

CITY OF GERING
Gering, Nebraska

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT

September 30, 2023

CITY OF GERING
Gering, Nebraska

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CONTRYMAN ASSOCIATES, P.C.

Certified Public Accountants

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Independent Auditors' Report

To the Honorable Mayor, City Council,
And City Administrator
City of Gering
Gering, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Gering, Nebraska, (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Gering, Nebraska as of September 30, 2023, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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 50-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Other Supplementary Information as listed in the table of contents as pages 57-60 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.


Certified Public Accountants
Scottsbluff, Nebraska

June 19, 2024

CITY OF GERING
Gering, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

September 30, 2023

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, 2023. 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, 2023, by \$79,559,557 (net position). Of this amount, \$31,112,742 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$12,923,132. This is an increase of \$520,915 in comparison with the prior year.
- As of September 30, 2023, unassigned fund balance for governmental funds was \$2,723,832, or 55.9% 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, 2023. 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, planning and zoning, parks and recreation, cemetery, library, 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 12-15 of this report.

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

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, the LB 840 fund and the Downtown Development 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 16-21 of this report.

Proprietary funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater and sanitation utilities in addition to the golf course, leasing corporation and civic center. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-funding health insurance. Because the self-funding services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 22-27 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 28-49 of this report.

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

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, LB840 and Downtown Development major funds to demonstrate compliance with this budget.

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 \$79,559,557 at September 30, 2023.

By far the largest portion of the City's net position (48.9 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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 16,265,692	\$ 16,990,037	\$ 20,203,966	\$ 20,054,691	\$ 36,469,658	\$ 37,044,728
Capital assets	13,887,824	11,725,520	33,548,983	31,404,448	47,436,807	43,129,968
Other noncurrent assets	4,748,270	3,830,228	4,884,667	4,198,827	9,632,937	8,029,055
Total assets	<u>34,901,786</u>	<u>32,545,785</u>	<u>58,637,616</u>	<u>55,657,966</u>	<u>93,539,402</u>	<u>88,203,751</u>
Current liabilities	558,882	1,542,413	3,613,484	1,320,854	4,172,366	2,863,267
Long-term liabilities outstanding	1,072,978	1,113,898	8,048,365	10,634,669	9,121,343	11,748,567
Total liabilities	<u>1,631,860</u>	<u>2,656,311</u>	<u>11,661,849</u>	<u>11,955,523</u>	<u>13,293,709</u>	<u>14,611,834</u>
Deferred inflow of resources	686,136	694,704	-	-	686,136	694,704
Net assets						
Net investment in capital assets	13,123,331	11,725,520	25,798,983	20,511,835	38,922,314	32,237,355
Restricted	4,644,391	5,469,640	4,880,110	4,575,510	9,524,501	10,045,150
Unrestricted	14,816,068	12,040,281	16,296,674	18,574,427	31,112,742	30,614,708
Total net position	<u>\$ 32,583,790</u>	<u>\$ 29,235,441</u>	<u>\$ 46,975,767</u>	<u>\$ 43,661,772</u>	<u>\$ 79,559,557</u>	<u>\$ 72,897,213</u>

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

At September 30, 2023, the City is able to report positive balances in all three categories of net position, for the government as a whole.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,377,684	\$ 2,380,214	\$ 17,632,118	\$ 17,657,920	\$ 20,009,802	\$ 20,038,134
Operating grants and contributions	457,435	26,663	-	-	457,435	26,663
Capital grants and contributions	281,651	888,628	-	-	281,651	888,628
General revenues:						
Property taxes	1,859,470	1,406,056	-	-	1,859,470	1,406,056
Sales and use tax	2,782,923	2,060,320	-	-	2,782,923	2,060,320
Other taxes	727,524	442,570	-	-	727,524	442,570
Intergovernmental	2,070,732	1,922,105	-	-	2,070,732	1,922,105
Investment income (loss)	578,986	(95,466)	676,788	(169,672)	1,255,776	(265,140)
Gain (loss) from sale of assets	81,326	42,500	40,000	13,000	121,326	55,500
Miscellaneous	489,662	464,433	278,305	598,821	767,967	1,063,256
Payment received from loan	-	-	-	-	-	2
Total revenues	<u>11,707,393</u>	<u>9,538,023</u>	<u>18,627,211</u>	<u>18,100,069</u>	<u>30,334,606</u>	<u>27,638,094</u>
Expenses:						
General government	1,702,243	3,093,092	-	-	1,702,243	3,093,092
Public safety	2,368,486	2,262,006	-	-	2,368,486	2,262,006
Public works	1,520,651	1,337,086	-	-	1,520,651	1,337,086
Public health	-	-	-	-	-	-
Culture and recreation	3,130,903	3,079,410	-	-	3,130,903	3,079,410
Community Development	1,161,764	304,290	-	-	1,161,764	304,290
Interest on long-term debt	-	20,739	-	-	-	20,739
Electric	-	-	6,172,768	5,749,376	6,172,768	5,749,376
Water	-	-	1,640,001	1,309,550	1,640,001	1,309,550
Wastewater	-	-	933,094	1,058,058	933,094	1,058,058
Sanitation	-	-	3,129,503	2,696,077	3,129,503	2,696,077
Golf	-	-	881,625	977,652	881,625	977,652
Leasing Corp	-	-	209,965	213,867	209,965	213,867
Civic Center	-	-	821,336	679,581	821,336	679,581
Total expenses	<u>9,884,045</u>	<u>10,096,621</u>	<u>13,788,292</u>	<u>12,684,161</u>	<u>23,672,337</u>	<u>22,780,784</u>
Increase (decrease) in net assets before transfers	1,823,348	(558,598)	4,838,919	5,415,908	6,662,269	4,857,310
Transfers in (out)	1,524,928	1,794,375	(1,524,928)	(1,794,375)	-	-
Increase (decrease) in net assets	<u>3,348,276</u>	<u>1,235,777</u>	<u>3,313,991</u>	<u>3,621,533</u>	<u>6,662,269</u>	<u>4,857,310</u>
Prior period adjustment (Note 19)	-	2,716,151	-	-	-	2,716,151
Net assets, October 1	29,235,514	25,283,513	43,661,776	40,040,239	72,897,288	65,323,752
Net assets, September 30	<u>\$ 32,583,790</u>	<u>\$ 29,235,441</u>	<u>\$ 46,975,767</u>	<u>\$ 43,661,772</u>	<u>\$ 79,559,557</u>	<u>\$ 72,897,213</u>

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by a total of \$3,348,277. Key elements in this increase follows:

- Increase in Investment Income in the amount of \$674,452.
- Increased property and sales tax revenues of \$1,176,017.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$3,313,991. 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, 2023, the City's governmental funds reported combined ending fund balances of \$12,923,132, an increase of \$520,903 in comparison with the prior year. This increase is largely due to the Operating Transfers in from Electric Department and the Investments Income.

The general fund is the chief operating fund of the City. At September 30, 2023, the unassigned fund balance of the general fund was \$2,723,830. 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 55.9 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$521,230 during fiscal year 2023. This increase is largely due to the Operating Transfers in from Electric Department and the Investments Income.

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

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, water system, wastewater system and landfill/sanitation collections department amounted to \$14,879,172, \$1,017,905, \$1,143,918 and \$643,144 respectively, at September 30, 2023. Unrestricted net position of the leasing corporation fund and civic center fund amounted to \$335,050 and \$94,931 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:

- \$103,123 negative variance in property taxes.
- \$119,356 positive variance in sales tax receipts.
- \$31,480 positive variance in building permit revenue.
- \$75,662 positive variance in charges for services revenue.
- \$351,453 positive variance in payroll and benefit expense.
- \$76,972 negative 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, 2023, was \$47,436,809 (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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 835,698	\$ 835,698	\$ 2,836,020	\$ 2,921,578	\$ 3,671,718	\$ 3,757,276
Construction in progress	617,918	93,182	3,267,489	1,084,273	3,885,407	1,177,455
Buildings and improvements	9,411,603	9,166,044	6,199,725	7,221,551	15,611,328	16,387,595
Equipment and vehicles	3,022,607	1,630,598	3,841,749	2,720,510	6,864,356	4,351,108
Utility systems			17,404,000	17,456,536	17,404,000	17,456,536
Total	\$ 13,887,826	\$ 11,725,522	\$ 33,548,983	\$ 31,404,448	\$ 47,436,809	\$ 43,129,970

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

Major capital asset events during 2023 included the following:

- Electric Fund – purchase new Bucket Truck \$178,520
- Electric Fund – purchase new Bucket Truck \$175,745
- Landfill/Sanitation Fund – purchase new Freightliner \$242,399
- Landfill/Sanitation Fund – purchase new John Deere Scraper Bowl \$125,900
- Wastewater Fund – purchase of Loader Backhoe \$141,500
- Wastewater Fund – sewer lining \$55,835
- Streets Fund – purchase new John Deere Loader-Bucket \$287,005
- Streets Fund – Street improvements \$371,221
- General Fund/Fire Dept – purchase new Rescue Unit \$272,552
- General Fund/Police Dept – replace 3 police units \$99,554

Additional information on the City’s capital assets can be found in Note 5 of the notes to the financial statements on pages 41-42 of this report.

LONG-TERM DEBT

At September 30, 2023, the City of Gering had total debt outstanding of \$8,514,493. 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 42-44 of this report.

City of Gering
Outstanding Long-Term Debt
September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes payable	\$ 764,493	\$ 819,630	\$ -	\$ -	\$ 764,493	\$ 819,630
Revenue bonds	-	-	7,750,000	8,485,000	7,750,000	8,485,000
Total	\$ 764,493	\$ 819,630	\$ 7,750,000	\$ 8,485,000	\$ 8,514,493	\$ 9,304,630

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City’s property tax base provided by real growth is estimated at 1.02%, with an actual property tax request of \$2,130,611.16
- For the 2024 budget, the projection for sales tax was budgeted at a 9% increase to more align with actual receipts in the most recent years.
- Budgeted transfers from enterprise funds to government funds remained the same due to funds being aligned and becoming more self-sustaining.

Various utility rates were increased for the 2024 budget year. The residential and commercial water, wastewater and sanitation collection rates were increased as well as various landfill fees. In addition, the stormwater flat surcharge amount was increased. Electric rates for all users remained the same as last year. The rate increases implemented are necessary to fund debt service, capital expenditures, infrastructure investment, to cover the cost of inflation and to cover the cost of unfunded Federal mandates.

All of these factors were considered in preparing the City’s budget for the 2024 fiscal year.

CITY OF GERING
Gering, Nebraska

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

September 30, 2023

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, P.O. Box 687, Gering, NE 69341.

**CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 4,829,273	\$ 2,965,528	\$ 7,794,801
Cash - County Treasurer	105,329	-	105,329
Investments	4,656,743	7,850,093	12,506,836
Net Receivables			
Property and sales tax	808,675	-	808,675
Accounts and grants	98,536	1,590,363	1,688,899
Unbilled receivables	-	1,153,224	1,153,224
Interest	11,707	16,858	28,565
Notes receivable	3,151,383	-	3,151,383
Prepaid expense	-	25,000	25,000
Inventory	9,492	1,087,940	1,097,432
Total current assets	<u>13,671,138</u>	<u>14,689,006</u>	<u>28,360,144</u>
Restricted assets			
Cash and certificates of deposit	<u>2,594,554</u>	<u>5,514,960</u>	<u>8,109,514</u>
Total restricted assets	<u>2,594,554</u>	<u>5,514,960</u>	<u>8,109,514</u>
Noncurrent assets			
Investments	3,395,362	4,884,667	8,280,029
Nondepreciable	1,453,616	6,103,509	7,557,125
Depreciable (net)	<u>12,434,208</u>	<u>27,445,474</u>	<u>39,879,682</u>
Total capital assets	<u>17,283,186</u>	<u>38,433,650</u>	<u>55,716,836</u>
Other long-term assets			
Economic development real estate	<u>1,352,908</u>	-	<u>1,352,908</u>
Total other long-term assets	<u>1,352,908</u>	-	<u>1,352,908</u>
TOTAL ASSETS	<u>\$ 34,901,786</u>	<u>\$ 58,637,616</u>	<u>\$ 93,539,402</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 368,948	\$ 480,970	\$ 849,918
Energy assistance payments	-	33,145	33,145
Accrued expenses	110,577	99,623	210,200
Accrued interest	20,435	58,111	78,546
Accrued Landfill Closure	-	2,346,635	2,346,635
Current portion of long-term debt	<u>58,922</u>	<u>595,000</u>	<u>653,922</u>
Total current liabilities	<u>558,882</u>	<u>3,613,484</u>	<u>4,172,366</u>
Noncurrent liabilities			
Customer deposits	-	634,850	634,850
Compensated absences	367,407	258,515	625,922
Long-term debt	<u>705,571</u>	<u>7,155,000</u>	<u>7,860,571</u>
Total noncurrent liabilities	<u>1,072,978</u>	<u>8,048,365</u>	<u>9,121,343</u>
TOTAL LIABILITIES	<u>1,631,860</u>	<u>11,661,849</u>	<u>13,293,709</u>

**CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - ALLO settlement	38,136	-	38,136
Unavailable revenue - notes receivable	648,000	-	648,000
Total deferred inflow of resources	<u>686,136</u>	<u>-</u>	<u>686,136</u>
NET POSITION			
Investment in capital assets, net of related debt	13,123,331	25,798,983	38,922,314
Restricted	-	-	-
Community betterment	1,016,405	-	1,016,405
Economic development	1,652,562	-	1,652,562
Public safety	387,932	-	387,932
Road maintenance and improvements	148,936	-	148,936
American Rescue Plan	1,438,556	-	1,438,556
Debt covenants	-	305,000	305,000
Landfill closure/post closure	-	4,575,110	4,575,110
Unrestricted	<u>14,816,068</u>	<u>16,296,674</u>	<u>31,112,742</u>
Total net position	<u>32,583,790</u>	<u>46,975,767</u>	<u>79,559,557</u>
TOTAL NET POSITION	<u>\$ 34,901,786</u>	<u>\$ 58,637,616</u>	<u>\$ 93,539,402</u>

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
CITY OF GERING, NEBRASKA
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2023

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ (2,556,887)	\$ 98,033	\$ -	\$ 68,218
Public safety	(2,763,977)	104,492	14,397	-
Public works	(1,707,875)	84,480	-	213,433
Community development	(2,876,180)	-	434,598	-
Culture and recreation	(1,635,067)	2,090,159	8,440	-
Total governmental activities	<u>(11,539,985)</u>	<u>2,377,164</u>	<u>457,435</u>	<u>281,651</u>
Business-type activities				
Electric	(6,172,768)	9,342,059	-	-
Water	(1,640,001)	1,659,171	-	-
Wastewater	(933,094)	1,482,017	-	-
Sanitation	(3,129,503)	3,799,210	-	-
Golf	(881,625)	736,687	-	-
Leasing Corp.	(209,965)	-	-	-
Civic Center	(821,336)	612,974	-	-
Total business-type activities	<u>(13,788,292)</u>	<u>17,632,118</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ (25,328,277)</u>	<u>\$ 20,009,282</u>	<u>\$ 457,435</u>	<u>\$ 281,651</u>

General revenues

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for public safety

Sales tax

Other taxes

Intergovernmental

Gain (loss) on sale of assets

Interest income

Miscellaneous

Transfers

 Total general revenues

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	Total
\$ (2,390,115)	\$ -	\$ (2,390,115)
(2,645,088)	-	(2,645,088)
(1,409,962)	-	(1,409,962)
(2,441,582)	-	(2,441,582)
463,532	-	463,532
<u>(8,423,214)</u>	<u>-</u>	<u>(8,423,214)</u>
-	3,169,291	3,169,291
-	19,170	19,170
-	548,923	548,923
-	669,707	669,707
-	(144,938)	(144,938)
-	(209,965)	(209,965)
-	(208,362)	(208,362)
<u>-</u>	<u>3,843,826</u>	<u>3,843,826</u>
<u>(8,423,214)</u>	<u>3,843,826</u>	<u>(4,579,388)</u>
1,570,426	-	1,570,426
289,044	-	289,044
2,782,923	-	2,782,923
727,524	-	727,524
2,070,732	-	2,070,732
81,326	40,000	121,326
578,986	676,788	1,255,774
2,145,602	278,305	2,423,907
1,524,928	(1,524,928)	-
<u>11,771,491</u>	<u>(529,835)</u>	<u>11,241,656</u>
3,348,277	3,313,991	6,662,268
<u>29,235,514</u>	<u>43,661,776</u>	<u>72,897,290</u>
<u>\$ 32,583,791</u>	<u>\$ 46,975,767</u>	<u>\$ 79,559,558</u>

**CITY OF GERING, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Keno Fund	Street Fund	LB 840 Fund
ASSETS				
Cash	\$ 1,671,596	\$ -	\$ 553,208	\$ 444,232
Cash - County Treasurer	70,822	-	-	11,399
Investments	947,615	858,930	840,484	615,639
Receivables				
Property and sales tax	261,430	-	87,978	102,970
Accounts and grants	71,031	19,769	124,603	-
Interest	1,818	1,680	1,005	736
Special assessment	-	-	-	-
Notes receivable	-	-	-	967,372
Inventory	9,492	-	-	-
Due from other funds	-	-	-	-
Restricted assets				
Cash and certificates of deposit	608,922	277,115	-	-
TOTAL ASSETS	\$ 3,642,726	\$ 1,157,494	\$ 1,607,278	\$ 2,142,348
LIABILITIES				
Accounts payable	\$ 98,652	\$ 141,089	\$ 105,960	\$ 41
Accrued state and sales tax	-	-	-	-
Accrued wages	73,341	-	16,128	-
Accrued payroll expense	11,835	-	2,383	-
Total liabilities	<u>183,828</u>	<u>141,089</u>	<u>124,471</u>	<u>41</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	135,870	-	-	-
Unavailable revenue - ALLO settlement	38,136	-	-	-
Unavailable revenue - notes receivable	-	-	-	967,372
Total deferred inflow of resources	<u>174,006</u>	<u>-</u>	<u>-</u>	<u>967,372</u>
FUND BALANCES				
Restricted				
Community betterment	-	1,016,405	-	-
Economic development	-	-	-	1,174,935
Public safety	-	-	-	-
Road maintenance and improvements	-	-	148,936	-
American Rescue Plan	-	-	-	-
Nonspendable	9,492	-	-	-
Committed				
Debt service	-	-	-	-
Economic development	-	-	-	-
Public safety	-	-	-	-
Road maintenance and improvements	-	-	1,333,871	-
Cemetery operations and improvements	551,570	-	-	-
Downtown development	-	-	-	-
Tourism and recreation	-	-	-	-
Assigned				
Capital improvements	-	-	-	-
Unassigned	2,723,830	-	-	-
Total fund balances	<u>3,284,892</u>	<u>1,016,405</u>	<u>1,482,807</u>	<u>1,174,935</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,642,726	\$ 1,157,494	\$ 1,607,278	\$ 2,142,348

See accompanying notes to financial statements.

Downtown Development Fund	Nonmajor Funds	Total Governmental Funds
-	\$ 931,738	\$ 3,600,774
10,070	13,038	105,329
197,498	2,889,733	6,349,899
61,782	169,912	684,072
-	7,736	223,139
477	4,252	9,968
-	-	-
11,534	1,286,750	2,265,656
-	-	9,492
-	-	-
-	1,729,879	2,615,916
<u>281,361</u>	<u>\$ 7,033,038</u>	<u>\$ 15,864,245</u>
-	\$ 25,619	\$ 371,361
-	-	-
-	4,064	93,533
-	413	14,631
-	30,096	479,525
-	21,926	157,796
-	-	38,136
11,534	1,286,750	2,265,656
<u>11,534</u>	<u>1,308,676</u>	<u>2,461,588</u>
-	-	1,016,405
-	477,627	1,652,562
-	387,932	387,932
-	-	148,936
-	1,438,556	1,438,556
-	-	9,492
-	634,517	634,517
-	-	-
-	2,159	2,159
-	-	1,333,871
-	-	551,570
269,827	133,855	403,682
-	1,224,444	1,224,444
-	1,395,174	1,395,174
-	2	2,723,832
<u>269,827</u>	<u>5,694,266</u>	<u>12,923,132</u>
<u>281,361</u>	<u>\$ 7,033,038</u>	<u>\$ 15,864,245</u>

**CITY OF GERING, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 12,923,130

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. 13,887,824

Real estate held for future economic development purposes is not a current financial resource and, therefore, is not reported in the funds. 1,352,908

Internal service funds are used by management to charge the costs of certain services to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 2,911,084

Deferred inflow of resources in governmental fund financials for property taxes and notes receivable is shown as revenue for government wide financials. 2,661,179

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 \$ 20,435

Notes payable 58,922

Due in more than one year:

Notes payable 705,571

Compensated absences 367,407

(1,152,335)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 32,583,790

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, 2023**

	General Fund	Keno Fund	Street Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 1,798,920	\$ -	\$ -
Sales tax	726,330	-	436,745
Intergovernmental and grants	729,686	-	1,501,529
Charges for services	354,137	1,835,333	3,000
Interest income	64,453	43,239	61,296
Other revenue	56,517	-	1,760
Total revenues	<u>3,730,043</u>	<u>1,878,572</u>	<u>2,004,330</u>
EXPENDITURES			
Current			
General government	1,097,243	-	-
Public safety	2,763,977	-	-
Public works	100,162	-	1,177,870
Culture and recreation	846,292	1,712,731	-
Economic development	-	-	-
Capital outlay	64,328	601,514	825,272
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>4,872,002</u>	<u>2,314,245</u>	<u>2,003,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(1,141,959)</u>	<u>(435,673)</u>	<u>1,188</u>
OTHER FINANCE SOURCES (USES)			
Payments received from loan	14,211	-	-
Insurance proceeds	-	-	-
Operating transfers in	1,949,200	-	477,024
Operating transfers out	(300,222)	-	-
Total other financing sources (uses)	<u>1,663,189</u>	<u>-</u>	<u>477,024</u>
NET CHANGE IN FUND BALANCES	521,230	(435,673)	478,212
FUND BALANCES, beginning of year	<u>2,763,662</u>	<u>1,452,078</u>	<u>1,004,595</u>
FUND BALANCES, end of year	<u>\$ 3,284,892</u>	<u>\$ 1,016,405</u>	<u>\$ 1,482,807</u>

See accompanying notes to financial statements.

LB 840 Fund	Downtown Development Fund	Nonmajor Funds	Total Governmental Funds
\$ 23,932	\$ 56,153	\$ 686,215	\$ 2,565,220
306,974	435,798	948,024	2,853,871
-	-	134,598	2,365,813
-	-	184,169	2,376,639
58,650	17,933	223,778	469,349
9,435	-	60,617	128,329
<u>398,991</u>	<u>509,884</u>	<u>2,237,401</u>	<u>10,759,221</u>
3,385	-	361,602	1,462,230
-	-	45,797	2,809,774
-	-	-	1,278,032
-	-	293,314	2,852,337
440,685	41,368	495,816	977,869
-	15,000	1,335,737	2,841,851
-	-	55,137	55,137
-	-	56,435	56,435
<u>444,070</u>	<u>56,368</u>	<u>2,643,838</u>	<u>12,333,665</u>
<u>(45,079)</u>	<u>453,516</u>	<u>(406,437)</u>	<u>(1,574,444)</u>
102,057	-	398,625	514,893
-	-	55,526	55,526
108,799	-	105,150	2,640,173
-	(288,799)	(526,224)	(1,115,245)
<u>210,856</u>	<u>(288,799)</u>	<u>33,077</u>	<u>2,095,347</u>
165,777	164,717	(373,361)	520,903
<u>1,009,158</u>	<u>105,110</u>	<u>6,067,624</u>	<u>12,402,227</u>
<u>\$ 1,174,935</u>	<u>\$ 269,827</u>	<u>\$ 5,694,263</u>	<u>\$ 12,923,130</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, 2023**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 520,903
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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.	2,162,689
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.	67,115
Deferred inflow of resources in governmental fund financials for property taxes and notes receivable is shown as revenue for government wide financials.	25,868
Contribution of capitalized assets that do not provide current financial resources are not reported as revenues at the fund level but is shown as revenue for government wide financials	68,218
Payments on debt are expenditures in the funds, but a debt payment decreases long-term liabilities in the Statement of Net Position.	55,137
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	(18,003)
Accrued interest	-
Internal service funds are used by management to charge the costs of certain services to individual funds.	<u>466,349</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,348,276</u>

See accompanying notes to financial statements.

**CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Business-type Activities			
	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,646,206	\$ -	\$ 857,652	\$ -
Investments	6,239,016	363,069	536,744	653,191
Accounts receivable, net	879,036	197,580	123,320	327,506
Unbilled receivables	719,244	167,610	119,789	146,581
Interest receivables	11,414	793	982	3,543
Prepaid expenses	-	-	-	25,000
Inventory	866,064	143,898	24,103	-
Restricted cash	499,306	384,659	59,500	4,575,110
Total current assets	<u>10,860,286</u>	<u>1,257,609</u>	<u>1,722,090</u>	<u>5,730,931</u>
Noncurrent assets				
Investments	3,311,094	229,453	284,855	1,028,447
Capital assets				
Nondepreciable	2,522,483	34,640	63,600	977,866
Depreciable (net)	5,420,724	9,382,917	3,747,660	3,213,928
Due from other funds	1,422,872	-	-	-
Total noncurrent assets	<u>12,677,173</u>	<u>9,647,010</u>	<u>4,096,115</u>	<u>5,220,241</u>
TOTAL ASSETS	<u>\$ 23,537,459</u>	<u>\$ 10,904,619</u>	<u>\$ 5,818,205</u>	<u>\$ 10,951,172</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 24,139	\$ 12,240	\$ 7,458	\$ 222,848
Sales tax payable	55,377	1,680	8,730	-
Energy assistance payments	29,445	3,700	-	-
Accrued payroll expenses	3,538	1,820	1,322	3,644
Accrued wages	26,147	13,636	9,742	29,697
Accrued interest	-	18,782	3,847	-
Current portion long-term debt	-	253,150	51,850	-
Total current liabilities	<u>138,646</u>	<u>305,008</u>	<u>82,949</u>	<u>256,189</u>
Noncurrent liabilities				
Customer deposit	497,036	94,159	-	-
Accrued compensated absences	79,398	46,276	4,028	84,935
Landfill closure costs	-	-	-	2,346,635
Due to other funds	-	-	-	1,200,000
Long-term debt	-	3,498,450	716,550	-
Total noncurrent liabilities	<u>576,434</u>	<u>3,638,885</u>	<u>720,578</u>	<u>3,631,570</u>
TOTAL LIABILITIES	<u>715,080</u>	<u>3,943,893</u>	<u>803,527</u>	<u>3,887,759</u>
NET POSITION				
Invested in capital assets, net of related debt	7,943,207	5,652,321	3,811,260	1,845,159
Restricted				
Debt covenants	-	290,500	59,500	-
Landfill closure/post closure	-	-	-	2,346,635
New landfill	-	-	-	2,228,475
Unrestricted	14,879,172	1,017,905	1,143,918	643,144
Total net position	<u>22,822,379</u>	<u>6,960,726</u>	<u>5,014,678</u>	<u>7,063,413</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 23,537,459</u>	<u>\$ 10,904,619</u>	<u>\$ 5,818,205</u>	<u>\$ 10,951,172</u>

See accompanying notes to financial statements.

Golf Fund	Business-type Activities		Totals	Governmental Activities
	Leasing Fund	Civic Fund		Internal Service
\$ 13,071	\$ 342,424	\$ 60,904	\$ 2,920,257	\$ 1,437,392
-	18,341	39,732	7,850,094	949,098
16,299	-	46,622	1,590,363	-
-	-	-	1,153,224	-
15	34	73	16,854	1,740
-	-	-	25,000	-
53,875	-	-	1,087,940	-
-	-	41,655	5,560,230	-
<u>83,260</u>	<u>360,799</u>	<u>188,986</u>	<u>20,203,962</u>	<u>2,388,230</u>
-	9,733	21,086	4,884,667	522,854
1,803,584	-	701,336	6,103,509	-
504,696	3,896,781	1,278,768	27,445,474	-
-	-	-	1,422,872	-
<u>2,308,280</u>	<u>3,906,514</u>	<u>2,001,190</u>	<u>39,856,522</u>	<u>522,854</u>
<u>\$ 2,391,540</u>	<u>\$ 4,267,313</u>	<u>\$ 2,190,176</u>	<u>\$ 60,060,484</u>	<u>\$ 2,911,084</u>
\$ 70,635	\$ -	\$ 69,933	\$ 407,253	\$ -
4,373	-	3,553	73,713	-
-	-	-	33,145	-
1,542	-	-	11,866	-
8,535	-	-	87,757	-
-	35,482	-	58,111	-
-	290,000	-	595,000	-
<u>85,085</u>	<u>325,482</u>	<u>73,486</u>	<u>1,266,845</u>	<u>-</u>
2,000	-	41,655	634,850	-
43,878	-	-	258,515	-
-	-	-	2,346,635	-
222,872	-	-	1,422,872	-
-	2,940,000	-	7,155,000	-
<u>268,750</u>	<u>2,940,000</u>	<u>41,655</u>	<u>11,817,872</u>	<u>-</u>
<u>353,835</u>	<u>3,265,482</u>	<u>115,141</u>	<u>13,084,717</u>	<u>-</u>
2,308,280	666,781	1,980,104	24,207,112	-
-	-	-	350,000	-
-	-	-	2,346,635	-
-	-	-	2,228,475	-
(270,575)	335,050	94,931	17,843,545	2,911,084
<u>2,037,705</u>	<u>1,001,831</u>	<u>2,075,035</u>	<u>46,975,767</u>	<u>2,911,084</u>
<u>\$ 2,391,540</u>	<u>\$ 4,267,313</u>	<u>\$ 2,190,176</u>	<u>\$ 60,060,484</u>	<u>\$ 2,911,084</u>

**CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Business-type Activities			
	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
OPERATING REVENUES				
Charges for services	\$ 9,342,059	\$ 1,672,663	\$ 1,496,288	\$ 3,815,120
Miscellaneous income	91,019	11,347	8,740	88,434
Total operating revenues	<u>9,433,078</u>	<u>1,684,010</u>	<u>1,505,028</u>	<u>3,903,554</u>
OPERATING EXPENSES				
Cost of sales	3,861,711	-	-	-
Personnel services	1,153,346	664,195	402,497	1,262,478
Operating materials/supplies	117,092	55,905	29,820	110,644
Operating expenses	694,196	540,985	266,826	1,171,926
Depreciation and amortization	346,423	333,191	224,586	581,570
Total operating expenses	<u>6,172,768</u>	<u>1,594,276</u>	<u>923,729</u>	<u>3,126,618</u>
OPERATING INCOME (LOSS)	<u>3,260,310</u>	<u>89,734</u>	<u>581,299</u>	<u>776,936</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	440,671	21,982	59,556	140,072
Interest expense	-	(45,725)	(9,365)	(2,885)
Total nonoperating revenues (expenses)	<u>440,671</u>	<u>(23,743)</u>	<u>50,191</u>	<u>137,187</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>3,700,981</u>	<u>65,991</u>	<u>631,490</u>	<u>914,123</u>
OTHER FINANCING SOURCES (USES)				
Gain (loss) from sale of assets	-	-	40,000	-
Operating transfers in	-	-	-	-
Operating transfers (out)	(2,239,826)	-	-	-
Total operating transfers	<u>(2,239,826)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
CHANGE IN NET POSITION	<u>1,461,155</u>	<u>65,991</u>	<u>671,490</u>	<u>914,123</u>
NET POSITION, beginning of year	<u>21,361,224</u>	<u>6,894,735</u>	<u>4,343,188</u>	<u>6,149,290</u>
NET POSITION, end of year	<u>\$ 22,822,379</u>	<u>\$ 6,960,726</u>	<u>\$ 5,014,678</u>	<u>\$ 7,063,413</u>

See accompanying notes to financial statements.

Golf Fund	Business-type Activities			Governmental Activities
	Leasing Fund	Civic Fund	Totals	Internal Service
\$ 736,687	\$	\$ 612,974	\$ 17,675,791	\$ -
31,818	-	3,067	234,425	1,967,517
<u>768,505</u>	<u>-</u>	<u>616,041</u>	<u>17,910,216</u>	<u>1,967,517</u>
-	-	-	3,861,711	-
497,690	-	-	3,980,206	-
31,143	-	-	344,604	-
290,023	2,028	712,885	3,678,869	1,610,804
62,562	109,928	108,451	1,766,711	-
<u>881,418</u>	<u>111,956</u>	<u>821,336</u>	<u>13,632,101</u>	<u>1,610,804</u>
<u>(112,913)</u>	<u>(111,956)</u>	<u>(205,295)</u>	<u>4,278,115</u>	<u>356,713</u>
659	9,477	4,371	676,788	109,636
-	(98,009)	-	(155,984)	-
<u>659</u>	<u>(88,532)</u>	<u>4,371</u>	<u>520,804</u>	<u>109,636</u>
<u>(112,254)</u>	<u>(200,488)</u>	<u>(200,924)</u>	<u>4,798,919</u>	<u>466,349</u>
-	-	-	40,000	-
279,826	255,072	180,000	714,898	-
-	-	-	(2,239,826)	-
<u>279,826</u>	<u>255,072</u>	<u>180,000</u>	<u>(1,484,928)</u>	<u>-</u>
167,572	54,584	(20,924)	3,313,991	466,349
<u>1,870,133</u>	<u>947,247</u>	<u>2,095,959</u>	<u>43,661,776</u>	<u>2,444,735</u>
<u>\$ 2,037,705</u>	<u>\$ 1,001,831</u>	<u>\$ 2,075,035</u>	<u>\$ 46,975,767</u>	<u>\$ 2,911,084</u>

**CITY OF GERING, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 9,426,362	\$ 1,757,556	\$ 1,475,764	\$ 3,769,131
Cash received from other sources	91,019	11,347	8,740	88,434
Cash payments to suppliers of goods and services	(4,839,185)	(608,376)	(318,631)	(919,646)
Cash payments to employees	<u>(1,133,383)</u>	<u>(621,321)</u>	<u>(437,235)</u>	<u>(1,249,787)</u>
Net cash provided by (used in) operating activities	<u>3,544,813</u>	<u>539,206</u>	<u>728,638</u>	<u>1,688,132</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (net)	(2,239,826)	-	-	-
Net change in due to (from) other funds	(222,872)	-	-	-
Change in customer deposits	<u>64,352</u>	<u>16,262</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(2,398,346)</u>	<u>16,262</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for capital assets	(2,784,952)	(28,268)	(287,304)	(759,250)
Payments on long-term debt	-	(253,150)	(51,850)	(145,000)
Interest payments	<u>-</u>	<u>(46,836)</u>	<u>(9,592)</u>	<u>(3,988)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,784,952)</u>	<u>(328,254)</u>	<u>(348,746)</u>	<u>(908,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(1,274,415)	(232,706)	(198,311)	(569,884)
Interest income	440,388	21,754	59,413	139,590
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(834,027)</u>	<u>(210,952)</u>	<u>(98,898)</u>	<u>(430,294)</u>
NET INCREASE (DECREASE) IN CASH	(2,472,512)	16,262	280,994	349,603
CASH, beginning of year	<u>4,618,024</u>	<u>368,397</u>	<u>636,158</u>	<u>4,225,510</u>
CASH & RESTRICTED CASH, end of year	\$ <u>2,145,512</u>	\$ <u>384,659</u>	\$ <u>917,152</u>	\$ <u>4,575,113</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 3,260,310	\$ 89,734	\$ 581,299	\$ 776,936
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	346,423	333,191	224,586	581,570
(Increase) decrease in assets:				
Accounts receivable	93,206	74,341	14,168	(34,380)
Unbilled revenue	8,411	6,852	(34,692)	(11,609)
Inventory	(113,179)	3,726	2,167	-
Increase (decrease) in liabilities:				
Accounts payable	(52,358)	(14,620)	(24,649)	139,789
Sales tax payable	(649)	(592)	497	-
Accrued wages	3,999	3,509	(385)	6,470
Accrued payroll expenses	956	643	145	931
Energy Assistance Payments	(17,314)	3,700	-	-
Accrued compensated absences	15,008	38,722	(34,498)	5,290
Landfill closure costs	-	-	-	223,135
Total adjustments	<u>284,503</u>	<u>449,472</u>	<u>147,339</u>	<u>911,196</u>
Net cash provided by (used in) operating activities	\$ <u>3,544,813</u>	\$ <u>539,206</u>	\$ <u>728,638</u>	\$ <u>1,688,132</u>
Cash Reconciliation:				
Unrestricted	1,646,206	-	857,652	-
Restricted	<u>499,306</u>	<u>384,659</u>	<u>59,500</u>	<u>4,575,110</u>
	<u>2,145,512</u>	<u>384,659</u>	<u>917,152</u>	<u>4,575,110</u>

See accompanying notes to financial statements.

Golf Fund	Leasing Fund	Civic Fund	Totals
\$ 737,372	\$ -	\$ 620,265	\$ 17,786,450
31,818	-	3,067	234,425
(330,822)	(2,028)	(670,585)	(7,689,273)
<u>(501,250)</u>	<u>-</u>	<u>-</u>	<u>(3,942,976)</u>
<u>(62,882)</u>	<u>(2,028)</u>	<u>(47,253)</u>	<u>6,388,626</u>
279,826	255,072	180,000	(1,524,928)
(204,532)	386,733	-	(40,671)
-	-	26,720	107,334
<u>75,294</u>	<u>641,805</u>	<u>206,720</u>	<u>(1,458,265)</u>
-	-	(51,472)	(3,911,246)
-	(285,000)	-	(735,000)
<u>-</u>	<u>(100,204)</u>	<u>-</u>	<u>(160,620)</u>
<u>-</u>	<u>(385,204)</u>	<u>(51,472)</u>	<u>(4,806,866)</u>
-	(28,074)	(24,720)	(2,328,110)
659	9,443	4,350	675,597
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
<u>659</u>	<u>(18,631)</u>	<u>(20,370)</u>	<u>(1,612,513)</u>
13,071	235,942	87,625	(1,489,018)
-	106,482	14,934	9,969,505
<u>\$ 13,071</u>	<u>\$ 342,424</u>	<u>\$ 102,559</u>	<u>\$ 8,480,487</u>
<u>\$ (112,913)</u>	<u>\$ (111,956)</u>	<u>\$ (205,295)</u>	<u>\$ 4,278,115</u>
62,562	109,928	108,451	1,766,711
685	-	7,291	155,311
-	-	-	(31,038)
(11,815)	-	-	(119,101)
1,872	-	41,999	92,033
287	-	301	(156)
(4,078)	-	-	9,515
178	-	-	2,853
-	-	-	(13,614)
340	-	-	24,862
-	-	-	223,135
<u>50,031</u>	<u>109,928</u>	<u>158,042</u>	<u>2,110,511</u>
<u>\$ (62,882)</u>	<u>\$ (2,028)</u>	<u>\$ (47,253)</u>	<u>\$ 6,388,626</u>
13,071	342,424	60,904	2,920,257
-	-	41,655	5,560,230
<u>13,071</u>	<u>342,424</u>	<u>102,559</u>	<u>8,480,487</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

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 units.

City of Gering Leasing Corporation

The City of Gering Leasing Corporation was formed in 1989 to provide tax-exempt financing for various construction projects of the City. 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 and is reported as a part of the City and blended into the City's financial statements as part of the proprietary funds.

Community Development Agency

The Community Development Agency was created by the Mayor and City Council to provide for redevelopment of various areas within the City. Although it is legally separate from the City, the sole purpose of this Agency is to provide for City redevelopment. The funding source for the Agency is Tax Increment Financing tax revenue that is remitted to the City and passed on to TIF developers and bondholders.

Community Redevelopment Authority

The Community Redevelopment Authority was created by the Mayor and City Council to provide for redevelopment of various areas within the City. Although it is legally separate from the City, the sole purpose of this Authority is to provide for City redevelopment. There currently is no funding source for the Authority.

The City has determined the Community Development Agency and Community Redevelopment Authority to be a blended component units. The City Council appoints the majority of the governing board of these organizations and these organizations almost exclusively exist to benefit the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such and included in governmental funds of the City.

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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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.

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.

Fund Types - The focus of the governmental funds' measurement (in the fund statements) is upon determination of the financial position and changes in the financial position (sources, uses, and balances of financial resources) rather than upon net income.

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.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of funds for the payment of principal, interest, and related costs on general long-term debt.

Capital Project Funds - Capital Project Funds are used to accumulate resources to be used for the acquisition, construction, or improvement of capital facilities.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Types - (Continued)

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.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or fund to other departments or funds of the City, or to other governmental units on a cost-reimbursement basis.

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 of the individual governmental or enterprise funds 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 major funds reported by the City are described below:

Governmental Funds:

General Fund – as previously described.

Keno Fund - is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for community betterment.

Street 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.

LB840 Fund – is a special revenue fund that accounts for the revenues and expenditures made for the Local Option Municipal Economic Development Act for the City. This Act sunsets in March 2030.

Downtown Development Fund – is a special revenue fund that accounts for revenues and expenditures for the downtown district of the City.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Proprietary Funds:

Electric Fund – is financed primarily by user charges, and accounts for the construction and operation of the municipal electric distribution system and related facilities.

Water Fund - is financed primarily by user charges, and accounts for the construction and operation of the municipal water system and related facilities.

Wastewater Fund – is financed primarily by user charges, this fund accounts for the construction and operation of the municipal sewer system and related facilities.

Sanitation Fund – is financed primarily by user charges, this fund accounts for the municipal sanitation collection and disposal process and construction and operation of related facilities.

Golf Fund – is financed primarily by user charges, this fund accounts for the use, operations, and maintenance of the City’s golf course.

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 – is 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.

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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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.

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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

Fund Balance Classification Policies and Procedures (Continued)

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.

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

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets (Continued)

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, 2023, there were no cash equivalents.

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.

Unbilled Utility Revenue - Billings for electric, water and sewer revenues are rendered on a monthly basis. Unbilled electric, water and sewer revenues, representing estimated consumer usage for the period between the last billing and the end of the year, have been recorded and are included in accounts receivable.

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.

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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, permits 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 several 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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

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.

Sales & Use Tax – The city presently levies a 7.5% 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.

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 bonds 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 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, 2023, 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 pools, which consists primarily of government agency or government securitized investments with maturities of less than one year.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Equity in Pooled Cash Management Account - At September 30, 2023, the City's cash and pooled investments, recorded at fair market value consisted of the following:

Cash and cash equivalents:	
Bank accounts	\$ 4,689,318
Negotiable certificates of deposit	5,876,427
Cash on hand	<u>2,507</u>
Total cash and cash equivalents	<u>\$ 10,568,252</u>
Cash with Scotts Bluff County Treasurer	105,329
Restricted cash	8,109,514

The City has invested funds in the Invesco Government Money Market Fund and the Royal Bank of Canada Government Money Market Fund. These funds invest exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Government securities collateralized by U.S. Government obligations.

Investments:	
NPAIT	\$ 152,895
Government agencies securities	992,080
Nonnegotiable certificates of deposit	9,521,731
Money market funds	<u>13,228,075</u>
Total investments	<u>\$ 23,894,781</u>

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, 2023 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>105,070</u>	\$ <u>2,615,646</u>	\$ <u>6,464,874</u>	\$ <u>9,185,590</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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Assets and liabilities are classified in 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.

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, 2023 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:

American Rescue Plan	The City received ARPA funds to cover necessary expenditures due to the public health emergency with respect to the pandemic.	\$ 1,438,556
City Cemetery	Cash received for the sole purpose of perpetual care of the City cemetery.	551,570
KENO Community Betterment	The City received KENO funds from operations for the sole purpose of Community Betterment.	277,115
USDA Rural Electric Loan Program	The City received USDA Rural Economic Development loans for local economic development projects.	291,323
City Park	Cash donated by the public specifically to be used for the improvement of the City's Northfield Park.	<u>35,990</u>
	Total governmental funds restricted cash	\$ <u><u>2,594,554</u></u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 3 – RESTRICTED CASH (CONTINUED)

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

Customer Deposits			
Cash required to be used solely for the purpose of refunding Civic Center event deposits held.			\$ 41,655
Customer Deposits			
Cash required by statute to be used solely for the purpose of refunding utility deposits held.			593,195
Debt Retirement			
Cash required held by debt instrument for the sole purpose of debt retirement.			305,000
Landfill Closure Costs			
Cash required by regulation to be set aside solely for the purpose of sanitation landfill closure and postclosure costs.			2,346,635
New Landfill Joint Sinking			
Cash required by resolution to be set aside solely for the purpose of siting a new landfill.			<u>2,228,475</u>
			<u>\$ 5,514,960</u>
Total business-type funds restricted cash			<u>\$ 5,514,960</u>

The City received American Rescue Plan funds in the amount of \$1,438,556 to cover necessary expenditures due to the public health emergency with respect to the pandemic. As of September 30, 2023, the City has not spent any of these funds but has restricted the full amount in restricted cash. The City does anticipate using these funds for eligible expenditures within the period of performance required.

NOTE 4 – RECEIVABLES

Receivables at September 30, 2023, consist of the following:

<u>Fund</u>	<u>Taxes</u>	<u>Accounts, Grants and Other</u>	<u>Accrued Interest</u>
General	\$ 269,769	\$ 71,031	\$ 1,818
Special Revenue	423,998	152,108	8,149
Enterprise	-	2,824,860	16,858
Internal Service	<u>-</u>	<u>-</u>	<u>1,740</u>
Gross Receivables	\$ 693,767	\$ 3,047,999	\$ 28,565
Allowance for Uncollectibles	<u>(9,695)</u>	<u>(81,273)</u>	<u>-</u>
Net Receivables	<u>\$ 684,072</u>	<u>\$ 2,966,726</u>	<u>\$ 28,565</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 4 – RECEIVABLES (CONTINUED)

Economic Development Program loans receivable at September 30, 2023 consist of the following:

	Balance October 1, 2022	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2023
LB 840 Loans Receivable	\$ 576,302	\$ -	\$ -	\$ 102,058	\$ 474,244
LB840 Forgivable Loans Receivable	337,500	360,500	350,000	-	348,000
Interest free USDA Loan Receivable	525,625	360,000	(60,000)	94,875	850,750
Forgivable Loans Receivable	300,000	-	-	-	300,000
TIF Loans Receivable	1,261,695	-	-	83,307	1,178,388
Total Economic Development Loans Receivable	<u>\$ 3,001,122</u>	<u>\$ 720,500</u>	<u>\$ 290,000</u>	<u>\$ 280,240</u>	<u>\$ 3,151,382</u>

NOTE 5 – CAPITAL ASSETS

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

	Balance October 1, 2022	Additions	Deletions	Reclassifications	Balance September 30, 2023
<u>Governmental Activities</u>					
Land	\$ 835,698	\$ -	\$ -	\$ -	\$ 835,698
Buildings and improvements	6,803,758	257,043	-	(164,992)	6,895,809
Equipment and vehicles	6,365,949	1,613,576	140,842	157,416	7,996,099
Infrastructure	8,802,689	541,521	-	49,569	9,393,779
Construction in progress	93,182	605,669	38,940	(41,993)	617,918
	<u>22,901,276</u>	<u>3,017,809</u>	<u>179,782</u>	<u>-</u>	<u>25,739,303</u>
Less accumulated depreciation	11,175,754	816,180	140,457	-	11,851,477
Net capital assets	<u>\$ 11,725,522</u>	<u>\$ 2,201,629</u>	<u>\$ 39,325</u>	<u>\$ -</u>	<u>\$ 13,887,826</u>

	Balance October 1, 2022	Additions	Deletions	Reclassifications	Balance September 30, 2023
<u>Business-Type Activities</u>					
Land	\$ 2,921,578	\$ -	\$ 85,558	\$ -	\$ 2,836,020
Buildings and improvements	14,405,912	65,450	-	98,565	14,569,927
Utility systems	37,382,718	55,835	-	(157,850)	37,280,703
Equipment and vehicles	12,598,782	1,692,305	48,107	59,285	14,302,265
Construction in progress	1,084,273	2,351,956	168,740	-	3,267,489
	<u>68,393,263</u>	<u>4,165,546</u>	<u>302,405</u>	<u>-</u>	<u>72,256,404</u>
Less accumulated depreciation	36,988,817	1,766,711	48,107	-	38,707,421
Net capital assets	<u>\$ 31,404,446</u>	<u>\$ 2,398,835</u>	<u>\$ 254,298</u>	<u>\$ -</u>	<u>\$ 33,548,983</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was recorded to activities as follows:

Governmental Activities			
General Government	\$	274,736	
Community Development		117,345	
Public Works		412,854	
Culture and Recreation		<u>11,245</u>	
	\$	<u>816,180</u>	
Business-Type Activities			
Electric	\$	346,423	
Water		333,191	
Wastewater		224,586	
Sanitation		581,570	
Golf		62,562	
Leasing Corp.		109,928	
Civic Center		<u>108,451</u>	
	\$	<u>1,766,711</u>	

NOTE 6 – LONG-TERM DEBT

Long-term debt payable at September 30, 2023, is as follows:

	Issue Date	Due Date	Interest Rate	Balance October 1, 2022	Payments	Balance September 30, 2023	Current	Long-Term
<u>Governmental activities</u>								
Note payable	6/27/17	12/1/32	7.00%	819,630	55,137	764,493	58,922	705,571
Total governmental activities				<u>\$ 819,630</u>	<u>\$ 55,137</u>	<u>\$ 764,493</u>	<u>\$ 58,922</u>	<u>\$ 705,571</u>
<u>Business-type activities</u>								
Bond payable	4/17/12	9/30/23	0.35% - 2.75%	\$ 145,000	\$ 145,000	\$ -	\$ -	\$ -
Bond payable	7/15/21	12/15/36	0.30% - 2.00%	4,004,750	253,150	3,751,600	253,150	3,498,450
Bond payable	7/15/21	12/15/36	0.30% - 2.00%	820,250	51,850	768,400	51,850	716,550
Bond payable	1/31/18	12/15/37	1.6%-1.70%	3,130,000	160,000	2,970,000	160,000	2,810,000
Bond payable	6/14/16	12/15/24	0.06% - 1.70%	385,000	125,000	260,000	130,000	130,000
Total business-type activities				<u>\$ 8,485,000</u>	<u>\$ 735,000</u>	<u>\$ 7,750,000</u>	<u>\$ 595,000</u>	<u>\$ 7,155,000</u>
Total government-wide				<u>\$ 9,304,630</u>	<u>\$ 790,137</u>	<u>\$ 8,514,493</u>	<u>\$ 653,922</u>	<u>\$ 7,860,571</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

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

Years Ended September 30,	Governmental		Business-Type		Total	
	Activities		Activities			
	Principal	Interest	Principal	Interest	Principal	Interest
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	72,592	38,981	485,000	129,580	557,592	168,561
2028	77,673	33,807	490,000	122,273	567,673	156,080
2029-2033	370,466	75,818	2,050,000	397,643	2,420,466	473,461
2034-2038	53,810	1,892	2,815,000	222,630	2,868,810	224,522
2039-2042	-	-	240,000	8,760	240,000	8,760
	<u>\$ 764,487</u>	<u>\$ 295,270</u>	<u>\$ 7,750,000</u>	<u>\$ 1,310,088</u>	<u>\$ 8,514,487</u>	<u>\$ 1,605,358</u>

Compensated absences liability at September 30, 2023 are as follows:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023
<u>Governmental activities</u>				
Compensated absences	\$ 349,404	\$ 365,582	\$ 347,579	\$ 367,407
<u>Business-type activities</u>				
Compensated absences	\$ 233,653	\$ 243,516	\$ 218,653	\$ 258,516
Total government-wide	\$ 583,057	\$ 609,098	\$ 566,233	\$ 625,922

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

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 \$2,970,000. The debt is secured by specific real estate.

The City has outstanding notes from direct borrowing and direct placement related to government activities for the Cobblestone Tax Increment Financing project in the amount of \$764,487. This debt is secured by specific real estate and personal guarantees.

There are various bonds issued for tax increment financing projects within the City. These bonds are limited obligations payable exclusively from taxes levied against certain property in specified areas. These bonds are not general obligations of the CDA or the City, and are not included in the City's financial statements. The accumulation of resources to pay these bonds is accounted for in the nonmajor funds of the City's financial statements.

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	\$ 1,949,200	\$ 300,222
Street Fund	477,024	
Downtown Development Fund	-	288,799
LB840	108,799	
Nonmajor Funds	105,150	526,224
Internal Service Funds	-	-
Electric Fund	-	2,239,826
Golf Fund	279,826	-
Leasing Corp	255,072	-
Civic Center Fund	180,000	-
Total Transfers	<u>\$ 3,355,071</u>	<u>\$ 3,355,071</u>

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

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

Loans – Make loans from one fund to another for various purposes the following schedule summarizes interfund loans as of September 30, 2023.

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. 1,200,000

The City’s Electric Fund made a loan to the Golf Fund to meet short-term cash shortages experienced by the Golf Fund. 222,872

Transactions – The City is committed under intra-entity lease agreements 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 recorded as lease expense in the General Fund and Lease Revenue in the Leasing Corporation Fund. All transactions from this agreement have been eliminated on the financial statements except the remaining debt.

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

September 30,	Golf Fund Lease	General Fund Lease	Total
2024	130,000	160,000	290,000
2025	130,000	165,000	295,000
2026	-	170,000	170,000
2027	-	175,000	175,000
2028-2031	-	750,000	750,000
2031-2038	-	1,550,000	1,550,000
	\$ 260,000	\$ 2,970,000	\$ 3,230,000

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

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, 2023, 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, 2023, cumulative contributions and revenues in excess of claims and expense were \$2,909,344, 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 believes claims of this nature, if any, will be immaterial.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

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 \$193,524 and \$199,503 by the City and plan participants, respectively. There are 68 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 \$100,788 and \$102,239 by the City and plan participants, respectively. There are 20 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 \$11,555 and \$6,533 by the City and plan participants, respectively. There is 1 participant in the plan.

NOTE 12 - 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 2022-2023 are recorded as revenue when expected to be collected within 60 days after September 30, 2023. 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 2022 tax levy, for the 2022-2023 fiscal year, was \$1,907,582 with a tax rate per \$100 valuation of 0.342697 for general levy. The assessed value upon which the 2022 general levy was based was \$556,637,952.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 13 - COMMITMENTS

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

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

The City has entered into a supply agreement with the City of Lyman to provide solid waste collection and disposal services effective through February 28, 2027.

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

Construction – The City is party to two contracts for the demolition, upgrade and replacement of the ballpark electrical substation located near 13th and J Streets. The City will use cash equity of the Electric Fund to fund the construction project.

	<u>Contract Amount</u>	<u>Paid Through 09/30/2023</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
Electric Fund				
Engineering	\$ 264,000	\$ 252,320	\$ 11,680	Sept 2024
Materials	1,053,108	1,399,374	-	Sept 2024
Construction	<u>856,830</u>	<u>851,045</u>	<u>5,788</u>	Sept 2024
Total Contractual Commitment	<u>\$ 2,173,938</u>	<u>\$ 2,502,739</u>	<u>\$ 17,468</u>	

Construction – The City is party to four contracts for construction of pickleball courts, sidewalk and parking near Geil Elementary School on 17th Street. The City will use cash equity of the KENO Fund to fund the construction project.

	<u>Contract Amount</u>	<u>Paid Through 09/30/2023</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
KENO Fund				
Engineering	\$ 5,965	\$ 10,870	\$ -	Sept 2024
Lighting	56,000	21,941	34,059	Sept 2024
Construction	<u>489,126</u>	<u>545,902</u>	<u>-</u>	Sept 2024
Total Contractual Commitment	<u>\$ 551,091</u>	<u>\$ 578,714</u>	<u>\$ 34,059</u>	

NOTE 14 – 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.

CITY OF GERING
Gering, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023

NOTE 15 – 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 post-closure 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 post-closure care costs as an operating expense in each period base on landfill capacity used as of each balance sheet date. The \$2,346,635 reported as landfill closure and post-closure cost liability at September 30, 2023, represents the cumulative amount reported to date on an amount that will satisfy the expected liability at the expected closure date in the year 2026. The estimated cost of closure and post-closure were re-estimated for current costs and current standards to \$2,346,635 as of September 30, 2023. Actual post-closure costs may be higher due to inflation, changes in technology, or changes in regulations.

The City does an annual survey to determine the amount of remaining airspace or capacity. Then the remaining life of the landfill is calculated based on historical volumes of waste received. As of September 30, 2023, it was calculated that the landfill has a minimum of four years left. This number could change if the amount of waste received is significantly higher or lower than historical averages.

NOTE 16 – ECONOMIC DEVELOPMENT REAL ESTATE

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, 2023, the City holds two properties for this purpose at a total cost of \$1,352,908.

NOTE 17 – TAX ABATEMENTS

As of September 30, 2023, the City provided tax abatements through the Tax Increment Financing (TIF) program. The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in Neb. Rev. Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a development plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period. Currently, the City has Developer TIF bonds that extend through December 31, 2036. For the year ended September 30, 2023, the City abated \$70,222 in property tax revenue under the tax increment financing program.

NOTE 18 – DEFICIT FUND BALANCE AND NET POSITION

The Golf Fund carries a deficit unrestricted net position of \$270,575 primarily as a result of a long-term lease obligation to the Leasing Corporation Fund.

NOTE 19 – AMERICAN RESCUE PLAN

The City received American Rescue Plan funds in the amount of \$1,438,556 to cover necessary expenditures due to the public health emergency with respect to the pandemic. As of September 30, 2023, the City has not spent any of these funds but has restricted the full amount in restricted cash. According to the Act, these funds must be obligated by December 31, 2024 and expended no later than December 31, 2026 unless a Surface and Transportation project, which is no later than September 30, 2026. The City does not anticipate using these funds for eligible expenditures within the period of performance required. If the City does not spend these funds in accordance with the Act requirements, there is a potential that the City would have to pay these funds back.

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,642,263	\$ 2,642,263	\$ 2,778,413	\$ 136,150
Intergovernmental	520,423	520,423	546,473	26,050
Local	2,290,473	2,290,473	2,528,214	237,741
Total revenues	<u>5,453,159</u>	<u>5,453,159</u>	<u>5,853,100</u>	<u>399,942</u>
Expenditures:				
General government	1,195,052	1,195,052	1,148,971	46,080
Public safety - Police and Fire	3,149,006	3,149,006	2,801,358	347,648
Public works - Other	103,173	103,173	100,262	2,911
Culture and recreation	1,141,648	1,141,648	1,098,156	43,492
Total expenditures	<u>5,588,879</u>	<u>5,588,879</u>	<u>5,148,748</u>	<u>440,131</u>
Excess revenues over (under) expenditures	\$ <u>(135,720)</u>	\$ <u>(135,720)</u>	704,352	\$ <u>840,073</u>
Fund balances, October 1			<u>2,763,662</u>	
Fund balances, September 30			\$ <u>3,468,014</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	\$ 1,555,500	\$ 1,555,500	\$ 1,906,958	\$ 351,458
Total revenues	<u>1,555,500</u>	<u>1,555,500</u>	<u>1,906,958</u>	<u>351,458</u>
Expenditures:				
Community development	<u>2,258,000</u>	<u>2,258,000</u>	<u>2,314,245</u>	<u>(56,245)</u>
Total expenditures	<u>2,258,000</u>	<u>2,258,000</u>	<u>2,314,245</u>	<u>(56,245)</u>
Excess revenues over (under) expenditures	\$ <u><u>(702,500)</u></u>	\$ <u><u>(702,500)</u></u>	(407,287)	\$ <u><u>295,213</u></u>
Fund balances, October 1			<u>1,452,078</u>	
Fund balances, September 30			\$ <u><u>1,044,791</u></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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 380,000	\$ 380,000	\$ 479,918	\$ 99,918
Intergovernmental	1,349,884	1,349,884	1,411,822	61,938
Local	481,524	481,524	568,825	87,301
Total revenues	<u>2,211,408</u>	<u>2,211,408</u>	<u>2,460,565</u>	<u>249,157</u>
Expenditures:				
Public works - Streets	<u>2,355,236</u>	<u>2,355,236</u>	<u>2,000,718</u>	<u>354,519</u>
Total expenditures	<u>2,355,236</u>	<u>2,355,236</u>	<u>2,000,718</u>	<u>354,519</u>
Excess revenues over (under) expenditures	\$ <u><u>(143,828)</u></u>	\$ <u><u>(143,828)</u></u>	459,847	\$ <u><u>603,676</u></u>
Fund balances, October 1			<u>1,004,595</u>	
Fund balances, September 30			\$ <u><u>1,464,442</u></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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 300,000	\$ 300,000	\$ 312,533	\$ 12,533
Intergovernmental	150,000	150,000	-	(150,000)
Local	217,227	217,227	291,179	73,952
Total revenues	<u>667,227</u>	<u>667,227</u>	<u>603,712</u>	<u>(63,515)</u>
Expenditures:				
Economic Development	1,355,761	1,355,761	444,072	911,689
Total expenditures	<u>1,355,761</u>	<u>1,355,761</u>	<u>444,072</u>	<u>911,689</u>
Excess revenues over (under) expenditures	\$ <u>(688,534)</u>	\$ <u>(688,534)</u>	159,641	\$ <u>848,174</u>
Fund balances, October 1			<u>1,009,158</u>	
Fund balances, September 30			\$ <u>1,168,799</u>	

See accompanying notes.

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
DOWNTOWN DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 360,000	\$ 360,000	\$ 481,310	\$ 121,310
Intergovernmental	-	-	-	-
Local	69,600	69,600	25,992	(43,608)
Total revenues	<u>429,600</u>	<u>429,600</u>	<u>507,303</u>	<u>77,703</u>
Expenditures:				
Economic Development	1,019,619	1,019,619	345,166	674,453
Total expenditures	<u>1,019,619</u>	<u>1,019,619</u>	<u>345,166</u>	<u>674,453</u>
Excess revenues over (under) expenditures	\$ <u>(590,019)</u>	\$ <u>(590,019)</u>	162,136	\$ <u>752,156</u>
Fund balances, October 1			<u>105,110</u>	
Fund balances, September 30			\$ <u><u>267,246</u></u>	

See accompanying notes.

CITY OF GERING
Gering, Nebraska

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

September 30, 2023

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 30, 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 Administrator 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, 2023, 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>	<u>Downtown Development</u>
Net change in fund balances:					
Balance on a GAAP basis	\$ 521,230	\$ (435,673)	\$ 478,212	\$ 165,777	\$ 164,717
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	183,122	28,386	(18,365)	(6,136)	(2,581)
Balance on a budget basis	<u>\$ 704,352</u>	<u>\$ (407,287)</u>	<u>\$ 459,847</u>	<u>\$ 159,641</u>	<u>\$ 162,136</u>

CITY OF GERING
Gering, Nebraska

OTHER SUPPLEMENTARY INFORMATION

**CITY OF GERING, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Economic Development Fund	CDBG Fund	Debt Service Fund	Capital Sinking Fund
ASSETS				
Cash	\$ 84,394	\$ 91,472	\$ 4,148	\$ 31,629
Cash - County Treasurer	-	-	1,090	-
Investments	140,377	-	628,528	934,634
Receivables				
Property and sales tax	-	-	-	-
Accounts and grants	3,750	-	-	-
Interest	166	-	751	1,118
Notes receivable	<u>1,286,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted assets				
Cash and certificates of deposit	<u>291,323</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,806,760</u>	<u>\$ 91,472</u>	<u>\$ 634,517</u>	<u>\$ 967,381</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued state and sales tax	-	-	-	-
Accrued wages	-	-	-	-
Accrued payroll expense	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - notes receivable	<u>1,286,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflow of resources	<u>1,286,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for				
Economic development	386,155	91,472	-	-
Public safety	-	-	-	387,932
American Rescue Plan	-	-	-	-
Committed				
Debt service	-	-	634,517	-
Economic development	133,855	-	-	-
Public safety	-	-	-	-
Tourism and recreation	-	-	-	-
Assigned				
Capital improvements	-	-	-	579,449
Unassigned	-	-	-	-
Total fund balances	<u>520,010</u>	<u>91,472</u>	<u>634,517</u>	<u>967,381</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,806,760</u>	<u>\$ 91,472</u>	<u>\$ 634,517</u>	<u>\$ 967,381</u>

Tourism Fund	RV Park Fund	Capital Projects Fund	Public Safety Fund	Special Projects Fund	Total Nonmajor Governmental Funds
\$ 493,981	\$ 163,793	\$ 123,441	\$ (214,452)	\$ 153,332	\$ 931,738
-	-	-	11,948	-	13,038
464,238	73,149	434,666	214,141	-	2,889,733
41,188	-	102,970	25,754	-	169,912
460	3,526	-	-	-	7,736
552	91	519	258	797	4,252
-	-	-	-	-	1,286,750
-	-	-	-	1,438,556	1,729,879
<u>\$ 1,000,419</u>	<u>\$ 240,559</u>	<u>\$ 661,596</u>	<u>\$ 37,649</u>	<u>\$ 1,592,685</u>	<u>\$ 7,033,038</u>
\$ 7,854	\$ 4,203	\$ -	\$ 13,562	\$ -	\$ 25,619
-	-	-	-	-	-
3,594	470	-	-	-	4,064
284	129	-	-	-	413
<u>11,732</u>	<u>4,802</u>	<u>-</u>	<u>13,562</u>	<u>-</u>	<u>30,096</u>
-	-	-	21,926	-	21,926
-	-	-	-	-	1,286,750
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,926</u>	<u>-</u>	<u>1,308,676</u>
-	-	-	-	-	477,627
-	-	-	-	-	387,932
-	-	-	-	1,438,556	1,438,556
-	-	-	-	-	634,517
-	-	-	-	-	133,855
-	-	-	2,159	-	2,159
988,687	235,757	-	-	-	1,224,444
-	-	661,596	-	154,129	1,395,174
-	-	-	2	-	2
<u>988,687</u>	<u>235,757</u>	<u>661,596</u>	<u>2,161</u>	<u>1,592,685</u>	<u>5,694,266</u>
<u>\$ 1,000,419</u>	<u>\$ 240,559</u>	<u>\$ 661,596</u>	<u>\$ 37,649</u>	<u>\$ 1,592,685</u>	<u>\$ 7,033,038</u>

**CITY OF GERING, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Economic Development Fund	CDBG Fund	Debt Service Fund	Capital Sinking Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
REVENUES				
Taxes	\$ 20,759	\$ -	\$ 379,233	\$ -
Sales tax	-	-	-	-
Intergovernmental and grants	-	134,598	-	-
Charges for services	-	-	-	-
Interest income	12,152	-	17,337	54,991
Other revenue	-	-	13,145	26,000
Total revenues	<u>32,911</u>	<u>134,598</u>	<u>409,715</u>	<u>80,991</u>
EXPENDITURES				
Current				
General government	-	-	280,681	27,295
Public safety	-	-	-	-
Culture and recreation	-	-	13,356	-
Economic development	361,208	134,608	-	-
Capital outlay	-	-	-	647,977
Debt service				
Principal	-	-	55,137	-
Interest	-	-	56,435	-
Total expenditures	<u>361,208</u>	<u>134,608</u>	<u>405,609</u>	<u>675,272</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(328,297)</u>	<u>(10)</u>	<u>4,106</u>	<u>(594,281)</u>
OTHER FINANCING SOURCES (USES)				
Payments received on loan	398,625	-	-	-
Insurance proceeds	-	-	-	-
Operating transfers in	60,000	-	-	45,150
Operating transfers out	-	-	(49,200)	-
Total other financing sources (uses)	<u>458,625</u>	<u>-</u>	<u>(49,200)</u>	<u>45,150</u>
NET CHANGE IN FUND BALANCES	130,328	(10)	(45,094)	(549,131)
FUND BALANCES, beginning of year	<u>389,682</u>	<u>91,482</u>	<u>679,611</u>	<u>1,516,512</u>
FUND BALANCES, end of year	<u>\$ 520,010</u>	<u>\$ 91,472</u>	<u>\$ 634,517</u>	<u>\$ 967,381</u>

	Tourism Fund	RV Park Fund	Capital Projects Fund	Public Safety Fund	Special Projects Fund	Total Nonmajor Governmental Funds
\$	-	\$ -	\$ -	\$ 286,223	\$ -	\$ 686,215
	361,480	-	586,544	-	-	948,024
	-	-	-	-	-	134,598
	4,268	179,901	-	-	-	184,169
	35,215	7,149	20,590	14,428	61,916	223,778
	21,050	425	-	-	-	60,620
	<u>422,013</u>	<u>187,475</u>	<u>607,134</u>	<u>300,651</u>	<u>61,916</u>	<u>2,237,404</u>
	-	-	4,425	-	49,201	361,602
	-	-	-	45,797	-	45,797
	212,913	57,191	-	-	9,854	293,314
	-	-	-	-	-	495,816
	-	-	-	679,487	8,273	1,335,737
	-	-	-	-	-	55,137
	-	-	-	-	-	56,435
	<u>212,913</u>	<u>57,191</u>	<u>4,425</u>	<u>725,284</u>	<u>67,328</u>	<u>2,643,838</u>
	<u>209,100</u>	<u>130,284</u>	<u>602,709</u>	<u>(424,633)</u>	<u>(5,412)</u>	<u>(406,434)</u>
	-	-	-	-	-	398,625
	-	-	-	-	55,526	55,526
	-	-	-	-	-	105,150
	-	-	(477,024)	-	-	(526,224)
	-	-	<u>(477,024)</u>	-	<u>55,526</u>	<u>33,077</u>
	209,100	130,284	125,685	(424,633)	50,114	(373,357)
	<u>779,587</u>	<u>105,473</u>	<u>535,911</u>	<u>426,792</u>	<u>1,542,571</u>	<u>6,067,621</u>
\$	<u><u>988,687</u></u>	<u><u>235,757</u></u>	<u><u>661,596</u></u>	<u><u>2,159</u></u>	<u><u>1,592,685</u></u>	<u><u>5,694,264</u></u>



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

Independent Auditors' Report

To the Honorable Mayor, City Council
And City Administrator
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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial reports. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of finding and response as item 2023-001.

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Conruman Associates PC
Certified Public Accountants
Scottsbluff, Nebraska

June 19, 2024

CITY OF GERING, NEBRASKA

SCHEDULE OF FINDING AND RESPONSE

September 30, 2023

2023-001 Noncompliance - Submission of Audited Financial Statements

Criteria

Nebraska state statutes require that audited financial statements be completed and submitted to the State of Nebraska within six months of the City's fiscal year end.

Condition and Context

The City did not complete and submit audited financial statements to the State of Nebraska within six months of the City's fiscal year end.

Cause

The City experienced turnover in the Finance Director position and even though the prior year Finance Director was present for the majority of the year, it was difficult for the new Finance Director to completely understand and undertake the year end closing procedures and prepare the financial statements.

Effect or Potential Effect

The City did not meet the state statute requirements and if not filed as quickly as possible, there is potential the State could withhold funding.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the City provide training and assistance to the new Finance Director in order to help her grow and understand governmental accounting and financial statement preparation.

Management Response

The City agrees with the finding and acknowledges the importance of educating and assisting the Finance Director in order for her to perform year end procedures and prepare or understand the financial statements of the City.