total revenues	<u>4,726,723</u>	<u>1,791,335</u>	<u>1,716,379</u>
EXPENDITURES			
Current			
General government	2,705,150	-	-
Public safety	2,662,164	-	-
Public works	96,090	-	1,067,825
Culture and recreation	899,500	1,721,522	-
Economic development	-	-	-
Capital outlay	99,184	-	725,320
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>6,462,088</u>	<u>1,721,522</u>	<u>1,793,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,735,365)</u>	<u>69,813</u>	<u>(76,766)</u>
OTHER FINANCE SOURCES (USES)			
Payments received from loan	-	-	-
Operating transfers in	2,849,322	-	-
Operating transfers out	(45,421)	-	-
Total other financing sources (uses)	<u>2,803,901</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,068,536	69,813	(76,766)
FUND BALANCES, beginning of year	<u>2,688,118</u>	<u>1,418,493</u>	<u>1,273,906</u>
FUND BALANCES, end of year	<u>\$ 3,756,654</u>	<u>\$ 1,488,306</u>	<u>\$ 1,197,140</u>

See accompanying notes to financial statements.

LB 840 Fund	Nonmajor Funds	Eliminations	Total Governmental Funds
\$ -	\$ 657,662	\$ -	\$ 2,138,415
311,135	1,366,047	-	1,991,289
-	1,813,697	-	3,595,393
-	10,232	-	2,468,266
10,612	38,110	-	57,545
19,254	237,670	(1,028,635)	1,419,313
<u>341,001</u>	<u>4,123,418</u>	<u>(1,028,635)</u>	<u>11,670,221</u>
3,213	147,691	(158,598)	2,697,456
-	-	(582,736)	2,079,428
-	-	(197,183)	966,732
-	191,808	(90,118)	2,722,712
968,568	1,266,868	-	2,235,436
-	94,980	-	919,484
166,850	60,900	-	227,750
-	60,516	-	60,516
<u>1,138,631</u>	<u>1,822,763</u>	<u>(1,028,635)</u>	<u>11,909,514</u>
<u>(797,630)</u>	<u>2,300,655</u>	<u>-</u>	<u>(239,293)</u>
96,272	196,861	-	293,133
-	742,168	(1,631,915)	1,959,575
-	(1,722,119)	1,631,915	(135,625)
<u>96,272</u>	<u>(783,090)</u>	<u>-</u>	<u>2,117,083</u>
(701,358)	1,517,565	-	1,877,790
<u>1,579,309</u>	<u>5,083,530</u>	<u>-</u>	<u>12,043,356</u>
<u>\$ 877,951</u>	<u>\$ 6,601,095</u>	<u>\$ -</u>	<u>\$ 13,921,146</u>

**CITY OF GERING, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,877,790

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities, the cost of those assets is allocated over their estimated
useful lives as depreciation expense. This is the amount by which depreciation expense
exceeds capital outlay in the current period. 316,244

Proceeds reported from the sale of assets are reported as revenue at the fund level.
However, only the difference between proceeds and the carrying value of the assets is
reported as gain or loss in the Statement of Activities. (14,285)

Payments on debt are expenditures in the funds, but a debt payment decreases
long-term liabilities in the Statement of Net Position. 227,750

Deferred inflow of resources in governmental fund financials for property taxes, special
assessments and notes receivable is shown as revenue for government wide financials. 228,496

Some expenses reported in the Statement of Activities do not require the use of
current financial resources and therefore are not reported as expenditures in
governmental funds:

Accrued compensated absences	(11,033)
Accrued interest	(60,502)
	<u>(71,535)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,564,460

See accompanying notes to financial statements.

**CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
ASSETS				
Current assets				
Cash	\$ 10,224,288	\$ -	\$ 1,238,736	\$ 2,652,582
Accounts receivable	860,425	204,411	116,097	253,921
Unbilled receivables	680,517	176,910	108,609	98,145
Grant receivables	-	-	-	-
Interest receivables	31,967	456	85	182
Prepaid expenses	-	-	-	25,000
Inventory	811,227	140,332	24,873	-
Restricted cash	460,944	559,551	115,616	2,132,891
Capital lease receivable	-	-	-	-
Total current assets	<u>13,069,368</u>	<u>1,081,660</u>	<u>1,604,016</u>	<u>5,162,721</u>
Noncurrent assets				
Capital assets				
Nondepreciable	-	34,640	275,277	789,361
Depreciable (net)	5,480,675	9,968,332	3,280,965	2,649,209
Capital lease receivable (net)	-	-	-	-
Due from other funds	2,083,768	-	-	-
Total noncurrent assets	<u>7,564,443</u>	<u>10,002,972</u>	<u>3,556,242</u>	<u>3,438,570</u>
TOTAL ASSETS	<u>\$ 20,633,811</u>	<u>\$ 11,084,632</u>	<u>\$ 5,160,258</u>	<u>\$ 8,601,291</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 7,416	\$ 11,618	\$ 216,029	\$ 77,663
Sales tax payable	49,734	13,507	7,252	-
Accrued payroll expenses	2,154	919	1,088	2,492
Accrued wages	17,181	7,868	9,075	21,008
Accrued interest	-	21,400	4,383	2,147
Current portion long-term debt	-	269,750	55,250	140,000
Total current liabilities	<u>76,485</u>	<u>325,062</u>	<u>293,077</u>	<u>243,310</u>
Noncurrent liabilities				
Customer deposit	470,335	81,806	-	-
Accrued compensated absences	65,964	9,187	47,452	76,931
Landfill closure costs	-	-	-	1,985,500
Due to other funds	-	404,011	-	1,200,000
Long-term debt	-	4,004,750	820,250	145,000
Total noncurrent liabilities	<u>536,299</u>	<u>4,499,754</u>	<u>867,702</u>	<u>3,407,431</u>
TOTAL LIABILITIES	<u>612,784</u>	<u>4,824,816</u>	<u>1,160,779</u>	<u>3,650,741</u>
NET POSITION				
Invested in capital assets, net of related debt	5,480,675	5,728,472	2,680,742	3,153,570
Restricted	460,944	531,344	115,616	1,796,980
Unrestricted	14,079,408	-	1,203,121	-
Total net position	<u>20,021,027</u>	<u>6,259,816</u>	<u>3,999,479</u>	<u>4,950,550</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 20,633,811</u>	<u>\$ 11,084,632</u>	<u>\$ 5,160,258</u>	<u>\$ 8,601,291</u>

See accompanying notes to financial statements.

<u>Golf Fund</u>	<u>Leasing Fund</u>	<u>Civic Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 45,145	\$ -	\$ 514,997	\$ -	\$ 14,675,748
14,902	-	14,644	-	1,464,400
-	-	-	-	1,064,181
-	225,000	-	-	225,000
-	40,408	-	-	73,098
-	-	-	-	25,000
27,764	-	-	-	1,004,196
-	-	-	-	3,269,002
-	125,000	-	(125,000)	-
<u>87,811</u>	<u>390,408</u>	<u>529,641</u>	<u>(125,000)</u>	<u>21,800,625</u>
1,803,584	-	1,201,336	-	4,104,198
599,207	4,116,637	923,040	-	27,018,065
-	385,000	-	(385,000)	-
-	-	-	(1,822,547)	261,221
<u>2,402,791</u>	<u>4,501,637</u>	<u>2,124,376</u>	<u>(2,207,547)</u>	<u>31,383,484</u>
<u>\$ 2,490,602</u>	<u>\$ 4,892,045</u>	<u>\$ 2,654,017</u>	<u>\$ (2,332,547)</u>	<u>\$ 53,184,109</u>
\$ 62,643	\$ 148	\$ 486,059	\$ -	\$ 861,576
2,779	-	1,230	-	74,502
1,134	-	-	-	7,787
9,960	-	-	-	65,092
2,666	40,408	-	-	71,004
125,000	280,000	-	(125,000)	745,000
<u>204,182</u>	<u>320,556</u>	<u>487,289</u>	<u>(125,000)</u>	<u>1,824,961</u>
2,000	-	12,910	-	567,051
41,153	-	-	-	240,687
-	-	-	-	1,985,500
-	259,207	-	(1,822,547)	40,671
385,000	3,515,000	-	(385,000)	8,485,000
<u>428,153</u>	<u>3,774,207</u>	<u>12,910</u>	<u>(2,207,547)</u>	<u>11,318,909</u>
<u>632,335</u>	<u>4,094,763</u>	<u>500,199</u>	<u>(2,332,547)</u>	<u>13,143,870</u>
1,892,791	321,637	2,124,376	510,000	21,892,263
(34,524)	-	-	-	2,870,360
-	475,645	29,442	(510,000)	15,277,616
<u>1,858,267</u>	<u>797,282</u>	<u>2,153,818</u>	<u>-</u>	<u>40,040,239</u>
<u>\$ 2,490,602</u>	<u>\$ 4,892,045</u>	<u>\$ 2,654,017</u>	<u>\$ -</u>	<u>\$ 53,184,109</u>

**CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
OPERATING REVENUES				
Charges for services	\$ 9,393,037	\$ 1,556,985	\$ 1,253,224	\$ 3,055,278
Miscellaneous income	1,997	8,048	1,899	15,387
Total operating revenues	<u>9,395,034</u>	<u>1,565,033</u>	<u>1,255,123</u>	<u>3,070,665</u>
OPERATING EXPENSES				
Cost of sales	3,598,322	-	-	-
Personnel services	990,058	524,624	555,603	1,235,818
Operating materials/supplies	77,468	46,224	33,996	40,179
Operating expenses	568,227	371,200	180,278	805,285
Depreciation and amortization	338,127	327,261	223,176	489,998
Total operating expenses	<u>5,572,202</u>	<u>1,269,309</u>	<u>993,053</u>	<u>2,571,280</u>
OPERATING INCOME (LOSS)	<u>3,822,832</u>	<u>295,724</u>	<u>262,070</u>	<u>499,385</u>
NONOPERATING REVENUES (EXPENSES)				
Bond issue costs	-	-	-	-
Interest income	37,950	4,289	3,468	20,572
Interest expense	-	(108,096)	(22,140)	(9,893)
Total nonoperating revenues (expenses)	<u>37,950</u>	<u>(103,807)</u>	<u>(18,672)</u>	<u>10,679</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>3,860,782</u>	<u>191,917</u>	<u>243,398</u>	<u>510,064</u>
OTHER FINANCING SOURCES (USES)				
Gain (loss) from sale of assets	-	-	-	(136,933)
Operating transfers in	-	-	-	-
Operating transfers (out)	(2,194,492)	(23,000)	-	(35,000)
Total operating transfers	<u>(2,194,492)</u>	<u>(23,000)</u>	<u>-</u>	<u>(171,933)</u>
CHANGE IN NET POSITION	1,666,290	168,917	243,398	338,131
NET POSITION, beginning of year	<u>18,354,737</u>	<u>6,090,899</u>	<u>3,756,081</u>	<u>4,612,419</u>
NET POSITION, end of year	<u>\$ 20,021,027</u>	<u>\$ 6,259,816</u>	<u>\$ 3,999,479</u>	<u>\$ 4,950,550</u>

See accompanying notes to financial statements.

<u>Golf Fund</u>	<u>Leasing Fund</u>	<u>Civic Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 653,384	\$ -	\$ 289,397	\$ -	\$ 16,201,305
5,603	489,410	504,085	-	1,026,429
<u>658,987</u>	<u>489,410</u>	<u>793,482</u>	<u>-</u>	<u>17,227,734</u>
-	-	-	-	3,598,322
428,074	-	-	-	3,734,177
102,372	-	-	-	300,239
207,940	4,965	419,118	-	2,557,013
56,442	108,744	80,744	-	1,624,492
<u>794,828</u>	<u>113,709</u>	<u>499,862</u>	<u>-</u>	<u>11,814,243</u>
<u>(135,841)</u>	<u>375,701</u>	<u>293,620</u>	<u>-</u>	<u>5,413,491</u>
-	-	-	-	-
79	4,099	1,000	-	71,457
<u>(7,837)</u>	<u>(108,034)</u>	<u>-</u>	<u>-</u>	<u>(256,000)</u>
<u>(7,758)</u>	<u>(103,935)</u>	<u>1,000</u>	<u>-</u>	<u>(184,543)</u>
<u>(143,599)</u>	<u>271,766</u>	<u>294,620</u>	<u>-</u>	<u>5,228,948</u>
-	-	-	-	(136,933)
292,917	-	135,625	(428,542)	-
-	-	-	428,542	(1,823,950)
<u>292,917</u>	<u>-</u>	<u>135,625</u>	<u>-</u>	<u>(1,960,883)</u>
149,318	271,766	430,245	-	3,268,065
<u>1,708,949</u>	<u>525,516</u>	<u>1,723,573</u>	<u>-</u>	<u>36,772,174</u>
<u>\$ 1,858,267</u>	<u>\$ 797,282</u>	<u>\$ 2,153,818</u>	<u>\$ -</u>	<u>\$ 40,040,239</u>

**CITY OF GERING, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 9,483,172	\$ 1,543,613	\$ 1,247,394	\$ 3,036,226
Cash received from other sources	1,997	8,048	1,899	15,387
Cash payments to suppliers of goods and services	(4,510,926)	(448,761)	(8,024)	(879,572)
Cash payments to employees	(989,570)	(543,724)	(575,856)	(1,230,740)
Net cash provided by (used in) operating activities	<u>3,984,673</u>	<u>559,176</u>	<u>665,413</u>	<u>941,301</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Capital lease receipts	-	-	-	-
Capital lease payments	-	-	-	-
Operating loans (out)/in	(264,604)	42,777	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(2,194,492)	(23,000)	-	(35,000)
Net cash provided by (used in) noncapital financing activities	<u>(2,459,096)</u>	<u>19,777</u>	<u>-</u>	<u>(35,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for capital assets	(64,266)	(7,598)	(662,945)	(40,065)
Payments on long-term debt	-	(493,850)	(101,150)	(140,000)
Proceeds from long-term debt	-	-	-	-
Payment of bond issue costs	-	-	-	-
Interest payments	-	(133,930)	(27,431)	(10,918)
Net cash provided by (used in) capital and related financing activities	<u>(64,266)</u>	<u>(635,378)</u>	<u>(791,526)</u>	<u>(190,983)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	21,424	6,082	3,811	31,739
Net cash provided by (used in) investing activities	<u>21,424</u>	<u>6,082</u>	<u>3,811</u>	<u>31,739</u>
NET INCREASE (DECREASE) IN CASH	1,482,735	(50,343)	(122,302)	747,057
CASH, beginning of year	9,202,497	609,894	1,476,654	4,038,416
CASH & RESTRICTED CASH, end of year	\$ <u>10,685,232</u>	\$ <u>559,551</u>	\$ <u>1,354,352</u>	\$ <u>4,785,473</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 3,822,832	\$ 295,724	\$ 262,070	\$ 499,385
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	338,127	327,261	223,176	489,998
(Increase) decrease in assets:				
Accounts receivable	64,167	3,697	(4,644)	(8,965)
Unbilled revenue	4,146	(25,026)	(1,370)	(10,087)
Inventory	(230,609)	(3,944)	4,828	-
Increase (decrease) in liabilities:				
Accounts payable	(36,300)	(27,393)	201,422	(1,478)
Sales tax payable	10,172	317	184	-
Accrued wages	1,364	(6,590)	8	1,585
Accrued payroll expenses	112	(988)	(99)	73
Customer deposit	11,650	7,640	-	-
Accrued compensated absences	(988)	(11,522)	(20,162)	3,420
Landfill closure costs	-	-	-	(32,630)
Total adjustments	<u>161,841</u>	<u>263,452</u>	<u>403,343</u>	<u>441,916</u>
Net cash provided by (used in) operating activities	<u>\$ 3,984,673</u>	<u>\$ 559,176</u>	<u>\$ 665,413</u>	<u>\$ 941,301</u>

See accompanying notes to financial statements.

Golf Fund	Leasing Fund	Civic Fund	Eliminations	Totals
\$ 645,019	\$ -	\$ 278,682	\$ -	\$ 16,234,106
5,603	489,410	504,085	-	1,026,429
(308,312)	(4,965)	58,210	-	(6,102,350)
<u>(424,206)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,764,096)</u>
<u>(81,896)</u>	<u>484,445</u>	<u>840,977</u>	<u>-</u>	<u>7,394,089</u>
-	125,000	-	(125,000)	-
(125,000)	-	-	125,000	-
(32,241)	218,535	-	-	(35,533)
292,917	-	135,625	(292,917)	135,625
<u>-</u>	<u>-</u>	<u>-</u>	<u>292,917</u>	<u>(1,959,575)</u>
<u>135,676</u>	<u>343,535</u>	<u>135,625</u>	<u>-</u>	<u>(1,859,483)</u>
(500)	(1,865,554)	(513,145)	-	(3,154,073)
-	(280,000)	-	-	(1,015,000)
-	-	-	-	-
-	-	-	-	-
<u>(8,413)</u>	<u>(109,464)</u>	<u>-</u>	<u>-</u>	<u>(290,156)</u>
<u>(8,913)</u>	<u>(2,255,018)</u>	<u>(513,145)</u>	<u>-</u>	<u>(4,459,229)</u>
<u>78</u>	<u>5,529</u>	<u>1,000</u>	<u>-</u>	<u>69,663</u>
<u>78</u>	<u>5,529</u>	<u>1,000</u>	<u>-</u>	<u>69,663</u>
44,945	(1,421,509)	464,457	-	1,145,040
<u>200</u>	<u>1,421,509</u>	<u>50,540</u>	<u>-</u>	<u>16,799,710</u>
<u>\$ 45,145</u>	<u>\$ -</u>	<u>\$ 514,997</u>	<u>\$ -</u>	<u>\$ 17,944,750</u>
<u>\$ (135,841)</u>	<u>\$ 375,701</u>	<u>\$ 293,620</u>	<u>\$ -</u>	<u>\$ 5,413,491</u>
56,442	108,744	80,744	-	1,624,492
(10,149)	-	(14,034)	-	30,072
-	-	-	-	(32,337)
15,673	-	-	-	(214,052)
(13,673)	-	477,328	-	599,906
(216)	-	829	-	11,286
1,502	-	-	-	(2,131)
226	-	-	-	(676)
2,000	-	2,490	-	23,780
2,140	-	-	-	(27,112)
-	-	-	-	(32,630)
<u>53,945</u>	<u>108,744</u>	<u>547,357</u>	<u>-</u>	<u>1,980,598</u>
<u>\$ (81,896)</u>	<u>\$ 484,445</u>	<u>\$ 840,977</u>	<u>\$ -</u>	<u>\$ 7,394,089</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Gering, Nebraska, is a municipality located in Scotts Bluff County. It operates as a Council-Mayor form of government. The City Council is composed of eight (8) council members and a mayor elected at-large by the citizens.

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity - The basic financial statements report on the government as a whole. They include the City of Gering, Nebraska, and its component unit. The blended component unit reflects the financial information of the City of Gering Leasing Corporation as a part of the proprietary funds. The City management and governing body exercise complete financial control over the City of Gering Leasing Corporation. Its activities are for the sole benefit of the City. The services provided by the City of Gering Leasing Corporation are so intertwined with the City that the City of Gering Leasing Corporation is in substance the same as the City is reported as a part of the City and blended into the City's financial statements.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and Statement of Activities display information about the reporting government as a whole and report using the economic resource measurement focus on the accrual basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

In the statement of net position, both the governmental and business-type activities are presented in a consolidated basis, which recognizes all long-term assets, receivables, and long-term debt and obligations. Net position is reported in three categories invested in capital assets net of related debt, restricted net position, and unrestricted net position.

The Statement of Activities reports both the gross and net cost of each of the City's governmental functions and business-type activities. The net costs of each governmental function are also supported by general government revenues (taxes and certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues and by operating and capital grants, if any. Program revenues must be directly associated with a governmental function or business-type activity.

Separate financial statements are provided for governmental funds. Major individual government funds are reported as separate columns in the fund financial statements as applicable.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
- c. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City financial reporting entity are described below:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specific purposes.

Streets Fund - The Streets Fund is a special revenue fund used to account for receipts and disbursements attributed to maintenance and improvement of the city streets and other City infrastructure. This fund has met the criteria for presentation in the fund financial statements as a major governmental fund.

Keno Fund - The Keno Fund is a special revenue fund and accounts for revenues and expenditures for the Keno operations of the City. This fund has met the criteria for presentation in the fund financial statements as a major governmental fund.

LB840 Fund - The LB840 Fund is a special revenue fund and accounts for the revenues and expenditures made for the Local Option Municipal Economic Development Act for the City. This Act sunsets in March 2030. This fund has met the criteria for presentation in the fund financial statements as a major governmental fund.

See accompanying independent auditors' report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and/or other purposes.

Electric Fund - Financed primarily by user charges, this fund accounts for the construction and operation of the municipal electric system and related facilities. This is a major fund.

Water Fund - Financed primarily by user charges, this fund accounts for the construction and operation of the municipal water system and related facilities. This is a major fund.

Wastewater Fund - Financed primarily by user charges, this fund accounts for the construction and operation of the municipal sewer system and related facilities. This is a major fund.

Sanitation Fund - Financed primarily by user charges, this fund accounts for the municipal sanitation collection process and construction and operation of related facilities. This is a major fund.

Golf Fund - Financed primarily by user charges, this fund accounts for the use, operations, and maintenance of the City's golf course.

Leasing Corporation Fund - Leasing Corporation Fund is used to account for leasing of acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

Civic Center Fund - Financed primarily by user charges, this fund accounts for the use, operations, and maintenance of the City's operation of the Civic Center facility.

The Golf Fund, Leasing Corporation Fund, and Civic Center Fund have not met the criteria for presentation in the fund financial statements as major enterprise funds. However, because of the activity of the funds, community interest, and perceived importance, the City has elected to present these funds as major enterprise funds in the fund financial statements.

See accompanying independent auditors' report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - 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 various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The City’s basis of accounting for governmental funds is the modified cash basis, which is a basis of accounting other than US GAAP. Under US GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus - In the government-wide statements, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements.

In the governmental fund financial statements, the “current financial resources” measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate:

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

In the business-type fund financial statements and government-wide statement of net positions and statement of activities are presented using the economic resources measurement focus, as applied to the accrual basis of accounting, is used as appropriate:

The proprietary funds and government-wide statements utilize an “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. Proprietary fund equity is classified as net position.

Basis of Accounting

Government-wide Financial Statements – The governmental fund financial statements are presented using a modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days as of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt claims and judgements are recorded only when payment is due.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

The government-wide statement of net position and statement of activities and the business-type fund financial statements are presented using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Equity Classifications

Government-Wide Financial and Proprietary Fund Statements - Equity is classified as net position and is displayed in three components as follows:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on its 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.
- c. Unrestricted net position - All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the City’s policy to first use restricted net position prior to the use of the unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental Fund Statements - Governmental fund equity is classified as fund balance, and may distinguish between “Nonspendable”, “Restricted”, “Committed”, “Assigned” and “Unassigned” components.

Fund Balance Classification Policies and Procedures – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification Policies and Procedures (continued)

Committed - amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the council removes or changes the specified use by taking the same type of action (ordinance or resolution) that has employed when fund were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - amounts that are constrained by the City's intent to be used for a specified purpose but are neither restricted nor committed. This intent can be expressed by the City Clerk, Utility Superintendent, or through the City Council delegating this responsibility to the City Clerk through a budgetary process.

Unassigned - amounts that are available for any purpose; these amounts can be reported only in the City's General Fund.

Restricted Assets - The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriated opportunities arise, but reserve the right to selectively spend unassigned resources to defer the use of these other classified funds

Fixed Assets

Government-Wide Statements

Capital Assets – which include property, plant, and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide statements. Capital assets are defined as assets that have initial useful lives that extend beyond a single reporting period. Capital assets are stated at cost or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their fair values when donated. The city utilizes a minimum capitalization threshold of \$5,000 for non-infrastructure capital assets and a threshold of \$50,000 for infrastructure capital assets.

As permitted by GASB Statement No. 34, the City has elected to capitalize governmental fund type infrastructure, consisting primarily of street improvements, on a prospective basis. Consequently, except for proprietary fund types, the financial statements do not include infrastructure prior to October 1, 2003 with the exception of significant street projects.

Major expenditures for property and those which substantially increased useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed when incurred. When fixed assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Net interest cost relating to construction is capitalized.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets (continued)

Depreciation has been provided using the straight-line method over estimated useful lives as follows:

Buildings	25 – 40 years
Improvements	10 – 40 years
Equipment and vehicles	3 – 10 years
Infrastructure	10 – 50 years

Fund Financial Statements

Capital Assets – Arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Cash and Cash Equivalents – Includes cash on hand and cash in banks including certificates of deposit. As of September 30, 2021, there were no cash equivalents. Certain cash and investment accounts are restricted for construction projects, debt service, compliance with bond covenants, and other purposes. Assets are also restricted in the proprietary funds for refunding customer meter deposits.

Receivables

Government-Wide Statements – Consist of all revenues earned at year end and not yet received. Principal receivable balances for the governmental activities are for accounts receivable, grants receivable, property taxes, loans, sales taxes, and interest.

Business-type activities report utilities, unbilled utilities, interest, grants, and capital lease receivable as their major receivables.

Fund Financial Statements – Consist of all revenue accruals such as property, sales, and use taxes, since they are usually measurable and available in 60 days.

Inventory – Recorded at the lower of cost or net realizable value, using the first-in first-out method. Inventories consist of expendable supplies and repair parts and are recorded on the government-wide financial statements and the proprietary fund statements. In the governmental funds, inventory is recorded as an expenditure when purchased.

Restricted Assets – Includes cash and certificates of deposit that are restricted as to its use. The primary restricted assets are related to debt and landfill closure costs and related liabilities. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed.

Long-Term Debt – Consists of notes payable, revenue bonds, general obligation bonds, and capital leases. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources, and payment of principal and interest are reported as expenditures.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences – Recorded as long-term liabilities in the government-wide statements. In the fund financial statements, governmental funds report only the liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Revenues

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

General Government	Licenses, permits, and use fees for recreational property.
Public Works	Commercial tax shared by the State; capital grants for highway allocations.
Culture and Recreation	Rental income, recreation fees, concession sales, and specific donations.
Economic Development	Licenses and permit and application fees.

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

Operating Revenues and Expenses – In the proprietary funds revenues and expenses 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.

Expenditures – Classified by function for both governmental and business-type activities in the government-wide financial statements. In the fund financial statements, expenditures are classified by character (current, capital outlay, and debt service) in the governmental funds as operating and nonoperating in the proprietary funds. Proprietary fund inventory costs are reported in the period when inventory items are used rather than in the period purchased.

Interfund Activity – Reported as either loans, services provided, reimbursement, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market, or near market rates, are treated as revenues and expenditures/expense. Reimbursement are when one fund incurs a cost, charge the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category and are reported in the governmental fund balance sheet. The unavailable revenues are from property taxes and notes receivable that are deferred and recognized as an inflow of resources in the period that the amounts become available.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Tax – Real estate taxes are levied December 1 each year and become a lien on real property on January 1 of the next year. Personal property taxes on owned or leased property as assessed as of January 1 of each year and become a lien on all personal property owned as of December 31 of that year. The first half of both taxes is delinquent May 1 and the second half is delinquent September 1 of the following year. Taxes not paid by the due dates become delinquent and interest is assets at 14%.

Sales & Use Tax – The city presently levies a 7% sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenues receives the sales tax approximately one month after collection by vendors. The sales tax is recorded in the Special Revenue Fund and used for budgeted appropriations.

Budgets – Prepared and adopted on the cash basis of accounting for all governmental funds. The City Council may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The actual results of operations are presented in a budgetary comparison schedule. All governmental funds have a legally adopted annual budget. Appropriations lapse at year end but may be reappropriated in the following year.

NOTE 2 – DEPOSITS AND INVESTMENTS

State Statute 14-563 R.R.S., 1943 authorizes funds of the City to be invested in “securities of the United States, the State of Nebraska, metropolitan city, county in which such metropolitan city is located or school district of such city, in the securities of municipally owned and operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks selected as depositories of City funds”. Additionally, State Statute 15-847 R.R.S., 1943 requires banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the city treasurer in the amount of the City’s deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit, which is insured by the Federal Deposit Insurance Corporation (FDIC).

Cash is stated and at cost, which approximates fair value. The City’s cash deposits, including certificates of deposits, are with institutions insured by the Federal Deposit Insurance Corporation (FDIC) and other collateral. At September 30, 2021, the City’s deposits and investments were fully insured by FDIC insurance or collateralized by pledged securities.

The City’s cash and cash equivalents include units of participation in the short-term investment pool of the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a special purpose government established under Nebraska statute. The investment pool or trust is not registered and is not rated for credit risk. The City limits its interest rate risk by investing only in the short-term pool, which consists primarily of government agency or government securitized investments with maturities of less than one year.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Equity in Pooled Cash Management Account - At September 30, 2021, the City’s cash and pooled investments, recorded at fair market value consisted of the following:

Cash and cash equivalents:	
Bank accounts	\$ 6,045,159
Cash on hand	5,007
NPAIT	3,671,974
Nonnegotiable certificates of deposit	3,712,696
Negotiable certificates of deposit	<u>14,456,166</u>
Total cash and cash equivalents	<u>\$ 27,891,002</u>
Cash with Scotts Bluff County Treasurer	132,200
Restricted cash	3,701,351

Custodial Credit Risk – custodial credit risk is the risk that, in the event of the failure a bank or other counterparty, the City would not be able to recover the value of its investments or collateral securities in the possession of a third party. As noted above, State Statutes 15-847 R.R.S, 1943 covers this risk.

Credit Risk – credit risk is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the City.

Interest Rate Risk – interest rate risk is the risk that the value of deposits and investments will decrease as a result of a rise in interest rates.

Investments Managed by Trustee - The City’s Pension Trust Funds are administered by trustees. At September 30, 2021 Pension Trust Funds managed by a trustee consisted of the following:

	<u>Fire</u>	<u>Police</u>	<u>City</u>	<u>Total</u>
Mutual Funds	\$ <u>78,535</u>	\$ <u>2,482,293</u>	\$ <u>8,140,047</u>	\$ <u>10,700,875</u>

Fair Value Measurement - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure fair value of the assets.

Assets and liabilities are classified into one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. All of the City's certificate of deposits, as shown above as of September 30, 2021 are categorized as level 2 investments and generally include United States Treasury securities, United States agencies, obligations, and negotiable certificates of deposits. Investments in negotiable certificates of deposits are carried at fair value, which is based on quoted market prices. The City's deposits in the Nebraska Public Agency Investment Trust is measured at the net asset value per share provided by the pool which approximates fair value, as the pool is considered a 2a-7-like pool in accordance with Securities and Exchange Commission regulations.

NOTE 3 – RESTRICTED CASH

Restricted cash in governmental funds consists of cash as follows:

City Park		
Cash donated by the public specifically to be used for the improvement of the City's Northfield Park.	\$	35,226
City Library		
Cash donated by the public specifically to be used for the improvement of the City library.		1,238
City Cemetery		
Cash received for the sole purpose of perpetual care of the City cemetery		<u>395,885</u>
Total governmental funds restricted cash	\$	<u><u>432,349</u></u>

Restricted cash in business-type funds consists of cash as follows:

Customer Deposits		
Cash required by statute to be used solely for the purpose of refunding utility deposits held.	\$	535,110
Debt Retirement		
Cash required held by debt instrument for the sole purpose of debt retirement.		736,001
Landfill Closure Costs		
Cash required by regulation to be set aside solely for the purpose of sanitation landfill closure and postclosure costs.		<u>1,997,891</u>
Total business-type funds restricted cash	\$	<u><u>3,269,002</u></u>

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 4 – ECONOMIC DEVELOPMENT LOANS RECEIVABLE

LB 840 Economic Development Program loans receivable at September 30, 2021 consist of the following:

	Balance October 1, 2020	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2021
<u>LB840/Economic Development Loans Receivable:</u>					
Not eligible for job credits	\$ 619,241	\$ 370,000	\$ -	\$ 271,261	\$ 717,980
<u>Grants:</u>					
Forgivable/Eligible for job credits	592,000	496,499	361,500	3,999	723,000
Total LB 840 Receivables	\$ <u>1,211,241</u>	\$ <u>866,499</u>	\$ <u>361,500</u>	\$ <u>275,260</u>	\$ <u>1,440,980</u>

USDA Rural Electric Revolving Loans Receivable at September 30, 2021 consist of the following:

	Balance October 1, 2020	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2021
<u>USDA Rural Electric Loans Receivable:</u>					
Interest free USDA	\$ 285,000	\$ 300,000	\$ -	\$ 11,250	\$ 573,750
Total USDA Receivables	\$ <u>285,000</u>	\$ <u>300,000</u>	\$ <u>-</u>	\$ <u>11,250</u>	\$ <u>573,750</u>

CDBG Revolving Loans Receivable at September 30, 2021 consist of the following:

	Balance October 1, 2020	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2021
<u>CDBG Revolving Loan Receivable:</u>					
CDBG Revolving	\$ 19,860	\$ -	\$ -	\$ 10,742	\$ 9,118
Total USDA Receivables	\$ <u>19,860</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,742</u>	\$ <u>9,118</u>

Tax Increment Financing (TIF) Loans Receivable at September 30, 2021 consist of the following:

	Balance October 1, 2020	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2021
<u>TIF Loans Receivable</u>					
TIF Loans Receivable	\$ 1,259,054	\$ -	\$ -	\$ 156,173	\$ 1,102,881
Total USDA Receivables	\$ <u>1,259,054</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>156,173</u>	\$ <u>1,102,881</u>

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 4 – ECONOMIC DEVELOPMENT LOANS RECEIVABLE (CONTINUED)

Total Economic Development Loans Receivable \$ 3,126,729

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
<u>Governmental Activities</u>				
Land	\$ 829,498	\$ -	\$ -	\$ 829,498
Buildings and improvements	12,870,218	1,634,356	-	14,504,574
Equipment and vehicles	5,832,968	274,416	(88,359)	6,019,025
Construction in progress	1,075,578	86,290	(1,075,578)	86,290
	<u>20,608,262</u>	<u>1,995,062</u>	<u>(1,163,937)</u>	<u>21,439,387</u>
Less accumulated depreciation	(10,089,850)	(603,240)	73,975	(10,619,115)
Net capital assets	<u>\$ 10,518,412</u>	<u>\$ 1,391,822</u>	<u>\$ (1,089,962)</u>	<u>\$ 10,820,272</u>
	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
<u>Business-Type Activities</u>				
Land	\$ 3,206,486	\$ 85,558	\$ (370,466)	\$ 2,921,578
Buildings and improvements	10,701,145	2,724,730	-	13,425,875
Utility systems	36,823,917	483,902	-	37,307,819
Equipment and vehicles	11,886,092	57,383	-	11,943,475
Construction in progress	1,628,591	1,182,620	(1,628,591)	1,182,620
	<u>64,246,231</u>	<u>4,534,193</u>	<u>(1,999,057)</u>	<u>66,781,367</u>
Less accumulated depreciation	(34,034,613)	(1,624,492)	-	(35,659,105)
Net capital assets	<u>\$ 30,211,618</u>	<u>\$ 2,909,701</u>	<u>\$ (1,999,057)</u>	<u>\$ 31,122,262</u>

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was recorded to activities as follows:

Governmental Activities	
General Government	\$ 58,332
Public Safety	97,933
Public Works	325,430
Culture and Recreation	121,545
	<u>\$ 603,240</u>
Business-Type Activities	
Electric	\$ 338,127
Water	327,261
Wastewater	223,176
Sanitation	489,998
Golf	56,442
Leasing Corp.	108,744
Civic Center	80,744
	<u>\$ 1,624,492</u>

NOTE 6 – LONG-TERM DEBT

Long-term debt payable at September 30, 2021, is as follows:

	Issue Date	Due Date	Interest Rate	Balance October 1, 2020	Proceeds	Payments	Balance September 30, 2021	Current	Long-Term
<u>Governmental activities</u>									
Note payable	9/30/17	9/30/22	0.00%	333,701		166,850	166,851	166,851	
Note payable	6/27/17	12/1/32	7.00%	902,500		31,323	871,177	51,462	819,715
Note payable	3/29/07	12/15/21	7.00%	42,802		27,349	15,453	15,453	
Note payable	11/12/08	6/15/23	5.50%	5,523		1,746	3,777	1,750	2,026
Total governmental activities				<u>1,284,526</u>		<u>227,268</u>	<u>1,057,258</u>	<u>235,516</u>	<u>821,741</u>
<u>Business-type activities</u>									
Bond payable	4/17/12	9/30/23	0.35% - 2.75%	425,000		140,000	285,000	140,000	145,000
Bond payable	7/15/16	12/15/36	0.08% - 3.45%	4,768,350		4,768,350			
Bond payable	7/15/21	12/15/36	0.30% - 2.00%		4,274,500		4,274,500	269,750	4,004,750
Bond payable	7/15/16	12/15/36	0.08% - 3.45%	976,650		976,650			
Bond payable	7/15/21	12/15/36	0.30% - 2.00%		875,500		875,500	55,250	820,250
Bond payable	1/31/18	12/15/37	1.6%-1.70%	3,440,000		155,000	3,285,000	155,000	3,130,000
Bond payable	6/14/16	12/15/24	0.06% - 1.70%	635,000		125,000	510,000	125,000	385,000
Total business-type activities				<u>10,245,000</u>	<u>5,150,000</u>	<u>6,165,000</u>	<u>9,230,000</u>	<u>745,000</u>	<u>8,485,000</u>
Total government-wide				<u>11,529,526</u>	<u>5,150,000</u>	<u>6,392,268</u>	<u>10,287,258</u>	<u>980,516</u>	<u>9,306,741</u>

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 6 – LONG-TERM DEBT (CONTINUED)

Maturities during the next five years and thereafter are as follows:

Years Ended September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	235,518	61,689	745,000	169,970	980,518	231,659
2023	57,161	56,519	735,000	160,555	792,161	217,074
2024	58,922	52,651	595,000	150,146	653,922	202,797
2025	63,259	48,313	600,000	142,965	663,259	191,278
2026	67,765	43,808	475,000	136,091	542,765	179,899
2027-2039	574,633	150,590	6,080,000	880,886	6,654,633	1,031,476
	<u>1,057,257</u>	<u>413,570</u>	<u>9,230,000</u>	<u>1,640,614</u>	<u>10,287,257</u>	<u>2,054,184</u>

Direct Borrowing and Direct Placement Debt

The City has outstanding bond debt from direct borrowing and direct placement related to business activities of the Leasing Corporation for the Stadium and Quad Plex in the amount of \$3,285,000. The debt is secured by specific real estate.

The City has outstanding notes from direct borrowing and direct placement related to government activities for TIF, Industrial Park, and LB840 in the amount of \$1,057,257. This debt is secured by specific real estate and personal guarantees.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 7 – INTERFUND TRANSFERS, LOANS, AND TRANSACTIONS

Transfers – Used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to a debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfers In	Transfers Out
General Fund	\$ 2,849,323	\$ 45,421
Nonmajor Funds	742,168	1,722,120
Electric Fund	-	2,194,492
Water Fund	-	23,000
Sanitation Fund	-	35,000
Golf Fund	292,917	
Civic Center Fund	135,625	
	<u>\$ 4,020,033</u>	<u>\$ 4,020,033</u>

Loans – Make loans from one fund to another for various purposes the following schedule summarizes interfund loans as of September 30, 2021.

The City’s Electric Fund made a loan to a nonmajor governmental fund for the purposes of making economic development loans to local business. Repayment of this loan will be made as repayment resources become available.	<u>261,221</u>
The City’s Electric Fund made a loan to the Sanitation Fund for the purpose of purchasing equipment at the landfill. Repayment of this loan will be made as repayment resources become available.	<u>1,200,000</u>
The City’s Electric Fund made a loan to the Water Fund to meet short-term cash shortages experienced by the Water Fund.	<u>404,011</u>
The City’s Electric Fund made a loan to the Leasing Corp Fund to meet short-term cash shortages experienced by the Leasing Corp Fund.	<u>218,536</u>
The City’s General Fund made a loan to the Leasing Corp Fund to meet short-term cash shortages experienced by the Leasing Corp Fund.	<u>40,671</u>

Transactions – The City is committed under both an operating and a capital lease agreement with the City of Gering Leasing Corporation for lease of the municipal golf course along with the Stadium and Quadplex ballfield. The terms of the leases specify that lease payments will consist of a total of all payments due to or payable on behalf of the Leasing Corporation for building bonds payable through September 30, 2038. The lease is in both the Leasing Corporation, Golf Fund, and General Fund.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 7 – INTERFUND TRANSFERS, LOANS, AND TRANSACTIONS (CONTINUED)

The following schedule summarizes the current and futures years required payments under lease.

September 30,	Capital Lease	Operating Lease	Total
2022	\$ 125,000	\$ 155,000	\$ 280,000
2023	125,000	160,000	285,000
2024	130,000	160,000	290,000
2025	130,000	165,000	295,000
2026	-	170,000	170,000
2027-2030	-	730,000	730,000
2031-2038	-	1,745,000	1,745,000
	<u>\$ 510,000</u>	<u>\$ 3,285,000</u>	<u>\$ 3,795,000</u>

Elimination of current year interfund activity is as follows:

Fund Financial Statements

Governmental Funds

Statement of net position

Due to from governmental funds 40,671

Statement of revenues, expenditures, and changes in fund balance

Net fund transfers between governmental funds 1,631,915

Transfers for self-funded health plan between government funds 1,028,635

Proprietary Funds

Statement of Net Position

Capital lease receivable and payable between proprietary funds 510,000

Due to and from between proprietary funds 1,822,547

Statement of revenues, expenses, and changes in net position

Net fund transfers between enterprise funds 428,542

Government-Wide Financial Statements

Statement of Net Position

Due from and to between governmental activities and business-type activities 301,892

Rental Income/Expense

255,143

Statement of Activities

Fund transfers between governmental and proprietary funds 1,823,950

Transfers for self-funded health plan between governmental and proprietary funds 1,032,734

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 8 – RISK MANAGEMENT

The City has established a self-funded health care plan for the benefit of eligible City employees and their eligible dependents. The plan provides reimbursement for covered charges incurred as a result of medically necessary treatment for illness or injury. The City purchases commercial insurance of claims in excess of coverage provided by the fund. At September 30, 2021, the City's maximum liability was \$45,000 per employee annually under the plan.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the City carried commercial insurance for general liability, public officials' liability, property coverage, workers' compensation coverage, commercial excess liability coverage, and the crime and blanket bond coverage insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – ENVIRONMENTAL REMEDIATION

The City is subject to laws and regulations relating to the protection of the environment. The City's policy is to accrue environmental and cleanup-related costs of a noncapital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential impact of the City's continuing compliance efforts, management believe any future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of the City.

NOTE 10 - CONTINGENCIES

Self-Insurance – The City operates a self-insured medical insurance plan for dental and health insurance for its employees. The City has contracted with a third-party administrator to provide claims processing services. In addition, the City has purchased a stop-loss policy covering all claims in excess of \$45,000 per year, per claim. The City retains risk of loss for all claims up to the stop-loss amount. As of September 30, 2021, cumulative contributions and revenues in excess of claims and expense were \$2,159,336, which the City has designated for payment of future claims.

Federal and State Grants – In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liabilities for reimbursement which may arise as the result of these audits are not believed to be material.

Unemployment Insurance - The City does not pay Nebraska Unemployment Tax, but instead operates on a reimbursable basis. The City must reimburse the State for actual benefit charges as they are incurred. Based on prior experience, the City believe claims of this nature, if any, will be immaterial.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 11 – RETIREMENT PLANS

General - The City sponsors a defined contribution plan which covers substantially all general city employees. Under the terms of the plan, an employee must be age 21 or older and have completed one year of continuous service and have not attained the age of 64. Participating employees are required to contribute 6% of their earnings. The City then makes a matching contribution to the plan on their behalf. An additional voluntary contribution can be made by employees to the plan to the extent allowed under the Internal Revenue Code, currently an additional 10%. The City will contribute an amount equal to an employee's voluntary contribution, not to exceed 6% of the employee's compensation. Employees are 100% vested in the plan after completing 5 years of service, reaching normal retirement age (65), meeting the requirements for early retirement date, becoming totally disabled, or deceased, whichever occurs first. Contributions to the general city employee retirement plan were \$181,347 and \$190,386 by the City and plan participants, respectively. There are 59 participants in the plan.

Police - Police officers are covered by a defined contribution plan sponsored by the City. Participants in the plan are required to contribute 7.0% of their salary to the plan, which is matched by a 7.0% contribution from the City. Employees are fully vested after 7 whole years of service. Contributions to the police retirement plan were \$85,362 and \$79,999 by the City and plan participants, respectively. There are 19 participants in the plan.

Fire Fighters - Fire fighters are covered by a defined contribution plan sponsored by the City. Eligible employees are required to contribute 6.5% of their salary to the plan, which the City then matches at the rate of 13% of the participant's salary. Employees are 40% vested after 4 whole years of service and an additional 10% per year following until fully vested after completion of 10 years of service. A participant's normal retirement age is the date he attains age 55 and completes 21 years of service. Nebraska State statutes govern the coverage afforded to participants under this plan. Contributions to the fire fighters employee retirement plan were \$7,685 and \$3,843 by the City and plan participants, respectively. There is 1 participant in the plan.

NOTE 12 - COMMITMENTS

The City has entered into an agreement with the city of Lyman to provide solid waste collection and disposal services effective through December 21, 2021.

The City has entered into an agreement with the city of Mitchell to provide solid waste collection and disposal services effective through January 31, 2025.

The City has entered into an agreement with the city of Bayard to provide solid waste collection and disposal services effective through December 31, 2025.

The City has entered into an agreement with the city of Scottsbluff to provide solid waste disposal services effective for the life of the currently existing Gering landfill.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 12 – COMMITMENTS (CONTINUED)

Construction – The City is party to a contract for the replacement of a sanitary sewer line on the railroad right of way north of M Street. The City will use cash equity of the Sewer Fund to fund the construction project.

	<u>Contract Amount</u>	<u>Paid Through 09/30/2021</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
Sewer Fund	\$ <u>454,572</u>	\$ <u>209,149</u>	\$ <u>245,423</u>	December 2021
Total Construction Commitment	\$ <u>454,572</u>	\$ <u>209,149</u>	\$ <u>245,423</u>	

Construction – The City is party to a contract for the renovation of the Civic Center building downtown. The City will use cash equity of the Downtown Development Fund to fund the construction project.

	<u>Contract Amount</u>	<u>Paid Through 09/30/2021</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
Downtown Development Fund	\$ <u>878,014</u>	\$ <u>520,636</u>	\$ <u>357,378</u>	March 2022
Total Construction Commitment	\$ <u>878,014</u>	\$ <u>520,636</u>	\$ <u>357,378</u>	

NOTE 13 – ECONOMIC DEPENDENCE

The City of Gering, Nebraska’s Electric Department purchases most of its electricity for resale to customers from Municipal Energy Agency of Nebraska and Western Area Power Administration.

NOTE 14 – LANDFILL CLOSURE COSTS

State and federal laws and regulations required the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period base on landfill capacity used as of each balance sheet date. The \$1,985,500 reported as landfill closure and postclosure cost liability at September 30, 2021, represents the cumulative amount reported to date on an amount that will satisfy the expected liability at the expected closure date in the year 2023. The estimated cost of closure and postclosure were re-estimated for current costs and current standards to \$1,985,500 as of September 30, 2021. Actual postclosure costs may be higher due to inflation, changes in technology, or changes in regulations.

As of September 30, 2021 the landfill is estimated to be at 90% capacity and expected to remain open an additional 4.9 years.

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 15 – FUND BALANCES AND NET POSITION

Governmental Funds – The City has requirements to restrict certain balances of funds for specified future use. These restrictions are generally the result of laws, regulations, or contracts. Additionally, the City has assigned certain balances for specified future use. These assignments are generally the result of the governing body’s inventions. Remaining nete fund balances not restricted or assigned are unassigned. The following schedule presents restrictions to and assignments of fund balance in governmental fund financial statements.

	General	Keno	Street	LB 840	Nonmajor	Total
	Fund	Fund	Fund	Fund	Funds	Governmental
						Funds
Restricted for:						
Assets held in trust	\$ 432,349	\$ -	\$ -	\$ -	\$ -	\$ 432,349
Specified use by law or regulation	<u>-</u>	<u>1,488,306</u>	<u>1,197,140</u>	<u>877,951</u>	<u>1,147,614</u>	<u>4,711,011</u>
Total restricted funds	<u>\$ 432,349</u>	<u>\$ 1,488,306</u>	<u>\$ 1,197,140</u>	<u>\$ 877,951</u>	<u>\$ 1,147,614</u>	<u>\$ 5,143,360</u>
Nonspendable for:						
Inventory	<u>\$ 8,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,693</u>
Committed for:						
Capital projects/Tourism	\$ -	\$ -	\$ -	\$ -	1,999,828	\$ 1,999,828
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,648</u>	<u>807,648</u>
Total committed funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,807,476</u>	<u>\$ 2,807,476</u>
Assigned for:						
Self-insured costs	\$ 2,311,817	\$ -	\$ -	\$ -	\$ -	\$ 2,311,817
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,646,005</u>	<u>2,646,005</u>
Total assigned funds	<u>\$ 2,311,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,646,005</u>	<u>\$ 4,957,822</u>

Business-Type Funds – The City has requirements to restrict certain balances of funds for specified future use. These restrictions are generally the result of laws, regulations, or contracts. The remaining net position is unrestricted. The following schedule presents restrictions to and assignments of fund balances in the governmental fund financial statements.

	Electric	Water	Wastewater	Sanitation	Total
	Fund	Fund	Fund	Fund	
Restricted for:					
Debt retirement	\$ -	\$ 485,385	\$ 115,616	\$ 135,000	\$ 736,001
Landfill closure costs				1,661,980	1,661,980
Refundable customer deposits	<u>460,944</u>	<u>45,959</u>	<u>-</u>	<u>-</u>	<u>506,903</u>
Total restricted funds	<u>\$ 460,944</u>	<u>\$ 531,344</u>	<u>\$ 115,616</u>	<u>\$ 1,796,980</u>	<u>\$ 2,904,884</u>

See accompanying independent auditors’ report.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 16 – ECONOMIC DEVELOPMENT REAL ESTATE

The City acquires real property for the purpose of economically distressed areas for improvements and resale. Acquisitions are generally expected to produce sale proceeds below acquisition cost upon sale. As of September 30, 2021, the City holds one property for this purpose at a total cost of \$6,200.

The City acquires real property for the purpose of providing suitable locations and incentive for potential new commercial businesses to establish or relocate business operations within the City's economic area. As of September 30, 2021, the City holds two properties for this purpose at a total cost of \$1,352,908.

NOTE 17 - PROPERTY TAXES

The tax levies are certified by the County Board on or before October 15th. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on May 1st and September 1st. Personal property taxes are due December 31st and become delinquent on May 1st and September 1st following the levy date.

Property taxes levied for 2020-2021 are recorded as revenue when expected to be collected within 60 days after September 30, 2021. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

The 2020 tax levy, for the 2020-2021 fiscal year, was \$1,688,429 with a tax rate per \$100 valuation of 0.342697 for general levy. The assessed value upon which the 2020 general levy was based was \$492,689,117.

NOTE 14 – RISKS AND UNCERTAINTIES

A National Emergency for the COVID-19 outbreak was declared in the United States of America beginning March 1, 2020. The City's operations could be adversely affected as a result of this pandemic; however, since the situation surrounding the pandemic remains fluid, the long-term duration, nature and extent of the impact on the City, if any, cannot be reasonably estimated at this time.

NOTE 17 – SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through March 6, 2022, the date the financial statements were available to be issued.

See accompanying independent auditors' report.

CITY OF GERING
Gering, Nebraska

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,594,958	\$ 1,594,958	\$ 1,504,219	\$ (90,739)
Intergovernmental	299,444	299,444	807,753	508,309
Local	5,935,546	5,935,546	5,802,664	(132,882)
Total revenues	<u>7,829,948</u>	<u>7,829,948</u>	<u>8,114,637</u>	<u>284,690</u>
Expenditures:				
General government	3,294,866	3,294,866	2,676,540	618,326
Public safety - Police and Fire	2,790,013	2,790,013	2,743,153	46,860
Public works - Other	145,230	145,230	100,079	45,151
Culture and recreation	1,127,266	1,127,266	932,373	194,893
Total expenditures	<u>7,357,375</u>	<u>7,357,375</u>	<u>6,452,145</u>	<u>905,230</u>
Excess revenues over (under) expenditures	\$ <u>472,573</u>	\$ <u>472,573</u>	1,662,492	\$ <u>1,189,920</u>
Fund balances, October 1			<u>2,227,842</u>	
Fund balances, September 30			\$ <u>3,890,334</u>	

See accompanying notes.

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
KENO FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	\$ 1,565,500	\$ 1,565,500	\$ 1,791,722	\$ 226,222
Total revenues	<u>1,565,500</u>	<u>1,565,500</u>	<u>1,791,722</u>	<u>226,222</u>
Expenditures:				
Community development	1,585,000	1,585,000	1,721,524	(136,524)
Total expenditures	<u>1,585,000</u>	<u>1,585,000</u>	<u>1,721,524</u>	<u>(136,524)</u>
Excess revenues over (under) expenditures	\$ <u>(19,500)</u>	\$ <u>(19,500)</u>	70,198	\$ <u>89,698</u>
Fund balances, October 1			<u>1,425,497</u>	
Fund balances, September 30			\$ <u>1,495,695</u>	

See accompanying notes.

**CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
STREETS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 319,347	\$ 69,347
Intergovernmental	1,124,168	1,124,168	989,165	(135,003)
Local	13,500	13,500	3,915	(9,585)
Total revenues	<u>1,387,668</u>	<u>1,387,668</u>	<u>1,312,427</u>	<u>(75,241)</u>
Expenditures:				
Public works - Streets	<u>1,910,742</u>	<u>1,910,742</u>	<u>1,789,963</u>	<u>120,779</u>
Total expenditures	<u>1,910,742</u>	<u>1,910,742</u>	<u>1,789,963</u>	<u>120,779</u>
Excess revenues over (under) expenditures	\$ <u>(523,074)</u>	\$ <u>(523,074)</u>	(477,536)	\$ <u>45,538</u>
Fund balances, October 1			<u>1,256,820</u>	
Fund balances, September 30			\$ <u>779,284</u>	

See accompanying notes.

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
LB 840 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 425,000	\$ 425,000	\$ 300,000	\$ (125,000)
Intergovernmental	-	-	-	-
Local	115,500	115,500	126,137	10,637
Total revenues	<u>540,500</u>	<u>540,500</u>	<u>426,137</u>	<u>(114,363)</u>
Expenditures:				
Economic Development	1,025,850	1,025,850	1,138,631	(112,781)
Total expenditures	<u>1,025,850</u>	<u>1,025,850</u>	<u>1,138,631</u>	<u>(112,781)</u>
Excess revenues over (under) expenditures	\$ <u>(485,350)</u>	\$ <u>(485,350)</u>	(712,494)	\$ <u>(227,144)</u>
Fund balances, October 1			<u>1,490,098</u>	
Fund balances, September 30			\$ <u>777,604</u>	

See accompanying notes.

CITY OF GERING
Gering, Nebraska

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

September 30, 2021

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The City follows the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Prior to September 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device for the General, Special Revenue and Proprietary Funds.
5. Budgets are prepared using the cash basis of accounting which is a basis not consistent with accounting principles generally accepted in the United States of America.
6. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters total expenditures of any fund requires approval of council and a public hearing.
7. All appropriations lapse at year end.

NOTE 2 - RECONCILIATION OF BUDGET BASIS REVENUE AND EXPENDITURES TO GAAP

Revenues and expenditures presented on a non-GAAP budget basis of accounting differ from the revenues and expenditures presented in accordance with GAAP because of the different treatment of accruals. A reconciliation for the year ended September 30, 2021, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<u>General Fund</u>	<u>Keno Fund</u>	<u>Streets Fund</u>	<u>LB 840 Fund</u>
Net change in fund balances:				
Balance on a GAAP basis	\$ 1,068,536	\$ 69,813	\$ (76,766)	\$ (701,358)
Basis differences (accruals occur because the cash basis of accounting use for budgeting differs from the modified accrual basis of accounting prescribed for governmental fund	593,956	385	(400,770)	(11,136)
Balance on a budget basis	<u>\$ 1,662,492</u>	<u>\$ 70,198</u>	<u>\$ (477,536)</u>	<u>\$ (712,494)</u>

CITY OF GERING
Gering, Nebraska

OTHER SUPPLEMENTARY INFORMATION

CITY OF GERING, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor Program Title	Federal CFDA Number	Pass-Through Identifier	Expenditures
<u>U.S. Department of Justice</u>			
Direct Award:			
Bullet Proof Vest Partnership Program	16.607		\$ 2,603
Total U.S. Department of Justice			<u>2,603</u>
<u>U.S. Department of Transportation</u>			
Passed through Nebraska Office of Highway Safety:			
National Priority Safety Programs	20.616	unknown	1,411
State and Community Highway Safety	20.600	unknown	2,199
Total U.S. Department of Transportation			<u>3,610</u>
<u>U.S. Department of Treasury</u>			
Passed through Nebraska Department of Economic Development:			
Coronavirus State & Local Fiscal Recovery Funds Hotels and Convention Centers Stabilization Program	21.019	RITM0026566	500,000
Library Services & Technology Act (LTSA) and CARES Act 2020	20.250	unknown	1,115
Total U.S. Department of Treasury			<u>501,115</u>
<u>U.S. Department of Agriculture Rural Development</u>			
Direct Award:			
Rural Economic Development Grant (REDG)	10.854		300,000
Total U.S. Department of Agriculture Rural Development			<u>300,000</u>
<u>U.S. Department of Housing & Urban Development</u>			
Passed through Nebraska Department of Economic Development:			
Community Development Block Grant (CDBG)	14.228	19-ED001	791,800
Total U.S. Department of Housing & Urban Development			<u>791,800</u>
<u>U.S. Department of the Interior</u>			
Passed through Nebraska Game & Parks:			
Land & Water Conservation Fund (LWCF)	15.916	31-01059	225,000
Total U.S. Department of the Interior			<u>225,000</u>
Total Expenditures of Federal Awards			\$ <u><u>1,824,127</u></u>

See accompanying notes to schedule.

CITY OF GERING
Gering, Nebraska

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes federal award activity of the City of Gering. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it's not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is presented on the accrual basis of accounting.

NOTE 3 – INDIRECT COST RATE

The City did not utilize an indirect cost rate for any federal programs.

NOTE 4 – SUBRECIPIENTS

The City provided no federal awards to subrecipients.

**CITY OF GERING, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Sales Tax Fund	Economic Development Fund	CDBG Fund	Debt Service Fund	Capital Sinking Fund	Downtown Development Fund
ASSETS						
Cash	\$ -	\$ 557,586	\$ 92,089	\$ 762,946	\$ 1,602,191	\$ 1,113,420
Cash - County Treasurer Receivables	-	-	-	44,659	-	6,610
Property and sales tax	-	-	-	-	-	-
Accounts and grants	203,169	-	-	-	-	-
Interest	-	-	-	43	-	-
Notes receivable	-	583,771	-	717,590	-	685,291
TOTAL ASSETS	<u>\$ 203,169</u>	<u>\$ 1,141,357</u>	<u>\$ 92,089</u>	<u>\$ 1,525,238</u>	<u>\$ 1,602,191</u>	<u>\$ 1,805,321</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,695
Accrued wages	-	-	-	-	-	-
Accrued payroll expense	-	-	-	-	-	-
Due to other funds	-	190,576	-	-	-	70,644
Total liabilities	-	190,576	-	-	-	170,339
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	-	-
Unavailable revenue - notes receivable	-	583,772	-	717,590	-	685,291
Total deferred inflow of resources	-	583,772	-	717,590	-	685,291
FUND BALANCES						
Restricted	-	367,009	92,089	-	-	-
Committed	203,169	-	-	807,648	-	949,691
Assigned	-	-	-	-	1,602,191	-
Unassigned	-	-	-	-	-	-
Total fund balances	203,169	367,009	92,089	807,648	1,602,191	949,691
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 203,169</u>	<u>\$ 1,141,357</u>	<u>\$ 92,089</u>	<u>\$ 1,525,238</u>	<u>\$ 1,602,191</u>	<u>\$ 1,805,321</u>

Tourism Fund	RV Park Fund	Capital Projects Fund	Public Safety Fund	Special Projects Fund	Total Nonmajor Governmental Funds
\$ 592,493	\$ (29,130)	\$ 843,333	\$ 252,948	\$ 950,975	\$ 6,738,851
-	-	-	11,684	-	62,953
-	-	-	11,740	-	11,740
-	-	-	-	-	203,169
-	-	-	-	-	43
-	-	-	-	-	1,986,652
<u>\$ 592,493</u>	<u>\$ (29,130)</u>	<u>\$ 843,333</u>	<u>\$ 276,372</u>	<u>\$ 950,975</u>	<u>\$ 9,003,408</u>
\$ 862	\$ 132	\$ -	\$ 5,602	\$ 31,216	\$ 137,507
2,827	1,364	-	-	-	4,191
248	136	-	-	-	384
-	-	-	-	-	261,220
<u>3,937</u>	<u>1,632</u>	<u>-</u>	<u>5,602</u>	<u>31,216</u>	<u>403,302</u>
-	-	-	12,358	-	12,358
-	-	-	-	-	1,986,653
-	-	-	12,358	-	1,999,011
-	(30,762)	-	-	719,278	1,147,614
588,556	-	-	258,412	-	2,807,476
-	-	843,333	-	200,481	2,646,005
-	-	-	-	-	-
<u>588,556</u>	<u>(30,762)</u>	<u>843,333</u>	<u>258,412</u>	<u>919,759</u>	<u>6,601,095</u>
<u>\$ 592,493</u>	<u>\$ (29,130)</u>	<u>\$ 843,333</u>	<u>\$ 276,372</u>	<u>\$ 950,975</u>	<u>\$ 9,003,408</u>

**CITY OF GERING, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Sales Tax Fund	Economic Development Fund	CDBG Fund	Debt Service Fund	Capital Sinking Fund	Downtown Development Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 143,392	\$ -	\$ 227,159
Sales tax	1,291,765	-	-	-	-	-
Intergovernmental and grants	-	300,000	791,800	-	-	-
Charges for services	-	-	-	-	-	-
Interest income	-	25,370	-	2,234	4,043	2,204
Other revenue	-	-	-	-	-	30,900
Total revenues	<u>1,291,765</u>	<u>325,370</u>	<u>791,800</u>	<u>145,626</u>	<u>4,043</u>	<u>260,263</u>
EXPENDITURES						
Current						
General government	-	-	-	2,880	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	126,507	1,006,327	-	-	134,034
Capital outlay	-	-	-	-	-	88,879
Debt service						
Principal	-	-	-	60,900	-	-
Interest	-	-	-	60,516	-	-
Total expenditures	<u>-</u>	<u>126,507</u>	<u>1,006,327</u>	<u>124,296</u>	<u>-</u>	<u>222,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>1,291,765</u>	<u>198,863</u>	<u>(214,527)</u>	<u>21,330</u>	<u>4,043</u>	<u>37,350</u>
OTHER FINANCING SOURCES (USES)						
Payments received on loan	-	196,861	-	-	-	-
Operating transfers in	-	-	-	-	45,421	380,848
Operating transfers out	(1,269,494)	-	-	-	(314,000)	(135,625)
Total other financing sources (uses)	<u>(1,269,494)</u>	<u>196,861</u>	<u>-</u>	<u>-</u>	<u>(268,579)</u>	<u>245,223</u>
NET CHANGE IN FUND BALANCES						
	22,271	395,724	(214,527)	21,330	(264,536)	282,573
FUND BALANCES, beginning of year						
	<u>180,898</u>	<u>(28,715)</u>	<u>306,616</u>	<u>786,318</u>	<u>1,866,727</u>	<u>667,118</u>
FUND BALANCES, end of year						
	<u>\$ 203,169</u>	<u>\$ 367,009</u>	<u>\$ 92,089</u>	<u>\$ 807,648</u>	<u>\$ 1,602,191</u>	<u>\$ 949,691</u>

Tourism Fund	RV Park Fund	Capital Projects Fund	Public Safety Fund	Special Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 32,317	\$ 254,794	\$ -	\$ 657,662
74,282	-	-	-	-	1,366,047
2,619	-	-	-	719,278	1,813,697
9,692	540	-	-	-	10,232
1,091	-	1,956	231	981	38,110
1,265	3,052	-	-	202,453	237,670
<u>88,949</u>	<u>3,592</u>	<u>34,273</u>	<u>255,025</u>	<u>922,712</u>	<u>4,123,418</u>
-	-	-	-	144,811	147,691
129,252	62,556	-	-	-	191,808
-	-	-	-	-	1,266,868
500	-	-	5,601	-	94,980
-	-	-	-	-	60,900
-	-	-	-	-	60,516
<u>129,752</u>	<u>62,556</u>	<u>-</u>	<u>5,601</u>	<u>144,811</u>	<u>1,822,763</u>
<u>(40,803)</u>	<u>(58,964)</u>	<u>34,273</u>	<u>249,424</u>	<u>777,901</u>	<u>2,300,655</u>
-	-	-	-	-	196,861
253,899	62,000	-	-	-	742,168
(3,000)	-	-	-	-	(1,722,119)
<u>250,899</u>	<u>62,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(783,090)</u>
210,096	3,036	34,273	249,424	777,901	1,517,565
<u>378,460</u>	<u>(33,798)</u>	<u>809,060</u>	<u>8,988</u>	<u>141,858</u>	<u>5,083,530</u>
<u>\$ 588,556</u>	<u>\$ (30,762)</u>	<u>\$ 843,333</u>	<u>\$ 258,412</u>	<u>\$ 919,759</u>	<u>\$ 6,601,095</u>



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and City Council
City of Gering, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Gering, Nebraska's basic financial statements, and have issued our report thereon dated March 6, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
March 6, 2022



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and City Council
City of Gering, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the City of Gering, Gering, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Gering, Gering, Nebraska's major federal programs for the year ended September 30, 2021. The City of Gering, Gering, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gering, Gering, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Gering, Gering, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Gering, Gering, Nebraska's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Gering, Gering, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
March 6, 2022

CITY OF GERING
GERING, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified:	___Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses:	___Yes <u>X</u> No
Noncompliance matter to the financial statements disclosed:	___Yes <u>X</u> No

Federal Awards

Internal control over major programs:	
Material weakness identified:	___Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses:	___Yes <u>X</u> No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a):	___Yes <u>X</u> No
Identification of major programs:	
Community Development Block Grant	14.228
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	___Yes <u>X</u> No

CITY OF GERING
GERING, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF GERING
GERING, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021

2021-001 DEGRADATION OF INTERNAL CONTROLS

Condition

The City's internal control structure experienced extended periods of time during the reporting period in which significant internal controls were suspended or delayed for extended periods of time.

Status

The City has corrected this condition during the year ended September 30, 2021.

2021-002 UNCOLLATERALIZED BANK ACCOUNTS

Condition

The City had uncollateralized deposits in the amount of \$379,275.

Status

The City has corrected this condition during the year ended September 30, 2021.

2020-003 SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Condition

The City did not complete and submit audited financial statements to the State of Nebraska on or before the required filing date.

Status

The City has corrected this condition during the year ended September 30, 2021.

CITY OF GERING
GERING, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2021

There were no findings for the year ended September 30, 2021, requiring a corrective action plan.