

CITY OF HASTINGS, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2024

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet -	
Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances - Governmental Funds to the Statement of Activities	20
Statement of Fund Net Position - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Position -	
Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Notes to Financial Statements	25
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	85
Street Fund	87
Museum Fund	88
Debt Service Fund	89
Note to Required Supplementary Information	90
Schedule of Funding Progress - Public Safety Employees	
Retirement System	91
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes	
in Fund Balances - Nonmajor Governmental Funds	94
Combining Statement of Net Position – Internal Service Funds	96
Combining Statement of Revenues, Expenses, and Changes in Net Position –	
Internal Service Funds	97
Combining Statement of Cash Flows – Internal Service Funds	98
SINGLE AUDIT REPORTS	
Schedule of Expenditures of Federal Awards	99
Independent Auditor’s Report on Internal Control Over Financial Reporting	
and on Compliance and Other Matters Based on an Audit of Financial	
Statements Performed in Accordance with <i>Government Auditing Standards</i>	101
Independent Auditor’s Report on Compliance for Each Major Program and on	
Internal Control Over Compliance Required by the Uniform Guidance	103
Schedule of Findings and Questioned Costs	106
Summary Schedule of Prior Audit Findings	108
Corrective Action Plan	109

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of September 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hastings, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note A, the financial statements referred to above include only the primary government of the City of Hastings, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These financial statements also include the Hastings Community Redevelopment Authority, a discretely presented component unit, of the City of Hastings, Nebraska.

These financial statements do not include financial data for two of the City's legally separate component units (the Hastings Library Foundation, Inc. and the Hastings Museum Foundation, Inc.), which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

a result, the accompanying financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Hastings, as of September 30, 2024, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Library Foundation, Inc., as of and for the year ended December 31, 2023, and our report thereon, dated October 18, 2024, expressed an unmodified opinion on those financial statements.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Museum Foundation, Inc., as of and for the year ended December 31, 2023, and our report thereon, dated May 6, 2024, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hastings, Nebraska's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hastings, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress – public safety employees retirement system on pages 6-14 and 85-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the City of Hastings, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hastings' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hastings, Nebraska's internal control over financial reporting and compliance.

AMGLIC.

Grand Island, Nebraska
February 5, 2025

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hastings, we offer readers of the City of Hastings financial statements this narrative overview and analysis of the financial activities of the City of Hastings for the fiscal year ended September 30, 2024.

Financial Highlights

- The assets of the City of Hastings exceeded its liabilities at the close of the most recent fiscal year by \$389,613,675 (*net position*). Of this amount, \$85,095,445 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Hastings governmental funds reported combined ending net position of \$129,902,945. Approximately 28.5 percent of this total amount, \$37,059,500 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,363,674, or 77.2 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Hastings' basic financial statements. The City of Hastings' 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 required and supplementary information in addition to the basic financial statements themselves.

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

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

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

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

Both of the government-wide financial statements distinguish functions of the City of Hastings that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Hastings include general government, public safety, highways and streets, sanitation, economic development, and cultural activities and recreation. The business-type activities of the City of Hastings include the Landfill, Electric, and Combined System Utilities Fund (which provides gas, water, and sewer services).

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

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

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

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

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

The City of Hastings maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the Museum Fund, and the Debt Service Fund all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

The City of Hastings adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, Museum, and Debt Service Funds to demonstrate compliance with this budget.

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

Proprietary funds. The City of Hastings maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Hastings uses enterprise funds to account for its Landfill, Electric and Combined System Utilities Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Hastings' various functions. The City of Hastings uses internal service funds to account for its employee health insurance and IT services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 21-24 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 25-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Hastings' budgetary comparison schedules and schedule of funding progress for the public safety retirement system. Required supplementary information can be found on pages 85-91 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 92-98 of this report.

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Hastings, assets exceeded liabilities by \$389,613,675 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2024			September 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 62,312,968	\$ 67,130,597	\$ 129,443,565	\$ 62,447,170	\$ 90,395,623	\$ 152,842,793
Capital Assets	78,303,390	219,837,842	298,141,232	76,503,319	191,855,795	268,359,114
Total Assets	140,616,358	286,968,439	427,584,797	138,950,489	282,251,418	421,201,907
Long-term Liabilities	5,814,185	17,240,462	23,054,647	5,847,124	17,480,193	23,327,317
Other Liabilities	4,899,228	10,017,247	14,916,475	4,935,871	9,805,182	14,741,053
Total Liabilities	10,713,413	27,257,709	37,971,122	10,782,995	27,285,375	38,068,370
Net Position:						
Net Investment in						
Capital Assets	74,324,013	210,755,234	285,079,247	71,858,175	182,556,736	254,414,911
Restricted	18,519,432	919,551	19,438,983	16,565,434	592,072	17,157,506
Unrestricted	37,059,500	48,035,945	85,095,445	39,743,885	71,817,235	111,561,120
Total Net Position	\$ 129,902,945	\$ 259,710,730	\$ 389,613,675	\$ 128,167,494	\$ 254,966,043	\$ 383,133,537

By far, the largest portion of the City of Hastings' net position (73.2 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Hastings uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Hastings' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hastings' net position (5.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$85,095,445) may be used to meet the government's ongoing obligations to citizens and creditors.

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

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 4,147,337	\$ 10,056,061	\$ 8,098,258	\$ 9,118,769
Public Safety	1,284,920	12,020,626	1,115,149	10,161,400
Public Works	1,597,152	5,095,641	2,118,026	5,414,487
Environment & Leisure	2,333,038	7,469,658	1,697,201	7,018,892
Interest and Bond Fees	-	68,864	-	74,904
Depreciation	-	4,794,984	-	4,701,577
Total	<u>\$ 9,362,447</u>	<u>\$ 39,505,834</u>	<u>\$ 13,028,634</u>	<u>\$ 36,490,029</u>

Revenues by Source - Governmental Activities

	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 6,803,185	16.50 %	\$ 6,702,407	15.65 %
Operating Grants & Contributions	868,324	2.10	1,427,142	3.33
Capital Grants & Contributions	1,690,938	4.10	4,899,085	11.44
Property Taxes	8,099,820	19.64	7,479,229	17.47
Motor Vehicle Taxes	625,810	1.52	610,553	1.43
Wheel Tax	391,724	0.95	390,455	0.91
Payments in Lieu of Taxes	3,781,541	9.17	3,967,591	9.27
Occupation Taxes	348,812	0.85	322,439	0.75
Sales Tax	9,687,672	23.49	9,409,157	21.97
Franchise Taxes	374,760	0.91	400,069	0.94
State Allocation	4,918,886	11.93	4,827,577	11.27
Keno	224,774	0.54	261,500	0.61
Special Assessments	1,105,901	2.68	262,057	0.61
Miscellaneous	38,674	0.09	96,343	0.22
Interest	2,280,464	5.53	1,767,016	4.13
Loss on Sale of Assets	-	-	(1,083)	-
Total	<u>\$ 41,241,285</u>	<u>100.00 %</u>	<u>\$ 42,821,537</u>	<u>100.00 %</u>

Net position increased \$1,735,451 in the governmental funds during the year ended September 30, 2024.

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

Business-type activities. Business-type activities increased the City of Hastings' net position by \$4,744,687, accounting for 73.2 percent of the total growth in the government's net position for the year ended September 30, 2024. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Landfill	\$ 2,719,100	\$ 2,193,204	\$ 2,660,734	\$ 1,949,686
Electric	55,339,155	58,406,765	59,092,646	60,526,844
Combined System Utilities	26,150,591	22,336,215	28,383,407	26,464,149
Total	<u>\$ 84,208,846</u>	<u>\$ 82,936,184</u>	<u>\$ 90,136,787</u>	<u>\$ 88,940,679</u>

Revenues by Source - Business-type Activities

	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 82,760,167	94.39 %	\$ 89,896,048	96.24 %
Operating Grants & Contributions	329,051	0.38	-	-
Capital Grants & Contributions	1,119,628	1.28	240,739	0.26
Miscellaneous	1,331,399	1.52	969,019	1.04
Interest	2,504,535	2.86	2,741,235	2.93
Loss on Disposal of Assets	(363,909)	(0.42)	(442,187)	(0.47)
Total	<u>\$ 87,680,871</u>	<u>100.00 %</u>	<u>\$ 93,404,854</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Hastings' governmental funds reported combined ending fund balances of \$47,354,158. Approximately 36.6 percent of this total amount (\$17,353,715) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) placed in a nonspendable endowment for cemetery perpetual care (\$92,783), 2) restricted for street improvements (\$11,445,851), 3) restricted for federal programs (\$916,288), 4) restricted for capital projects (\$1,949,667), 5) restricted for debt service (\$1,668,354), 6) restricted

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

for the Aquatic Center (\$257,507), 7) restricted for museum projects (\$1,703,575), 8) restricted for community betterment (\$406,464), 9) restricted for other purposes (\$78,943), 10) assigned for budgetary stabilization (\$6,733,197), 11) assigned for equipment replacement (\$313,188), or 12) assigned for a variety of other purposes (\$4,434,626).

The General Fund is the chief operating fund of the City of Hastings. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18,363,674, while total fund balance reached \$25,096,871. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 77.2 percent of total General Fund expenditures, while total fund balance represents 105.6 percent of that same amount.

The fund balance of the City of Hastings' General Fund decreased by \$607,044 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year were as follows: Landfill Fund - \$6,124,361, Electric Fund - \$20,850,892, and Combined System Utilities Fund – \$21,060,692. The change in net position for the proprietary funds was as follows: Landfill Fund – increase of \$1,019,065, Electric Fund – decrease of \$1,135,218, and Combined System Utilities Fund – increase of \$4,860,840. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Hastings' business-type activities.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget for the City of Hastings.

Capital Assets. The City of Hastings' investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$298,141,232 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Major capital asset projects during the year ended September 30, 2024, included:

- Construction in progress on city office remodeling project - \$632,866
- Lake View and 10th infrastructure improvements - \$375,357
- M Street paving project - \$319,029
- Construction in progress on Hastings Southeast street project donated by NDOT - \$628,048
- Construction in progress on Quiet Zone project - \$485,181
- Construction in progress on Parkview Cemetery paving project (Phase IV) - \$354,639
- 2023 RAM ambulance - \$334,242
- Land for future landfill expansion - \$484,595
- Landfill compactor - \$1,117,000
- Gas mains and services - \$1,103,255

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

- Vactor Ramjet truck - \$358,369
- Pump station to increase Maxon load - \$519,146
- NDS garage - \$978,650
- Water mains - \$5,324,136
- Fire hydrants - \$345,802
- Land purchased by Electric Fund - \$969,191
- Electric distribution poles, conductor, and underground improvements - \$2,842,755
- Electric line transformers - \$436,115
- Freightliner digger derrick - \$301,366
- WEC coal transfer tower - \$877,369
- Upgrade DCS – NDS units 4 and 5 - \$1,124,355
- Unit 5 tower structure - \$723,372
- NDS plant roof - \$319,913
- Construction in progress on electric projects - \$16,753,444
- Construction in progress on sewer projects - \$1,253,067

City of Hastings' Capital Assets
(net of depreciation)

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	\$ 210,164	\$ 7,234,360	\$ 7,444,524	\$ 210,164	\$ 6,265,168	\$ 6,475,332
Construction						
in Progress	4,496,922	45,810,489	50,307,411	3,411,991	30,727,924	34,139,915
Infrastructure	44,006,155	-	44,006,155	44,469,565	-	44,469,565
Buildings & Equipment	29,590,149	-	29,590,149	28,411,599	-	28,411,599
Landfill	-	7,831,881	7,831,881	-	7,167,671	7,167,671
Electric	-	65,130,352	65,130,352	-	61,624,321	61,624,321
Electric Non-Utility						
Plant	-	6,568,610	6,568,610	-	7,178,546	7,178,546
Gas	-	3,040,528	3,040,528	-	1,392,034	1,392,034
Water	-	49,877,843	49,877,843	-	44,584,439	44,584,439
Pollution Control	-	29,266,100	29,266,100	-	29,133,103	29,133,103
Administrative	-	5,077,679	5,077,679	-	3,782,589	3,782,589
Total	<u>\$ 78,303,390</u>	<u>\$ 219,837,842</u>	<u>\$ 298,141,232</u>	<u>\$ 76,503,319</u>	<u>\$ 191,855,795</u>	<u>\$ 268,359,114</u>

Additional information on the City of Hastings' capital assets can be found in Note C4 on pages 51-54 of this report.

Long-term debt. At the end of the current fiscal year, the City of Hastings had total long-term debt outstanding of \$13,061,985. Of this amount, \$3,841,217 comprises debt backed by the full faith and credit of the government. The remainder of the City of Hastings' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and notes payable and financing agreements.

CITY OF HASTINGS, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2024

City of Hastings' Outstanding Debt

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Obligation						
Bonds	\$ 3,841,217	\$ -	\$ 3,841,217	\$ 4,252,194	\$ -	\$ 4,252,194
Revenue Bonds	-	6,910,000	6,910,000	-	6,910,000	6,910,000
Note Payable	138,160	2,172,608	2,310,768	175,840	2,139,365	2,315,205
Financing Agreements	-	-	-	217,110	249,694	466,804
Total	<u>\$ 3,979,377</u>	<u>\$ 9,082,608</u>	<u>\$ 13,061,985</u>	<u>\$ 4,645,144</u>	<u>\$ 9,299,059</u>	<u>\$ 13,944,203</u>

The City of Hastings' total debt decreased by \$882,218 (6.3 percent) during the current fiscal year due to scheduled principal payments. Also, the City issued \$170,935 of NDEE water notes payable.

Additional information on the City of Hastings' long-term debt can be found in Note C6 on pages 54-63 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's Enterprise Funds maintained strong cash positions and the City has been able to keep up with the increasing costs of operations.

- Property tax asking for the year ending September 30, 2025 of \$8,445,921 is \$320,155 (3.9 percent) higher than the prior year. The property valuation increased 11.7 percent over the prior year.
- At September 30, 2024, the City had contractual commitments totaling \$15,550,051 on 29 different capital projects, 27 of which are expected to be completed during the next fiscal year.

All of these factors were considered in preparing the City of Hastings' budget for the 2025 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City of Hastings' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Hastings, 220 N Hastings, Hastings, NE 68901.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2024

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 31,673,650	\$ 29,094,232	\$ 60,767,882	\$ 1,245,014
Certificates of deposit	2,904,460	12,948,438	15,852,898	-
County treasurer cash	471,679	-	471,679	38,591
Receivables:				
Accounts, net of allowance for doubtful accounts	989,468	10,204,278	11,193,746	-
Special assessments	1,978,874	-	1,978,874	-
Current portion of note receivable	-	-	-	168,500
Current portion of TIF receivables	-	-	-	1,217,807
Interest	141,538	266,800	408,338	-
Property tax	201,929	-	201,929	12,370
Due from (to) other funds	3,781,542	(3,781,542)	-	-
Due from other governments	1,842,333	-	1,842,333	-
Inventory	33,423	11,964,136	11,997,559	-
Total current assets	44,018,896	60,696,342	104,715,238	2,682,282
Noncurrent assets:				
Restricted cash and cash equivalents	17,414,072	1,932,401	19,346,473	95,464
Restricted certificates of deposit	880,000	4,501,854	5,381,854	-
Noncurrent portion of note receivable	-	-	-	2,303,683
Noncurrent portion of TIF receivables	-	-	-	9,058,935
Property held for resale	-	-	-	1,058,627
Capital assets:				
Land	210,164	7,234,360	7,444,524	-
Construction in progress	4,496,922	45,810,489	50,307,411	-
Other capital assets, net of depreciation	73,596,304	166,792,993	240,389,297	204,699
Net capital assets	78,303,390	219,837,842	298,141,232	204,699
Total noncurrent assets	96,597,462	226,272,097	322,869,559	12,721,408
Total assets	140,616,358	286,968,439	427,584,797	15,403,690
LIABILITIES				
Current liabilities:				
Accounts payable	1,503,038	7,578,795	9,081,833	22,018
Accrued wages	488,934	758,306	1,247,240	-
Accrued interest	14,517	44,063	58,580	-
Sales tax payable	-	257,991	257,991	-
Customer deposits	5,577	549,710	555,287	-
Claims incurred not paid	356,498	-	356,498	-
Unavailable property tax and assessments	2,080,308	-	2,080,308	6,223
Current portion of TIF payables	-	-	-	1,167,021
Current portion of long-term obligations	450,356	828,382	1,278,738	6,962
Total current liabilities	4,899,228	10,017,247	14,916,475	1,202,224
Noncurrent liabilities:				
Compensated absences - noncurrent	2,285,164	3,865,607	6,150,771	-
Closure/post-closure liability	-	5,120,629	5,120,629	-
Noncurrent portion of TIF payables	-	-	-	8,943,735
Noncurrent portion of long-term obligations	3,529,021	8,254,226	11,783,247	92,282
Total noncurrent liabilities	5,814,185	17,240,462	23,054,647	9,036,017
Total liabilities	10,713,413	27,257,709	37,971,122	10,238,241
NET POSITION				
Net investment in capital assets	74,324,013	210,755,234	285,079,247	204,699
Restricted for:				
Debt service	1,668,354	-	1,668,354	-
Landfill closure/post-closure costs	-	919,551	919,551	-
Perpetual care - permanent	92,783	-	92,783	-
Street improvements	11,445,851	-	11,445,851	-
Federal programs	916,288	-	916,288	-
Capital projects	1,949,667	-	1,949,667	-
Economic development	-	-	-	95,464
Downtown projects	-	-	-	-
Aquatic Center	257,507	-	257,507	-
Museum projects	1,703,575	-	1,703,575	-
Community betterment	406,464	-	406,464	-
Other purposes	78,943	-	78,943	-
Unrestricted	37,059,500	48,035,945	85,095,445	4,865,286
Total net position	\$ 129,902,945	\$ 259,710,730	\$ 389,613,675	\$ 5,165,449

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 10,056,061	\$ 3,915,943	\$ 231,394
Public safety	12,020,626	891,616	322,378
Public works	5,095,641	831,545	-
Environment and leisure	7,469,658	1,164,081	314,552
Interest and fees on long-term debt	68,864	-	-
Depreciation	4,794,984	-	-
Total governmental activities	<u>39,505,834</u>	<u>6,803,185</u>	<u>868,324</u>
Business-type activities:			
Landfill	2,193,204	2,668,944	50,156
Electric	58,406,765	54,710,965	-
Combined System Utilities	22,336,215	25,380,258	278,895
Total business-type activities	<u>82,936,184</u>	<u>82,760,167</u>	<u>329,051</u>
Total primary government	<u><u>\$ 122,442,018</u></u>	<u><u>\$ 89,563,352</u></u>	<u><u>\$ 1,197,375</u></u>
Component unit:			
Community Redevelopment Authority	<u><u>\$ 805,546</u></u>	<u><u>\$ 37,310</u></u>	<u><u>\$ 543,058</u></u>

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position				
Capital Grants and Contributions	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (5,908,724)		\$ (5,908,724)	
70,926	(10,735,706)		(10,735,706)	
765,607	(3,498,489)		(3,498,489)	
854,405	(5,136,620)		(5,136,620)	
-	(68,864)		(68,864)	
-	(4,794,984)		(4,794,984)	
1,690,938	(30,143,387)	\$ -	(30,143,387)	
-	-	525,896	525,896	
628,190	-	(3,067,610)	(3,067,610)	
491,438	-	3,814,376	3,814,376	
1,119,628	-	1,272,662	1,272,662	
\$ 2,810,566	(30,143,387)	1,272,662	(28,870,725)	
\$ -				\$ (225,178)
General revenues:				
Taxes:				
Property	8,099,820	-	8,099,820	491,405
Motor vehicle	625,810	-	625,810	-
Wheel tax	391,724	-	391,724	-
Payments in lieu of taxes	3,781,541	-	3,781,541	-
Occupation	348,812	-	348,812	-
Sales tax	9,687,672	-	9,687,672	-
Franchise	374,760	-	374,760	-
State allocation	4,918,886	-	4,918,886	-
Keno	224,774	-	224,774	-
Special assessments	1,105,901	-	1,105,901	-
Miscellaneous	38,674	1,331,399	1,370,073	2
Interest income	2,280,464	2,504,535	4,784,999	61,465
Gain (loss) on disposal of assets	-	(363,909)	(363,909)	6,300
Total general revenues	31,878,838	3,472,025	35,350,863	559,172
Change in net position	1,735,451	4,744,687	6,480,138	333,994
Net position - September 30, 2023	128,167,494	254,966,043	383,133,537	4,831,455
Net position - September 30, 2024	\$ 129,902,945	\$ 259,710,730	\$ 389,613,675	\$ 5,165,449

CITY OF HASTINGS, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2024

	General Fund	Street Fund	Museum Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 17,232,178	\$ 6,017,972	\$ 864,805	\$ 1,053,443	\$ 13,490,978	\$ 38,659,376
Certificates of deposit	2,904,460	-	-	600,000	280,000	3,784,460
County treasurer cash	346,608	37,628	63,306	24,137	-	471,679
Receivables:						
Accounts, net of allowance for doubtful accounts	436,903	10,938	29,464	-	16,052	493,357
Special assessments	-	-	-	1,978,874	-	1,978,874
Interest	75,855	43,237	-	-	6,232	125,324
Property tax	160,590	-	29,578	11,761	-	201,929
Due from other funds	3,781,542	-	-	-	-	3,781,542
Due from other governments	1,268,994	-	-	-	573,339	1,842,333
Inventory	-	-	33,423	-	-	33,423
Total assets	\$ 26,207,130	\$ 6,109,775	\$ 1,020,576	\$ 3,668,215	\$ 14,366,601	\$ 51,372,297
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 610,979	\$ 197,690	\$ 66,843	\$ -	\$ 580,759	\$ 1,456,271
Accrued wages	413,432	28,763	18,025	-	-	460,220
Accrued interest	-	-	-	14,517	-	14,517
Sales tax payable	167	-	1,079	-	-	1,246
Customer deposits	5,000	-	-	577	-	5,577
Unavailable receivables	80,681	-	14,860	1,984,767	-	2,080,308
Total liabilities	1,110,259	226,453	100,807	1,999,861	580,759	4,018,139
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	92,783	92,783
Restricted for:						
Street improvements	-	5,883,322	-	-	5,562,529	11,445,851
Federal programs	-	-	-	-	916,288	916,288
Capital projects	-	-	-	-	1,949,667	1,949,667
Debt service	-	-	-	1,668,354	-	1,668,354
Aquatic Center	-	-	-	-	257,507	257,507
Museum projects	-	-	-	-	1,703,575	1,703,575
Community betterment	-	-	-	-	406,464	406,464
Other purposes	-	-	-	-	78,943	78,943
Assigned for:						
Budgetary stabilization	6,733,197	-	-	-	-	6,733,197
Equipment replacement	-	-	-	-	313,188	313,188
Other purposes	-	-	919,769	-	3,514,857	4,434,626
Unassigned	18,363,674	-	-	-	(1,009,959)	17,353,715
Total fund balances	25,096,871	5,883,322	919,769	1,668,354	13,785,842	47,354,158
Total liabilities and fund balances	\$ 26,207,130	\$ 6,109,775	\$ 1,020,576	\$ 3,668,215	\$ 14,366,601	\$ 51,372,297

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

September 30, 2024

Total fund balances - governmental funds \$ 47,354,158

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in
governmental funds. The cost of the assets is \$163,386,683
and the accumulated depreciation is \$85,083,293. 78,303,390

Internal service funds are used by management to charge the
costs of certain activities, such as information technology,
fleet services, and insurance, to individual funds. The
assets and liabilities of the internal service funds are
included in governmental activities in the statement of
net position. 10,411,282

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported as liabilities in the funds. Long-term
liabilities at year end consist of:

Noncurrent compensated absences	\$ (2,186,508)	
Note payable	(138,160)	
General obligation bonds payable	<u>(3,841,217)</u>	<u>(6,165,885)</u>

Total net position - governmental activities \$ 129,902,945

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2024

	<u>General Fund</u>	<u>Street Fund</u>	<u>Museum Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 6,477,473	\$ 43,792	\$ 1,135,712	\$ 442,843	\$ -	\$ 8,099,820
Motor vehicle	497,212	-	92,562	36,036	-	625,810
Wheel tax	-	391,724	-	-	-	391,724
Occupation	52,630	-	296,182	-	-	348,812
Sales tax	6,458,451	-	-	-	3,229,221	9,687,672
Franchise	374,760	-	-	-	-	374,760
In lieu of tax	3,781,541	-	-	-	-	3,781,541
Intergovernmental	1,612,015	3,729,705	-	-	-	5,341,720
Keno	-	-	-	-	224,774	224,774
Special assessments	-	-	-	1,022,350	83,551	1,105,901
Charges for services	4,252,154	188,105	424,916	-	47,782	4,912,957
Grants	119,646	614,867	13,603	-	440,436	1,188,552
Contributions	25,000	-	7,199	-	289,629	321,828
Interest income	1,081,013	122,127	-	152,669	457,434	1,813,243
Other revenue	35,617	2,336	721	-	-	38,674
Total revenues	<u>24,767,512</u>	<u>5,092,656</u>	<u>1,970,895</u>	<u>1,653,898</u>	<u>4,772,827</u>	<u>38,257,788</u>
EXPENDITURES						
General government	5,579,026	-	-	-	922,384	6,501,410
Public safety	11,315,581	-	-	-	146,552	11,462,133
Public works	486,698	3,454,258	-	-	1,061,164	5,002,120
Environment and leisure	4,966,203	-	1,711,015	-	700,238	7,377,456
Capital outlay	1,389,301	365,444	80,000	-	4,132,263	5,967,008
Principal payments on debt	37,680	217,110	-	410,977	-	665,767
Interest on long-term debt	-	11,958	-	56,106	-	68,064
Bond/loan fees	-	-	-	800	-	800
Total expenditures	<u>23,774,489</u>	<u>4,048,770</u>	<u>1,791,015</u>	<u>467,883</u>	<u>6,962,601</u>	<u>37,044,758</u>
Excess (deficiency) of revenues over expenditures	993,023	1,043,886	179,880	1,186,015	(2,189,774)	1,213,030
OTHER FINANCING SOURCES (USES)						
Transfers in	63,000	-	-	98,871	1,303,500	1,465,371
Transfers out	<u>(1,663,067)</u>	<u>-</u>	<u>(50,000)</u>	<u>(1,000,000)</u>	<u>(111,871)</u>	<u>(2,824,938)</u>
Net transfers	<u>(1,600,067)</u>	<u>-</u>	<u>(50,000)</u>	<u>(901,129)</u>	<u>1,191,629</u>	<u>(1,359,567)</u>
Net change in fund balances	(607,044)	1,043,886	129,880	284,886	(998,145)	(146,537)
Fund balances - September 30, 2023	<u>25,703,915</u>	<u>4,839,436</u>	<u>789,889</u>	<u>1,383,468</u>	<u>14,783,987</u>	<u>47,500,695</u>
Fund balances - September 30, 2024	<u>\$ 25,096,871</u>	<u>\$ 5,883,322</u>	<u>\$ 919,769</u>	<u>\$ 1,668,354</u>	<u>\$ 13,785,842</u>	<u>\$ 47,354,158</u>

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2024

Total net change in fund balances - governmental funds	\$ (146,537)
---	--------------

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$6,595,055) was exceeded by depreciation expense (\$4,794,984). (Capital assets of \$628,047 were funded directly by grants and contributions.)

1,800,071

Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities in the statement of activities.

(82,771)

The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.

(501,079)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

665,767

Change in net position of governmental activities

\$ 1,735,451

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2024

	Enterprise Funds				Internal
	Landfill	Electric	Combined System		Service
	<u>Fund</u>	<u>Fund</u>	<u>Utilities Fund</u>	<u>Total</u>	<u>Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,755,248	\$ 7,619,672	\$ 15,719,312	\$ 29,094,232	\$ 10,428,346
Certificates of deposit	-	6,720,000	6,228,438	12,948,438	-
Receivables:					
Accounts receivable	347,028	7,057,798	2,799,452	10,204,278	496,111
Interest	127,596	77,215	61,989	266,800	16,214
Intercompany	-	(143,633)	143,633	-	-
Inventory	-	9,693,763	2,270,373	11,964,136	-
Total current assets	<u>6,229,872</u>	<u>31,024,815</u>	<u>27,223,197</u>	<u>64,477,884</u>	<u>10,940,671</u>
Noncurrent assets:					
Restricted cash and cash equivalents	-	1,382,691	549,710	1,932,401	-
Restricted certificates of deposit	4,501,854	-	-	4,501,854	-
Capital assets:					
Construction in progress	16,435	31,988,853	13,805,201	45,810,489	-
Electric distribution system	-	211,582,836	-	211,582,836	-
Gas distribution system	-	-	37,574,528	37,574,528	-
Water distribution system	-	-	62,678,509	62,678,509	-
Pollution control distribution system	-	-	70,454,132	70,454,132	-
Administrative equipment	-	-	14,996,801	14,996,801	-
Buildings and equipment	13,991,460	-	-	13,991,460	-
Less accumulated depreciation	(6,159,579)	(143,331,743)	(94,328,201)	(243,819,523)	-
Non-utility plant	-	15,866,333	-	15,866,333	-
Less non-utility accumulated depreciation	-	(9,297,723)	-	(9,297,723)	-
Net capital assets	<u>7,848,316</u>	<u>106,808,556</u>	<u>105,180,970</u>	<u>219,837,842</u>	<u>-</u>
Total noncurrent assets	<u>12,350,170</u>	<u>108,191,247</u>	<u>105,730,680</u>	<u>226,272,097</u>	<u>-</u>
Total assets	<u>18,580,042</u>	<u>139,216,062</u>	<u>132,953,877</u>	<u>290,749,981</u>	<u>10,940,671</u>
LIABILITIES					
Current liabilities:					
Accounts payable	27,137	5,495,105	2,056,553	7,578,795	45,521
In lieu of tax payable to City	-	2,229,696	1,551,846	3,781,542	-
Accrued wages	15,603	454,571	288,132	758,306	28,714
Accrued interest	-	-	44,063	44,063	-
Sales tax payable	-	18,572	239,419	257,991	-
Customer deposits	-	-	549,710	549,710	-
Claims incurred not paid	-	-	-	-	356,498
Current portion of long-term debt	-	-	828,382	828,382	-
Total current liabilities	<u>42,740</u>	<u>8,197,944</u>	<u>5,558,105</u>	<u>13,798,789</u>	<u>430,733</u>
Noncurrent liabilities:					
Compensated absences - noncurrent	62,771	1,820,344	1,982,492	3,865,607	98,656
Closure/post closure liability	3,582,303	1,538,326	-	5,120,629	-
Noncurrent portion of long-term debt	-	-	8,254,226	8,254,226	-
Total noncurrent liabilities	<u>3,645,074</u>	<u>3,358,670</u>	<u>10,236,718</u>	<u>17,240,462</u>	<u>98,656</u>
Total liabilities	<u>3,687,814</u>	<u>11,556,614</u>	<u>15,794,823</u>	<u>31,039,251</u>	<u>529,389</u>
NET POSITION					
Net investment in capital assets	7,848,316	106,808,556	96,098,362	210,755,234	-
Restricted for:					
Closure/post-closure costs	919,551	-	-	919,551	-
Unrestricted	6,124,361	20,850,892	21,060,692	48,035,945	10,411,282
Total net position	<u>\$ 14,892,228</u>	<u>\$ 127,659,448</u>	<u>\$ 117,159,054</u>	<u>\$ 259,710,730</u>	<u>\$ 10,411,282</u>

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2024

	Enterprise Funds				Internal Service Funds
	Landfill Fund	Electric Fund	Combined System Utilities Fund	Total	
Operating revenues:					
Sales	\$ 2,661,319	\$ 52,478,980	\$ 25,380,258	\$ 80,520,557	\$ -
Health insurance revenue	-	-	-	-	10,365,993
I T charges	-	-	-	-	1,888,228
Other revenue	7,625	-	-	7,625	-
Total operating revenues	<u>2,668,944</u>	<u>52,478,980</u>	<u>25,380,258</u>	<u>80,528,182</u>	<u>12,254,221</u>
Operating expenses:					
Cost of power	-	24,487,361	-	24,487,361	-
Production	-	15,503,937	6,664,237	22,168,174	-
Water and sewer treatment	-	-	2,667,724	2,667,724	-
Transmission and distribution	-	2,774,767	2,388,277	5,163,044	-
Sewer line expenses	-	-	763,808	763,808	-
General and administrative	-	8,301,548	5,457,361	13,758,909	-
Personnel costs	905,644	-	-	905,644	1,446,325
Utilities	13,838	-	-	13,838	961
Repairs and maintenance	116,384	-	-	116,384	-
Contractual services	129,976	-	-	129,976	-
Supplies	11,828	-	-	11,828	1,442
Professional fees	150,818	-	-	150,818	6,089
Fuel	95,873	-	-	95,873	-
Dues and training	8,339	-	-	8,339	2,675
Insurance	40,624	-	-	40,624	10,760,846
Computer software and equipment	-	-	-	-	1,945,441
Miscellaneous	16,330	-	-	16,330	-
Closure costs	19,122	-	-	19,122	-
Depreciation	681,337	4,107,955	2,671,590	7,460,882	-
Total operating expenses	<u>2,190,113</u>	<u>55,175,568</u>	<u>20,612,997</u>	<u>77,978,678</u>	<u>14,163,779</u>
Operating income (loss)	478,831	(2,696,588)	4,767,261	2,549,504	(1,909,558)
Nonoperating revenues (expenses):					
Interest income	493,169	1,397,250	614,116	2,504,535	467,220
Participation and capacity agreements	-	1,308,605	-	1,308,605	-
Interest expense	(3,091)	-	(100,384)	(103,475)	-
Non-utility plan depreciation	-	(609,936)	-	(609,936)	-
Payments in lieu of taxes	-	(2,229,696)	(1,551,845)	(3,781,541)	-
Net coal sales	-	923,380	-	923,380	-
Grant revenue	50,156	-	278,895	329,051	-
Loss on disposal of capital assets	-	(303,893)	(60,016)	(363,909)	-
Miscellaneous income	-	839,035	492,364	1,331,399	-
Miscellaneous expense	-	(391,565)	(70,989)	(462,554)	-
Contributions in aid of construction	-	628,190	491,438	1,119,628	-
Total nonoperating revenues (expenses)	<u>540,234</u>	<u>1,561,370</u>	<u>93,579</u>	<u>2,195,183</u>	<u>467,220</u>
Excess (deficiency) of revenues over expenditures	1,019,065	(1,135,218)	4,860,840	4,744,687	(1,442,338)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	1,359,567
Change in net position	1,019,065	(1,135,218)	4,860,840	4,744,687	(82,771)
Net position - September 30, 2023					
As previously reported	13,873,163	125,025,943	116,066,937	254,966,043	10,494,053
Restatement	-	3,768,723	(3,768,723)	-	-
As restated	<u>13,873,163</u>	<u>128,794,666</u>	<u>112,298,214</u>	<u>254,966,043</u>	<u>10,494,053</u>
Net position - September 30, 2024	<u>\$ 14,892,228</u>	<u>\$ 127,659,448</u>	<u>\$ 117,159,054</u>	<u>\$ 259,710,730</u>	<u>\$10,411,282</u>

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2024

	Enterprise Funds	
	Landfill <u>Fund</u>	Electric <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 2,504,836	\$ 61,850,587
Receipts from other funds	-	-
Payments to suppliers	(600,851)	(49,500,080)
Payments to employees	(887,694)	(10,432,913)
Net cash provided (used) by operating activities	<u>1,016,291</u>	<u>1,917,594</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Decrease in interfund loans	-	(11,770,409)
Payments in lieu of taxes	-	(2,229,696)
Transfer from General Fund	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(14,000,105)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(1,361,982)	(25,640,515)
Contributions in aid of construction	-	628,190
Sales proceeds on capital assets	-	-
Grant proceeds	50,156	-
DEE loan proceeds (including loan forgiveness)	-	-
Principal payments on capital debt	(249,694)	-
Interest paid on capital debt	(9,090)	-
Increase in closure/post-closure liability	19,123	-
Net cash used by capital and related financing activities	<u>(1,551,487)</u>	<u>(25,012,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in certificates of deposit	2,500,000	2,075,284
Increase in restricted certificates of deposit	(346,602)	-
Interest received	455,697	1,395,827
Net cash provided by investing activities	<u>2,609,095</u>	<u>3,471,111</u>
Increase (decrease) in cash and cash equivalents	2,073,899	(33,623,725)
Cash and cash equivalents - beginning of the year	<u>3,681,349</u>	<u>42,626,088</u>
Cash and cash equivalents - end of the year	<u><u>\$ 5,755,248</u></u>	<u><u>\$ 9,002,363</u></u>
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 5,755,248	\$ 7,619,672
Restricted cash and cash equivalents	-	1,382,691
Total cash and cash equivalents	<u><u>\$ 5,755,248</u></u>	<u><u>\$ 9,002,363</u></u>

See notes to financial statements.

<u>Combined System Utilities Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 25,398,891	\$ 89,754,314	\$ -
-	-	13,286,669
(9,122,482)	(59,223,413)	(13,066,073)
(7,955,058)	(19,275,665)	(1,410,939)
<u>8,321,351</u>	<u>11,255,236</u>	<u>(1,190,343)</u>
11,770,409	-	-
(1,551,845)	(3,781,541)	-
-	-	1,359,567
<u>10,218,564</u>	<u>(3,781,541)</u>	<u>1,359,567</u>
(9,649,584)	(36,652,081)	-
491,438	1,119,628	-
5,000	5,000	-
-	50,156	-
449,830	449,830	-
(137,692)	(387,386)	-
(55,441)	(64,531)	-
-	19,123	-
<u>(8,896,449)</u>	<u>(35,460,261)</u>	<u>-</u>
36,328	4,611,612	600,000
200,000	(146,602)	-
577,877	2,429,401	488,246
<u>814,205</u>	<u>6,894,411</u>	<u>1,088,246</u>
10,457,671	(21,092,155)	1,257,470
<u>5,811,351</u>	<u>52,118,788</u>	<u>9,170,876</u>
<u>\$ 16,269,022</u>	<u>\$ 31,026,633</u>	<u>\$ 10,428,346</u>
\$ 15,719,312	\$ 29,094,232	\$ 10,428,346
549,710	1,932,401	-
<u>\$ 16,269,022</u>	<u>\$ 31,026,633</u>	<u>\$ 10,428,346</u>

CITY OF HASTINGS, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS, Continued**

For the year ended September 30, 2024

	<u>Enterprise Funds</u>	
	<u>Landfill</u>	<u>Electric</u>
	<u>Fund</u>	<u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 478,831	\$ (2,696,588)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	681,337	4,717,891
Participation and capacity agreements	-	1,308,605
Miscellaneous income, net of expenses	-	760,914
Change in assets and liabilities:		
Accounts receivable	(164,108)	(888,025)
Inventories	-	(562,743)
Accounts payable	2,281	(998,312)
Claims incurred not paid	-	-
Accrued expenses	17,950	275,852
Customer deposits	-	-
Net cash provided (used) by operating activities	<u>\$ 1,016,291</u>	<u>\$ 1,917,594</u>

See notes to financial statements.

<u>Combined System Utilities Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 4,767,261	\$ 2,549,504	\$ (1,909,558)
2,901,897	8,301,125	-
-	1,308,605	-
421,375	1,182,289	-
(402,742)	(1,454,875)	1,032,448
(13,338)	(576,081)	-
351,372	(644,659)	(3,390)
-	-	(345,229)
304,621	598,423	35,386
(9,095)	(9,095)	-
<u>\$ 8,321,351</u>	<u>\$ 11,255,236</u>	<u>\$ (1,190,343)</u>

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
INDEX

	Page
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
1. Financial Reporting Entity	26
2. Basis of Presentation	28
3. Measurement Focus and Basis of Accounting	33
4. Assets, Liabilities, and Equity	35
5. Revenues, Expenditures, and Expenses	42
NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
1. Fund Accounting Requirements	44
2. Deposit Laws and Regulations	44
3. Revenue Restrictions	45
4. Debt Restrictions and Covenants	45
5. Budgetary Data	45
NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS	
1. Cash and Certificates of Deposit	47
2. Restricted Assets	48
3. Accounts and Notes Receivable	49
4. Capital Assets	51
5. Accounts Payable	54
6. Long-term Debt	54
7. Interfund Transactions and Balances	64
8. Fund Equity	64
9. TIF Receivables and Payables	65
NOTE D – OTHER NOTES	
1. Employee Pension and Other Benefit Plans	66
2. Risk Management	72
3. Commitments	74
4. Additional Utility Contracts	76
5. Environmental Remediation	81
6. Interlocal Agreements	82
7. Tax Abatements	82
8. Subsequent Events	84

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hastings, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

1. Financial Reporting Entity

The City of Hastings, Nebraska, was incorporated in 1874. The City operates under a Mayor-Council form of government with an elected part-time chief executive, Mayor, and an elected legislative body, Council, composed of eight members. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety; highways and streets; planning and zoning; parks; recreation; urban development; electric, water, and sanitary sewer systems; sanitary landfill; and general administrative services.

The City's financial reporting entity comprises the following:

Primary Government:	City of Hastings
Discretely Presented Component Units:	Hastings Community Redevelopment Authority

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

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

Brief Description of Activities and Relationship
To The City:

Hastings Community
Redevelopment Authority

Created to develop, finance, and maintain certain areas of the City in need of improvement and development. The CRA can borrow money, issue bonds, and request a levy of taxes under the City's overall levy limits. The CRA's tax levy is subject to the City Council's approval.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Discretely Presented Component Units, continued

**Brief Description of Activities and Relationship
To The City:**

Hastings Library Foundation, Inc.

Created for the exclusive purpose to raise funds to support the City's library. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2023 can be obtained by contacting the Foundation treasurer.

Hastings Museum Foundation, Inc.

Created for the exclusive purpose to raise funds to support the City's museum. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2023 can be obtained by contacting the Foundation treasurer.

2. Basis of Presentation

Government-wide Financial Statements

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects. The reporting entity includes one Capital Project Fund to account for the acquisition of capital assets with transfers made from Governmental Funds and another to account for the special assessments.

Debt Service Fund

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

Permanent Fund

The Permanent Fund accounts for assets held by the City pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds

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

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
Governmental:	
General	See page 29 for description.
Street	Special revenue fund that accounts for street maintenance and betterment.
Museum	Special revenue fund that accounts for the activities of the Hastings Museum.
Debt Service	See page 30 for description.
Proprietary:	
Enterprise:	
Landfill, Electric, and Combined System Utilities	See page 30 for description.
<i>Nonmajor:</i>	
Special Revenue:	
BID	Accounts for downtown improvement projects.
Community Development	Accounts for community development grants and related expenses.
Museum Sales Tax	Accounts for sales tax restricted for the museum.
S Landfill Cap	Accounts for the costs associated with landfill monitoring activities.
Library Grant	Accounts for restricted library grant funds.
Fire Equipment Sinking	Accounts for funds assigned for future fire equipment replacement.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor, continued:</i>	
Special Revenue, continued:	
Bookmobile Replacement	Accounts for funds assigned for future bookmobile replacement.
Parks Grant	Accounts for restricted park grants.
Duncan Park Sales Tax	Accounts for sales tax restricted for Duncan Field and city parks.
Aquatic Center	Accounts for funds restricted for the Aquatic Center.
CANDO	Accounts for the nine county cooperative - Compact for Apprehension of Narcotics Dealers and Offenders.
Public Safety Grant	Accounts for grants restricted for public safety.
ARPA	Accounts for federal ARPA grant proceeds.
Wireless E911	Accounts for E911 funding.
Landline E911	Accounts for E911 funding.
Street Sales Tax	Accounts for sales tax restricted for street improvements.
Natural Disaster	Accounts for funding assigned for expenses related to natural disasters.
Diversion Program	Accounts for fees collected and expenses related to the diversion program.
Parks-Rec Sales Tax	Accounts for sales tax restricted for parks and rec.
Keno	Accounts for the City's share of the Keno gaming proceeds.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor, continued:</i>	
Special Revenue, continued:	
Scales	Accounts for contributions received for public safety training.
Capital Projects:	
Capital Projects	Accounts for collections of special assessments for the Debt Service or Capital Projects Fund.
Permanent:	
Cemetery Trust	Accounts for the monies in a permanent care endowment fund for the cemetery.

3. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities and the discretely presented component unit are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and fiduciary funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity

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.

Cash and Investments

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

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings and special assessments as their major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and special assessments compose the majority of proprietary fund receivables. The General Fund has recognized a \$432,000 allowance for uncollectible accounts and the Electric Fund has recognized a \$60,000 allowance for uncollectible accounts.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Due from Other Governments

The total due from other governments includes the following amounts:

<u>Fund</u>	<u>Amount</u>	<u>Type</u>
General	\$ 1,121,918	Sales Tax
General	42,687	School Resource Officer
General	77,048	Federal and State Grants
General	2,359	Emergency management- county
General	13,589	Adams County library interlocal
General	11,393	Drug Task Force-county
Community Development	4,325	CDBG Grants
Parks-Rec Sales Tax	140,239	Sales Tax
Museum Sales Tax	56,095	Sales Tax
Wireless E911	7,634	Federal and State Grants
Library Grant	422	Federal and State Grants
Street Sales Tax	<u>364,624</u>	Sales Tax
Total governmental funds	\$ <u>1,842,333</u>	

Inventory

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

Restricted Assets

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets

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

Government-wide Statements

In the government-wide financial statements, capital assets are capitalized and reported on the Statement of Net Position. The City has a \$10,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

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

Infrastructure	25 years
Buildings	20-40 years
Machinery and Equipment	5-10 years
Utility System	20-40 years

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Electric and Combined System Utilities

The basis of the utility plant in service consists of a 1944 appraisal made by Black and Veatch, consulting engineers, for the electric and water systems, a 1954 appraisal made by Henningson, Durham and Richardson, Inc. for the pollution control/waste water treatment system and the book value of assets received in 1954, the time of consolidation for the gas system. Additions since these dates are at cost. In accordance with FERC requirements, contributions in aid of construction have been used to reduce the cost basis of capital assets of the electric and gas systems through December 31, 2000. After January 1, 2001 the contributions in aid of construction are included in the statements of revenue and expenses, as directed by Governmental Accounting Standards Board Statement No. 33.

The Utilities System uses a work order system of accounting for new construction. Under this system, the cost of a project is accumulated in a Construction Work in Progress account. Upon completion of the project, the total cost is transferred to the appropriate Utility Plant in Service account.

Effective October 1, 2022, the Utilities System changed depreciation methods and now use the straight line method over the estimated lives of the capital assets (ranging from 5 to 50 years). The provision for depreciation is computed at an overall straight-line composite rate of approximately 3.0 percent for the non-utility plant assets in the Electric Fund. Depreciation expense taken by the Utilities System (Electric and Combined System Utilities) during the year ended September 30, 2024 was \$7,619,788.

The Utilities System charges maintenance and repairs, including the cost of minor renewals of property, to maintenance expense. Replacements of property (except minor replacements) are charged to utility plant accounts. Upon retirement of property, the cost of property is removed from the plant accounts and charged to a reserve for depreciation, and the related salvage, net of removal costs, is credited thereto.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Fund Financial Statements

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

Unavailable Property Tax

Unavailable property tax consists of property taxes expected to be collected after 60 days.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. A portion of the liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the current compensated absence liability payable from expendable available financial resources, while the proprietary funds report the total liability.

Long-term Debt

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

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and closure/post-closure liabilities.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt, continued

Fund Financial Statements

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

Equity Classifications

Government-wide Statements

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

See Note C8 for additional disclosures.

Fund Financial Statements

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a one-and-one-half percent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. As of October 1, 2006, sales tax collected on the sale of motor vehicles is restricted for street improvements as required by LB904. The 1.5 percent sales tax is allocated 66.67 percent to General Fund, 21.67 percent to the Street Sales Tax Fund, 8.33 percent to the Parks and Recreation Sales Tax Fund, and 3.33 percent to the Museum Sales Tax Fund.

Sales taxes collected by the State in September and October (which represents sales for August and September) and received by the City in October and November have been accrued and are included under the caption “Due from other governments.”

Property Taxes

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

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

Property taxes levied for 2023-2024 are recorded as revenue when expected to be collected within 60 days after September 30, 2024. 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.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

In Lieu of Tax Payment

The transfer to the General Fund is calculated as 5.9 percent of the retail revenues of the Electric System for the year ended September 30, 2024. This amount is calculated to be \$2,229,696.

The City withdraws monthly from Combined Funds for payment to the General Fund an amount equal to 1/12 of 5.14 percent of operating revenues for the preceding year. For the year ended September 30, 2024 the total amount of in lieu of tax payments are calculated to be \$1,091,583 based on the operating revenues for the year ended September 30, 2024.

On July 22, 1991 resolution #1344 was passed by the City Council to transfer from the Gas Department and the Water Department of the Combined System to the General Fund 2.5 percent of the total revenues of the previous year. This amount will be in addition to the current in lieu of tax payments. The payment for the year ended September 30, 2024 is \$460,262.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Contributions in Aid of Construction

Contributions in aid of construction are tap fees installed and contributed by developers. These contributions are recorded at fair market value when the development is complete and are considered imposed non-exchange transactions.

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Deposit Laws and Regulations, continued

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

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

Bonds Payable

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

5. Budgetary Data

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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

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

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Hastings adopts a budget ordinance for all fund types.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Certificates of Deposit

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2024. The categories of collateral are defined as follows:

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

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

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

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Cash and investments	\$ 105,801,870	\$ 18,173,098	\$ 87,628,772	\$ -	\$ <u>102,689,585</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 60,767,882
Unrestricted certificates of deposit	15,852,898
Restricted cash and cash equivalents	19,346,473
Restricted certificates of deposit	5,381,854

Component Units –

Unrestricted cash and cash equivalents	1,245,014
Restricted cash and cash equivalents	<u>95,464</u>
	\$ <u>102,689,585</u>

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

2. Restricted Assets

The restricted assets as of September 30, 2024, are as follows:

	Governmental <u>Activities</u>	Business- type <u>Activities</u>	Total Primary <u>Government</u>	Component <u>Units</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 17,414,072	\$ 1,932,401	\$ 19,346,473	\$ 95,464
Certificates of deposit	<u>880,000</u>	<u>4,501,854</u>	<u>5,381,854</u>	<u>-</u>
	<u><u>\$ 18,294,072</u></u>	<u><u>\$ 6,434,255</u></u>	<u><u>\$ 24,728,327</u></u>	<u><u>\$ 95,464</u></u>

Governmental restricted cash and certificates of deposit consist of the following at September 30, 2024:

Street Fund - restricted for street improvements	\$ 6,017,972
Debt Service Fund - restricted for debt service	1,653,443
Cemetery Perpetual Care Fund - restricted for perpetual care	92,783
BID Fund - restricted for downtown projects	31,586
Museum Sales Tax Fund - restricted for capital projects	1,647,480
Library Grant Fund - restricted for library expenses	39,050
Parks Grant Fund - restricted for capital projects	76,306
Duncan Park Sales Tax Fund - restricted for capital projects	78,410
Aquatics Center Fund - restricted for aquatics	254,532
Public Safety Grant Fund - restricted for public safety expenses	13,407
ARPA Fund - restricted for federal programs	1,074,895
Street Sales Tax Fund - restricted for street improvements	5,243,082
Parks-Rec Sales Tax Fund - restricted for capital projects	1,661,891
Keno Betterment Fund - restricted for community betterment	409,235
Total governmental activities restricted cash and CD's	<u><u>\$ 18,294,072</u></u>

Business-type activities restricted cash and certificates of deposit consist of the following at September 30, 2024:

Landfill Fund - restricted for closure/post-closure costs	\$ 4,501,854
Electric Fund - restricted for ash disposal closure/post closure costs	1,382,691
Combined System - restricted for customer deposits	549,710
Total business-type activities restricted cash and CD's	<u><u>\$ 6,434,255</u></u>

Component unit restricted cash consists of \$95,464 restricted for economic development at September 30, 2024.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivables. Accounts receivable of the governmental activities consist of telephone and cable franchise tax (7.6 percent), ambulance (19.6 percent), utility reimbursements (15.8 percent), reinsurance on health insurance claims (22.7 percent) and other (34.3 percent) receivables. Receivables detail at September 30, 2024, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 1,421,468	\$ 10,264,278	\$ 11,685,746	\$ -
Allowance for doubtful accounts	<u>(432,000)</u>	<u>(60,000)</u>	<u>(492,000)</u>	<u>-</u>
Net accounts receivable	<u>\$ 989,468</u>	<u>\$ 10,204,278</u>	<u>\$ 11,193,746</u>	<u>\$ -</u>

Notes receivable for the CRA consist of the following at September 30, 2024:

<u>Note Held By:</u>	<u>Due From</u>	<u>Note Balance at September 30, 2024</u>	<u>Terms</u>
<u>CRA:</u>			
Revolving Loan	Brandt Rentals, LLC	\$ 12,500	Matures 10/5/26
Revolving Loan	Shabri, LLC	280,875	Matures 5/9/26
Revolving Loan	The Listening Room	275,116	Matures 12/1/43
Revolving Loan	Uptown Experience	76,250	Matures 9/30/29
Revolving Loan	1st Street Brewing	192,064	Matures 12/31/24
Revolving Loan	THOAR, LLC	37,334	Matures 10/1/31
Revolving Loan	ABBC Restorations, LLC	22,560	Matures 3/19/26
Revolving Loan	Optika Curated Eyeware, LLC	40,163	Matures 10/31/25
Revolving Loan	Luckee, LLC	51,939	Matures 8/12/26
Revolving Loan	LincHome, LLC	49,812	Matures 3/10/26
Revolving Loan	Spitz	109,000	Matures 5/25/27
Revolving Loan	Corner Building LLC	96,733	Matures 10/1/43
Revolving Loan	Ridgeline	100,000	Matures 4/17/29
Revolving Loan	Bryant Books & Music	22,500	Matures 6/1/33
Revolving Loan	Bad Sportz Inc	330,000	Matures 1/1/35
Revolving Loan	Garage Flats	147,500	Matures 3/1/44
Revolving Loan	Finish Line Rentals	17,226	Matures 12/10/28

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

3. Accounts and Notes Receivable, continued

<u>Note Held By:</u>	<u>Due From</u>	Note Balance at September 30, <u>2024</u>	<u>Terms</u>
Revolving Loan	Cheese Shop LLC	40,000	Matures 7/1/29
Revolving Loan	Sky Bar LLC	148,750	Matures 1/11/30
		<u>2,050,322</u>	
NMPF Loan	Lemon & Co	5,378	Matures 10/1/25
NMPF Loan	Tim Maul	35,000	Matures 7/1/28
NMPF Loan	No Coast Brewing, LLC	40,000	Matures 1/1/25
NMPF Loan	No Coast Brewing, LLC	48,016	Matures 12/31/24
NMPF Loan	LeNoir Dimbaya Coffee	4,853	Matures 2/28/28
		<u>133,247</u>	
Real Estate Loan	Dally's Deli	116,747	Matures 6/1/25
Real Estate Loan	ABBC Restoration, LLC	40,000	Matures 5/15/35
Real Estate Loan	THOAR, LLC	144,167	Matures 5/1/26
		<u>300,914</u>	
		2,484,483	
Less Allowance for Uncollectible Notes		<u>(12,300)</u>	
		<u>\$ 2,472,183</u>	
Current portion		\$ 168,500	
Long-term portion		<u>2,303,683</u>	
Total CRA notes receivable		<u>\$ 2,472,183</u>	

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

4. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance at October 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2024</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 210,164	\$ -	\$ -	\$ -	\$ 210,164
Construction in progress	3,411,991	3,401,404	-	(2,316,473)	4,496,922
Total capital assets not being depreciated	3,622,155	3,401,404	-	(2,316,473)	4,707,086
Other capital assets being depreciated:					
Infrastructure	93,680,764	-	-	1,846,693	95,527,457
Buildings, machinery & equipment	59,630,098	3,193,651	(141,389)	469,780	63,152,140
Total other capital assets at historical cost	153,310,862	3,193,651	(141,389)	2,316,473	158,679,597
Less accumulated depreciation for:					
Infrastructure	(49,211,199)	(2,310,103)	-	-	(51,521,302)
Buildings, machinery & equipment	(31,218,499)	(2,484,881)	141,389	-	(33,561,991)
Total accumulated depreciation	(80,429,698)	(4,794,984) *	141,389	-	(85,083,293)
Other capital assets, net	72,881,164	(1,601,333)	-	2,316,473	73,596,304
Governmental activities capital assets, net	<u>\$ 76,503,319</u>	<u>\$ 1,800,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,303,390</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

4. Capital Assets, continued

Governmental Activities, continued:

<u>General Fund:</u>	
General government:	
General	\$ 751,594
Public safety:	
Police	193,296
Public safety	<u>13,685</u>
Total public safety	206,981
Public works:	
Cemetery	2,200
Environment and leisure:	
Library	132,477
Parks	215,272
Duncan Park	134,595
Aquatics	73,618
Pioneer Trail	9,232
Airport	<u>59,014</u>
Total environment and leisure	<u>624,208</u>
Total General Fund	1,584,983
IT Internal Service Fund	75,971
<u>Special Revenue Funds:</u>	
Street	2,642,655
Museum	105,176
Wireless E911	23,596
ARPA	176,833
Community Development	51,978
Natural Disaster	14,537
Business Improvement District	574
Keno	<u>118,681</u>
Total Special Revenue Funds	<u>3,134,030</u>
Total governmental activities depreciation expense	<u>\$ 4,794,984</u>

Construction in progress at September 30, 2024, consists of the following costs incurred: \$685,771 on the City office remodel; \$25,822 on the Hastings Cultural Arts and Civic Center project; \$1,783,104 on state project Hastings Southeast; \$61,465 on the Kool-Aid display; \$1,054,781 on the Quiet Zone project; \$354,639 on Parkview Cemetery paving project – Phase IV; \$166,757 on the parks storage building; \$135,230 on Lib’s Park splash pad; \$34,100 on the fire station sprinklers; \$127,006 on the airport apron project; and \$68,247 on the police department window project. See note D3 for additional details on commitments on these projects.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

4. Capital Assets, continued

	October 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	September 30, <u>2024</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 6,265,168	\$ 969,192	\$ -	\$ -	\$ 7,234,360
Construction in progress	30,727,924	18,022,946	-	(2,940,381)	45,810,489
Total capital assets not being depreciated	36,993,092	18,992,138	-	(2,940,381)	53,044,849
Other capital assets being depreciated:					
Landfill	13,093,185	1,345,547	(447,272)	-	13,991,460
Electric	202,119,842	7,917,879	(1,575,626)	-	208,462,095
Electric non-utility plant	15,866,333	-	-	-	15,866,333
Gas	35,527,945	1,330,790	(77,181)	421,811	37,203,365
Water	55,312,951	4,213,638	(88,720)	1,929,777	61,367,646
Pollution control	66,107,054	1,915,485	-	-	68,022,539
Administrative	13,501,156	936,604	(29,752)	588,793	14,996,801
Total other capital assets at historical cost	401,528,466	17,659,943	(2,218,551)	2,940,381	419,910,239
Less accumulated depreciation for:					
Landfill	(5,925,514)	(681,337)	447,272	-	(6,159,579)
Electric	(140,495,521)	(4,107,955)	1,271,733	-	(143,331,743)
Electric non-utility plant	(8,687,787)	(609,936)	-	-	(9,297,723)
Gas	(34,135,911)	(103,305)	76,379	-	(34,162,837)
Water	(10,728,512)	(785,797)	24,506	-	(11,489,803)
Pollution control	(36,973,951)	(1,782,488)	-	-	(38,756,439)
Administrative	(9,718,567)	(230,307)	29,752	-	(9,919,122)
Total accumulated depreciation	(246,665,763)	(8,301,125) *	1,849,642	-	(253,117,246)
Other capital assets, net	154,862,703	9,358,818	(368,909)	2,940,381	166,792,993
Business-type capital assets, net	<u>\$ 191,855,795</u>	<u>\$ 28,350,956</u>	<u>\$ (368,909)</u>	<u>\$ -</u>	<u>\$ 219,837,842</u>

* Depreciation expense was charged to functions as follows:

Landfill	\$ 681,337
Electric	4,717,891
Combined System Utilities	2,901,897
Total business-type activities depreciation expense	<u>\$ 8,301,125</u>

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

4. Capital Assets, continued

Construction in progress at September 30, 2024 consists of \$16,435 on landfill projects; \$31,988,853 on electric projects; \$196,517 on gas projects; \$1,927,929 on water projects; \$6,206,817 on sewer projects; and \$5,473,938 on utility admin projects. See note D3 for additional details on commitments on these projects.

	Balance at October 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance at September 30, <u>2024</u>
<u>Community Redevelopment Authority:</u>				
Capital assets being depreciated:				
Land improvements	\$ 414,851	\$ -	\$ -	\$ 414,851
Less accumulated depreciation:				
Land improvements	<u>(189,003)</u>	<u>(21,149)</u>	<u>-</u>	<u>(210,152)</u>
Community Redevelopment Authority, net	<u>\$ 225,848</u>	<u>\$ (21,149)</u>	<u>\$ -</u>	<u>\$ 204,699</u>
<u>Community Redevelopment Authority:</u>				
Capital assets not being depreciated:				
Land held for redevelopment	<u>\$ 713,405</u>	<u>\$ 445,579</u>	<u>\$ (100,357)</u>	<u>\$ 1,058,627</u>

5. Accounts Payable

Payables in the general, capital projects, other governmental, and proprietary funds are primarily composed of payables to vendors.

6. Long-term Debt

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

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2024:

<u>Type of Debt</u>	Balance October 1, 2023	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ 4,252,194	\$ -	\$ (410,977)	\$ 3,841,217	\$ 412,676
Note payable	175,840	-	(37,680)	138,160	37,680
Financing agreements	217,110	-	(217,110)	-	-
	<u>\$ 4,645,144</u>	<u>\$ -</u>	<u>\$ (665,767)</u>	<u>\$ 3,979,377</u>	<u>\$ 450,356</u>
Business-type Activities:					
Bonds payable	\$ 6,910,000	\$ -	\$ -	\$ 6,910,000	\$ 690,000
Note payable	2,139,365	170,935	(137,692)	2,172,608	138,382
Financing agreements	249,694	-	(249,694)	-	-
	<u>\$ 9,299,059</u>	<u>\$ 170,935</u>	<u>\$ (387,386)</u>	<u>\$ 9,082,608</u>	<u>\$ 828,382</u>
Community Redevelopment Authority:					
Notes payable	<u>\$ 105,863</u>	<u>\$ -</u>	<u>\$ (6,619)</u>	<u>\$ 99,244</u>	<u>\$ 6,962</u>

Governmental Activities

As of September 30, 2024, the governmental long-term liabilities consisted of the following:

Bonds payable:

General obligation bonds dated September 24, 2020, with original issue amount of \$4,020,000. Interest ranges from 0.50 to 1.85 percent with final maturity December 15, 2036.

\$ 3,260,000

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:

Limited tax general obligation public safety bonds dated May 21, 2020, with original issue amount of \$734,343, bearing interest of 1.85 percent. Final maturity is December 15, 2027. 381,217

General obligation various purpose bonds dated May 30, 2017, with original issue amount of \$625,000. Interest ranges from 1.25 to 2.60 percent with final maturity September 15, 2027. 200,000

Total bonds payable 3,841,217

Note payable:

Note payable to the Nebraska Department of Aeronautics dated March 23, 2017 with an original issue amount of \$376,424 to finance the 6-place T hangar project. The note is non-interest bearing and will be repaid over 120 monthly installments of \$3,140, with final maturity May 2028. 138,160

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Governmental Activities, continued

Financing agreements:

Financing agreement due to Tymco, Inc. dated September 20, 2022, with original issue amount of \$331,645 to finance a Tymco Model 600BAH regenerative air street sweeper. The loan bears interest of 3.65 percent and is due in three annual principal and interest payments of \$114,534, commencing October 1, 2022 (this payment was made in September 2022) through October 1, 2024.

Total financing agreements

-

-

Total governmental activities long-term obligations

\$ 3,979,377

Current portion

\$ 450,356

Noncurrent portion

3,529,021

Total

\$ 3,979,377

The Debt Service Fund is making the principal and interest payments on the bonds, the General Fund is paying the note payable, and the Street Fund paid the Tymco, Inc. financing agreement.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Business-type Activities

As of September 30, 2024, the long-term debt payable from proprietary fund resources consisted of the following:

Financing agreements:

Financing agreement due to Caterpillar Financial dated April 29, 2020, with original issue amount of \$284,967 to finance a 2020 waste handler dozer. The loan bears interest of 3.29 percent and is due in four annual principal and interest payments of \$77,190, commencing April 29, 2021 through April 29, 2024. The Landfill Fund is making these loan payments.

\$ -

Financing agreement due to Lease Servicing Center dated December 27, 2019, with original issue amount of \$662,415 to finance a 2019 Morbark Wood Hog. The loan bears interest of 3.79 percent and is due in four annual principal and interest payments of \$181,595, commencing December 27, 2020 through December 27, 2023. The Landfill Fund is making these loan payments.

-
-

Total financing agreements

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Business-type Activities, continued

Bonds and notes payable:

Note payable to Nebraska Department of Environment and Energy with original issue amount of \$2,781,130 issued to finance the aquifer storage and restoration project. The note bears interest of 0.5 percent and is due over 20 years with semi-annual principal and interest payments of \$74,109 due December 15, 2018 through June 15, 2038. Annual administrative fees of 0.5 percent are also due on this note. 2,001,673

Note payable to Nebraska Department of Environment and Energy with issued to finance the lead service line replacement project. The note in non-interest bearing and is due over 30 years with semi-annual principal payments of \$2,849 due December 15, 2025 through June 15, 2055. 170,935

Combined system revenue bonds dated August 5, 2021, with original issue amount of \$8,320,000. Interest is 1.46 percent with final maturity on October 15, 2032. 6,910,000

Total bonds and notes payable 9,082,608

Total business-type activity long-term debt \$ 9,082,608

Current portion \$ 387,387

Noncurrent portion 8,911,672

Total \$ 9,299,059

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Component Units

CRA notes payable:

On October 5, 2021, the CRA borrowed \$120,150 from Five Points Bank to finance downtown parking lot improvements. The loan bears interest of 4.0 percent and is due in semi-annual principal and interest payments of \$5,430 through June 15, 2035.

\$ 99,244

Current portion

\$ 6,962

Noncurrent portion

92,282

Total

\$ 99,244

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities			
	Other Debt Issues		Direct Placement	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 412,676	\$ 52,349	\$ 37,680	\$ -
2026	414,407	47,371	37,680	-
2027	426,169	41,857	37,680	-
2028	357,965	35,836	25,120	-
2029	265,000	32,106	-	-
2030-2034	1,380,000	106,138	-	-
2035-2036	585,000	10,724	-	-
	<u>\$ 3,841,217</u>	<u>\$ 326,381</u>	<u>\$ 138,160</u>	<u>\$ -</u>

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Year Ending September 30,	Business-type Activities				
	Other Debt Issues		Direct Placement		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>
2025	\$ 690,000	\$ 85,345	\$ 138,382	\$ 9,836	\$ 9,836
2026	730,000	76,115	144,773	9,143	9,143
2027	740,000	66,560	145,469	8,446	8,446
2028	750,000	56,875	146,169	7,747	7,747
2029	770,000	46,995	146,872	7,044	7,044
2030-2034	3,230,000	84,825	745,032	24,546	24,546
2035-2039	-	-	614,746	6,614	6,614
2040-2044	-	-	28,489	-	-
2045-2049	-	-	28,489	-	-
2050-2054	-	-	28,489	-	-
2055	-	-	5,698	-	-
	<u>\$ 6,910,000</u>	<u>\$ 416,715</u>	<u>\$ 2,172,608</u>	<u>\$ 73,376</u>	<u>\$ 73,376</u>

Year Ending September 30,	Component Units	
	Direct Placement	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,962	\$ 3,898
2026	7,244	3,617
2027	7,536	3,324
2028	7,841	3,020
2029	8,157	2,703
2030-2034	46,006	8,295
2035-2039	15,498	515
	<u>\$ 99,244</u>	<u>\$ 25,372</u>

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs

The City of Hastings has chosen to demonstrate financial assurance for the Hastings Regional Solid Waste Landfill and the Whelan Energy Center Temporary Ash Disposal Area by using a financial test mechanism. As required by Nebraska Administrative Code – Title 132 – *Integrated Solid Waste Management* Regulations, the following information is provided.

The City entered into an agreement with the Nebraska Department of Environment and Energy to establish a Closure/Post-Closure Care Account. The purpose of this account is to accumulate sufficient monies to fund all related costs of a clean closure, removal of all coal combustion residuals (CCR) and decontamination of the ash disposal area at the Whelan Energy Center. Monies are deposited into this account at a rate \$3.00 per ton of ash put into the disposal area. The calculated amount of the Closure/Post-Closure liability was \$1,525,269 at September 30, 2024, which is based on 32,447 tons of undisposed pond ash in the ash disposal area. It is estimated that an additional \$139,373 will be recognized as post-closure expenses between the date of the balance sheet and the date Whelan Energy Center is expected to be closed. The estimated total current cost of the ash disposal closure and post-closure care, \$1,664,642, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the ash disposal area were acquired as of September 30, 2024. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2024, funds of \$1,382,691 are restricted to finance closure and post-closure of the City's ash disposal area. These funds are presented on the City's statement of net position as "restricted for ash disposal closure costs." It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future users, taxpayers, or both.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs, continued

State and federal laws and regulations require that the City of Hastings place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of \$3,582,303 as of September 30, 2024, which is based on 47.8 percent usage (filled) of the landfill. It is estimated that an additional \$3,836,263 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care, \$7,418,566, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2024. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2024, funds of \$4,501,854 are restricted to finance closure and post-closure of the City's landfill. These funds are presented on the City's statement of net position as "restricted for landfill closure costs." It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

7. Interfund Transactions and Balances

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Museum	\$ 50,000	\$ -
Keno Betterment	13,000	-
Bookmobile Replacement	-	6,000
IT Fund	-	1,359,567
Fire Equipment Sinking	-	282,500
Duncan Sales Tax	-	15,000
Total General Fund	<u>63,000</u>	<u>1,663,067</u>
Museum		
General	-	50,000
Debt Service:		
Fire Equipment Sinking	98,871	-
Capital Projects	<u>-</u>	<u>1,000,000</u>
Total Debt Service	98,871	1,000,000
Nonmajor Funds	1,303,500	111,871
Internal Service Funds	<u>1,359,567</u>	<u>-</u>
Total Operating Transfers	<u>\$ 2,824,938</u>	<u>\$ 2,824,938</u>

At September 30, 2024, the Combined System Utilities Fund owed \$1,551,846 to the General Fund for in-lieu of tax. The Electric Fund owed \$2,229,696 to the General Fund for in-lieu of tax. Also, the Electric Fund owed \$143,633 to the Combined Utilities Fund. These balances are expected to be transferred during the year ending September 30, 2025.

8. Fund Equity

Restricted net position for other purposes totaling \$78,943 consists of \$31,053 in the BID Fund, \$39,088 in the Library Grant Fund and \$8,802 in the Public Safety Grant Fund.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

9. TIF Receivables and Payables

<u>TIF #</u>	<u>Description</u>	<u>9/30/2024</u>	
		<u>TIF</u> <u>Receivable</u>	<u>TIF</u> <u>Payable</u>
24	Uptown Experience, LLC	\$ 40,388	\$ -
33	801 Building Condominiums	90,710	-
34	Emerson Estates, LLC	61,871	61,871
37	Thoar, LLC	69,777	34,889
38	On Top, LLC	33,914	33,914
40	Dietrich/Stein Brothers Building, LLC	127,416	127,416
43	Eastside Estates, LLC	185,777	185,777
48	DJ&R Investments, LLC	369,331	369,331
49	Thoar, LLC-723 W 11 th St	31,772	31,772
50	Hastings Lodging 2	459,061	459,061
51	NPC Phase 1	1,191,420	1,191,420
52	Faris Redevelopment Project	44,218	44,218
53	Nebraska Truck Center	105,662	105,662
54	Thoar, LLC-737 W 1 st St	52,754	52,754
55 & 60	Mesner North	1,074,279	1,074,279
56	Southern Bell Heartland, LLC	254,328	254,328
58 & 76	HEDC West Laux Dr Phase I	186,520	186,520
59 & 64	Brant Rentals, LLC	300,685	300,685
61	Shabri, LLC	25,048	25,048
62	Boys 3 MCP, Inc.	158,898	158,898
63	Abegglen & Hirschfeld	329,642	329,642
66	Thoar, LLC-Cameron building	240,615	240,615
67 & 78	HEDC Trail Ridge Addition-Phase I	1,766,977	1,766,977
68	West 2 nd Investments, LLC	41,468	41,468
69	Luckee, LLC	40,268	40,268
70	ABBC Restorations	41,928	41,928
71	Theatre Building	367,131	367,131
73	HEDC Trail Ridge 2.0	491,036	491,036
74	Theatre District LLC Lot 3 Blk 1	1,665,606	1,665,606
75	Theatre District LLC Lot 8 Blk 1	189,311	189,311
77	DAVALWAT Properties LLC	80,402	80,402
83	Garage Flats	61,558	61,558
84	Corner Building, LLC	<u>96,971</u>	<u>96,971</u>
		<u>\$ 10,276,742</u>	<u>\$ 10,110,756</u>

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

The City participates in five employee pension plans as follows:

<u>Name of Plan</u>	<u>Type of Plan</u>
Police and Firefighters Plan (Pre-1984)	Defined Benefit Plan
Police Plan	Defined Contribution Plan
Firefighters Plan	Defined Contribution Plan
Other City and Utility Employees	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan

All plans are administered by outside trustees and are not included in these financial statements.

Police and Firefighters Plan (Pre-1984)

The City of Hastings, Nebraska Police Pension (Police Plan) and the City of Hastings, Nebraska Firefighters Plan (Firefighters Plan) are administered as follows:

- (1) Employees who were hired prior to January 1, 1984, the date at which the Police and Firefighters Plans were amended from defined benefit plans to their current status as defined contribution plans, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.
- (2) Employees hired after January 1, 1984, are covered by the defined contribution plan, which is administered by a third party.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police and Firefighters Plan (Pre-1984), continued

The employees hired prior to January 1, 1984, participate in both plans and will receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. The City has funded their portion of the respective Plan, in addition to the employee's portion, with the assets being held by a third party administrator of the current defined contribution plan. These assets are included in the total plan assets for the Police Retirement Plan and the Firefighters Retirement Plan, when determining the pension benefit obligation.

Based on the actuarial valuation, it is anticipated that the participant accounts and unallocated/forfeiture account are sufficient to provide the minimum defined benefits for the remaining pre-1984 hires. Therefore, it is anticipated that no additional contribution will be required. The respective Defined Benefit Plan is further described in the Police and Firefighters Plan Section.

Police Plan

Plan Description

The Police Plan provisions are covered by City ordinance. The Police Plan covers all employees classified as police officers.

For the year ended September 30, 2024, the City's payroll total and covered under the Plan was \$3,336,536 and \$3,336,536, respectively.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police Plan, continued

Plan Description, continued

As of December 31, 2022, the date of the last actuarial valuation of the defined benefit plan, there were no active employees in the Police Plan.

An employee with at least 25 years of service may retire as early as age 55; normal retirement occurs at age 60 with a minimum of 21 years of service, if employed on or before November 18, 1965, otherwise 25 years.

Under the Police Plan, normal retirees employed on or before January 1, 1984, would not receive an annuity benefit of less than 50 percent of regular pay. All current employees will receive a benefit based on their defined contribution account. An employee is 100 percent vested in his or her contributions of 7.0 percent of monthly compensation, and vests 40 percent after two years of service, 60 percent after 4 years, 80 percent after 5 years, and is 100 percent vested at 7 years or more in the City's contributions, which is a matching 7.0 percent.

Funding Status of Defined Benefit Plan

The projected retirement benefits at December 31, 2022, were determined through an actuarial valuation. The actuarial valuation was performed using the Aggregate Actuarial Cost Method, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the average future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

Significant actuarial assumptions used in the valuation included (a) a rate of return of five percent for pre-retirement and 3.5 percent for post-retirement per annum, and (b) projected annual salary increases of two percent.

The pension benefit obligation, a standardized disclosure measure of the present value of pension benefits, intended to help assess the funding status of pensions, is as follows:

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police Plan, continued

Funding Status of Defined Benefit Plan, continued

Fair value of plan assets at December 31, 2022	\$ 918,091
Benefit obligation estimated at December 31, 2022	<u>421,738</u>
Funded Status	\$ <u>496,353</u>

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was \$0, and contributions of \$0 were made for the year ended September 30, 2024, as the City calculates they now have excess funding on their remaining benefit obligations.

Contributions made under the defined contribution portion of the Police Plan for the year ended September 30, 2024, were as follows:

		<u>Amount as a Percentage of Covered Payroll</u>
Employer	\$ 233,640	7.0%
Employee	<u>233,640</u>	7.0%
Total	\$ <u>467,280</u>	

Firefighters Plan

Plan Description

The Firefighters Plan provisions are covered by City ordinance. The Firefighters Plan covers all employees classified as Firefighters.

For the year ended September 30, 2024, the City's payroll total and covered under the Plan was \$2,296,481 and \$2,296,481, respectively.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Plan Description, continued

As of January 1, 2011, the date of the last actuarial valuation of the defined benefit plan, there were two active employees in the Firefighters Plan. Since that time, these two employees have retired and there are no longer any active members; therefore, there is no need for further actuarial reports.

An employee who has attained the age of 50 with 21 years of service may take early retirement with benefits reduced by the actuarial equivalent of his or her normal retirement at age 55.

Under the Firefighters Plan, normal retirees employed prior to January 1, 1984, would not receive an annuity benefit of less than 50 percent of regular pay. All current employees will receive a benefit based on their defined contribution account. An employee is 100 percent vested in his or her contributions, 6.5 percent of monthly compensation, and vests 40 percent after four years of service plus 10 percent for each year thereafter, up to 100 percent, in the City's contributions, 13 percent of monthly compensation.

Funding Status of Defined Benefit Plan

The projected retirement benefits at September 30, 2024, were determined through a valuation calculation. The valuation was performed using a present value calculation, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

Significant actuarial assumptions used in the valuation included (a) a rate of return of five percent for pre-retirement and four percent for post-retirement per annum, and (b) projected annual salary increases of four percent.

The pension benefit obligation, a standardized disclosure measure of the present value of pension benefits, intended to help assess the funding status of pensions, is as follows:

Fair value of plan assets at September 30, 2017	\$ 460,028
Benefit obligation estimated at September 30, 2017	<u>539,247</u>
Funded Status	\$ <u>(79,219)</u>

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2024.

Contributions made under the defined contribution portion of the Firefighters Plan for the year ended September 30, 2024, were as follows:

		<u>Amount as a Percentage of Covered Payroll</u>
Employer	\$ 299,120	13.0%
Employee	<u>149,560</u>	6.5%
Total	<u>\$ 448,680</u>	

All Other City and Utilities System Employees

The City and Utilities System contribute to the City of Hastings, Nebraska Retirement Plan (the Plan), a defined contribution pension plan, for all other City employees and employees of the Utilities System. The plan is administered by Empower.

Benefit terms, including contribution requirements for the Plan are established and may be amended by the City of Hastings Retirement Board. All employees not in the Police and Fire Department are required to contribute to the Plan after they have been employed six months and are at least 21 years of age. The Plan has a six month vesting period. Any non-vested money in an account is sent back to the employer as a forfeiture once the terminated employee takes a distribution out of the account. At that time, the City uses the forfeitures to offset the employer's contributions. Total forfeitures used during the year ended September 30, 2024 was \$0.

Each participating employee is required to contribute 4.0% of the first \$25,000 of compensation to the Plan, and 8.0% of any compensation over and above \$25,000. The City and Utilities System then matches the employee's contribution. The City's annual contribution for the year ended September 30, 2024 was \$539,161. The Utilities System total pension expense was \$1,247,054 for the year ended September 30, 2024.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and elected officials. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability. The City does not contribute to the 457 plan. All contributions are voluntary employee contributions.

As of January 1, 1997, these funds were placed in trust, in accordance with IRS Code Section 457(g)(1). IRS Code Section 457(g)(1), applicable for plan year beginning January 1, 1997, states that “a plan maintained by an eligible employer shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.” The deferred compensation plan as placed in trust is not subject to any creditors of the City.

2. Risk Management

Insurance

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases insurance and administers funds for its self-insured programs.

The City’s Self-Insurance Fund does not assume the full risk of loss related to claims filed under the insurance provided. The City has purchased insurance to cover individual claims in excess of \$100,000 per claimant, as well as an aggregate stop loss of \$7,559,124. The City pays the claims first up to the \$100,000 per individual, and at the end of the policy year, the insurance company computes the amount due, if any, to the City in excess of the insured aggregate. At September 30, 2024 the City had not exceeded its aggregate stop loss for the year. Claims incurred prior to year-end but not paid are covered by the fiscal year aggregate and will be paid by the City, but later reimbursed. Claims incurred but not paid until subsequent to year-end totaled \$356,498, are recorded as a liability in the Self-Insured Health Fund at September 30, 2024. The Self-Insurance Health Fund had \$496,111 of reinsurance receivable at September 30, 2024.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2024, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The investment maturities are as follows:

		INVESTMENT MATURITIES (IN YEARS)				
		<1	1-5	5-10	10+	Total
City:						
CDs		\$ 3,784,460	\$ -	\$ -	\$ -	\$ 3,784,460
Utilities:						
CDs		\$ 7,251,854	\$ -	\$ -	\$ -	\$ 7,251,854
Money Market		10,198,438	-	-	-	10,198,438
		\$ 17,450,292	\$ -	\$ -	\$ -	\$ 17,450,292

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

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Concentration of Credit Risk. The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2024, the City's investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Five Points Bank	\$ 4,034,460
Home Federal	<u>7,001,854</u>
	\$ <u>11,036,314</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2024.

3. Commitments

Construction/Capital Assets

The City is a party to numerous contracts relating to construction and other capital asset projects. The City intends to fund the construction through operations or long-term financing.

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2023</u>	<u>Obligation Pending</u>	<u>Estimated Completion</u>
City office remodel	\$ 7,655,814	\$ 577,980	\$ 7,077,834	4/30/2026
City Hall asbestos removal	585,786	536,068	49,718	12/31/2024
Kool-Aid display	953,062	52,000	901,062	9/30/2025
Lib's Park splash pad	256,651	-	256,651	5/31/2025
Police department windows	416,951	64,835	352,116	1/31/2025
Parks storage building	550,000	108,248	441,752	6/30/2025
Quiet zone	585,499	524,718	60,781	6/30/2025
Parkview Cemetery paving - Phase IV	367,084	354,589	12,495	9/30/2025
Airport apron project	138,990	127,009	11,981	9/30/2025
Downtown two-way conversion study	100,493	52,883	47,610	5/31/2025
Museum fire alarm and suppression system	510,841	-	510,841	4/30/2025
Grapple truck	138,998	-	138,998	11/30/2025
Parks dump truck	188,413	-	188,413	6/30/2025
Community Center parking lot	117,757	-	117,757	10/31/2024
Landfill scalehouse expansion	196,800	-	196,800	9/30/2025
Landfill site expansion engineering	108,140	-	108,140	9/30/2025
Electric WEC air preheater	491,257	-	491,257	11/30/2024
Electric fence at Don Henry station	13,862	-	13,862	10/31/2024
Water line inspection ports	32,830	-	32,830	9/30/2025
Water main - S Boston	556,797	427,444	129,353	10/31/2024

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Construction/Capital Assets, continued

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2023</u>	<u>Obligation Pending</u>	<u>Estimated Completion</u>
Water main - S New York	404,862	-	404,862	9/30/2025
Sewer aeration basin equipment	3,177,000	777,792	2,399,208	9/30/2025
Sewer aeration basin improvements	726,295	534,557	191,738	9/30/2025
Sewer boom and vac trailer	131,169	-	131,169	10/31/2024
Sewer Maxon lagoon dredging	960,600	-	960,600	9/30/2025
Utility admin - sprinklers	12,772	-	12,772	12/31/2024
Utility admin - foam roof	32,790	-	32,790	10/31/2024
Utility admin - duct installation for fiber	115,431	-	115,431	2/28/2025
Utility admin - flowserve underground ducts	161,230	-	161,230	9/30/2025
Total commitments	<u>\$ 19,688,174</u>	<u>\$ 4,138,123</u>	<u>\$ 15,550,051</u>	

Other Commitments

<u>Lessor</u>	<u>Leased Property</u>	<u>Term</u>	<u>Amount</u>
Quadient	Postage Machine	11/8/23 – 2/8/29	\$275/month
	Postage Machine	5/12/23 – 5/12/28	\$164/month
Eakes	Printer Management	8/24/22 – 8/24/29	\$7,096/month
Hastings Building Co	Office	4/6/23 – 4/6/25	\$4,070/month

The CRA leases office space under a 20-year contract that commenced October 1, 2009 through September 30, 2029. Initial monthly rent of \$490 increases 1.5 percent annually.

GASB 87 and 96 have not been applied to any of the City's and CRA's leases and subscription based arrangements as the City does not deem the right to use assets and related lease liability obligations to be material to the government-wide and the fund financial statements.

Letter of Credit

The City has a \$1,690,305 standby letter of credit available through Five Points Bank, with the Environmental Protection Agency as the beneficiary to satisfy the Performance Guarantee obligations related to the Hastings Groundwater Contamination Site. As of September 30, 2024, nothing had been drawn on this letter of credit, which expires September 24, 2025.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts

MEAN Participation Agreement

As of February 23, 1983, the Utilities entered into a Participation Power Sales Agreement with the Municipal Energy Agency of Nebraska (MEAN). MEAN may purchase up to 6.95 percent of the power generated by the Whelan Energy Center #1 (WEC #1) for the longer of: 1) the time until the final maturity date of the debts to construct, improve or add to the component facilities of WEC #1 or, 2) the City removes WEC #1 and the part of the City's transmission system in which MEAN participates. MEAN will pay for all fuel related costs of generating the power it uses plus 6.95 percent of: 1) principal and interest costs of the bonded debt attributable to WEC #1, 2) the capital improvements to WEC #1 and related transmission systems, 3) fixed costs of operating and maintaining WEC #1 and the related transmission system, including taxes, 4) direct and allocated administrative and general costs associated with WEC #1, and 5) costs to prevent or correct unusual loss or damage to the WEC #1 system which are not insured or recovered from a third party.

Coal Supply Agreements

On December 15, 2006, the Utilities entered into an agreement with AGP Corn Processing, Inc. (AGP) to supply coal to a truck loadout facility built and paid for by AGP on the Whelan Energy Center property. Upon completion of the truck loadout facility, the facility was given to the Utilities, with AGP being responsible for the costs to operate and maintain the facility. The agreement is for a sixteen year period beginning on April 1, 2007. Coal deliveries commenced in August of 2008. AGP is obligated to buy annually not less than 100,000 tons and not to exceed 160,000 tons of coal from the Utilities. As a result of an agreement with AGP entered into on December 23, 2013, the minimum annual coal purchase requirement was reduced to 70,000 tons.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Coal Contracts

Peabody COALSALES, LLC

On October 19, 2022, the Utilities entered into an agreement with Peabody COALSALES, LLC (Peabody) for the purchase of coal for the period January 1, 2023 through December 31, 2023. The agreement provides a minimum of 400,000 and a maximum of 1,000,000 tons each for calendar years 2023 through 2025. Peabody has first right to supply any excess over the maximum under terms of the agreement.

The Burlington Northern and Santa Fe Railway Company

On September 16, 2022, the Utilities entered into an agreement with BNSF for transportation of coal for the period of September 16, 2022 through December 31, 2027. The agreement has a minimum annual tonnage requirement of 450,000 tons.

Natural Gas Contracts

Central Plains Energy Project

On September 25, 2006, the Utilities executed an Interlocal Agreement to enter into the joint entity known as the Central Plains Energy Project (CPEP). CPEP was created between and among public agencies to achieve savings and enhanced reliability, efficiency and supply security through the joint purchase of natural gas and the arrangement of joint services on behalf of its participant members and certain other public agencies. CPEP's members include the Metropolitan Utilities District in Omaha, Nebraska, the Municipal Gas Utility of the City of Cedar Falls, Iowa and the City of Hastings.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

On July 1, 2009, the Utilities entered into a 30 year Gas Supply Agreement (GSA) with CPEP Project No. 2 for approximately 25 percent of the Utilities 10 year historical average annual natural gas consumption. To provide the natural gas supply for the GSA, CPEP entered into a 30 year term Prepaid Natural Gas Purchase and Sale Agreement (Agreement) with the Royal Bank of Canada (RBC) for delivery of natural gas to CPEP.

On January 30, 2014, RBC filed a Complaint in the United States District Court for the District of Nebraska (Court) seeking a declaration that RBC be entitled to terminate the Agreement with CPEP as a result of changes in applicable banking and regulatory authorities, which RBC claimed to have a material, adverse effect on the transaction. CPEP disagreed that the regulatory changes RBC cited would result in a material, adverse effect on the transaction, and filed an Answer and Counterclaim with the Court asking for damages from RBC as a result of anticipatory breach of the Agreement.

Prior to the matter being heard by the Court, RBC and CPEP negotiated a settlement where RBC would provide the funds necessary and redeem all outstanding bonds associated with the 2009 issue; issuance of new bonds to effectuate a five year term fixed discount Prepaid Transaction between RBC and CPEP; and certain cash payments to CPEP. CPEP in turn entered into a new GSA with the Utilities for a five year term that shall run from November 1, 2014 through October 31, 2019, and provides for delivery of the same monthly volumes received previously. Prior to the end of the five year term RBC and CPEP may negotiate to extend the Agreement for a mutually agreeable term and fixed discount rate. If these negotiations are unsuccessful, the Agreement will terminate effective October 31, 2019. In the event an extension of the Agreement between RBC and CPEP is negotiated, the Utilities, in its sole discretion, has the option of whether it wishes to extend the term of its GSA with CPEP, incorporating the new term and discount rate, or cease taking deliveries effective October 31, 2019.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

On November 16, 2018 the Utilities entered into a 30 year Gas Supply Agreement (GSA) with CPEP Project No. 4 for approximately 25 percent of the Utilities 10 year historical average annual natural gas consumption. To provide the natural gas supply for the GSA, CPEP entered into a 30 year term Prepaid Natural Gas Purchase and Sale Agreement (Agreement) with J. Aron & Company LLC, a New York limited liability company (“J.Aron”) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., for the delivery of natural gas to CPEP.

Trailblazer Pipeline Company LLC

The Utilities signed a firm natural gas transportation contract running through September 30, 2025 with the Trailblazer Pipeline Company LLC (Trailblazer). The Maximum Daily quantity (MDQ) under the contract is 14,840 Dth/day.

Tall Grass Interstate Gas Transmission LLC

The Utilities also has a long term firm natural gas transportation contract with Tall Grass Interstate Gas Transmission LLC. The contract originated on October 1, 1993 with the current contract term running through August 31, 2026. The Maximum Daily Quantity (MDQ) is 16,000 Dth/day.

Power Purchase Agreement

CCC-Hastings Renewable Energy, LLC

On August 31, 2016, the Utilities executed a Power Purchase Agreement (PPA) with CCC-Hastings Renewable Energy, LLC (HRE), to purchase the entire output of a 1.7 MW General Electric wind turbine. The PPA has a 25 year term with an option for Utilities to extend thereafter. The wind turbine is located on property owned by the Central Community College and is interconnected to the Utilities electric distribution system. Per the terms of the PPA, HRE was responsible for obtaining all required permits, turbine construction oversight and payment of all costs to construct the turbine and interconnection facilities. HRE will also own, operate and have cost responsibility to maintain the wind turbine and interconnection facilities going forward. The wind turbine began commercial operation on December 29, 2016.

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Wind Power Purchase Agreement

Central Community College

On August 31, 2016, the Utilities executed a Wind Power Purchase Agreement (WPPA) with Central Community College (CCC) which will provide for the Utilities to sell CCC energy purchased by the Utilities from a wind turbine owned by CCC-Hastings Renewable Energy, LLC (HRE). The intent of the WPPA is for the Utilities to provide up to 100 percent of CCC's energy needs at its Hastings' campus with energy produced by the wind turbine. In addition, CCC will receive a portion of the Renewable Energy Credits generated by the wind turbine. The WPPA is to remain in force for a term that coincides with the Power Purchase Agreement between the Utilities and HRE, which is currently 25 years.

Public Power Generation Agency Financial Commitment

On October 25, 2006, the Utilities entered into an Amended and Restated Participation Agreement with the Public Power Generation Agency (PPGA). PPGA was formed under the Interlocal Cooperation Act of the State of Nebraska to construct and operate Whelan Energy Center Unit 2 (WEC 2), a 220 megawatt (MW) coal-fired electric generating plant located at the existing Whelan Energy Center. The Agreement entitles the Utilities to 35 MW of capacity (or 15.9%) of the estimated 220 MW capacity of WEC 2. Under the terms of the Agreement, the Utilities has been selected to be the Project Construction Manager and Project Operating Agent for WEC 2. WEC 2 began commercial operation on May 1, 2011.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

5. Environmental Remediation

At present there is an ongoing investigation in the Hastings area of groundwater contamination. The investigation is being conducted by the United States Environmental Protection Agency (EPA). The City of Hastings (the City) has been named as a potentially responsible party (PRP) at three of the seven designated subsites, and has some involvement at the four remaining subsites by virtue of its ownership and operation of public facilities. Additionally, the City and other parties are responsible for what is known as the Area Wide Operable Unit, which is an overlay of six of the seven subsites. The City's liability at three of these subsites, and for the Area Wide Operable Unit, will be in the form of annual maintenance and operating costs of remediation equipment and improvements (such as landfill covers). The cost is projected at somewhere between \$100,000 and \$150,000 per year, although much of such costs will be satisfied by in-kind services provided by City staff.

The City's obligation on one sub-site, Operable Units 12 and 20 of the 2nd Street Sub-site, in which the City had been designated the only potentially responsible party, has been settled by a consent decree in the amount of \$14,130,572. However, upon receipt of a cash settlement of \$1,000,000, in-kind services in the amount of \$1,700,000, and 49.6% of any insurance recovery, the City will be deemed to have met this obligation. The cash obligation and insurance recovery have been paid. The City and the Utilities have provided approximately \$747,000 of in-kind services. On June 4, 2017, the State took over the groundwater (down-gradient) operable unit (OU20) and the City will no longer provide in-kind services on OU20. The EPA is continuing to monitor/operate source control operable unit (OU12) and informed the City to cease all in-kind services on June 30, 2017; nevertheless, the City is willing to continue to provide any additional in-kind services as requested by the EPA in order to reduce the expected remaining liability of \$953,392 pursuant to the consent decree. The remaining liability was paid to the EPA in three annual installments of \$317,797 during the years ended September 30, 2019 through 2021. The City and EPA entered into a joint stipulation to terminate consent decree which was filed in Federal Court on January 5, 2022 and was approved by the court that same day.

The City is currently in negotiations with the EPA on a solution for the South Landfill Subsite. An evapotranspiration cap was installed as the source control remedy in 2004. The groundwater remedy is currently monitored natural attenuation (MNA). The EPA has indicated it does not believe the report demonstrates that MNA will meet EPA's standards for MNA remedies. The PRP's have submitted a focused feasibility study (FFS) outlining various alternatives for cleanup of the contamination. The FFS outlined several types of remediation, ranging in cost from \$1,710,000 to \$16,470,000 and was submitted to EPA and NDEE on August 12, 2019. The FFS is still under review and the remediation alternative remains to be approved by the EPA. The City is one of two remaining PRP's on this subsite and expects to incur 50 percent of the cost of whatever solution is ultimately selected.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

6. Interlocal Agreements

The City is a party to 23 interlocal agreements in effect as of September 30, 2024. The City Clerk maintains a complete list of the interlocal agreements in effect.

7. Tax Abatements

The Community Redevelopment Agency (CRA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CRA for the year ended September 30, 2024 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2024 TIF Valuation</u>	<u>2024 TIF Excess Tax Levied</u>
Carmichael Ltd, LLC	1	\$ 681,975	\$ 13,618
Southwood Estates Redevelopment	3	644,332	12,867
Uptown Experience, LLC	4	685,101	13,681
Listening Room	5	527,270	10,529
801 Building Condominiums	7	648,941	12,958
Emerson Estates, LLC	7	442,627	8,839
Thoar, LLC (Old Market Firearms)	8	436,787	8,722
On Top, LLC	8	233,620	4,665
Dietrich/Stein Brothers Building, LLC	8	1,520,910	30,371

CITY OF HASTINGS, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

NOTE D – OTHER NOTES, continued

7. Tax Abatements, continued

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2024 TIF Valuation</u>	<u>2024 TIF Excess Tax Levied</u>
Eastside Estates, LLC	9	1,033,709	20,642
DJ&R Investments, LLC	10	2,682,480	53,584
Thoar, LLC-723 W 11th St	10	553,484	11,052
Hastings Lodging 2	11	6,130,834	122,467
NPC - Phase 1	11	10,834,800	216,432
Faris Redevelopment Project	11	301,227	6,015
Nebraska Truck Center, Inc	11	481,036	9,606
Thoar, LLC (737 W 1st St)	11	928,564	18,542
Mesner North Redevelopment Project	11	1,004,281	15,033
Southern Bell Heartland, LLC	11	1,972,130	39,381
HEDC West Laux Dr - Phase I	12	496,634	9,920
Brant Rentals, LLC	12	1,390,437	27,765
Mesner North	12	3,741,331	56,002
Shabri, LLC	12	721,281	14,403
Boys 3 MCP, Inc.	12	1,306,540	26,099
Abegglen & Hirschfeld	13	1,728,975	34,537
Brandt Rentals, LLC	13	358,392	7,157
Thoar, LLC - Cameron building	13	926,894	18,509
HEDC Trail Ridge Addition - Phase 1	13	2,854,253	42,724
West 2nd Investments, LLC	13	438,358	8,753
Luckee, LLC	13	251,208	5,016
ABBC Restorations	13	430,435	8,595
Theatre District	13	1,414,253	28,241
HEDC Trail Ridge 2.0	14	262,740	3,933
Theatre District LLC-Lot 3 Blk 1	14	5,957,911	118,972
Theatre District LLC-Lot 8 Blk 1	14	677,169	13,522
HEDC West Laux Dr - Phase 2	14	241,268	4,819
DAVALWAT Properties LLC	14	287,601	5,743
HEDC Trail Ridge Addition - Phase 2	14	4,056,452	60,719
HEDC Trail Ridge Addition - Phase 3	15	2,535,123	37,947
HEDC Trail Ridge 2.0 - Phase 2	15	1,941,760	29,065
Mesner North Redevelopment - Phase 2	15	1,055,095	15,793
Garage Flats	15	205,515	4,104
Corner Building, LLC	15	323,742	6,465
			<u>\$ 1,217,807</u>

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE D – OTHER NOTES, continued

8. Subsequent Events

Management has evaluated subsequent events through February 5, 2025, the date on which the financial statements were available for issue.

On October 14, 2024, City Council approved an agreement with Diamond Engineering Company for the Lochland Meadows 17th Addition sewer main project for \$488,345.

During November 2024, the City was awarded three CDBG grants (\$435,000 – Business Improvement District; \$480,000 – Revive, Inc; and \$335,900 – Mobile Home Water Connection Project).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE -

GENERAL FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 6,380,741	\$ 6,505,540	\$ 124,799
Motor vehicle	450,000	497,212	47,212
Occupation	50,000	52,630	2,630
Sales tax	5,700,000	6,458,451	758,451
Franchise	370,000	374,760	4,760
In lieu of tax	3,750,000	3,781,541	31,541
Intergovernmental	1,179,917	1,601,465	421,548
Charges for services	4,300,000	4,343,429	43,429
Grants	896,850	119,646	(777,204)
Interest income	750,000	1,094,520	344,520
Contributions	25,000	25,000	-
Other	149,617	35,617	(114,000)
Total resources	24,002,125	24,889,811	887,686
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government:			
City Administrator's office	959,951	806,706	(153,245)
Human resources	695,933	610,621	(85,312)
City attorney	189,347	182,244	(7,103)
Finance	1,082,419	1,093,614	11,195
Mayor and Council	138,428	120,021	(18,407)
City clerk	263,144	248,355	(14,789)
Other governmental	3,270,013	1,503,689	(1,766,324)
Development services	1,263,281	1,090,297	(172,984)
Total general government			
	7,862,516	5,655,547	(2,206,969)
Public safety:			
911 Center	1,244,422	1,018,589	(225,833)
Fire and rescue	4,693,849	4,371,916	(321,933)
Ambulance service	-	169,668	169,668
Police	6,701,594	5,690,028	(1,011,566)
Total public safety			
	12,639,865	11,250,201	(1,389,664)

CITY OF HASTINGS, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND, Continued**

Year ended September 30, 2024

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS), continued			
Public works:			
Cemetery	1,463,479	817,407	(646,072)
EPA mandates	243,600	57,348	(186,252)
Storm water management	-	13,998	13,998
Total public works	<u>1,707,079</u>	<u>888,753</u>	<u>(818,326)</u>
Environment and leisure:			
Auditorium	145,612	170,845	25,233
Parks	3,312,994	2,803,951	(509,043)
Water park	496,300	487,044	(9,256)
Recreation programming	233,799	162,967	(70,832)
Library	1,649,557	1,463,955	(185,602)
Airport	528,125	416,461	(111,664)
Total environment and leisure	<u>6,366,387</u>	<u>5,505,223</u>	<u>(861,164)</u>
Total charges to appropriations	<u>28,575,847</u>	<u>23,299,724</u>	<u>(5,276,123)</u>
Resources over (under) charges to appropriations	(4,573,722)	1,590,087	6,163,809
OTHER FINANCING SOURCES (USES)			
Transfers in	103,000	63,000	(40,000)
Transfers out	<u>(1,786,664)</u>	<u>(1,663,067)</u>	<u>123,597</u>
Net transfers	<u>(1,683,664)</u>	<u>(1,600,067)</u>	<u>83,597</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	<u>\$ (6,257,386)</u>	<u>\$ (9,980)</u>	<u>\$ 6,247,406</u>

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE -

STREET FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	\$ 18,500	\$ 43,792	\$ 25,292
Wheel tax	350,000	391,724	41,724
Intergovernmental	3,727,363	3,729,705	2,342
Charges for services	150,000	193,815	43,815
Grants	658,615	614,867	(43,748)
Interest income	38,000	81,259	43,259
Other revenue	-	2,336	2,336
	<u>4,942,478</u>	<u>5,057,498</u>	<u>115,020</u>
Total resources	4,942,478	5,057,498	115,020
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	4,596,561	3,913,625	(682,936)
Capital outlay	1,160,000	217,110	(942,890)
Interest expense	-	11,958	11,958
	<u>5,756,561</u>	<u>4,142,693</u>	<u>(1,613,868)</u>
Total charges to appropriations	5,756,561	4,142,693	(1,613,868)
RESOURCES OVER (UNDER)			
CHARGES TO APPROPRIATIONS	<u>\$ (814,083)</u>	<u>\$ 914,805</u>	<u>\$ 1,728,888</u>

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE -

MUSEUM FUND

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 1,196,491	\$ 1,140,881	\$ (55,610)
Motor vehicle tax	90,000	92,562	2,562
Occupation tax	252,000	296,182	44,182
Charges for services	370,000	424,074	54,074
Grants	12,000	13,603	1,603
Contributions	5,000	7,199	2,199
Other income	<u>552</u>	<u>721</u>	<u>169</u>
Total resources	1,926,043	1,975,222	49,179
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Environment and leisure	1,849,559	1,713,660	(135,899)
Capital outlay	<u>280,000</u>	<u>80,000</u>	<u>(200,000)</u>
Total charges to appropriations	<u>2,129,559</u>	<u>1,793,660</u>	<u>(335,899)</u>
Resources over (under) charges to appropriations	(203,516)	181,562	385,078
OTHER FINANCING USES			
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	<u><u>\$ (253,516)</u></u>	<u><u>\$ 131,562</u></u>	<u><u>\$ 385,078</u></u>

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE -

DEBT SERVICE FUND

Year ended September 30, 2024

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 468,081	\$ 447,651	\$ (20,430)
Motor vehicle tax	40,000	36,036	(3,964)
Special assessments	235,000	1,020,138	785,138
Interest income	<u>1,000</u>	<u>152,669</u>	<u>151,669</u>
Total resources	744,081	1,656,494	912,413
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	412,000	412,277	277
Interest expense	56,081	57,104	1,023
Other expenses	<u>20,000</u>	<u>800</u>	<u>(19,200)</u>
Total charges to appropriations	<u>488,081</u>	<u>470,181</u>	<u>(17,900)</u>
Resources over charges to appropriations	256,000	1,186,313	930,313
OTHER FINANCING SOURCES (USES)			
Transfers in	98,871	98,871	-
Transfers out	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(500,000)</u>
Net transfers	<u>(401,129)</u>	<u>(901,129)</u>	<u>(500,000)</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	<u><u>\$ (145,129)</u></u>	<u><u>\$ 285,184</u></u>	<u><u>\$ 430,313</u></u>

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULES - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year ended September 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

	General <u>Fund</u>	Street <u>Fund</u>	Museum <u>Fund</u>	Debt Service <u>Fund</u>
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis from the budgetary comparison schedules	\$ 24,889,811	\$ 5,057,498	\$ 1,975,222	\$ 1,656,494
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(122,299)</u>	<u>35,158</u>	<u>(4,327)</u>	<u>(2,596)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 24,767,512</u></u>	<u><u>\$ 5,092,656</u></u>	<u><u>\$ 1,970,895</u></u>	<u><u>\$ 1,653,898</u></u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 23,299,724	\$ 4,142,693	\$ 1,793,660	\$ 470,181
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>474,765</u>	<u>(93,923)</u>	<u>(2,645)</u>	<u>(2,298)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>\$ 23,774,489</u></u>	<u><u>\$ 4,048,770</u></u>	<u><u>\$ 1,791,015</u></u>	<u><u>\$ 467,883</u></u>
Net transfers:				
Actual amounts (budgetary basis) from the budgetary comparison schedules	\$ (1,600,067)	\$ -	\$ (50,000)	\$ (901,129)
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net transfers as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ (1,600,067)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (50,000)</u></u>	<u><u>\$ (901,129)</u></u>

CITY OF HASTINGS, NEBRASKA

**SCHEDULE OF FUNDING PROGRESS -
PUBLIC SAFETY EMPLOYEES RETIREMENT SYSTEM
(POLICE OFFICERS AND FIREFIGHTERS)**

Year ended September 30, 2024

<u>Valuation Date</u>	<u>Fair Value of Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Covered Payroll</u>	
<u>Police:</u>							
12/31/2022	\$ 918,091	\$ 421,738	\$ (496,353)	217.7%	\$ 102,484	n/a	*
<u>Fire:</u>							
9/30/2017	\$ 460,028	\$ 539,247	\$ 79,219	85.3%	n/a	n/a	

* Fair value of assets exceeds the accrued liability, so calculation of unfunded liability as a percentage of covered payroll is not applicable.

SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Permanent Cemetery <u>Perpetual Care</u>	<u>Special Revenue Funds</u>			
		BID <u>Fund</u>	Community <u>Development</u>	Museum <u>Sales Tax Fund</u>	S Landfill <u>Cap Fund</u>
ASSETS					
Cash and cash equivalents	\$ 92,783	\$ 31,586	\$ 38,688	\$ 1,647,480	\$ 23,673
Certificates of deposit	-	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	-
Interest	-	-	-	-	-
Due from other governments	-	-	4,325	56,095	-
Total assets	<u>\$ 92,783</u>	<u>\$ 31,586</u>	<u>\$ 43,013</u>	<u>\$ 1,703,575</u>	<u>\$ 23,673</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 533	\$ 3,225	\$ -	\$ -
Fund balances:					
Nonspendable:					
Cemetery perpetual care	92,783	-	-	-	-
Restricted for:					
Street improvements	-	-	-	-	-
Federal programs	-	-	-	-	-
Capital projects	-	-	-	-	-
Aquatic Center	-	-	-	-	-
Museum projects	-	-	-	1,703,575	-
Community betterment	-	-	-	-	-
Other purposes	-	31,053	-	-	-
Assigned for:					
Equipment replacement	-	-	-	-	-
Other purposes	-	-	39,788	-	23,673
Unassigned	-	-	-	-	-
Total fund balances	<u>92,783</u>	<u>31,053</u>	<u>39,788</u>	<u>1,703,575</u>	<u>23,673</u>
Total liabilities and fund balances	<u>\$ 92,783</u>	<u>\$ 31,586</u>	<u>\$ 43,013</u>	<u>\$ 1,703,575</u>	<u>\$ 23,673</u>

<u>Library Grant Fund</u>	<u>Fire Equipment Sinking Fund</u>	<u>Bookmobile Replacement</u>	<u>Parks Grant Fund</u>	<u>Duncan Park Sales Tax</u>	<u>Aquatics Center Fund</u>
\$ 39,050	\$ 313,188	\$ 143,404	\$ 76,306	\$ 78,410	\$ (25,468)
-	-	-	-	-	280,000
-	-	-	-	-	-
-	-	-	-	-	6,232
422	-	-	-	-	-
<u>\$ 39,472</u>	<u>\$ 313,188</u>	<u>\$ 143,404</u>	<u>\$ 76,306</u>	<u>\$ 78,410</u>	<u>\$ 260,764</u>
\$ 384	\$ -	\$ -	\$ 5,729	\$ -	\$ 3,257
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	70,577	78,410	-
-	-	-	-	-	257,507
-	-	-	-	-	-
-	-	-	-	-	-
39,088	-	-	-	-	-
-	313,188	-	-	-	-
-	-	143,404	-	-	-
-	-	-	-	-	-
<u>39,088</u>	<u>313,188</u>	<u>143,404</u>	<u>70,577</u>	<u>78,410</u>	<u>257,507</u>
<u>\$ 39,472</u>	<u>\$ 313,188</u>	<u>\$ 143,404</u>	<u>\$ 76,306</u>	<u>\$ 78,410</u>	<u>\$ 260,764</u>

CITY OF HASTINGS, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS, Continued
September 30, 2024

	Special Revenue Funds				
	CANDO	Public Safety	ARPA	Wireless	Landline
	<u>Fund</u>	<u>Grant Fund</u>	<u>Fund</u>	<u>E911 Fund</u>	<u>E911 Fund</u>
ASSETS					
Cash and cash equivalents	\$ 115,010	\$ 13,407	\$ 1,074,895	\$ 416,416	\$ 410,383
Certificates of deposit	-	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	6,517
Interest	-	-	-	-	-
Due from other governments	-	-	-	7,634	-
Total assets	<u><u>\$ 115,010</u></u>	<u><u>\$ 13,407</u></u>	<u><u>\$ 1,074,895</u></u>	<u><u>\$ 424,050</u></u>	<u><u>\$ 416,900</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 4,605	\$ 158,607	\$ -	\$ -
Fund balances:					
Nonspendable:					
Cemetery perpetual care	-	-	-	-	-
Restricted for:					
Street improvements	-	-	-	-	-
Federal programs	-	-	916,288	-	-
Capital projects	-	-	-	-	-
Aquatic Center	-	-	-	-	-
Museum projects	-	-	-	-	-
Community betterment	-	-	-	-	-
Other purposes	-	8,802	-	-	-
Assigned for:					
Equipment replacement	-	-	-	-	-
Other purposes	115,010	-	-	424,050	416,900
Unassigned	-	-	-	-	-
Total fund balances	<u>115,010</u>	<u>8,802</u>	<u>916,288</u>	<u>424,050</u>	<u>416,900</u>
Total liabilities and fund balances	<u><u>\$ 115,010</u></u>	<u><u>\$ 13,407</u></u>	<u><u>\$ 1,074,895</u></u>	<u><u>\$ 424,050</u></u>	<u><u>\$ 416,900</u></u>

Special Revenue Funds						Capital	Total Nonmajor
Street Sales Tax Fund	Natural Disaster Fund	Scales Fund	Diversion Program	Parks-Rec Sales Tax Fund	Keno Betterment	Projects Fund	Governmental Funds
\$ 5,243,082	\$ 2,384,922	\$ 37,104	\$ 16,313	\$ 1,661,891	\$ 409,235	\$ (750,780)	\$ 13,490,978
-	-	-	-	-	-	-	280,000
-	-	-	-	-	9,535	-	16,052
-	-	-	-	-	-	-	6,232
364,624	-	-	-	140,239	-	-	573,339
<u>\$ 5,607,706</u>	<u>\$ 2,384,922</u>	<u>\$ 37,104</u>	<u>\$ 16,313</u>	<u>\$ 1,802,130</u>	<u>\$ 418,770</u>	<u>\$ (750,780)</u>	<u>\$ 14,366,601</u>
\$ 45,177	\$ 86,250	\$ 57	\$ -	\$ 1,450	\$ 12,306	\$ 259,179	\$ 580,759
-	-	-	-	-	-	-	92,783
5,562,529	-	-	-	-	-	-	5,562,529
-	-	-	-	-	-	-	916,288
-	-	-	-	1,800,680	-	-	1,949,667
-	-	-	-	-	-	-	257,507
-	-	-	-	-	-	-	1,703,575
-	-	-	-	-	406,464	-	406,464
-	-	-	-	-	-	-	78,943
-	-	-	-	-	-	-	313,188
-	2,298,672	37,047	16,313	-	-	-	3,514,857
-	-	-	-	-	-	(1,009,959)	(1,009,959)
<u>5,562,529</u>	<u>2,298,672</u>	<u>37,047</u>	<u>16,313</u>	<u>1,800,680</u>	<u>406,464</u>	<u>(1,009,959)</u>	<u>13,785,842</u>
<u>\$ 5,607,706</u>	<u>\$ 2,384,922</u>	<u>\$ 37,104</u>	<u>\$ 16,313</u>	<u>\$ 1,802,130</u>	<u>\$ 418,770</u>	<u>\$ (750,780)</u>	<u>\$ 14,366,601</u>

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2024

	<u>Permanent</u>	<u>Special Revenue Funds</u>			
	<u>Cemetery</u>	<u>BID</u>	<u>Community</u>	<u>Museum</u>	<u>S Landfill</u>
	<u>Perpetual Care</u>	<u>Fund</u>	<u>Development</u>	<u>Sales Tax Fund</u>	<u>Cap Fund</u>
REVENUES					
Sales tax	\$ -	\$ -	\$ -	\$ 322,919	\$ -
Keno	-	-	-	-	-
Special assessments	-	83,551	-	-	-
Charges for services	-	-	-	-	-
Grants	-	-	227,894	-	-
Interest income	4,208	1,917	-	50,452	837
Contributions	-	-	-	95,400	-
Total revenues	<u>4,208</u>	<u>85,468</u>	<u>227,894</u>	<u>468,771</u>	<u>837</u>
EXPENDITURES					
General government	-	72,000	227,894	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Environment and leisure	-	-	-	3,955	-
Capital outlay	-	-	-	24,952	-
Total expenditures	<u>-</u>	<u>72,000</u>	<u>227,894</u>	<u>28,907</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,208	13,468	-	439,864	837
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,208	13,468	-	439,864	837
Fund balances - September 30, 2023	<u>88,575</u>	<u>17,585</u>	<u>39,788</u>	<u>1,263,711</u>	<u>22,836</u>
Fund balances - September 30, 2024	<u>\$ 92,783</u>	<u>\$ 31,053</u>	<u>\$ 39,788</u>	<u>\$ 1,703,575</u>	<u>\$ 23,673</u>

<u>Library Grant Fund</u>	<u>Fire Equipment Sinking Fund</u>	<u>Bookmobile Replacement</u>	<u>Parks Grant Fund</u>	<u>Duncan Park Sales Tax</u>	<u>Aquatic Center Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,614	-	-	-	-	-
1,881	10,925	4,916	2,727	2,329	14,592
-	-	-	12,837	-	-
<u>71,495</u>	<u>10,925</u>	<u>4,916</u>	<u>15,564</u>	<u>2,329</u>	<u>14,592</u>
-	-	-	-	-	-
-	32,861	-	-	-	-
-	-	-	-	-	-
72,023	-	-	(49,094)	-	43,242
-	205,419	-	-	-	-
<u>72,023</u>	<u>238,280</u>	<u>-</u>	<u>(49,094)</u>	<u>-</u>	<u>43,242</u>
(528)	(227,355)	4,916	64,658	2,329	(28,650)
-	282,500	6,000	-	15,000	-
-	(98,871)	-	-	-	-
<u>-</u>	<u>183,629</u>	<u>6,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
(528)	(43,726)	10,916	64,658	17,329	(28,650)
<u>39,616</u>	<u>356,914</u>	<u>132,488</u>	<u>5,919</u>	<u>61,081</u>	<u>286,157</u>
<u>\$ 39,088</u>	<u>\$ 313,188</u>	<u>\$ 143,404</u>	<u>\$ 70,577</u>	<u>\$ 78,410</u>	<u>\$ 257,507</u>

CITY OF HASTINGS, NEBRASKA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS, Continued**

For the year ended September 30, 2024

	Special Revenue Funds					
	CANDO	Public Safety	ARPA	Wireless	Landline	Street Sales
	<u>Fund</u>	<u>Grant Fund</u>	<u>Fund</u>	<u>E911 Fund</u>	<u>E911 Fund</u>	<u>Tax Fund</u>
REVENUES						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,098,999
Keno	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Charges for services	-	-	-	-	47,356	-
Grants	-	66,773	-	76,155	-	-
Interest income	1,711	-	19,068	14,081	15,324	167,080
Contributions	3,500	4,153	-	-	-	-
Total revenues	5,211	70,926	19,068	90,236	62,680	2,266,079
EXPENDITURES						
General government	12,438	-	-	-	-	-
Public safety	-	23,669	-	20,585	48,746	-
Public works	-	-	-	-	-	279,414
Environment and leisure	-	-	509,323	-	-	-
Capital outlay	-	62,641	1,500,832	-	-	485,181
Total expenditures	12,438	86,310	2,010,155	20,585	48,746	764,595
Excess (deficiency) of revenues over expenditures	(7,227)	(15,384)	(1,991,087)	69,651	13,934	1,501,484
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net transfers	-	-	-	-	-	-
Net change in fund balances	(7,227)	(15,384)	(1,991,087)	69,651	13,934	1,501,484
Fund balances - September 30, 2023	122,237	24,186	2,907,375	354,399	402,966	4,061,045
Fund balances - September 30, 2024	\$ 115,010	\$ 8,802	\$ 916,288	\$ 424,050	\$ 416,900	\$ 5,562,529

Special Revenue Funds					Capital	Total Nonmajor
<u>Natural</u>	<u>Scales</u>	<u>Diversion</u>	<u>Parks-Rec</u>	<u>Keno</u>	<u>Projects</u>	<u>Governmental</u>
<u>Disaster Fund</u>	<u>Fund</u>	<u>Program</u>	<u>Sales Tax Fund</u>	<u>Betterment</u>	<u>Fund</u>	<u>Funds</u>
\$ -	\$ -	\$ -	\$ 807,303	\$ -	\$ -	\$ 3,229,221
-	-	-	-	224,774	-	224,774
-	-	-	-	-	-	83,551
-	-	426	-	-	-	47,782
-	-	-	-	-	-	440,436
82,580	345	549	47,709	11,777	2,426	457,434
-	18,500	-	-	4,500	150,739	289,629
<u>82,580</u>	<u>18,845</u>	<u>975</u>	<u>855,012</u>	<u>241,051</u>	<u>153,165</u>	<u>4,772,827</u>
521,202	-	-	-	88,850	-	922,384
-	20,691	-	-	-	-	146,552
-	-	-	-	-	781,750	1,061,164
-	-	-	120,789	-	-	700,238
222,435	-	-	253,560	-	1,377,243	4,132,263
<u>743,637</u>	<u>20,691</u>	<u>-</u>	<u>374,349</u>	<u>88,850</u>	<u>2,158,993</u>	<u>6,962,601</u>
(661,057)	(1,846)	975	480,663	152,201	(2,005,828)	(2,189,774)
-	-	-	-	-	1,000,000	1,303,500
-	-	-	-	(13,000)	-	(111,871)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>1,000,000</u>	<u>1,191,629</u>
(661,057)	(1,846)	975	480,663	139,201	(1,005,828)	(998,145)
2,959,729	38,893	15,338	1,320,017	267,263	(4,131)	14,783,987
<u>\$ 2,298,672</u>	<u>\$ 37,047</u>	<u>\$ 16,313</u>	<u>\$ 1,800,680</u>	<u>\$ 406,464</u>	<u>\$ (1,009,959)</u>	<u>\$ 13,785,842</u>

CITY OF HASTINGS, NEBRASKA
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
September 30, 2024

	Health Insurance <u>Fund</u>	I T <u>Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10,424,936	\$ 3,410	\$ 10,428,346
Accounts receivable	-	224,535	224,535
Reinsurance receivable	271,576	-	271,576
Interest receivable	16,214	-	16,214
Total current assets	<u>10,712,726</u>	<u>227,945</u>	<u>10,940,671</u>
LIABILITIES			
Current liabilities:			
Accounts payable	338	45,183	45,521
Claims incurred not paid	356,498	-	356,498
Accrued wages	-	28,714	28,714
Total current liabilities	<u>356,836</u>	<u>73,897</u>	<u>430,733</u>
Noncurrent liabilities:			
Compensated absences - noncurrent	-	98,656	98,656
Total liabilities	<u>356,836</u>	<u>172,553</u>	<u>529,389</u>
NET POSITION			
Unrestricted	<u>\$ 10,355,890</u>	<u>\$ 55,392</u>	<u>\$ 10,411,282</u>

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS

For the year ended September 30, 2024

	Health Insurance Fund	I T Fund	Total
Operating revenues:			
Interdepartmental charges	\$ -	\$ 1,888,228	\$ 1,888,228
Health insurance funding-interdepartmental	7,098,387	-	7,098,387
Employee premiums	2,084,127	-	2,084,127
Reinsurance receipts	1,183,479	-	1,183,479
Total operating revenues	<u>10,365,993</u>	<u>1,888,228</u>	<u>12,254,221</u>
Operating expenses:			
Personnel costs	-	1,446,325	1,446,325
Utilities	-	961	961
Supplies	-	1,442	1,442
Professional fees	-	6,089	6,089
Dues and training	-	2,675	2,675
Software	-	1,420,910	1,420,910
Computer equipment	-	524,531	524,531
Insurance claims and health premiums	10,760,846	-	10,760,846
Total operating expenses	<u>10,760,846</u>	<u>3,402,933</u>	<u>14,163,779</u>
Operating loss	(394,853)	(1,514,705)	(1,909,558)
Nonoperating revenues (expenses):			
Interest income	<u>467,220</u>	<u>-</u>	<u>467,220</u>
Excess (deficiency) of revenues over expenditures	72,367	(1,514,705)	(1,442,338)
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>1,359,567</u>	<u>1,359,567</u>
Change in net position	72,367	(155,138)	(82,771)
Net position - September 30, 2023	<u>10,283,523</u>	<u>210,530</u>	<u>10,494,053</u>
Net position - September 30, 2024	<u>\$ 10,355,890</u>	<u>\$ 55,392</u>	<u>\$ 10,411,282</u>

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS

For the year ended September 30, 2024

	Health Insurance Fund	I T Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds	\$ 11,558,229	\$ 1,728,440	\$ 13,286,669
Payments to suppliers	(11,106,328)	(1,959,745)	(13,066,073)
Payments to employees	-	(1,410,939)	(1,410,939)
Net cash provided (used) by operating activities	<u>451,901</u>	<u>(1,642,244)</u>	<u>(1,190,343)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from General Fund	-	1,359,567	1,359,567
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in certificates of deposit	600,000	-	600,000
Interest received	488,246	-	488,246
Net cash provided by investing activities	<u>1,088,246</u>	<u>-</u>	<u>1,088,246</u>
Increase (decrease) in cash and cash equivalents	1,540,147	(282,677)	1,257,470
Cash and cash equivalents - beginning of the year	<u>8,884,789</u>	<u>286,087</u>	<u>9,170,876</u>
Cash and cash equivalents - end of the year	<u>\$ 10,424,936</u>	<u>\$ 3,410</u>	<u>\$ 10,428,346</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (394,853)	\$ (1,514,705)	\$ (1,909,558)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Change in assets and liabilities:			
Accounts receivable	392,319	(159,788)	232,531
Reinsurance receivable	799,917	-	799,917
Accounts payable	(253)	(3,137)	(3,390)
Claims incurred not paid	(345,229)	-	(345,229)
Accrued expenses	-	35,386	35,386
Net cash provided (used) by operating activities	<u>\$ 451,901</u>	<u>\$ (1,642,244)</u>	<u>\$ (1,190,343)</u>

See notes to financial statements.

SINGLE AUDIT REPORTS

CITY OF HASTINGS, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2024

<u>Federal Grantor and Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<u>Department of Homeland Security:</u>			
Direct Program:			
Assistance to Firefighters	97.044	n/a	\$ 72,224
<u>Department of the Treasury:</u>			
Direct Program:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	1,851,548 *
<u>Environmental Protection Agency:</u>			
Passed Through Nebraska Department of Environment and Energy:			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	D311691	315,536
<u>Department of Transportation:</u>			
Passed through Nebraska Department of Transportation:			
Highway Safety Cluster:			
Incentive Grant Program to Prohibit Racial Profiling	20.611	47-6006221	6,994
National Priority Safety Programs	20.616	47-6006221	7,740
Total Highway Safety Cluster			<u>14,734</u>
COVID-19 - Airport Improvement Program	20.106	3-31-0040-018	110,518
Total Department of Transportation/Total Passed through Nebraska Department of Transportation			<u>125,252</u>
<u>Department of Justice</u>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	n/a	3,046
<u>Department of Housing and Urban Development:</u>			
Passed through Nebraska Department of Economic Development:			
Community Development Block Grant	14.228	47-6006221	234,969
<u>National Endowment for the Humanities:</u>			
Passed through Nebraska Library Commission:			
Grants to States	45.310	47-6006221	1,845
Total Expenditures of Federal Awards			<u><u>\$ 2,604,420</u></u>

*Major Program

CITY OF HASTINGS, NEBRASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued

Year ended September 30, 2024

NOTE A - BASIS OF PRESENTATION

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

The reporting entity for the Schedule of Expenditures of Federal Awards is the same as that defined in Note A to the financial statements.

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2025.

Report on Internal Control Over Financial Reporting

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

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Hastings' Response to Findings

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

Purpose of this Report

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

AMGL, PC

Grand Island, Nebraska
February 5, 2025

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hastings, Nebraska's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City of Hastings, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Hastings, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Hastings, Nebraska's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Hastings, Nebraska's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Hastings, Nebraska's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

AMGL, PC.

Grand Island, Nebraska
February 5, 2025

CITY OF HASTINGS, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2024

1. A summary of auditor's results:

- (i) Unmodified opinions were issued on all opinion units of the City of Hastings, Nebraska, as of September 30, 2024, and for the year then ended.
- (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The significant deficiency is not reported as a material weakness.
- (iii) The audit disclosed no instances of noncompliance that are material to the financial statements of the City of Hastings, Nebraska.
- (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Hastings, Nebraska.
- (v) An unmodified opinion was issued on compliance for major programs.
- (vi) The audit did not disclose any audit findings that we are required to report under 2 CFR section 200.516(a).
- (vii) Major Program: #21.027 – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds.
- (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (ix) The City of Hastings, Nebraska did not qualify as a low-risk auditee.

CITY OF HASTINGS, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

Year ended September 30, 2024

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

2024-001

Condition: There is not adequate segregation of duties.

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

Cause: There are a limited number of accounting personnel.

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

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

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

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

None

CITY OF HASTINGS, NEBRASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2024

Findings noted during the audit of the financial statements and reported in accordance with GAGAS for the year ended September 30, 2023:

2023-001 - Material Weakness

Condition: There was not an adequate system in place to monitor third party insurers to ensure the City receives all eligible stop loss insurance on a timely basis.

Status: The City implemented a system to monitor and track reinsurance receipts from its stop loss insurer during the year ended September 30, 2024. Stop loss insurance was received on a more timely basis during the year ended September 30, 2024.

2023-002 - Significant Deficiency

Condition: There is not adequate segregation of duties.

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

CITY OF HASTINGS

Director of Finance
Roger Nash



<u>Finding Number</u>	<u>Planned Corrective Action</u>	<u>Anticipated Completion Date</u>	<u>Responsible Contact Person</u>
2024-001	While it is impractical to further segregate duties due to the limited number of accounting personnel, management and the City Council will continue to review, monitor and provide oversight of transactions.	Ongoing monitoring	Roger Nash