# CITY OF HASTINGS, NEBRASKA

## FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

**September 30, 2025**

**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 |
| ADDITIONAL INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS* | |
| 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* | 99 |

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# 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, 2025, 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, 2025, 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

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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, 2025, 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, 2024, and our report thereon, dated September 26, 2025, 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, 2024, and our report thereon, dated April 22, 2025, 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 and the internal service funds combining statements 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, 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.

AMGL, P.C.

Grand Island, Nebraska
February 10, 2026

## 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, 2025.

### Financial Highlights

- The assets of the City of Hastings exceeded its liabilities at the close of the most recent fiscal year by $406,723,524 (*net position*). Of this amount, $80,604,646 (*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 $129,079,735. Approximately 21.0 percent of this total amount, $27,114,701 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $9,342,121, or 38.1 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).

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 28 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 24 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.

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.

## 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 $406,723,524 at the close of the most recent fiscal year.

### Summary Statements of Net Position

| | September 30, 2025 | | | September 30, 2024 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Current and Other Assets | $ 53,198,575 | $ 73,548,947 | $ 126,747,522 | $ 58,531,427 | $ 67,130,597 | $ 125,662,024 |
| Capital Assets | 86,175,786 | 231,495,771 | 317,671,557 | 78,303,390 | 219,837,842 | 298,141,232 |
| Total Assets | 139,374,361 | 305,044,718 | 444,419,079 | 136,834,817 | 286,968,439 | 423,803,256 |
| Long-term Liabilities | 6,079,807 | 17,358,593 | 23,438,400 | 5,814,185 | 17,240,462 | 23,054,647 |
| Other Liabilities | 4,214,819 | 10,042,336 | 14,257,155 | 4,899,228 | 6,235,706 | 11,134,934 |
| Total Liabilities | 10,294,626 | 27,400,929 | 37,695,555 | 10,713,413 | 23,476,168 | 34,189,581 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 82,646,765 | 223,167,735 | 305,814,500 | 74,324,013 | 210,755,234 | 285,079,247 |
| Restricted | 19,318,269 | 986,109 | 20,304,378 | 18,519,432 | 919,551 | 19,438,983 |
| Unrestricted | 27,114,701 | 53,489,945 | 80,604,646 | 33,277,959 | 51,817,486 | 85,095,445 |
| Total Net Position | $ 129,079,735 | $ 277,643,789 | $ 406,723,524 | $ 126,121,404 | $ 263,492,271 | $ 389,613,675 |

By far, the largest portion of the City of Hastings' net position (75.2 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* ($80,604,646) 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.

## Expenses and Program Revenues - Governmental Activities

| Function | Year Ended September 30, 2025 Program Revenues | Year Ended September 30, 2025 Program Expenses | Year Ended September 30, 2024 Program Revenues | Year Ended September 30, 2024 Program Expenses |
|---|---|---|---|---|
| General Government | $ 4,077,855 | $ 9,420,891 | $ 4,147,337 | $ 10,056,061 |
| Public Safety | 1,519,749 | 13,196,225 | 1,284,920 | 12,020,626 |
| Public Works | 1,603,472 | 6,266,450 | 1,597,152 | 5,095,641 |
| Environment & Leisure | 4,428,551 | 7,101,721 | 2,333,038 | 7,469,658 |
| Interest and Bond Fees | - | 52,105 | - | 68,864 |
| Depreciation | - | 5,732,243 | - | 4,794,984 |
| Total | $ 11,629,627 | $ 41,769,635 | $ 9,362,447 | $ 39,505,834 |

## Revenues by Source - Governmental Activities

| | Year Ended September 30, 2025 | | Year Ended September 30, 2024 | |
|---|---|---|---|---|
| Charges for Services | $ 7,097,536 | 15.87 % | $ 6,803,185 | 16.50 % |
| Operating Grants & Contributions | 895,531 | 2.00 | 868,324 | 2.10 |
| Capital Grants & Contributions | 3,636,560 | 8.13 | 1,690,938 | 4.10 |
| Property Taxes | 8,259,518 | 18.47 | 8,099,820 | 19.64 |
| Motor Vehicle Taxes | 655,356 | 1.46 | 625,810 | 1.52 |
| Wheel Tax | 390,584 | 0.87 | 391,724 | 0.95 |
| Payments in Lieu of Taxes | 3,703,166 | 8.28 | 3,781,541 | 9.17 |
| Occupation Taxes | 324,948 | 0.73 | 348,812 | 0.85 |
| Sales Tax | 9,732,613 | 21.76 | 9,687,672 | 23.49 |
| Franchise Taxes | 332,160 | 0.74 | 374,760 | 0.91 |
| State Allocation | 5,241,841 | 11.72 | 4,918,886 | 11.93 |
| Keno | 211,069 | 0.47 | 224,774 | 0.54 |
| Special Assessments | 1,054,959 | 2.36 | 1,105,901 | 2.68 |
| Miscellaneous | 76,072 | 0.17 | 38,674 | 0.09 |
| Interest | 1,734,326 | 3.88 | 2,280,464 | 5.53 |
| Gain on Sale of Assets | 167,912 | 0.38 | - | - |
| Exess Pension Funding | 1,213,815 | 2.71 | - | - |
| Total | $ 44,727,966 | 100.00 % | $ 41,241,285 | 100.00 % |

Net position increased $2,958,331 in the governmental funds during the year ended September 30, 2025.

**Business-type activities.** Business-type activities increased the City of Hastings' net position by $14,151,518, accounting for 82.7 percent of the total growth in the government's net position for the year ended September 30, 2025. Key elements of this increase are as follows:

**Expenses and Program Revenues - Business-type Activities**

| | Year Ended September 30, 2025 | | Year Ended September 30, 2024 | |
|---|---|---|---|---|
| Function | Program Revenues | Program Expenses | Program Revenues | Program Expenses |
| Landfill | $ 2,725,088 | $ 2,468,828 | $ 2,719,100 | $ 2,193,204 |
| Electric | 64,950,452 | 60,732,315 | 55,339,155 | 58,406,765 |
| Combined System Utilities | 28,697,317 | 22,561,835 | 26,150,591 | 22,336,215 |
| Total | $ 96,372,857 | $ 85,762,978 | $ 84,208,846 | $ 82,936,184 |

**Revenues by Source - Business-type Activities**

| | Year Ended September 30, 2025 | | Year Ended September 30, 2024 | |
|---|---|---|---|---|
| Charges for Services | $ 92,331,097 | 92.41 % | $ 82,760,167 | 94.39 % |
| Operating Grants & Contributions | 130,605 | 0.13 | 329,051 | 0.38 |
| Capital Grants & Contributions | 3,911,155 | 3.92 | 1,119,628 | 1.28 |
| Miscellaneous | 1,922,206 | 1.92 | 1,331,399 | 1.52 |
| Interest | 1,807,929 | 1.81 | 2,504,535 | 2.86 |
| Loss on Disposal of Assets | (188,496) | (0.19) | (363,909) | (0.42) |
| Total | $ 99,914,496 | 100.00 % | $ 87,680,871 | 100.00 % |

## 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 $40,296,260. Approximately 21.1 percent of this total amount ($8,498,863) 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 ($96,732), 2) restricted for street improvements ($12,400,760), 3) restricted for federal programs ($32,454), 4) restricted for capital projects ($2,844,666), 5) restricted for debt service ($1,881,746), 6) restricted for the Aquatic Center ($269,363), 7) restricted for museum projects ($1,273,644), 8) restricted for community betterment

($402,545), 9) restricted for other purposes ($116,359), 10) assigned for budgetary stabilization ($7,770,152), 11) assigned for equipment replacement ($410,931), or 12) assigned for a variety of other purposes ($4,298,045).

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 $9,342,121, while total fund balance reached $17,112,273. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.1 percent of total General Fund expenditures, while total fund balance represents 69.8 percent of that same amount.

The fund balance of the City of Hastings' General Fund decreased by $4,203,057 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 was as follows: Landfill Fund - $7,413,381, Electric Fund - $23,655,335, and Combined System Utilities Fund – $22,421,229. The change in net position for the proprietary funds was as follows: Landfill Fund – increase of $709,317, Electric Fund – increase of $5,413,223, and Combined System Utilities Fund – increase of $8,028,978. 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, 2025, amounts to $317,671,557 (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, 2025, included:

- Construction in progress on city office remodeling project - $4,253,117
- Construction in progress on Elm Meadows paving project - $764,953
- Construction in progress on Hastings Southeast project donated by NDOT - $2,855,913
- Construction in progress on Kool Aid display - $743,305
- Construction costs on park storage building - $450,905
- Construction costs on police department windows - $349,316
- Museum fire alarm suppression system - $524,411
- Fuel delivery system for street department - $393,785
- Donated academic lift station - $2,446,915
- Primary anaerobic digester structure upgrade - $3,833,563
- Building modifications at 3505 Yost Avenue – 645,588
- Upgrade to 8" water main on Boston (A to E Streets) - $554,827

- Electric meters - $450,395
- Electric distribution poles, conductor, and underground improvements - $2,555,812
- WEC1 bottom ash conveyor system - $3,479,857
- Electric line transformers - $550,567
- Construction in progress on electric projects - $2,052,021
- Construction in progress on gas projects - $843,223
- Construction in progress on water projects - $640,397

## City of Hastings' Capital Assets (net of depreciation)

| | Year Ended September 30, 2025 | | | Year Ended September 30, 2024 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Land | $ 210,164 | $ 7,234,360 | $ 7,444,524 | $ 210,164 | $ 7,234,360 | $ 7,444,524 |
| Construction in Progress | 12,653,729 | 49,187,847 | 61,841,576 | 4,496,922 | 45,810,489 | 50,307,411 |
| Infrastructure | 42,183,815 | - | 42,183,815 | 44,006,155 | - | 44,006,155 |
| Buildings & Equipment | 31,128,078 | - | 31,128,078 | 29,590,149 | - | 29,590,149 |
| Landfill | - | 7,362,655 | 7,362,655 | - | 7,831,881 | 7,831,881 |
| Electric | - | 68,526,743 | 68,526,743 | - | 65,130,352 | 65,130,352 |
| Electric Non-Utility Plant | - | 5,958,674 | 5,958,674 | - | 6,568,610 | 6,568,610 |
| Gas | - | 3,208,818 | 3,208,818 | - | 3,040,528 | 3,040,528 |
| Water | - | 50,462,458 | 50,462,458 | - | 49,877,843 | 49,877,843 |
| Pollution Control | - | 33,643,351 | 33,643,351 | - | 29,266,100 | 29,266,100 |
| Administrative | - | 5,910,865 | 5,910,865 | - | 5,077,679 | 5,077,679 |
| Total | $ 86,175,786 | $ 231,495,771 | $ 317,671,557 | $ 78,303,390 | $ 219,837,842 | $ 298,141,232 |

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 $11,857,057. Of this amount, $3,428,541 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' Outstanding Debt

| | Year Ended September 30, 2025 | | | Year Ended September 30, 2024 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| General Obligation Bonds | $ 3,428,541 | $ - | $ 3,428,541 | $ 3,841,217 | $ - | $ 3,841,217 |
| Revenue Bonds | - | 6,220,000 | 6,220,000 | - | 6,910,000 | 6,910,000 |
| Note Payable | 100,480 | 2,108,036 | 2,208,516 | 138,160 | 2,172,608 | 2,310,768 |
| Total | $ 3,529,021 | $ 8,328,036 | $ 11,857,057 | $ 3,979,377 | $ 9,082,608 | $ 13,061,985 |

The City of Hastings' total debt decreased by $1,204,928 (9.2 percent) during the current fiscal year due to scheduled principal payments. Also, the City issued $73,810 of NDWEE water notes payable.

Additional information on the City of Hastings' long-term debt can be found in Note C6 on pages 54-61 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, 2026 of $8,695,075 is $249,154 (3.0 percent) higher than the prior year. The property valuation increased 7.2 percent over the prior year.

- At September 30, 2025, the City had contractual commitments totaling $6,247,627 on 16 different capital projects, 14 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 2026 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, 2025

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Unit |
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 15,559,987 | $ 29,243,593 | $ 44,803,580 | $ 1,485,531 |
| Certificates of deposit | 12,020,460 | 14,570,781 | 26,591,241 | - |
| Investments | 1,213,815 | - | 1,213,815 | - |
| County treasurer cash | 352,747 | - | 352,747 | 101,855 |
| Receivables: | | | | |
| Accounts, net of allowance for doubtful accounts | 950,819 | 10,758,828 | 11,709,647 | 143,655 |
| Special assessments | 1,185,627 | - | 1,185,627 | - |
| Current portion of note receivable | - | - | - | 213,500 |
| Current portion of TIF receivables | - | - | - | 1,429,480 |
| Interest | 203,953 | 228,449 | 432,402 | - |
| Property tax | 299,561 | - | 299,561 | 19,719 |
| Due from (to) other funds | 236,453 | (278,632) | (42,179) | 42,179 |
| Due from other governments | 2,095,879 | - | 2,095,879 | 202,532 |
| Inventory | 44,654 | 12,082,335 | 12,126,989 | - |
| Total current assets | 34,163,955 | 66,605,354 | 100,769,309 | 3,638,451 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 10,915,558 | 2,306,683 | 13,222,241 | 261,747 |
| Restricted certificates of deposit | 8,119,062 | 4,636,910 | 12,755,972 | - |
| Noncurrent portion of note receivable | - | - | - | 2,067,318 |
| Noncurrent portion of TIF receivables | - | - | - | 10,429,718 |
| Property held for resale | - | - | - | 931,310 |
| Capital assets: | | | | |
| Land | 210,164 | 7,234,360 | 7,444,524 | - |
| Construction in progress | 12,653,729 | 49,187,847 | 61,841,576 | - |
| Other capital assets, net of depreciation | 73,311,893 | 175,073,564 | 248,385,457 | 183,550 |
| Net capital assets | 86,175,786 | 231,495,771 | 317,671,557 | 183,550 |
| Total noncurrent assets | 105,210,406 | 238,439,364 | 343,649,770 | 13,873,643 |
| **Total assets** | 139,374,361 | 305,044,718 | 444,419,079 | 17,512,094 |
| **LIABILITIES** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,388,717 | 7,623,420 | 9,012,137 | 361,348 |
| Accrued wages | 447,999 | 715,489 | 1,163,488 | - |
| Accrued interest | 13,472 | 39,752 | 53,224 | 2,381 |
| Sales tax payable | - | 231,190 | 231,190 | - |
| Customer deposits | 5,577 | 555,252 | 560,829 | - |
| Claims incurred not paid | 501,065 | - | 501,065 | - |
| Unavailable property tax and assessments | 1,405,903 | - | 1,405,903 | 14,498 |
| Current portion of TIF payables | - | - | - | 1,393,762 |
| Current portion of long-term obligations | 452,086 | 877,233 | 1,329,319 | 7,244 |
| Total current liabilities | 4,214,819 | 10,042,336 | 14,257,155 | 1,779,233 |
| Noncurrent liabilities: | | | | |
| Compensated absences - noncurrent | 3,002,872 | 4,489,018 | 7,491,890 | - |
| Closure/post-closure liability | - | 5,418,772 | 5,418,772 | - |
| Noncurrent portion of TIF payables | - | - | - | 10,326,719 |
| Noncurrent portion of long-term obligations | 3,076,935 | 7,450,803 | 10,527,738 | 85,449 |
| Total noncurrent liabilities | 6,079,807 | 17,358,593 | 23,438,400 | 10,412,168 |
| **Total liabilities** | 10,294,626 | 27,400,929 | 37,695,555 | 12,191,401 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 82,646,765 | 223,167,735 | 305,814,500 | 183,550 |
| Restricted for: | | | | |
| Debt service | 1,881,746 | 160,600 | 2,042,346 | - |
| Landfill closure/post-closure costs | - | 825,509 | 825,509 | - |
| Perpetual care - permanent | 96,732 | - | 96,732 | - |
| Street improvements | 12,400,760 | - | 12,400,760 | - |
| Federal programs | 32,454 | - | 32,454 | - |
| Capital projects | 2,844,666 | - | 2,844,666 | - |
| Economic development | - | - | - | 261,747 |
| Downtown projects | - | - | - | - |
| Aquatic Center | 269,363 | - | 269,363 | - |
| Museum projects | 1,273,644 | - | 1,273,644 | - |
| Community betterment | 402,545 | - | 402,545 | - |
| Other purposes | 116,359 | - | 116,359 | - |
| Unrestricted | 27,114,701 | 53,489,945 | 80,604,646 | 4,875,396 |
| **Total net position** | $ 129,079,735 | $ 277,643,789 | $ 406,723,524 | $ 5,320,693 |

See notes to financial statements.

## CITY OF HASTINGS, NEBRASKA

## STATEMENT OF ACTIVITIES

## For the year ended September 30, 2025

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions |
|---|---|---|---|
| **Primary government:** | | | |
| **Governmental activities:** | | | |
| General government | $ 9,420,891 | $ 3,956,671 | $ 119,726 |
| Public safety | 13,196,225 | 990,679 | 421,782 |
| Public works | 6,266,450 | 1,016,019 | - |
| Environment and leisure | 7,101,721 | 1,134,167 | 354,023 |
| Interest and fees on long-term debt | 52,105 | - | - |
| Depreciation | 5,732,243 | - | - |
| Total governmental activities | 41,769,635 | 7,097,536 | 895,531 |
| **Business-type activities:** | | | |
| Landfill | 2,468,828 | 2,714,910 | 10,178 |
| Electric | 60,732,315 | 63,979,430 | - |
| Combined System Utilities | 22,561,835 | 25,636,757 | 120,427 |
| Total business-type activities | 85,762,978 | 92,331,097 | 130,605 |
| **Total primary government** | $ 127,532,613 | $ 99,428,633 | $ 1,026,136 |
| **Component unit:** | | | |
| Community Redevelopment Authority | $ 916,777 | $ 37,860 | $ 374,866 |

See notes to financial statements.

| | Capital Grants and Contributions | Net (Expenses) Revenues and Changes in Net Position | | | |
|---|---|---|---|---|---|
| | | Primary Government | | | |
| | | Governmental Activities | Business-type Activities | Total | Component Unit |
| | $ 1,458 | $ (5,343,036) | | $ (5,343,036) | |
| | 107,288 | (11,676,476) | | (11,676,476) | |
| | 587,453 | (4,662,978) | | (4,662,978) | |
| | 2,940,361 | (2,673,170) | | (2,673,170) | |
| | - | (52,105) | | (52,105) | |
| | - | (5,732,243) | | (5,732,243) | |
| | 3,636,560 | (30,140,008) | $ - | (30,140,008) | |
| | - | - | 256,260 | 256,260 | |
| | 971,022 | - | 4,218,137 | 4,218,137 | |
| | 2,940,133 | - | 6,135,482 | 6,135,482 | |
| | 3,911,155 | - | 10,609,879 | 10,609,879 | |
| | $ 7,547,715 | (30,140,008) | 10,609,879 | (19,530,129) | |
| | $ - | | | | $ (504,051) |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property | | 8,259,518 | - | 8,259,518 | 538,137 |
| Motor vehicle | | 655,356 | - | 655,356 | - |
| Wheel tax | | 390,584 | - | 390,584 | - |
| Payments in lieu of taxes | | 3,703,166 | - | 3,703,166 | - |
| Occupation | | 324,948 | - | 324,948 | - |
| Sales tax | | 9,732,613 | - | 9,732,613 | - |
| Franchise | | 332,160 | - | 332,160 | - |
| State allocation | | 5,241,841 | - | 5,241,841 | - |
| Keno | | 211,069 | - | 211,069 | - |
| Special assessments | | 1,054,959 | - | 1,054,959 | - |
| Excess pension funding | | 1,213,815 | - | 1,213,815 | - |
| Miscellaneous | | 76,072 | 1,922,206 | 1,998,278 | - |
| Interest income | | 1,734,326 | 1,807,929 | 3,542,255 | 62,121 |
| Gain (loss) on disposal of assets | | 167,912 | (188,496) | (20,584) | 59,037 |
| Total general revenues | | 33,098,339 | 3,541,639 | 36,639,978 | 659,295 |
| Change in net position | | 2,958,331 | 14,151,518 | 17,109,849 | 155,244 |
| Net position - September 30, 2024 | | | | | |
| As originally reported | | 129,902,945 | 259,710,730 | 389,613,675 | 5,165,449 |
| Restatement | | (3,781,541) | 3,781,541 | - | - |
| As restated | | 126,121,404 | 263,492,271 | 389,613,675 | 5,165,449 |
| Net position - September 30, 2025 | | $ 129,079,735 | $ 277,643,789 | $ 406,723,524 | $ 5,320,693 |

# CITY OF HASTINGS, NEBRASKA

## BALANCE SHEET - GOVERNMENTAL FUNDS

### September 30, 2025

| | General Fund | Street Fund | Museum Fund | Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and cash equivalents | $ 7,730,972 | $ 2,391,329 | $ 867,782 | $ 1,182,187 | $ 10,775,282 | $ 22,947,552 |
| Certificates of deposit | 6,420,460 | 4,200,000 | - | 691,373 | 3,227,689 | 14,539,522 |
| Investments | 1,213,815 | - | - | - | - | 1,213,815 |
| County treasurer cash | 255,972 | 32,197 | 46,752 | 17,826 | - | 352,747 |
| Receivables: | | | | | | |
| Accounts, net of allowance for doubtful accounts | 357,081 | 17,058 | 27,329 | - | 16,737 | 418,205 |
| Special assessments | - | - | - | 1,185,627 | - | 1,185,627 |
| Interest | 93,619 | 50,915 | - | - | 16,025 | 160,559 |
| Property tax | 241,635 | - | 41,260 | 16,666 | - | 299,561 |
| Due from other funds | 278,632 | - | - | - | - | 278,632 |
| Due from other governments | 1,454,946 | - | - | - | 640,933 | 2,095,879 |
| Inventory | - | - | 44,654 | - | - | 44,654 |
| **Total assets** | $ 18,047,132 | $ 6,691,499 | $ 1,027,777 | $ 3,093,679 | $ 14,676,666 | $ 43,536,753 |
| **LIABILITIES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 386,818 | $ 224,756 | $ 64,119 | $ - | $ 679,005 | $ 1,354,698 |
| Accrued wages | 365,104 | 31,780 | 20,238 | - | - | 417,122 |
| Accrued interest | - | - | - | 13,472 | - | 13,472 |
| Sales tax payable | 257 | - | 1,285 | - | - | 1,542 |
| Due to CRA | - | - | - | - | 42,179 | 42,179 |
| Customer deposits | 5,000 | - | - | 577 | - | 5,577 |
| Unavailable receivables | 177,680 | - | 30,339 | 1,197,884 | - | 1,405,903 |
| Total liabilities | 934,859 | 256,536 | 115,981 | 1,211,933 | 721,184 | 3,240,493 |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Cemetery perpetual care | - | - | - | - | 96,732 | 96,732 |
| Restricted for: | | | | | | |
| Street improvements | - | 6,434,963 | - | - | 5,965,797 | 12,400,760 |
| Federal programs | - | - | - | - | 32,454 | 32,454 |
| Capital projects | - | - | - | - | 2,844,666 | 2,844,666 |
| Debt service | - | - | - | 1,881,746 | - | 1,881,746 |
| Aquatic Center | - | - | - | - | 269,363 | 269,363 |
| Museum projects | - | - | - | - | 1,273,644 | 1,273,644 |
| Community betterment | - | - | - | - | 402,545 | 402,545 |
| Other purposes | - | - | - | - | 116,359 | 116,359 |
| Assigned for: | | | | | | |
| Budgetary stabilization | 7,770,152 | - | - | - | - | 7,770,152 |
| Equipment replacement | - | - | - | - | 410,931 | 410,931 |
| Other purposes | - | - | 911,796 | - | 3,386,249 | 4,298,045 |
| Unassigned | 9,342,121 | - | - | - | (843,258) | 8,498,863 |
| Total fund balances | 17,112,273 | 6,434,963 | 911,796 | 1,881,746 | 13,955,482 | 40,296,260 |
| **Total liabilities and fund balances** | $ 18,047,132 | $ 6,691,499 | $ 1,027,777 | $ 3,093,679 | $ 14,676,666 | $ 43,536,753 |

See notes to financial statements.

**CITY OF HASTINGS, NEBRASKA**

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

**September 30, 2025**

| | | |
|---|---|---|
| **Total fund balances - governmental funds** | | $ 40,296,260 |
| 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 $176,576,893 and the accumulated depreciation is $90,401,107. | | 86,175,786 |
| 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. | | 8,979,581 |
| 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 | $ (2,842,871) | |
| Note payable | (100,480) | |
| General obligation bonds payable | (3,428,541) | (6,371,892) |
| **Total net position - governmental activities** | | $ 129,079,735 |

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, 2025

| | General Fund | Street Fund | Museum Fund | Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes: | | | | | | |
| Property | $ 6,674,866 | $ 4,273 | $ 1,144,243 | $ 436,136 | $ - | $ 8,259,518 |
| Motor vehicle | 523,329 | - | 95,583 | 36,444 | - | 655,356 |
| Wheel tax | - | 390,584 | - | - | - | 390,584 |
| Occupation | 60,710 | - | 264,238 | - | - | 324,948 |
| Sales tax | 6,488,412 | - | - | - | 3,244,201 | 9,732,613 |
| Franchise | 332,160 | - | - | - | - | 332,160 |
| In lieu of tax | 3,703,166 | - | - | - | - | 3,703,166 |
| Intergovernmental | 2,015,412 | 3,742,296 | - | - | - | 5,757,708 |
| Keno | - | - | - | - | 211,069 | 211,069 |
| Special assessments | - | - | - | 978,538 | 76,421 | 1,054,959 |
| Charges for services | 4,594,789 | 169,167 | 392,780 | - | 55,788 | 5,212,524 |
| Grants | 45,614 | 587,453 | 9,000 | - | 353,275 | 995,342 |
| Contributions | 25,000 | - | 13,624 | - | 108,849 | 147,473 |
| Interest income | 622,073 | 146,770 | - | 128,184 | 455,758 | 1,352,785 |
| Sale of assets | 163,840 | - | - | - | - | 163,840 |
| Insurance proceeds | 38,130 | - | - | - | - | 38,130 |
| Excess pension funding | 1,213,815 | - | - | - | - | 1,213,815 |
| Other revenue | 41,992 | 32,560 | 1,520 | - | - | 76,072 |
| Total revenues | 26,543,308 | 5,073,103 | 1,920,988 | 1,579,302 | 4,505,361 | 39,622,062 |
| **EXPENDITURES** | | | | | | |
| General government | 5,132,661 | - | - | - | 314,089 | 5,446,750 |
| Public safety | 11,810,004 | - | - | - | 125,227 | 11,935,231 |
| Public works | 568,331 | 3,633,178 | - | - | 1,840,293 | 6,041,802 |
| Environment and leisure | 4,928,462 | - | 1,656,925 | - | 153,263 | 6,738,650 |
| Capital outlay | 2,045,986 | 888,284 | 222,036 | - | 7,608,978 | 10,765,284 |
| Principal payments on debt | 37,680 | - | - | 412,676 | - | 450,356 |
| Interest on long-term debt | - | - | - | 51,305 | - | 51,305 |
| Bond/loan fees | - | - | - | 800 | - | 800 |
| Total expenditures | 24,523,124 | 4,521,462 | 1,878,961 | 464,781 | 10,041,850 | 41,430,178 |
| **Excess (deficiency) of revenues over expenditures** | 2,020,184 | 551,641 | 42,027 | 1,114,521 | (5,536,489) | (1,808,116) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Transfers in | 63,000 | - | - | 98,871 | 5,818,000 | 5,979,871 |
| Transfers out | (6,286,241) | - | (50,000) | (1,000,000) | (111,871) | (7,448,112) |
| Net transfers | (6,223,241) | - | (50,000) | (901,129) | 5,706,129 | (1,468,241) |
| **Net change in fund balances** | (4,203,057) | 551,641 | (7,973) | 213,392 | 169,640 | (3,276,357) |
| Fund balances - September 30, 2024 | | | | | | |
| As previously reported | 25,096,871 | 5,883,322 | 919,769 | 1,668,354 | 13,785,842 | 47,354,158 |
| Restatement | (3,781,541) | - | - | - | - | (3,781,541) |
| As restated | 21,315,330 | 5,883,322 | 919,769 | 1,668,354 | 13,785,842 | 43,572,617 |
| Fund balances - September 30, 2025 | $ 17,112,273 | $ 6,434,963 | $ 911,796 | $ 1,881,746 | $ 13,955,482 | $ 40,296,260 |

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, 2025

| | |
|---|---|
| **Total net change in fund balances - governmental funds** | $ (3,276,357) |
| 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 ($13,638,697) exceeded depreciation expense ($5,732,243). (Capital assets of $2,873,413 were funded directly by grants and contributions.) | 7,906,454 |
| Losses on disposal of capital assets are not shown in the governmental fund financial statements. However, in the statement of activities, the loss is reported as a reduction to asset sales proceeds. | (34,058) |
| 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. | (1,431,701) |
| 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. | (656,363) |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 450,356 |
| **Change in net position of governmental activities** | $ 2,958,331 |

See notes to financial statements.

# CITY OF HASTINGS, NEBRASKA

## STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

### September 30, 2025

| | Enterprise Funds | | | | Internal |
|---|---|---|---|---|---|
| | Landfill Fund | Electric Fund | Combined System Utilities Fund | Total | Service Funds |
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 3,913,888 | $ 8,960,056 | $ 16,369,649 | $ 29,243,593 | $ 3,527,993 |
| Certificates of deposit | 3,300,000 | 6,720,000 | 4,550,781 | 14,570,781 | 5,600,000 |
| Receivables: | | | | | |
| Accounts receivable | 225,935 | 7,231,634 | 3,301,259 | 10,758,828 | 532,614 |
| Interest | 140,931 | 67,653 | 19,865 | 228,449 | 43,394 |
| Intercompany | - | 57,914 | (57,914) | - | - |
| Inventory | - | 9,661,212 | 2,421,123 | 12,082,335 | - |
| Total current assets | 7,580,754 | 32,698,469 | 26,604,763 | 66,883,986 | 9,704,001 |
| Noncurrent assets: | | | | | |
| Restricted cash and cash equivalents | - | 1,590,831 | 715,852 | 2,306,683 | - |
| Restricted certificates of deposit | 4,636,910 | - | - | 4,636,910 | - |
| Capital assets: | | | | | |
| Construction in progress | - | 34,040,874 | 15,146,973 | 49,187,847 | - |
| Electric distribution system | - | 219,091,088 | - | 219,091,088 | - |
| Gas distribution system | - | - | 37,801,315 | 37,801,315 | - |
| Water distribution system | - | - | 64,160,856 | 64,160,856 | - |
| Pollution control distribution system | - | - | 76,524,895 | 76,524,895 | - |
| Administrative equipment | - | - | 16,087,292 | 16,087,292 | - |
| Buildings and equipment | 14,235,040 | - | - | 14,235,040 | - |
| Less accumulated depreciation | (6,872,385) | (147,443,604) | (97,235,247) | (251,551,236) | - |
| Non-utility plant | - | 15,866,333 | - | 15,866,333 | - |
| Less non-utility accumulated depreciation | - | (9,907,659) | - | (9,907,659) | - |
| Net capital assets | 7,362,655 | 111,647,032 | 112,486,084 | 231,495,771 | - |
| Total noncurrent assets | 11,999,565 | 113,237,863 | 113,201,936 | 238,439,364 | - |
| **Total assets** | 19,580,319 | 145,936,332 | 139,806,699 | 305,323,350 | 9,704,001 |
| **LIABILITIES** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 53,252 | 6,131,877 | 1,438,291 | 7,623,420 | 32,477 |
| In lieu of tax payable to City | - | 162,611 | 116,021 | 278,632 | - |
| Accrued wages | 16,362 | 383,635 | 315,492 | 715,489 | 30,877 |
| Accrued interest | - | - | 39,752 | 39,752 | - |
| Sales tax payable | - | 14,778 | 216,412 | 231,190 | - |
| Customer deposits | - | - | 555,252 | 555,252 | - |
| Claims incurred not paid | - | - | - | - | 501,065 |
| Current portion of long-term debt | - | - | 877,233 | 877,233 | - |
| Total current liabilities | 69,614 | 6,692,901 | 3,558,453 | 10,320,968 | 564,419 |
| Noncurrent liabilities: | | | | | |
| Compensated absences - noncurrent | 97,759 | 2,333,693 | 2,057,566 | 4,489,018 | 160,001 |
| Closure/post closure liability | 3,811,401 | 1,607,371 | - | 5,418,772 | - |
| Noncurrent portion of long-term debt | - | - | 7,450,803 | 7,450,803 | - |
| Total noncurrent liabilities | 3,909,160 | 3,941,064 | 9,508,369 | 17,358,593 | 160,001 |
| **Total liabilities** | 3,978,774 | 10,633,965 | 13,066,822 | 27,679,561 | 724,420 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 7,362,655 | 111,647,032 | 104,158,048 | 223,167,735 | - |
| Restricted for: | | | | | |
| Debt service | - | - | 160,600 | 160,600 | - |
| Closure/post-closure costs | 825,509 | - | - | 825,509 | - |
| Unrestricted | 7,413,381 | 23,655,335 | 22,421,229 | 53,489,945 | 8,979,581 |
| **Total net position** | $ 15,601,545 | $ 135,302,367 | $ 126,739,877 | $ 277,643,789 | $ 8,979,581 |

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, 2025

| | Enterprise Funds | | | | Internal |
|---|---|---|---|---|---|
| | Landfill Fund | Electric Fund | Combined System Utilities Fund | Total | Internal Service Funds |
| **Operating revenues:** | | | | | |
| Sales | $ 2,704,865 | $ 60,605,463 | $ 25,636,757 | $ 88,947,085 | $ - |
| Health insurance revenue | - | - | - | - | 8,339,908 |
| I T charges | - | - | - | - | 1,885,013 |
| Other revenue | 10,045 | - | - | 10,045 | - |
| Total operating revenues | 2,714,910 | 60,605,463 | 25,636,757 | 88,957,130 | 10,224,921 |
| **Operating expenses:** | | | | | |
| Cost of power | - | 25,555,997 | - | 25,555,997 | - |
| Production | - | 16,521,764 | 6,923,170 | 23,444,934 | - |
| Water and sewer treatment | - | - | 2,390,912 | 2,390,912 | - |
| Transmission and distribution | - | 2,994,606 | 2,301,357 | 5,295,963 | - |
| Sewer line expenses | - | - | 767,110 | 767,110 | - |
| General and administrative | - | 8,079,734 | 5,741,505 | 13,821,239 | - |
| Personnel costs | 901,490 | - | - | 901,490 | 1,527,455 |
| Utilities | 14,844 | - | - | 14,844 | 960 |
| Repairs and maintenance | 119,438 | - | - | 119,438 | - |
| Contractual services | 147,560 | - | - | 147,560 | - |
| Supplies | 8,225 | - | - | 8,225 | 4,607 |
| Professional fees | 181,079 | - | - | 181,079 | 29,024 |
| Fuel | 89,930 | - | - | 89,930 | - |
| Dues and training | 1,340 | - | - | 1,340 | 2,924 |
| Insurance | 53,062 | - | - | 53,062 | 10,044,577 |
| Computer software and equipment | - | - | - | - | 1,896,855 |
| Miscellaneous | 9,955 | - | - | 9,955 | - |
| Closure costs | 229,099 | - | - | 229,099 | - |
| Depreciation | 712,806 | 4,300,703 | 2,934,592 | 7,948,101 | - |
| Total operating expenses | 2,468,828 | 57,452,804 | 21,058,646 | 80,980,278 | 13,506,402 |
| Operating income (loss) | 246,082 | 3,152,659 | 4,578,111 | 7,976,852 | (3,281,481) |
| **Nonoperating revenues (expenses):** | | | | | |
| Interest income | 453,057 | 602,086 | 752,786 | 1,807,929 | 381,539 |
| Participation and capacity agreements | - | 2,156,529 | - | 2,156,529 | - |
| Interest expense | - | - | (90,869) | (90,869) | - |
| Non-utility plan depreciation | - | (609,936) | - | (609,936) | - |
| Payments in lieu of taxes | - | (2,392,307) | (1,310,859) | (3,703,166) | - |
| Net coal sales | - | 1,217,438 | - | 1,217,438 | - |
| Grant revenue | 10,178 | - | 120,427 | 130,605 | - |
| Loss on disposal of capital assets | - | (53,698) | (134,798) | (188,496) | - |
| Miscellaneous income | - | 646,698 | 1,275,508 | 1,922,206 | - |
| Miscellaneous expense | - | (277,268) | (101,461) | (378,729) | - |
| Contributions in aid of construction | - | 971,022 | 2,940,133 | 3,911,155 | - |
| Total nonoperating revenues (expenses) | 463,235 | 2,260,564 | 3,450,867 | 6,174,666 | 381,539 |
| **Excess (deficiency) of revenues over expenditures** | 709,317 | 5,413,223 | 8,028,978 | 14,151,518 | (2,899,942) |
| **OTHER FINANCING SOURCES** | | | | | |
| Transfers in | - | - | - | - | 1,468,241 |
| **Change in net position** | 709,317 | 5,413,223 | 8,028,978 | 14,151,518 | (1,431,701) |
| Net position - September 30, 2024 | | | | | |
| As previously reported | 14,892,228 | 127,659,448 | 117,159,054 | 259,710,730 | 10,411,282 |
| Restatement | - | 2,229,696 | 1,551,845 | 3,781,541 | - |
| As restated | 14,892,228 | 129,889,144 | 118,710,899 | 263,492,271 | 10,411,282 |
| Net position - September 30, 2025 | $ 15,601,545 | $ 135,302,367 | $ 126,739,877 | $ 277,643,789 | $ 8,979,581 |

See notes to financial statements.

# CITY OF HASTINGS, NEBRASKA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

### For the year ended September 30, 2025

| | Enterprise Funds | |
|---|---|---|
| | Landfill Fund | Electric Fund |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Receipts from customers | $ 2,836,003 | $ 72,936,210 |
| Receipts from other funds | - | - |
| Payments to suppliers | (828,417) | (48,856,217) |
| Payments to employees | (865,743) | (11,717,472) |
| Net cash provided (used) by operating activities | 1,141,843 | 12,362,521 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Decrease in interfund loans | - | (201,547) |
| Payments in lieu of taxes | - | (2,392,307) |
| Transfer from General Fund | - | - |
| Net cash provided (used) by noncapital financing activities | - | (2,593,854) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Purchase of property and equipment | (227,146) | (9,802,813) |
| Contributions in aid of construction | - | 971,022 |
| Sales proceeds on capital assets | - | - |
| Grant proceeds | 10,178 | - |
| DWEE loan proceeds (including loan forgiveness) | - | - |
| Principal payments on capital debt | - | - |
| Interest paid on capital debt | - | - |
| Increase in closure/post-closure liability | 229,099 | - |
| Net cash provided (used) by capital and related financing activities | 12,131 | (8,831,791) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| (Increase) decrease in certificates of deposit | (3,300,000) | - |
| Increase in restricted certificates of deposit | (135,056) | - |
| Interest received | 439,722 | 611,648 |
| Net cash provided (used) by investing activities | (2,995,334) | 611,648 |
| Increase (decrease) in cash and cash equivalents | (1,841,360) | 1,548,524 |
| Cash and cash equivalents - beginning of the year | 5,755,248 | 9,002,363 |
| Cash and cash equivalents - end of the year | $ 3,913,888 | $ 10,550,887 |
| **Composition of cash and cash equivalents:** | | |
| Cash and cash equivalents | $ 3,913,888 | $ 8,960,056 |
| Restricted cash and cash equivalents | - | 1,590,831 |
| Total cash and cash equivalents | $ 3,913,888 | $ 10,550,887 |

See notes to financial statements.

| Combined System Utilities Fund | Total | Internal Service Funds |
|---|---|---|
| $ 26,308,997 | $ 102,081,210 | $ - |
| - | - | 10,188,418 |
| (9,833,887) | (59,518,521) | (11,847,424) |
| (8,555,597) | (21,138,812) | (1,463,947) |
| 7,919,513 | 21,423,877 | (3,122,953) |
| | | |
| 201,547 | - | - |
| (1,310,859) | (3,703,166) | - |
| - | - | 1,468,241 |
| (1,109,312) | (3,703,166) | 1,468,241 |
| | | |
| (10,726,105) | (20,756,064) | - |
| 2,940,133 | 3,911,155 | - |
| 49,008 | 49,008 | - |
| - | 10,178 | - |
| 194,237 | 194,237 | - |
| (828,382) | (828,382) | - |
| (95,180) | (95,180) | - |
| - | 229,099 | - |
| (8,466,289) | (17,285,949) | - |
| | | |
| 1,677,657 | (1,622,343) | (5,600,000) |
| - | (135,056) | - |
| 794,910 | 1,846,280 | 354,359 |
| 2,472,567 | 88,881 | (5,245,641) |
| 816,479 | 523,643 | (6,900,353) |
| 16,269,022 | 31,026,633 | 10,428,346 |
| $ 17,085,501 | $ 31,550,276 | $ 3,527,993 |
| | | |
| $ 16,369,649 | $ 29,243,593 | $ 3,527,993 |
| 715,852 | 2,306,683 | - |
| $ 17,085,501 | $ 31,550,276 | $ 3,527,993 |

## CITY OF HASTINGS, NEBRASKA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS, Continued

### For the year ended September 30, 2025

| | Enterprise Funds | |
|---|---|---|
| | Landfill Fund | Electric Fund |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | |
| Operating income (loss) | $ 246,082 | $ 3,152,659 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | 712,806 | 4,910,639 |
| Participation and capacity agreements | - | 2,156,529 |
| Miscellaneous income, net of expenses | - | 976,932 |
| Change in assets and liabilities: | | |
| Accounts receivable | 121,093 | (173,836) |
| Inventories | - | 32,551 |
| Accounts payable | 26,115 | 799,383 |
| Claims incurred not paid | - | - |
| Accrued expenses | 35,747 | 507,664 |
| Customer deposits | - | - |
| Net cash provided (used) by operating activities | $ 1,141,843 | $ 12,362,521 |

See notes to financial statements.

| Combined System Utilities Fund | Total | Internal Service Funds |
|---|---|---|
| $ 4,578,111 | $ 7,976,852 | $ (3,281,481) |
| 3,237,185 | 8,860,630 | - |
| - | 2,156,529 | - |
| 1,174,047 | 2,150,979 | - |
| (501,807) | (554,550) | (36,503) |
| (150,750) | (118,199) | - |
| (502,242) | 323,256 | (13,044) |
| - | - | 144,567 |
| 79,427 | 622,838 | 63,508 |
| 5,542 | 5,542 | - |
| $ 7,919,513 | $ 21,423,877 | $ (3,122,953) |

**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. | Accrued Compensated Absences | 62 |
| 8. | Interfund Transactions and Balances | 62 |
| 9. | Fund Equity | 63 |
| 10. | TIF Receivables and Payables | 64 |
| 11. | Investments | 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 Increment Financing | 82 |
| 8. | Subsequent Events | 84 |

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

## 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.

## 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. |

## 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, 2024 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, 2024 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.

## 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.

## 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.

## 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:

| Fund | Brief Description |
|---|---|
| *Major:* | |
| 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. |
| *Nonmajor:* | |
| 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. |
| Creative District | Accounts for restricted Creative District grant funds. |
| Library Grant | Accounts for restricted library grant funds. |
| Fire Equipment Sinking | Accounts for funds assigned for future fire equipment replacement. |

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### 2. Basis of Presentation, continued

### Major and Nonmajor Funds, continued

| Fund | Brief Description |
|---|---|
| *Nonmajor, continued:* | |
| 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. |

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### 2. Basis of Presentation, continued

**Major and Nonmajor Funds, continued**

| Fund | Brief Description |
|---|---|
| *Nonmajor, continued:* | |
| 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:

## 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.

## 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 \$313,000 allowance for uncollectible accounts and the Electric Fund has recognized a \$60,000 allowance for uncollectible accounts.

## 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:

| Fund | Amount | Type |
|---|---|---|
| General | $ 1,121,720 | Sales Tax |
| General | 51,947 | School Resource Officer |
| General | 77,154 | Federal Grant |
| General | 11,115 | Emergency management-county |
| General | 13,671 | Adams County library interlocal |
| General | 11,959 | Drug Task Force-county |
| General | 167,380 | Sale of property to state |
| Community Development | 53,612 | CDBG Grants |
| Parks-Rec Sales Tax | 140,214 | Sales Tax |
| Museum Sales Tax | 56,085 | Sales Tax |
| Library Grant | 299 | State Grant |
| Public Safety Grant | 26,164 | Federal Grant |
| Street Sales Tax | 364,559 | Sales Tax |
| Total governmental funds | $ 2,095,879 | |

**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.

## 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.

## 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 GASB 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, 2025 was $8,147,824.

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.

## 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**

During the year ended September 30, 2025, the City adopted GASB No. 101, *Compensated Absences.* The City's policies regarding vacation time permit employees to accumulate earned but unused vacation and sick 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.

## 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.

## 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.

*Equity Restatement*

During the year ended September 30, 2025, Council approved a change to the calculation methodology for payments in-lieu of tax. Prior to this change, the in-lieu of tax had been accrued at year end based on annual revenue and paid over the subsequent 12 months. The payment in-lieu of tax is paid monthly based on prior month revenue effective September 30, 2025. As a result of this change, governmental activities net position and General fund balance were both decreased $3,781,541. Business-type activities net position was increased $3,781,541, Electric Fund net position was increased $2,229,696, and Combined System net position was increased $1,551,845.

## 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 2024-2025 are recorded as revenue when expected to be collected within 60 days after September 30, 2025. 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.

## 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 5.7 percent of the retail revenues of the Electric System for the year ended September 30, 2025. This amount is calculated to be $2,392,307.

The transfer to the General Fund from the Combined System is calculated as 7.64 percent of water operating revenue and 6.5 percent of gas operating revenue. For the year ended September 30, 2025 the total amount of in lieu of tax payments are calculated to be $1,310,859 based on the operating revenues for the year ended September 30, 2025.

**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.

## 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.

## 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.

## 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.

## 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, 2025. 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.

| Types of Deposits | Total Bank Balance | Category 1 | Category 2 | Category 3 | Total Carrying Value |
|---|---|---|---|---|---|
| Cash and investments | $ 101,135,252 | $ 12,244,758 | $ 88,615,521 | $ 274,973 | $ 99,120,312 |

| | |
|---|---|
| Reconciliation to Government-wide Statement of Net Position: | |
| Primary Government – | |
| Unrestricted cash and cash equivalents | $ 44,803,580 |
| Unrestricted certificates of deposit | 26,591,241 |
| Restricted cash and cash equivalents | 13,222,241 |
| Restricted certificates of deposit | 12,755,972 |
| Component Units – | |
| Unrestricted cash and cash equivalents | 1,485,531 |
| Restricted cash and cash equivalents | 261,747 |
| | $ 99,120,312 |

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

### 2. Restricted Assets

The restricted assets as of September 30, 2025, are as follows:

| | Governmental Activities | Business-type Activities | Total Primary Government | Component Units |
|---|---|---|---|---|
| Type of Restricted Assets: | | | | |
| Cash and cash equivalents | $ 10,915,558 | $ 2,306,683 | $ 13,222,241 | $ 261,747 |
| Certificates of deposit | 8,119,062 | 4,636,910 | 12,755,972 | - |
| | $ 19,034,620 | $ 6,943,593 | $ 25,978,213 | $ 261,747 |

Governmental restricted cash and certificates of deposit consist of the following at September 30, 2025:

| | |
|---|---|
| Street Fund - restricted for street improvements | $ 6,591,329 |
| Debt Service Fund - restricted for debt service | 1,873,560 |
| Cemetery Perpetual Care Fund - restricted for perpetual care | 95,573 |
| BID Fund - restricted for downtown projects | 50,632 |
| Museum Sales Tax Fund - restricted for capital projects | 1,233,847 |
| Creative District Fund - restricted for art projects | 4,217 |
| Library Grant Fund - restricted for library expenses | 42,553 |
| Parks Grant Fund - restricted for capital projects | 64,165 |
| Duncan Park Sales Tax Fund - restricted for capital projects | 102,536 |
| Aquatics Center Fund - restricted for aquatics | 264,518 |
| ARPA Fund - restricted for federal programs | 52,454 |
| Street Sales Tax Fund - restricted for street improvements | 5,687,295 |
| Parks-Rec Sales Tax Fund - restricted for capital projects | 2,529,941 |
| Keno Betterment Fund - restricted for community betterment | 442,000 |
| Total governmental activities restricted cash and CD's | $ 19,034,620 |

Business-type activities restricted cash and certificates of deposit consist of the following at September 30, 2025:

| | |
|---|---|
| Landfill Fund - restricted for closure/post-closure costs | $ 4,636,910 |
| Electric Fund - restricted for ash disposal closure/post closure costs | 1,590,831 |
| Combined System - restricted for debt service | 160,600 |
| Combined System - restricted for customer deposits | 555,252 |
| Total business-type activities restricted cash and CD's | $ 6,943,593 |

Component unit restricted cash consists of $261,747 restricted for economic development at September 30, 2025.

## 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 (6.9 percent), ambulance (11.5 percent), utility reimbursements (16.0 percent), reinsurance on health insurance claims (56.0 percent) and other (9.6 percent) receivables. Receivables detail at September 30, 2025, is as follows:

| | Governmental Activities | Business-type Activities | Total Primary Government | Component Units |
|---|---|---|---|---|
| Accounts receivable | $ 1,263,819 | $ 10,818,828 | $ 12,082,647 | $ 143,655 |
| Allowance for doubtful accounts | (313,000) | (60,000) | (373,000) | - |
| Net accounts receivable | $ 950,819 | $ 10,758,828 | $ 11,709,647 | $ 143,655 |

Notes receivable for the CRA consist of the following at September 30, 2025:

| Note Held By: | Due From | Note Balance at September 30, 2025 | Terms |
|---|---|---|---|
| CRA: | | | |
| Revolving Loan | Brandt Rentals, LLC | $ 6,500 | Matures 10/5/26 |
| Revolving Loan | Shabri, LLC | 266,438 | Matures 5/9/26 |
| Revolving Loan | The Listening Room | 268,605 | Maturres 12/1/43 |
| Revolving Loan | Uptown Experience | 61,250 | Matures 9/30/29 |
| Revolving Loan | 1st Street Brewing | 266,743 | Matures 4/15/32 |
| Revolving Loan | THOAR, LLC | 32,000 | Matures 10/1/31 |
| Revolving Loan | ABBC Restorations, LLC | 21,766 | Matures 3/19/26 |
| Revolving Loan | Luckee, LLC | 50,497 | Matures 8/12/26 |
| Revolving Loan | LincHome, LLC | 45,342 | Matures 3/10/26 |
| Revolving Loan | Spitz | 96,998 | Matures 5/25/27 |
| Revolving Loan | Corner Building LLC | 91,133 | Matures 10/1/43 |
| Revolving Loan | Ridgeline | 100,000 | Matures 4/17/29 |
| Revolving Loan | Bryant Books & Music | 20,000 | Matures 6/1/33 |
| Revolving Loan | Bad Sportz Inc | 119,350 | Matures 1/1/35 |
| Revolving Loan | Garage Flats | 84,000 | Matures 3/1/44 |
| Revolving Loan | Finish Line Rentals | 13,341 | Matures 12/10/28 |

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

### 3. Accounts and Notes Receivable, continued

| Note Held By: | Due From | Note Balance at September 30, 2025 | Terms |
|---|---|---|---|
| Revolving Loan | Cheese Shop LLC | 31,254 | Matures 7/1/29 |
| Revolving Loan | Sky Bar LLC | 141,250 | Matures 1/11/30 |
| | | 1,716,467 | |
| NMPF Loan | Tim Maul | 35,000 | Matures 7/1/28 |
| NMPF Loan | LeNoir Dimbaya Coffee | 4,853 | Matures 2/28/28 |
| | | 39,853 | |
| Real Estate Loan | Dally's Deli | 108,356 | Matures 6/1/35 |
| Real Estate Loan | ABBC Restoration, LLC | 40,000 | Matures 5/15/35 |
| Real Estate Loan | Garage Flats | 56,000 | Matures 3/1/44 |
| Real Estate Loan | Bad Sportz Inc | 198,275 | Matures 1/1/35 |
| Real Estate Loan | THOAR, LLC | 134,167 | Matures 5/1/36 |
| | | 536,798 | |
| | | 2,293,118 | |
| Less Allowance for Uncollectible Notes | | (12,300) | |
| | | $ 2,280,818 | |
| Current portion | | $ 213,500 | |
| Long-term portion | | 2,067,318 | |
| Total CRA notes receivable | | $ 2,280,818 | |

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

### 4. Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

| | Balance at October 1, 2024 | Additions | Disposals | Reclass | Balance at September 30, 2025 |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 210,164 | $ - | $ - | $ - | $ 210,164 |
| Construction in progress | 4,496,922 | 9,891,076 | - | (1,734,269) | 12,653,729 |
| Total capital assets not being depreciated | 4,707,086 | 9,891,076 | - | (1,734,269) | 12,863,893 |
| Other capital assets being depreciated: | | | | | |
| Infrastructure | 95,527,457 | 707,115 | - | 354,639 | 96,589,211 |
| Buildings, machinery & equipment | 63,152,140 | 3,040,506 | (448,487) | 1,379,630 | 67,123,789 |
| Total other capital assets at historical cost | 158,679,597 | 3,747,621 | (448,487) | 1,734,269 | 163,713,000 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (51,521,302) | (2,884,094) | - | - | (54,405,396) |
| Buildings, machinery & equipment | (33,561,991) | (2,848,149) | 414,429 | - | (35,995,711) |
| Total accumulated depreciation | (85,083,293) | (5,732,243) * | 414,429 | - | (90,401,107) |
| Other capital assets, net | 73,596,304 | (1,984,622) | (34,058) | 1,734,269 | 73,311,893 |
| Governmental activities capital assets, net | $ 78,303,390 | $ 7,906,454 | $ (34,058) | $ - | $ 86,175,786 |

* Depreciation expense was charged to governmental activities as follows:

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

### 4. Capital Assets, continued

**Governmental Activities, continued:**

| | |
|---|---|
| General Fund: | |
| General government: | |
| General | $ 944,416 |
| Public safety: | |
| Police | 205,967 |
| Public safety | 15,620 |
| Total public safety | 221,587 |
| Public works: | |
| Cemetery | 2,200 |
| Environment and leisure: | |
| Library | 133,552 |
| Parks | 235,219 |
| Duncan Park | 134,595 |
| Aquatics | 72,375 |
| Pioneer Trail | 9,232 |
| Airport | 59,014 |
| Total environment and leisure | 643,987 |
| Total General Fund | 1,812,190 |
| IT Internal Service Fund | 75,971 |
| Special Revenue Funds: | |
| Street | 3,245,973 |
| Museum | 162,701 |
| Wireless E911 | 23,596 |
| ARPA | 256,882 |
| Community Development | 51,977 |
| Natural Disaster | 20,739 |
| Business Improvement District | 574 |
| Keno | 81,640 |
| Total Special Revenue Funds | 3,844,082 |
| Total governmental activities depreciation expense | $ 5,732,243 |

Construction in progress at September 30, 2025, consists of the following costs incurred: $4,938,888 on the City office remodel; $764,953 on the Elm Meadows paving project; $24,726 on the Lochland Meadows paving project; $35,858 on the library greenspace project; $25,822 on the Hastings Cultural Arts and Civic Center project; $4,639,017 on state project Hastings Southeast; $804,770 on the Kool-Aid display; $58,500 on the museum HVAC project; $1,161,547 on the Quiet Zone project; $153,737 on the airport apron project; and $45,911 on the airport box hangar project. See note D3 for additional details on commitments on these projects.

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

### 4. Capital Assets, continued

| | October 1, 2024 | Additions | Disposals | Reclass | September 30, 2025 |
|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 7,234,360 | $ - | $ - | $ - | $ 7,234,360 |
| Construction in progress | 45,810,489 | 3,818,725 | - | (441,367) | 49,187,847 |
| Total capital assets not being depreciated | 53,044,849 | 3,818,725 | - | (441,367) | 56,422,207 |
| Other capital assets being depreciated: | | | | | |
| Landfill | 13,991,460 | 227,145 | - | 16,435 | 14,235,040 |
| Electric | 208,462,095 | 7,750,792 | (242,540) | - | 215,970,347 |
| Electric non-utility plant | 15,866,333 | - | - | - | 15,866,333 |
| Gas | 37,203,365 | 331,748 | (104,961) | - | 37,430,152 |
| Water | 61,367,646 | 1,573,447 | (91,100) | - | 62,849,993 |
| Pollution control | 68,022,539 | 6,341,844 | (271,081) | - | 74,093,302 |
| Administrative | 14,996,801 | 712,362 | (46,803) | 424,932 | 16,087,292 |
| Total other capital assets at historical cost | 419,910,239 | 16,937,338 | (756,485) | 441,367 | 436,532,459 |
| Less accumulated depreciation for: | | | | | |
| Landfill | (6,159,579) | (712,806) | - | - | (6,872,385) |
| Electric | (143,331,743) | (4,300,703) | 188,842 | - | (147,443,604) |
| Electric non-utility plant | (9,297,723) | (609,936) | - | - | (9,907,659) |
| Gas | (34,162,837) | (162,809) | 104,312 | - | (34,221,334) |
| Water | (11,489,803) | (909,573) | 11,841 | - | (12,387,535) |
| Pollution control | (38,756,439) | (1,862,210) | 168,698 | - | (40,449,951) |
| Administrative | (9,919,122) | (302,593) | 45,288 | - | (10,176,427) |
| Total accumulated depreciation | (253,117,246) | (8,860,630) * | 518,981 | - | (261,458,895) |
| Other capital assets, net | 166,792,993 | 8,076,708 | (237,504) | 441,367 | 175,073,564 |
| Business-type capital assets, net | $ 219,837,842 | $ 11,895,433 | $ (237,504) | $ - | $ 231,495,771 |

* Depreciation expense was charged to functions as follows:

| | |
|---|---|
| Landfill | $ 712,806 |
| Electric | 4,910,639 |
| Combined System Utilities | 3,237,185 |
| Total business-type activities depreciation expense | $ 8,860,630 |

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

### 4. Capital Assets, continued

Construction in progress at September 30, 2025 consists of $34,040,874 on electric projects; $1,039,740 on gas projects; $2,568,326 on water projects; $6,489,902 on sewer projects; and $5,049,005 on utility admin projects. See note D3 for additional details on commitments on these projects.

| | Balance at October 1, 2024 | Additions | Disposals | Balance at September 30, 2025 |
|---|---|---|---|---|
| Community Redevelopment Authority: | | | | |
| Capital assets being depreciated: | | | | |
| Land improvements | $ 414,851 | $ - | $ - | $ 414,851 |
| Less accumulated depreciation: | | | | |
| Land improvements | (210,152) | (21,149) | - | (231,301) |
| Community Redevelopment Authority, net | $ 204,699 | $ (21,149) | $ - | $ 183,550 |
| Community Redevelopment Authority: | | | | |
| Capital assets not being depreciated: | | | | |
| Land held for redevelopment | $ 1,058,627 | $ 69,083 | $ (196,400) | $ 931,310 |

### 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.

## 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, 2025:

| Type of Debt | Balance October 1, 2024 | Additions | Deductions | Balance September 30, 2025 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Bonds payable | $ 3,841,217 | $ - | $ (412,676) | $ 3,428,541 | $ 414,406 |
| Note payable | 138,160 | - | (37,680) | 100,480 | 37,680 |
| | $ 3,979,377 | $ - | $ (450,356) | $ 3,529,021 | $ 452,086 |
| Business-type Activities: | | | | | |
| Bonds payable | $ 6,910,000 | $ - | $ (690,000) | $ 6,220,000 | $ 730,000 |
| Note payable | 2,172,608 | 73,810 | (138,382) | 2,108,036 | 147,233 |
| | $ 9,082,608 | $ 73,810 | $ (828,382) | $ 8,328,036 | $ 877,233 |
| Community Redevelopment Authority: | | | | | |
| Notes payable | $ 99,244 | $ - | $ (6,551) | $ 92,693 | $ 7,244 |

**Governmental Activities**

As of September 30, 2025, 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. | $ 3,005,000 |

## 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. | 288,541 |
| 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. | 135,000 |
| Total bonds payable | 3,428,541 |
| 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. | 100,480 |
| Total governmental activities long-term obligations | $ 3,529,021 |
| Current portion | $ 452,086 |
| Noncurrent portion | 3,076,935 |
| Total | $ 3,529,021 |

The Debt Service Fund is making the principal and interest payments on the bonds and the General Fund is paying the note payable.

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

### 6. Long-term Debt, continued

**Business-type Activities**

As of September 30, 2025, the long-term debt payable from proprietary fund resources consisted of the following:

| | |
|---|---|
| Bonds and notes payable: | |
| Note payable to Nebraska Department of Water, Energy, and Environment 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. | $ 1,863,290 |
| Note payable to Nebraska Department of Water, Energy, and Environment was 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 $4,079 due December 15, 2025 through June 15, 2055. | 244,746 |
| 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. | 6,220,000 |
| Total business-type activity long-term debt | $ 8,328,036 |
| | |
| Current portion | $ 877,233 |
| Noncurrent portion | 7,450,803 |
| Total | $ 8,328,036 |

## 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. | $ 92,693 |
| | |
| Current portion | $ 7,244 |
| Noncurrent portion | 85,449 |
| Total | $ 92,693 |

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2025, are as follows:

| | Governmental Activities | | | |
|---|---|---|---|---|
| Year Ending | Other Debt Issues | | Direct Placement | |
| September 30, | Principal | Interest | Principal | Interest |
| 2026 | $ 414,406 | $ 47,371 | $ 37,680 | $ - |
| 2027 | 426,170 | 41,857 | 37,680 | - |
| 2028 | 357,965 | 35,836 | 25,120 | - |
| 2029 | 265,000 | 32,106 | - | - |
| 2030 | 270,000 | 28,895 | - | - |
| 2031-2035 | 1,400,000 | 85,238 | - | - |
| 2036 | 295,000 | 2,729 | - | - |
| | $ 3,428,541 | $ 274,032 | $ 100,480 | $ - |

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

### 6. Long-term Debt, continued

| | Business-type Activities | | | | |
|---|---|---|---|---|---|
| Year Ending | Other Debt Issues | | Direct Placement | | |
| September 30, | Principal | Interest | Principal | Interest | Fees |
| 2026 | $ 730,000 | $ 76,115 | $ 147,233 | $ 9,143 | $ 9,143 |
| 2027 | 740,000 | 66,560 | 147,929 | 8,447 | 8,447 |
| 2028 | 750,000 | 56,875 | 148,629 | 7,747 | 7,747 |
| 2029 | 770,000 | 46,995 | 149,332 | 7,043 | 7,043 |
| 2030 | 785,000 | 36,888 | 150,039 | 6,337 | 6,337 |
| 2031-2035 | 2,445,000 | 47,937 | 760,921 | 20,958 | 20,958 |
| 2036-2040 | - | - | 481,580 | 3,865 | 3,865 |
| 2041-2045 | - | - | 40,791 | - | - |
| 2046-2050 | - | - | 40,791 | - | - |
| 2051-2055 | - | - | 40,791 | - | - |
| | $ 6,220,000 | $ 331,370 | $ 2,108,036 | $ 63,540 | $ 63,540 |

| | Component Units | |
|---|---|---|
| Year Ending | Direct Placement | |
| September 30, | Principal | Interest |
| 2026 | $ 7,244 | $ 3,617 |
| 2027 | 7,536 | 3,324 |
| 2028 | 7,841 | 3,020 |
| 2029 | 8,157 | 2,703 |
| 2030 | 8,487 | 2,373 |
| 2031-2035 | 53,428 | 6,437 |
| | $ 92,693 | $ 21,474 |

## 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 $1,590,831 at September 30, 2025, which is based on 34,445 tons of undisposed pond ash in the ash disposal area. It is estimated that an additional $135,762 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, $1,726,593, 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, 2025. 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, 2025, funds of $1,590,831 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.

## 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 $3,811,401 as of September 30, 2025, which is based on 49.8 percent usage (filled) of the landfill. It is estimated that an additional $3,785,953 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, $7,597,354, 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, 2025. 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, 2025, funds of $4,636,910 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.

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

**7. Accrued Compensated Absences**

Accrued compensated absences consisted of the following as of September 30, 2025:

| | Balance 9/30/2024 | Increase | Decrease | Balance 9/30/2025 |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Accrued compensated absences | $ 2,285,164 | $ 717,708 | $ - | $ 3,002,872 |
| Business-type activities | | | | |
| Accrued compensated absences | $ 3,865,607 | $ 623,411 | $ - | $ 4,489,018 |

**8. Interfund Transactions and Balances**

Operating transfers for the year ended September 30, 2025:

| | Transfers In | Transfers Out |
|---|---|---|
| General Fund: | | |
| Museum | $ 50,000 | $ - |
| Keno | 13,000 | - |
| Bookmobile Replacement | - | 6,000 |
| IT Fund | - | 1,468,241 |
| Fire Equipment Sinking | - | 292,000 |
| Duncan Sales Tax | - | 20,000 |
| Capital Project | - | 4,500,000 |
| Total General Fund | 63,000 | 6,286,241 |
| Museum Fund: | | |
| General | - | 50,000 |

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

### 8. Interfund Transactions and Balances, continued

| | Transfers In | Transfers Out |
|---|---|---|
| Debt Service Fund: | | |
| Fire Equipment Sinking | 98,871 | - |
| Capital Projects | - | 1,000,000 |
| Total Debt Service Fund | 98,871 | 1,000,000 |
| Nonmajor Funds: | | |
| General | 4,818,000 | 13,000 |
| Debt Service | 1,000,000 | 98,871 |
| Total Nonmajor Funds | 5,818,000 | 111,871 |
| Internal Service Fund: | | |
| General | 1,468,241 | - |
| Total Operating Transfers | $ 7,448,112 | $ 7,448,112 |

At September 30, 2025, the Combined System Utilities Fund owed $116,021 to the General Fund for in-lieu of tax. The Electric Fund owed $162,611 to the General Fund for in-lieu of tax. Also, the Combined Utilities Fund owed $57,914 to the Electric Fund, and the Community Development Fund owed $42,179 to the Community Redevelopment Authority. These balances are expected to be transferred during the year ending September 30, 2026.

### 9. Fund Equity

Restricted net position for other purposes totaling $116,359 consists of $48,774 in the BID Fund, $4,217 in the Creative District Fund, $41,695 in the Library Grant Fund and $21,673 in the Public Safety Grant Fund.

## CITY OF HASTINGS, NEBRASKA

## NOTES TO FINANCIAL STATEMENTS, Continued

## September 30, 2025

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

#### 10. TIF Receivables and Payables

| | | 9/30/2025 | |
|---|---|---|---|
| TIF # | Description | TIF Receivable | TIF Payable |
| 24 | Uptown Experience LLC | $ 32,423 | $ - |
| 33 | 801 Building Condominiums | 76,326 | - |
| 34 | Emerson Estates LLC | 60,512 | 60,512 |
| 37 | Thoar LLC | 59,935 | 29,967 |
| 38 | On Top LLC | 31,065 | 31,065 |
| 40 | Dietrich/Stein Brothers Building LLC | 109,479 | 109,479 |
| 43 | Eastside Estates LLC | 146,599 | 146,599 |
| 48 | DJ&R Investments LLC | 349,335 | 349,335 |
| 49 | Thoar LLC - 723 W 11th St | 23,894 | 23,894 |
| 50 | Hastings Lodging 2 | 459,060 | 459,060 |
| 51 | NPC - Phast 1 | 1,083,384 | 1,083,384 |
| 52 | Faris Redevelopment Project | 40,436 | 40,436 |
| 54 | Thoar LLC - 737 W 1st St | 38,212 | 38,212 |
| 55 & 60 | Mesner North | 1,123,959 | 1,123,959 |
| 56 | Southern Bell Heartland LLC | 240,267 | 240,267 |
| 58/76/90 | HEDC West Laux Dr - Phase I | 577,416 | 577,416 |
| 59 & 64 | Brant Rentals LLC | 280,397 | 280,397 |
| 61 | Shabri LLC | 11,812 | 11,812 |
| 62 | Boys 3 MCP Inc | 131,543 | 131,543 |
| 63 | Abegglen & Hirshfeld | 330,428 | 330,428 |
| 66 | Thoar LLC - Cameron Building | 209,795 | 209,795 |
| 67/78/80/88 | HEDC Trail Ridge Addition - Phase I | 1,752,948 | 1,752,948 |
| 68 | West 2nd Investments LLC | 35,413 | 35,413 |
| 69 | Luckee LLC | 37,900 | 37,900 |
| 70 | ABBC Restorations | 32,699 | 32,699 |
| 71 | Theatre Building | 332,679 | 332,679 |
| 73/81/89 | HEDC Trail Ridge 2.0 | 1,628,244 | 1,628,244 |
| 74 | Theatre District LLC - Lot 3 Blk 1 | 1,716,991 | 1,716,991 |
| 75 | Theatre District LLC - Lot 8 Blk 1 | 243,272 | 243,272 |
| 77 | DAVALWAT Properties LLC | 73,291 | 73,291 |

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

### 10. TIF Receivables and Payables, continued

| | | 9/30/2025 | |
|---|---|---|---|
| TIF # | Description | TIF Receivable | TIF Payable |
| 83 | Garage Flats | 132,388 | 132,388 |
| 84 | Corner Building LLC | 88,847 | 88,847 |
| 87 | Bad Sportz Inc | 45,894 | 45,894 |
| 91 | Fairview Villas LLC | 160,000 | 160,000 |
| 92 | Theatre District LLC - Lot 1 Blk 1 | 104,624 | 104,624 |
| 93 | Theatre District LLC - Lot 4 Blk 1 | 57,731 | 57,731 |
| | | $ 11,859,198 | $ 11,720,481 |
| | Current portion | 1,429,480 | 1,393,762 |
| | Long-term portion | 10,429,718 | 10,326,719 |
| | | $ 11,859,198 | $ 11,720,481 |

### 11. Investments

Investments at September 30, 2025 consisted of $1,213,815 of mutual funds held by Principal Custody Solutions for the General Fund. The investments are carried at market value on the financial statements.

## NOTE D – OTHER NOTES

### 1. Employee Pension and Other Benefit Plans

The City participates in five employee pension plans as follows:

| Name of Plan | Type of Plan |
|---|---|
| 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.

## 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 and the actuarial valuations are no longer being regularly updated. 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, 2025, the City's payroll total and covered under the Plan was $3,937,653 and $3,937,653, respectively.

## 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:

## 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 | 421,738 |
| Funded Status | $ 496,353 |

*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, 2025, 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, 2025, were as follows:

| | | Amount as a Percentage of Covered Payroll |
|---|---|---|
| Employer | $ 275,636 | 7.0% |
| Employee | 275,636 | 7.0% |
| Total | $ 551,272 | |

**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, 2025, the City's payroll total and covered under the Plan was $2,589,063 and $2,589,063, respectively.

## 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, 8.7 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, 2025, 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 | 539,247 |
| Funded Status | $ ( 79,219) |

## 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, 2025.

Contributions made under the defined contribution portion of the Firefighters Plan for the year ended September 30, 2025, were as follows:

| | | Amount as a Percentage of Covered Payroll |
|---|---|---|
| Employer | $ 336,578 | 13.0% |
| Employee | 225,248 | 8.7% |
| Total | $ 561,826 | |

*Excess Pension Funding*

During the year ended September 30, 2025, the General Fund recognized an investment asset of $1,213,815, representing the estimated excess funding of the police ($668,335) and fire ($545,480) defined benefit pension plans.

**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, 2025 was $11,769.

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, 2025 was $591,773. The Utilities System total pension expense was $1,424,797 for the year ended September 30, 2025.

## 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 $7,962,409. The City pays the claims first up to the $125,000 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, 2025 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 $501,065, are recorded as a liability in the Self-Insured Health Fund at September 30, 2025. The Self-Insurance Health Fund had $386,680 of reinsurance receivable at September 30, 2025.

## 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, 2025, 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 certificate of deposit maturities are as follows:

| | CERTIFICATE OF DEPOSIT MATURITIES (IN YEARS) | | | | |
|---|---|---|---|---|---|
| | <1 | 1-5 | 5-10 | 10+ | Total |
| City: | | | | | |
| CDs | $ 20,139,522 | $ - | $ - | $ - | $20,139,522 |
| Utilities: | | | | | |
| CDs | $ 11,446,910 | $ - | $ - | $ - | $11,446,910 |
| Money Market | 7,760,781 | - | - | - | 7,760,781 |
| | $ 19,207,691 | $ - | $ - | $ - | $ 19,207,691 |

***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.

## 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, 2025, the City's investments in certificates of deposit consisted of the following:

| Financial Institution | Amount |
|---|---|
| Five Points Bank | $ 3,284,460 |
| Heritage Bank | 5,000,000 |
| Pinnacle Bank | 7,165,062 |
| Heartland Bank | 6,000,000 |
| Home Federal | 10,136,910 |
| | $ 31,586,432 |

***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, 2025.

### 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.

| Project | Contract Amount | Paid Through 9/30/2025 | Obligation Pending | Estimated Completion |
|---|---|---|---|---|
| City office remodel-contractor | $ 7,453,020 | $ 4,046,309 | $ 3,406,711 | 3/31/2026 |
| City office remodel-architecht | 563,814 | 539,820 | 23,994 | 3/31/2026 |
| Elm Meadows paving | 804,331 | 734,873 | 69,458 | 2/28/2026 |
| Lochland Meadows paving | 584,440 | 247,226 | 337,214 | 2/28/2026 |
| Kool Aid display | 70,000 | 69,250 | 750 | 1/31/2026 |
| Quiet Zone | 957,205 | 788,230 | 168,975 | 12/31/2026 |
| Airport apron project | 49,950 | 45,911 | 4,039 | 10/31/2026 |
| Pawnee Creed flood mitigation | 62,500 | 31,739 | 30,761 | 9/30/2026 |
| 12th and Crane Street drainage evaluation | 25,285 | 19,832 | 5,453 | 10/31/2025 |
| Parks dump truck | 188,413 | - | 188,413 | 1/31/2026 |
| Sewer aeration basin equipment | 3,177,000 | 2,752,591 | 424,409 | 1/31/2026 |
| Environmental office upgrade | 30,780 | - | 30,780 | 10/31/2025 |
| North Elm First Subdivision | 248,838 | 213,161 | 35,677 | 10/31/2025 |
| Lochland Meadows 17th Subdivision | 327,246 | 307,558 | 19,688 | 10/31/2025 |
| Sixth Street main replacement | 729,381 | 223,165 | 506,216 | 3/31/2026 |
| Highway 6 water improvements | 1,280,594 | 285,505 | 995,089 | 3/31/2026 |
| CRA Cedar Park project | 269,564 | 185,754 | 83,810 | 10/31/2025 |
| Total commitments | $ 16,822,361 | $ 10,490,924 | $ 6,331,437 | |

## NOTE D – OTHER NOTES, continued

### 3. Commitments, continued

**Other Commitments**

| Lessor | Leased Property | Term | Amount |
|---|---|---|---|
| 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, 2025, nothing had been drawn on this letter of credit, which expires September 24, 2026.

## 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.

## 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.

## 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.

## 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.

## 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.

At September 30, 2025, PPGA had $496,135,000 of revenue bonds outstanding. Under terms of the agreement with PPGA referred to in the preceding paragraph, Hastings Utilities is responsible for 15.91 percent of the outstanding debt ($78,930,568 at September 30, 2025). It is expected that PPGA will continue to make the scheduled principal and interest payments as part of its normal operations. However, Hastings Utilities would be responsible for its 15.91 percent share of debt payments should PPGA be unable to service the debt.

**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.

## NOTE D – OTHER NOTES, continued

### 6. Interlocal Agreements

The City is a party to 23 interlocal agreements in effect as of September 30, 2025. The City Clerk maintains a complete list of the interlocal agreements in effect.

### 7. Tax Increment Financing

The Community Redevelopment Agency (CRA), who is authorized by Nebraska statutes to enter into tax increment financing (TIF) agreements for the purpose of developing properties in blighted areas, has entered into 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 CRA's TIF agreements for the year ended September 30, 2025 is as follows:

| TIF Project: | Years Remaining on TIF Agreements | 2025 TIF Valuation | 2025 TIF Excess Tax Levied |
|---|---|---|---|
| Southwood Estates Redevelopment | 2 | $ 523,193 | $ 10,256 |
| Uptown Experience, LLC | 3 | 663,469 | 13,006 |
| Listening Room | 4 | 509,644 | 9,990 |
| 801 Building Condominiums | 6 | 648,941 | 12,721 |
| Emerson Estates, LLC | 6 | 514,488 | 10,085 |
| Thoar, LLC (Old Market Firearms) | 7 | 436,787 | 8,562 |
| On Top, LLC | 7 | 348,747 | 6,837 |
| Dietrich/Stein Brothers Building, LLC | 7 | 1,544,634 | 30,279 |
| Eastside Estates, LLC | 8 | 934,812 | 18,325 |
| DJ&R Investments, LLC | 9 | 2,903,626 | 56,936 |
| Thoar, LLC-723 W 11th St | 9 | 534,938 | 10,486 |
| Hastings Lodging 2 | 10 | 6,473,681 | 126,939 |
| NPC - Phase 1 | 10 | 11,607,631 | 227,608 |
| Faris Redevelopment Project | 10 | 301,227 | 5,905 |

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

## NOTE D – OTHER NOTES, continued

### 7. Tax Increment Financing, continued

| TIF Project: | Years Remaining on TIF Agreements | 2025 TIF Valuation | 2025 TIF Excess Tax Levied |
|---|---|---|---|
| Thoar, LLC (737 W 1st St) | 10 | 898,806 | 17,619 |
| Mesner North Redevelopment Project | 10 | 1,152,232 | 16,332 |
| Southern Bell Heartland, LLC | 10 | 1,972,130 | 38,659 |
| HEDC West Laux Dr - Phase I | 11 | 606,004 | 11,883 |
| Brant Rentals, LLC | 11 | 1,331,822 | 26,107 |
| Mesner North | 11 | 4,538,830 | 64,332 |
| Shabri, LLC | 11 | 721,281 | 14,139 |
| Boys 3 MCP, Inc. | 11 | 1,371,890 | 26,901 |
| Abegglen & Hirschfeld | 12 | 1,816,843 | 35,626 |
| Brandt Rentals, LLC | 12 | 375,336 | 7,358 |
| Thoar, LLC - Cameron building | 12 | 891,860 | 17,483 |
| HEDC Trail Ridge Addition - Phase 1 | 12 | 3,343,909 | 47,396 |
| West 2nd Investments, LLC | 12 | 579,687 | 11,364 |
| Luckee, LLC | 12 | 242,058 | 4,745 |
| ABBC Restorations | 12 | 430,435 | 8,438 |
| Theatre District | 12 | 1,414,253 | 27,723 |
| HEDC Trail Ridge 2.0 | 13 | 494,662 | 7,011 |
| Theatre District LLC-Lot 3 Blk 1 | 13 | 6,737,645 | 132,076 |
| Theatre District LLC-Lot 8 Blk 1 | 13 | 954,623 | 18,713 |
| HEDC West Laux Dr - Phase 2 | 13 | 584,142 | 11,454 |
| DAVALWAT Properties LLC | 13 | 287,601 | 5,638 |
| HEDC Trail Ridge Addition - Phase 2 | 13 | 5,145,587 | 72,932 |
| HEDC Trail Ridge Addition - Phase 3 | 14 | 3,758,531 | 53,272 |
| HEDC Trail Ridge 2.0 - Phase 2 | 14 | 4,357,694 | 61,765 |
| Mesner North Redevelopment - Phase 2 | 14 | 1,274,958 | 18,071 |
| Garage Flats | 14 | 482,397 | 9,456 |
| Corner Building, LLC | 14 | 323,742 | 6,346 |
| Bad Sports Inc | 15 | 156,080 | 3,060 |
| HEDC Trail Ridge Addition - Phast 4 | 15 | 682,053 | 9,667 |
| HEDC Trail Ridge Addition 2.0 - Phase 3 | 15 | 3,162,634 | 44,826 |
| HEDC West Laux Dr - Phase 3 | 15 | 1,012,486 | 19,853 |
| Fairview Villas LLC | 15 | 1,044,563 | 20,476 |
| Theatre District LLC Lot 1 Blk 1 | 15 | 355,813 | 6,975 |
| Theatre District LLC Lot 4 Blk 1 | 15 | 196,336 | 3,849 |
| | | | $ 1,429,480 |

## NOTE D – OTHER NOTES, continued

### 8. Subsequent Events

Management has evaluated subsequent events through February 10, 2026, the date on which the financial statements were available for issue.

On November 11, 2025, Council approved an agreement with Diamond Engineering Company for the K & K and Nebraskan mobile parks fire mains for $274,222.

On November 24, 2025, Council approved a $445,000 forgivable CDBG loan to Queen City Development for a façade renovation project at 714 W 5th Street.

On December 8, 2025, Council approved work order #2 with Garver LLC for the Hastings Municipal Airport runway 14-32 lighting rehabilitation project for $198,700.

# REQUIRED SUPPLEMENTARY INFORMATION

## CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

### Year ended September 30, 2025

| | Budget (Original and Final) | Actual | Variances - Actual Over (Under) Final Budget |
|---|---|---|---|
| **RESOURCES (INFLOWS)** | | | |
| Taxes: | | | |
| Property | $ 6,702,646 | $ 6,690,820 | $ (11,826) |
| Motor vehicle | 460,000 | 523,329 | 63,329 |
| Occupation | 60,000 | 60,710 | 710 |
| Sales tax | 6,200,000 | 6,302,460 | 102,460 |
| Franchise | 300,000 | 332,160 | 32,160 |
| In lieu of tax | 3,700,000 | 3,703,166 | 3,166 |
| Intergovernmental | 1,515,353 | 2,015,412 | 500,059 |
| Charges for services | 4,650,000 | 4,674,611 | 24,611 |
| Grants | 1,393,483 | 45,614 | (1,347,869) |
| Interest income | 600,000 | 604,309 | 4,309 |
| Contributions | 25,000 | 25,000 | - |
| Sale of property | - | 163,840 | 163,840 |
| Insurance proceeds | - | 38,130 | 38,130 |
| Excess pension funding | - | 1,213,815 | 1,213,815 |
| Other revenue | 198,409 | 41,992 | (156,417) |
| Total resources | 25,804,891 | 26,435,368 | 630,477 |
| **CHARGES TO APPROPRIATIONS (OUTFLOWS)** | | | |
| General government: | | | |
| City Administrator's office | 936,317 | 643,146 | (293,171) |
| Human resources | 680,930 | 619,914 | (61,016) |
| City attorney | 305,217 | 267,668 | (37,549) |
| Finance | 1,172,437 | 1,085,987 | (86,450) |
| Mayor and Council | 125,372 | 103,663 | (21,709) |
| City clerk | 306,429 | 259,608 | (46,821) |
| Other governmental | 1,936,040 | 1,811,781 | (124,259) |
| Development services | 1,187,658 | 941,100 | (246,558) |
| Total general government | 6,650,400 | 5,732,867 | (917,533) |
| Public safety: | | | |
| 911 Center | 1,464,353 | 1,056,242 | (408,111) |
| Fire and rescue | 5,113,491 | 4,284,102 | (829,389) |
| Ambulance service | - | 176,018 | 176,018 |
| Police | 7,113,766 | 6,619,754 | (494,012) |
| Total public safety | 13,691,610 | 12,136,116 | (1,555,494) |

# CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND, Continued

### Year ended September 30, 2025

| | Budget (Original and Final) | Actual | Variances - Actual Over (Under) Final Budget |
|---|---|---|---|
| **CHARGES TO APPROPRIATIONS (OUTFLOWS), continued** | | | |
| Public works: | | | |
| Cemetery | 1,059,929 | 960,614 | (99,315) |
| EPA mandates | 204,000 | 60,806 | (143,194) |
| Stormwater management | - | 33,144 | 33,144 |
| Total public works | 1,263,929 | 1,054,564 | (209,365) |
| Environment and leisure: | | | |
| Auditorium | 288,148 | 243,304 | (44,844) |
| Parks | 3,425,075 | 3,134,790 | (290,285) |
| Water park | 594,158 | 545,498 | (48,660) |
| Recreation programming | 203,037 | 155,661 | (47,376) |
| Library | 1,675,206 | 1,345,545 | (329,661) |
| Airport | 1,203,001 | 467,266 | (735,735) |
| Total environment and leisure | 7,388,625 | 5,892,064 | (1,496,561) |
| Total charges to appropriations | 28,994,564 | 24,815,611 | (4,178,953) |
| Resources over (under) charges to appropriations | (3,189,673) | 1,619,757 | 4,809,430 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 103,000 | 63,000 | (40,000) |
| Transfers out | (1,863,833) | (6,286,241) | (4,422,408) |
| Net transfers | (1,760,833) | (6,223,241) | (4,462,408) |
| **RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS** | $ (4,950,506) | $ (4,603,484) | $ 347,022 |

# CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - STREET FUND

### Year ended September 30, 2025

| | Budget (Original and Final) | Actual | Variances - Actual Over (Under) Final Budget |
|---|---|---|---|
| **RESOURCES (INFLOWS)** | | | |
| Property tax | $ - | $ 4,273 | $ 4,273 |
| Wheel tax | 350,000 | 390,584 | 40,584 |
| Intergovernmental | 3,888,536 | 3,742,296 | (146,240) |
| Charges for services | 228,000 | 163,047 | (64,953) |
| Grants | 589,068 | 587,453 | (1,615) |
| Interest income | 60,000 | 139,092 | 79,092 |
| Other revenue | - | 32,560 | 32,560 |
| Total resources | 5,115,604 | 5,059,305 | (56,299) |
| **CHARGES TO APPROPRIATIONS (OUTFLOWS)** | | | |
| Public works | 4,147,565 | 3,425,174 | (722,391) |
| Capital outlay | 1,391,000 | 888,284 | (502,716) |
| Total charges to appropriations | 5,538,565 | 4,313,458 | (1,225,107) |
| **RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS** | $ (422,961) | $ 745,847 | $ 1,168,808 |

## CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - MUSEUM FUND

### Year ended September 30, 2025

| | Budget (Original and Final) | Actual | Variances - Actual Over (Under) Final Budget |
|---|---|---|---|
| **RESOURCES (INFLOWS)** | | | |
| Property tax | $ 1,219,628 | $ 1,148,040 | $ (71,588) |
| Motor vehicle tax | 90,000 | 95,583 | 5,583 |
| Occupation tax | 240,000 | 264,238 | 24,238 |
| Charges for services | 378,000 | 394,915 | 16,915 |
| Grants | 12,000 | 9,000 | (3,000) |
| Contributions | 10,000 | 13,624 | 3,624 |
| Other income | 1,360 | 1,520 | 160 |
| Total resources | 1,950,988 | 1,926,920 | (24,068) |
| **CHARGES TO APPROPRIATIONS (OUTFLOWS)** | | | |
| Environment and leisure | 1,967,014 | 1,668,667 | (298,347) |
| Capital outlay | 105,000 | 222,036 | 117,036 |
| Total charges to appropriations | 2,072,014 | 1,890,703 | (181,311) |
| Resources over (under) charges to appropriations | (121,026) | 36,217 | 157,243 |
| **OTHER FINANCING USES** | | | |
| Transfers out | (50,000) | (50,000) | - |
| **RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES** | $ (171,026) | $ (13,783) | $ 157,243 |

# CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

### Year ended September 30, 2025

| | Budget (Original and Final) | Actual | Variances - Actual Over (Under) Final Budget |
|---|---|---|---|
| **RESOURCES (INFLOWS)** | | | |
| Property tax | $ 465,025 | $ 431,231 | $ (33,794) |
| Motor vehicle tax | 38,000 | 36,444 | (1,556) |
| Special assessments | 350,000 | 984,902 | 634,902 |
| Interest income | 10,000 | 128,184 | 118,184 |
| Total resources | 863,025 | 1,580,761 | 717,736 |
| **CHARGES TO APPROPRIATIONS (OUTFLOWS)** | | | |
| Principal payments | 904,675 | 412,676 | (491,999) |
| Interest expense | 52,350 | 52,350 | - |
| Other expenses | 20,000 | 800 | (19,200) |
| Total charges to appropriations | 977,025 | 465,826 | (511,199) |
| Resources over (under) charges to appropriations | (114,000) | 1,114,935 | 1,228,935 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 98,871 | 98,871 | - |
| Transfers out | (750,000) | (1,000,000) | (250,000) |
| Net transfers | (651,129) | (901,129) | (250,000) |
| **RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS** | $ (765,129) | $ 213,806 | $ 978,935 |

## CITY OF HASTINGS, NEBRASKA

## BUDGETARY COMPARISON SCHEDULES -
## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

### Year ended September 30, 2025

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

| | General Fund | Street Fund | Museum Fund | Debt Service Fund |
|---|---|---|---|---|
| **Sources/inflows of resources:** | | | | |
| Actual amounts of resources (budgetary basis from the budgetary comparison schedules | $ 26,435,368 | $ 5,059,305 | $ 1,926,920 | $ 1,580,761 |
| Differences - budget to GAAP: | | | | |
| Cash to accrual adjustments | 107,940 | 13,798 | (5,932) | (1,459) |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | $ 26,543,308 | $ 5,073,103 | $ 1,920,988 | $ 1,579,302 |
| **Uses/outflows of resources:** | | | | |
| Actual amounts (budgetary basis) "total charges to appropriations" from the bugetary comparison schedules | $ 24,815,611 | $ 4,313,458 | $ 1,890,703 | $ 465,826 |
| Differences - budget to GAAP: | | | | |
| Cash to accrual adjustments | (292,487) | 208,004 | (11,742) | (1,045) |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds | $ 24,523,124 | $ 4,521,462 | $ 1,878,961 | $ 464,781 |
| **Net transfers:** | | | | |
| Actual amounts (budgetary basis) from the budgetary comparison schedules | $ (6,223,241) | $ - | $ (50,000) | $ (901,129) |
| Differences - budget to GAAP: | | | | |
| Cash to accrual adjustments | - | - | - | - |
| Total net transfers as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | $ (6,223,241) | $ - | $ (50,000) | $ (901,129) |

**CITY OF HASTINGS, NEBRASKA**

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

**Year ended September 30, 2025**

| Valuation Date | Fair Value of Assets | Accrued Liability | Unfunded Accrued Liability | Funded Ratio | Covered Payroll | Unfunded Liability as a Percentage of Covered Payroll | |
|---|---|---|---|---|---|---|---|
| Police: | | | | | | | |
| 12/31/2022 | $ 918,091 | $ 421,738 | $ (496,353) | 217.7% | $ 102,484 | n/a | * |
| Fire: | | | | | | | |
| 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, 2025

| | Permanent | Special Revenue Funds | | | |
|---|---|---|---|---|---|
| | Cemetery Perpetual Care | BID Fund | Community Development | Museum Sales Tax Fund | S Landfill Cap Fund |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 40,511 | $ 50,632 | $ 39,788 | $ 1,233,847 | $ 24,602 |
| Certificates of deposit | 55,062 | - | - | - | - |
| Receivables: | | | | | |
| Accounts receivable | - | - | - | - | - |
| Interest | 1,159 | - | - | - | - |
| Due from other governments | - | - | 53,612 | 56,085 | - |
| **Total assets** | $ 96,732 | $ 50,632 | $ 93,400 | $ 1,289,932 | $ 24,602 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ - | $ 1,858 | $ 11,433 | $ 16,288 | $ - |
| Due to CRA | - | - | 42,179 | - | - |
| Total liabilities | - | 1,858 | 53,612 | 16,288 | - |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Cemetery perpetual care | 96,732 | - | - | - | - |
| Restricted for: | | | | | |
| Street improvements | - | - | - | - | - |
| Federal programs | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Aquatic Center | - | - | - | - | - |
| Museum projects | - | - | - | 1,273,644 | - |
| Community betterment | - | - | - | - | - |
| Other purposes | - | 48,774 | - | - | - |
| Assigned for: | | | | | |
| Equipment replacement | - | - | - | - | - |
| Other purposes | - | - | 39,788 | - | 24,602 |
| Unassigned | - | - | - | - | - |
| Total fund balances | 96,732 | 48,774 | 39,788 | 1,273,644 | 24,602 |
| **Total liabilities and fund balances** | $ 96,732 | $ 50,632 | $ 93,400 | $ 1,289,932 | $ 24,602 |

| Creative District Fund | Library Grant Fund | Fire Equipment Sinking Fund | Bookmobile Replacement | Parks Grant Fund | Duncan Park Sales Tax | Aquatics Center Fund |
|---|---|---|---|---|---|---|
| $ 4,217 | $ 42,553 | $ 410,931 | $ 155,245 | $ 64,165 | $ 102,536 | $ 518 |
| - | - | - | - | - | - | 264,000 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 4,845 |
| - | 299 | - | - | - | - | - |
| $ 4,217 | $ 42,852 | $ 410,931 | $ 155,245 | $ 64,165 | $ 102,536 | $ 269,363 |
| $ - | $ 1,157 | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - | - |
| - | 1,157 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 64,165 | 102,536 | - |
| - | - | - | - | - | - | 269,363 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 4,217 | 41,695 | - | - | - | - | - |
| - | - | 410,931 | - | - | - | - |
| - | - | - | 155,245 | - | - | - |
| - | - | - | - | - | - | - |
| 4,217 | 41,695 | 410,931 | 155,245 | 64,165 | 102,536 | 269,363 |
| $ 4,217 | $ 42,852 | $ 410,931 | $ 155,245 | $ 64,165 | $ 102,536 | $ 269,363 |

# CITY OF HASTINGS, NEBRASKA

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS, Continued

## September 30, 2025

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | CANDO Fund | Public Safety Grant Fund | ARPA Fund | Wireless E911 Fund | Landline E911 Fund |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 127,963 | $ (3,646) | $ 52,454 | $ 480,266 | $ 415,600 |
| Certificates of deposit | - | - | - | - | - |
| Receivables: | | | | | |
| Accounts receivable | - | - | - | - | 7,132 |
| Interest | - | - | - | - | - |
| Due from other governments | - | 26,164 | - | - | - |
| **Total assets** | $ 127,963 | $ 22,518 | $ 52,454 | $ 480,266 | $ 422,732 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 8,805 | $ 845 | $ 20,000 | $ - | $ - |
| Due to CRA | - | - | - | - | - |
| Total liabilities | 8,805 | 845 | 20,000 | - | - |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Cemetery perpetual care | - | - | - | - | - |
| Restricted for: | | | | | |
| Street improvements | - | - | - | - | - |
| Federal programs | - | - | 32,454 | - | - |
| Capital projects | - | - | - | - | - |
| Aquatic Center | - | - | - | - | - |
| Museum projects | - | - | - | - | - |
| Community betterment | - | - | - | - | - |
| Other purposes | - | 21,673 | - | - | - |
| Assigned for: | | | | | |
| Equipment replacement | - | - | - | - | - |
| Other purposes | 119,158 | - | - | 480,266 | 422,732 |
| Unassigned | - | - | - | - | - |
| Total fund balances | 119,158 | 21,673 | 32,454 | 480,266 | 422,732 |
| **Total liabilities and fund balances** | $ 127,963 | $ 22,518 | $ 52,454 | $ 480,266 | $ 422,732 |

| 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 |
| $ 5,687,295 | $ 2,073,457 | $ 53,065 | $ 17,936 | $ 63,314 | $ (37,524) | $ (324,443) | $ 10,775,282 |
| - | - | - | - | 2,466,627 | 442,000 | - | 3,227,689 |
| - | - | - | - | - | 9,605 | - | 16,737 |
| - | - | - | - | 10,021 | - | - | 16,025 |
| 364,559 | - | - | - | 140,214 | - | - | 640,933 |
| $ 6,051,854 | $ 2,073,457 | $ 53,065 | $ 17,936 | $ 2,680,176 | $ 414,081 | $ (324,443) | $ 14,676,666 |
| $ 86,057 | $ - | $ - | $ - | $ 2,211 | $ 11,536 | $ 518,815 | $ 679,005 |
| - | - | - | - | - | - | - | 42,179 |
| 86,057 | - | - | - | 2,211 | 11,536 | 518,815 | 721,184 |
| - | - | - | - | - | - | - | 96,732 |
| 5,965,797 | - | - | - | - | - | - | 5,965,797 |
| - | - | - | - | - | - | - | 32,454 |
| - | - | - | - | 2,677,965 | - | - | 2,844,666 |
| - | - | - | - | - | - | - | 269,363 |
| - | - | - | - | - | - | - | 1,273,644 |
| - | - | - | - | - | 402,545 | - | 402,545 |
| - | - | - | - | - | - | - | 116,359 |
| - | - | - | - | - | - | - | 410,931 |
| - | 2,073,457 | 53,065 | 17,936 | - | - | - | 3,386,249 |
| - | - | - | - | - | - | (843,258) | (843,258) |
| 5,965,797 | 2,073,457 | 53,065 | 17,936 | 2,677,965 | 402,545 | (843,258) | 13,955,482 |
| $ 6,051,854 | $ 2,073,457 | $ 53,065 | $ 17,936 | $ 2,680,176 | $ 414,081 | $ (324,443) | $ 14,676,666 |

# CITY OF HASTINGS, NEBRASKA

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

### For the year ended September 30, 2025

| | Permanent | Special Revenue Funds | | | |
|---|---|---|---|---|---|
| | Cemetery Perpetual Care | BID Fund | Community Development | Museum Sales Tax Fund | S Landfill Cap Fund |
| **REVENUES** | | | | | |
| Sales tax | $ - | $ - | $ - | $ 324,417 | $ - |
| Keno | - | - | - | - | - |
| Special assessments | - | 76,421 | - | - | - |
| Charges for services | - | - | - | - | - |
| Grants | - | - | 74,226 | - | - |
| Interest income | 3,949 | 3,167 | - | 56,612 | 929 |
| Contributions | - | 1,458 | - | - | - |
| Total revenues | 3,949 | 81,046 | 74,226 | 381,029 | 929 |
| **EXPENDITURES** | | | | | |
| General government | - | 63,325 | 74,226 | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Environment and leisure | - | - | - | 9,155 | - |
| Capital outlay | - | - | - | 801,805 | - |
| Total expenditures | - | 63,325 | 74,226 | 810,960 | - |
| **Excess (deficiency) of revenues over expenditures** | 3,949 | 17,721 | - | (429,931) | 929 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Net transfers | - | - | - | - | - |
| **Net change in fund balances** | 3,949 | 17,721 | - | (429,931) | 929 |
| Fund balances - September 30, 2024 | 92,783 | 31,053 | 39,788 | 1,703,575 | 23,673 |
| Fund balances - September 30, 2025 | $ 96,732 | $ 48,774 | $ 39,788 | $ 1,273,644 | $ 24,602 |

| | Creative District Fund | Library Grant Fund | Fire Equipment Sinking Fund | Bookmobile Replacement | Parks Grant Fund | Duncan Park Sales Tax | Aquatic Center Fund |
|---|---|---|---|---|---|---|---|
| | - | $ - | $ - | $ - | $ - | $ - | $ - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 10,000 | 77,270 | - | - | - | - | - |
| | - | 572 | 10,541 | 5,841 | 2,974 | 3,417 | 11,856 |
| | - | - | - | - | 33,042 | 709 | - |
| | 10,000 | 77,842 | 10,541 | 5,841 | 36,016 | 4,126 | 11,856 |
| | - | - | - | - | - | - | - |
| | - | - | 28,315 | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 5,783 | 39,377 | - | - | 42,428 | - | - |
| | - | 35,858 | 77,612 | - | - | - | - |
| | 5,783 | 75,235 | 105,927 | - | 42,428 | - | - |
| | 4,217 | 2,607 | (95,386) | 5,841 | (6,412) | 4,126 | 11,856 |
| | - | - | 292,000 | 6,000 | - | 20,000 | - |
| | - | - | (98,871) | - | - | - | - |
| | - | - | 193,129 | 6,000 | - | 20,000 | - |
| | 4,217 | 2,607 | 97,743 | 11,841 | (6,412) | 24,126 | 11,856 |
| | - | 39,088 | 313,188 | 143,404 | 70,577 | 78,410 | 257,507 |
| | $ 4,217 | $ 41,695 | $ 410,931 | $ 155,245 | $ 64,165 | $ 102,536 | $ 269,363 |

## CITY OF HASTINGS, NEBRASKA

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

### For the year ended September 30, 2025

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | CANDO Fund | Public Safety Grant Fund | ARPA Fund | Wireless E911 Fund | Landline E911 Fund | Street Sales Tax Fund |
| **REVENUES** | | | | | | |
| Sales tax | $ - | $ - | $ - | $ - | $ - | $ 2,108,736 |
| Keno | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Charges for services | - | - | - | - | 54,569 | - |
| Grants | - | 103,349 | - | 88,430 | - | - |
| Interest income | 1,285 | - | - | 12,264 | 11,263 | 187,871 |
| Contributions | 45,500 | 3,940 | - | - | - | - |
| Total revenues | 46,785 | 107,289 | - | 100,694 | 65,832 | 2,296,607 |
| **EXPENDITURES** | | | | | | |
| General government | 42,637 | - | - | - | - | - |
| Public safety | - | 46,433 | - | 44,478 | 4,672 | - |
| Public works | - | - | - | - | - | 1,549,791 |
| Environment and leisure | - | - | 30,378 | - | - | - |
| Capital outlay | - | 47,985 | 853,456 | - | 55,328 | 343,548 |
| Total expenditures | 42,637 | 94,418 | 883,834 | 44,478 | 60,000 | 1,893,339 |
| **Excess (deficiency) of revenues over expenditures** | 4,148 | 12,871 | (883,834) | 56,216 | 5,832 | 403,268 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Net transfers | - | - | - | - | - | - |
| **Net change in fund balances** | 4,148 | 12,871 | (883,834) | 56,216 | 5,832 | 403,268 |
| Fund balances - September 30, 2024 | 115,010 | 8,802 | 916,288 | 424,050 | 416,900 | 5,562,529 |
| Fund balances - September 30, 2025 | $ 119,158 | $ 21,673 | $ 32,454 | $ 480,266 | $ 422,732 | $ 5,965,797 |

| Special Revenue Funds: Natural Disaster Fund | Scales Fund | Diversion Program | Parks-Rec Sales Tax Fund | Keno Betterment | Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|---|
| $ - | $ - | $ - | $ 811,048 | $ - | $ - | $ 3,244,201 |
| - | - | - | - | 211,069 | - | 211,069 |
| - | - | - | - | - | - | 76,421 |
| - | - | 1,219 | - | - | - | 55,788 |
| - | - | - | - | - | - | 353,275 |
| 36,593 | 347 | 404 | 92,379 | 13,494 | - | 455,758 |
| - | 17,000 | - | - | 7,200 | - | 108,849 |
| 36,593 | 17,347 | 1,623 | 903,427 | 231,763 | - | 4,505,361 |
| | | | | | | |
| 61,219 | - | - | - | 72,682 | - | 314,089 |
| - | 1,329 | - | - | - | - | 125,227 |
| - | - | - | - | - | 290,502 | 1,840,293 |
| - | - | - | 26,142 | - | - | 153,263 |
| 200,589 | - | - | - | 150,000 | 5,042,797 | 7,608,978 |
| 261,808 | 1,329 | - | 26,142 | 222,682 | 5,333,299 | 10,041,850 |
| | | | | | | |
| (225,215) | 16,018 | 1,623 | 877,285 | 9,081 | (5,333,299) | (5,536,489) |
| | | | | | | |
| - | - | - | - | - | 5,500,000 | 5,818,000 |
| - | - | - | - | (13,000) | - | (111,871) |
| - | - | - | - | (13,000) | 5,500,000 | 5,706,129 |
| (225,215) | 16,018 | 1,623 | 877,285 | (3,919) | 166,701 | 169,640 |
| 2,298,672 | 37,047 | 16,313 | 1,800,680 | 406,464 | (1,009,959) | 13,785,842 |
| $ 2,073,457 | $ 53,065 | $ 17,936 | $ 2,677,965 | $ 402,545 | $ (843,258) | $ 13,955,482 |

**CITY OF HASTINGS, NEBRASKA**

**COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS**

**September 30, 2025**

| | Health Insurance Fund | I T Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 3,504,089 | $ 23,904 | $ 3,527,993 |
| Certificates of deposit | 5,600,000 | - | 5,600,000 |
| Accounts receivable | - | 145,934 | 145,934 |
| Reinsurance receivable | 386,680 | - | 386,680 |
| Interest receivable | 43,394 | - | 43,394 |
| Total current assets | 9,534,163 | 169,838 | 9,704,001 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | 338 | 32,139 | 32,477 |
| Claims incurred not paid | 501,065 | - | 501,065 |
| Accrued wages | - | 30,877 | 30,877 |
| Total current liabilities | 501,403 | 63,016 | 564,419 |
| Noncurrent liabilities: | | | |
| Compensated absences - noncurrent | - | 160,001 | 160,001 |
| **Total liabilities** | 501,403 | 223,017 | 724,420 |
| **NET POSITION** | | | |
| Unrestricted | $ 9,032,760 | $ (53,179) | $ 8,979,581 |

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, 2025

| | Health Insurance Fund | I T Fund | Total |
|---|---|---|---|
| **Operating revenues:** | | | |
| Interdepartmental charges | $ - | $ 1,885,013 | $ 1,885,013 |
| Health insurance funding-interdepartmental | 5,424,696 | - | 5,424,696 |
| Employee premiums | 1,913,421 | - | 1,913,421 |
| Reinsurance receipts | 1,001,791 | - | 1,001,791 |
| Total operating revenues | 8,339,908 | 1,885,013 | 10,224,921 |
| **Operating expenses:** | | | |
| Personnel costs | - | 1,527,455 | 1,527,455 |
| Utilities | - | 960 | 960 |
| Supplies | - | 4,607 | 4,607 |
| Professional fees | - | 29,024 | 29,024 |
| Dues and training | - | 2,924 | 2,924 |
| Software | - | 1,489,153 | 1,489,153 |
| Computer equipment | - | 407,702 | 407,702 |
| Insurance claims and health premiums | 10,044,577 | - | 10,044,577 |
| Total operating expenses | 10,044,577 | 3,461,825 | 13,506,402 |
| Operating loss | (1,704,669) | (1,576,812) | (3,281,481) |
| **Nonoperating revenues (expenses):** | | | |
| Interest income | 381,539 | - | 381,539 |
| **Deficiency of revenues over expenditures** | (1,323,130) | (1,576,812) | (2,899,942) |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | 1,468,241 | 1,468,241 |
| **Change in net position** | (1,323,130) | (108,571) | (1,431,701) |
| Net position - September 30, 2024 | 10,355,890 | 55,392 | 10,411,282 |
| Net position - September 30, 2025 | $ 9,032,760 | $ (53,179) | $ 8,979,581 |

See notes to financial statements.

## CITY OF HASTINGS, NEBRASKA

## COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

### For the year ended September 30, 2025

| | Health Insurance Fund | I T Fund | Total |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from other funds | $ 8,224,804 | $ 1,963,614 | $ 10,188,418 |
| Payments to suppliers | (9,900,010) | (1,947,414) | (11,847,424) |
| Payments to employees | - | (1,463,947) | (1,463,947) |
| Net cash used by operating activities | (1,675,206) | (1,447,747) | (3,122,953) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | | |
| Transfer from General Fund | - | 1,468,241 | 1,468,241 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Increase in certificates of deposit | (5,600,000) | - | (5,600,000) |
| Interest received | 354,359 | - | 354,359 |
| Net cash used by investing activities | (5,245,641) | - | (5,245,641) |
| Increase (decrease) in cash and cash equivalents | (6,920,847) | 20,494 | (6,900,353) |
| Cash and cash equivalents - beginning of the year | 10,424,936 | 3,410 | 10,428,346 |
| Cash and cash equivalents - end of the year | $ 3,504,089 | $ 23,904 | $ 3,527,993 |
| **Reconciliation of operating loss to net cash used by operating activities:** | | | |
| Operating loss | $ (1,704,669) | $ (1,576,812) | $ (3,281,481) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | | |
| Change in assets and liabilities: | | | |
| Accounts receivable | - | 78,601 | 78,601 |
| Reinsurance receivable | (115,104) | - | (115,104) |
| Accounts payable | - | (13,044) | (13,044) |
| Claims incurred not paid | 144,567 | - | 144,567 |
| Accrued expenses | - | 63,508 | 63,508 |
| Net cash used by operating activities | $ (1,675,206) | $ (1,447,747) | $ (3,122,953) |

See notes to financial statements.

## ADDITIONAL INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

AMGL
CPAs & Advisors

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 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, 2025, 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 10, 2026.

**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.

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A PROFESSIONAL CORPORATION

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 below, that we consider to be a significant deficiency.

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

**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 the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Bank balances at one financial institution exceeded FDIC coverage and pledged securities by $274,973 at September 30, 2025.

**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 above The City's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. Also, the City will monitor bank balances and request financial institutions to assign additional pledged collateral, if necessary, in the future. 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, P.C.

Grand Island, Nebraska
February 10, 2026