

CITY OF GERING, NEBRASKA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020



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

CITY OF GERING, NEBRASKA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

CITY OF GERING, NEBRASKA
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**DANA F. COLE
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Gering, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 39 - 41 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.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 2021, on our consideration of the City of Gering, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gering, Nebraska's internal control over financial reporting and compliance.

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
October 22, 2021

CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business- Type Activities	Elimi- nations	Total
ASSETS				
Current assets				
Cash	11,393,089	13,506,506		24,899,595
Cash - county treasurer	90,012			90,012
Receivables				
Taxes	559,328			559,328
Accounts and grants	949,922	1,494,473		2,444,395
Unbilled receivables		1,031,844		1,031,844
Interest	2,176	71,307		73,483
Special assessment	2,880			2,880
Prepaid expense		25,000		25,000
Inventory	17,515	790,144		807,659
Total current assets	<u>13,014,922</u>	<u>16,919,274</u>		<u>29,934,196</u>
Restricted assets				
Cash and certificates of deposit	428,285	3,293,204		3,721,489
Total restricted assets	<u>428,285</u>	<u>3,293,204</u>		<u>3,721,489</u>
Capital assets				
Nondepreciable	1,905,076	4,835,077		6,740,153
Depreciable (net)	8,613,336	25,376,541		33,989,877
Total capital assets	<u>10,518,412</u>	<u>30,211,618</u>		<u>40,730,030</u>
Other long-term assets				
Due from other funds		185,018	(185,018)	
Economic development real estate	1,359,108			1,359,108
Loans receivable	2,775,156			2,775,156
Total other long-term assets	<u>4,134,264</u>	<u>185,018</u>	<u>(185,018)</u>	<u>4,134,264</u>
TOTAL ASSETS	<u>28,095,883</u>	<u>50,609,114</u>	<u>(185,018)</u>	<u>78,519,979</u>
LIABILITIES				
Current liabilities				
Accounts payable	598,394	518,676		1,117,070
Sales tax payable	11,593	63,216		74,809
Accrued wages	77,540	67,223		144,763
Accrued payroll expense	10,088	8,464		18,552
Accrued interest	61,363	105,160		166,523
Current portion of long-term debt	227,941	940,000		1,167,941
Total current liabilities	<u>986,919</u>	<u>1,702,739</u>		<u>2,689,658</u>

CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business- Type Activities	Elimi- nations	Total
LIABILITIES (Continued)				
Noncurrent liabilities				
Customer deposits		543,271		543,271
Compensated absences	373,153	267,800		640,953
Landfill closure costs		2,018,130		2,018,130
Due to other funds	185,018		(185,018)	
Long-term debt	1,056,584	9,305,000		10,361,584
Total noncurrent liabilities	<u>1,614,755</u>	<u>12,134,201</u>	<u>(185,018)</u>	<u>13,563,938</u>
 TOTAL LIABILITIES	 <u>2,601,674</u>	 <u>13,836,940</u>	 <u>(185,018)</u>	 <u>16,253,596</u>
 DEFERRED INFLOWS				
Unavailable revenues	<u>2,775,156</u>			<u>2,775,156</u>
 NET POSITION				
Investment in capital assets, net of related debt	9,233,887	19,966,618		29,200,505
Restricted	5,795,627	3,208,067		9,003,694
Unrestricted	<u>7,689,539</u>	<u>13,597,489</u>		<u>21,287,028</u>
 TOTAL NET POSITION	 <u><u>22,719,053</u></u>	 <u><u>36,772,174</u></u>	 <u><u>(185,018)</u></u>	 <u><u>59,491,227</u></u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues		Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		Total
		Business-Type Activities	Eliminations				
Functions/programs							
Primary government							
Governmental activities							
General government	(2,947,897)	512,864	740,702	(1,694,331)			(1,694,331)
Public safety	(2,311,814)			(2,311,814)			(2,311,814)
Public works	(1,334,482)	13,379	1,342,494	21,391			21,391
Culture and recreation	(2,638,040)	1,597,539		(1,040,501)	(253,797)		(1,294,298)
Economic development	(869,107)			(869,107)			(869,107)
Interest expense	(137,242)			(137,242)			(137,242)
Total governmental activities	<u>(10,238,582)</u>	<u>2,123,782</u>	<u>2,083,196</u>	<u>(6,031,604)</u>		<u>(253,797)</u>	<u>(6,285,401)</u>
Business-type activities							
Electric	(5,303,000)	9,739,129			4,436,129	304,425	4,740,554
Water	(1,304,072)	1,512,317			208,245	152,150	360,395
Sewer	(971,777)	1,269,992			298,215	149,350	447,565
Landfill	(2,566,976)	3,062,868			495,892	353,859	849,751
Golf	(705,322)	515,750			(189,572)	325,200	135,628
Gering Leasing Corp.	(187,976)	310,944			122,968		122,968
Civic Center	(496,714)	290,635			(206,079)		(206,079)
Total business-type activities	<u>(11,535,837)</u>	<u>16,701,635</u>			<u>5,165,798</u>	<u>1,284,984</u>	<u>6,450,782</u>
Total primary government	<u>(21,774,419)</u>	<u>18,825,417</u>	<u>2,083,196</u>	<u>(6,031,604)</u>	<u>5,165,798</u>	<u>1,031,187</u>	<u>165,381</u>

CITY OF GERING, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Primary Government			Total
			Governmental Activities	Business-Type Activities	Eliminations	
Taxes			2,358,433			2,358,433
Sales tax			1,748,953			1,748,953
Interest income			120,015	194,584		314,599
Other			1,612,499		(1,031,187)	581,312
Total general revenues			<u>5,839,900</u>	<u>194,584</u>	<u>(1,031,187)</u>	<u>5,003,297</u>
Net transfers in (out)			<u>2,084,776</u>	<u>(2,084,776)</u>		
^o CHANGE IN NET POSITION			1,893,072	3,275,606		5,168,678
NET POSITION, beginning of year			<u>23,811,951</u>	<u>33,496,568</u>		<u>57,308,519</u>
Prior period adjustment			<u>(2,985,970)</u>			<u>(2,985,970)</u>
NET POSITION, end of year			<u>22,719,053</u>	<u>36,772,174</u>		<u>59,491,227</u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Street Fund	Keno Fund	Nonmajor Funds	Elimi- nations	Total Governmental Funds
ASSETS						
ASSETS						
Cash	1,905,148	1,154,387	1,444,647	6,888,907		11,393,089
Cash - county treasurer	53,237			36,775		90,012
Receivables						
Taxes	499,955	59,373				559,328
Accounts and grants	526,378	130,300	17,358	275,886		949,922
Interest	1,282		566	328		2,176
Special assessment				2,880		2,880
Revolving loans receivable				2,775,156		2,775,156
Inventory	17,515					17,515
Restricted cash	428,285					428,285
Due from other funds	40,671				(40,671)	
TOTAL ASSETS	<u>3,472,471</u>	<u>1,344,060</u>	<u>1,462,571</u>	<u>9,979,932</u>	<u>(40,671)</u>	<u>16,218,363</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	212,981	59,646	35,272	290,494		598,393
Accrued state and sales tax	2,788		8,805			11,593
Accrued wages	65,507	9,296		2,737		77,540
Accrued payroll expense	8,626	1,212		250		10,088
Accrued interest	38,596			22,767		61,363
Due to other funds				225,689	(40,671)	185,018
Total liabilities	<u>328,498</u>	<u>70,154</u>	<u>44,077</u>	<u>541,937</u>	<u>(40,671)</u>	<u>943,995</u>

CITY OF GERING, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Street Fund	Keno Fund	Nonmajor Funds	Elimi- nations	Total Governmental Funds
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - property taxes	455,855					455,855
Unavailable revenue - notes receivable				2,775,156		2,775,156
Total deferred inflow of resources	<u>455,855</u>			<u>2,775,156</u>		<u>3,231,011</u>
FUND BALANCES						
Restricted	428,285	1,273,906	1,418,494	2,674,942		5,795,627
Nonspendable	17,515					17,515
Committed				2,021,782		2,021,782
Assigned	1,716,410			2,817,645		4,534,055
Unassigned	525,907			(851,530)		(325,623)
Total fund balances	<u>2,688,117</u>	<u>1,273,906</u>	<u>1,418,494</u>	<u>6,662,839</u>		<u>12,043,356</u>
∞ TOTAL LIABILITIES AND FUND BALANCES	<u>3,472,470</u>	<u>1,344,060</u>	<u>1,462,571</u>	<u>9,979,932</u>	<u>(40,671)</u>	<u>16,218,362</u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	12,043,356
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Amounts reported for governmental activities in the statement of net position are different because:

The property tax receivables are recognized in the fund financial statements when sources of revenues become measurable and available for current expenditures. However, receivables are recognized in the statement of net position when assessed.	455,855
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	10,518,412
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Real estate held for future economic development purposes is not a current financial resource and, therefore, is not reported in the funds.	1,359,108
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Long-term loan receivables are not due and available in the current period and, therefore, are not reported in the funds.	
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
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Compensated absences	(373,153)
Long-term debt	<u>(1,284,525)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>22,719,053</u></u>
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See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Street Fund	Keno Fund	Nonmajor Funds	Elimi- nations	Total Governmental Funds
REVENUES						
Taxes	1,500,926			401,652		1,902,578
Sales tax		325,475		1,423,478		1,748,953
Intergovernmental and grants	740,702	1,108,489		234,005		2,083,196
Charges for services	512,864		1,597,539	13,379		2,123,782
Interest income	15,919	10,696	16,771	76,629		120,015
Other	2,350,304	3,758	5,426	629,861	(1,095,564)	1,893,785
Total revenues	<u>5,120,715</u>	<u>1,448,418</u>	<u>1,619,736</u>	<u>2,779,004</u>	<u>(1,095,564)</u>	<u>9,872,309</u>
EXPENDITURES						
Current						
General government	2,962,595			11,389	(66,592)	2,907,392
Public safety	2,696,364				(571,024)	2,125,340
Public works	322,495	971,157			(304,097)	989,555
Culture and recreation	945,437		1,485,101	187,202	(153,851)	2,463,889
Economic development				1,038,967		1,038,967
Capital outlay	105,956	547,706		130,414		784,076
Debt service						
Principal				27,697		27,697
Interest				137,392		137,392
Total expenditures	<u>7,032,847</u>	<u>1,518,863</u>	<u>1,485,101</u>	<u>1,533,061</u>	<u>(1,095,564)</u>	<u>10,474,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,912,132)</u>	<u>(70,445)</u>	<u>134,635</u>	<u>1,245,943</u>		<u>(601,999)</u>

CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Street Fund	Keno Fund	Nonmajor Funds	Elimi- nations	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Payments received on loan				123,050		123,050
Operating transfers in	2,700,828	169,456		901,655	(901,655)	2,870,284
Operating transfers out	<u>(45,421)</u>		<u>(30,338)</u>	<u>(1,611,404)</u>	<u>901,655</u>	<u>(785,508)</u>
Total other financing sources (uses)	<u>2,655,407</u>	<u>169,456</u>	<u>(30,338)</u>	<u>(586,699)</u>		<u>2,207,826</u>
NET CHANGE IN FUND BALANCES	743,275	99,011	104,297	659,244		1,605,827
FUND BALANCES, beginning of year	<u>1,944,842</u>	<u>1,174,895</u>	<u>1,314,197</u>	<u>6,003,595</u>		<u>10,437,529</u>
FUND BALANCES, end of year	<u><u>2,688,117</u></u>	<u><u>1,273,906</u></u>	<u><u>1,418,494</u></u>	<u><u>6,662,839</u></u>		<u><u>12,043,356</u></u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS 1,605,827

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

The recognition of property tax revenues in the fund financial statements is made when sources of revenues become measurable and available for current expenditures. However, revenues are recognized in the statement of activities when assessed. 455,855

The purchase of long-term assets held for operating is not a current financial resource or use and, therefore, is not reported as income or expense in the statement of activities. 784,076

The depreciation of long-term operating assets is a current financial resource or use and, therefore, is reported as income or expense in the statement of activities. (654,980)

The purchase or sale of real economic development real estate is not a current financial resource or use and, therefore, is not reported as income or expense in the statement of activities. (404,336)

The disbursement and repayment of economic development loans is not a current financial resource or use and, therefore, is not reported as income or expense in the statement of activities. (14,631)

The receipts and repayment of long-term debt is not a current financial resource or use and, therefore, is not reported as income or expense in the statement of activities. 194,696

The accumulation and use of compensated absence obligations is a current financial resource or use and, therefore, is reported as income or expense in the statement of activities. (73,435)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 1,893,072

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund	Leasing Fund	Civic Fund	Eliminations	Total
ASSETS									
Current assets									
Cash	8,734,085	53,848	1,361,038	1,885,286	200	1,421,509	50,540		13,506,506
Cash - county treasurer									
Account receivable	924,592	208,109	111,453	244,956	4,753		610		1,494,473
Unbilled receivables	684,663	151,884	107,239	88,058					1,031,844
Interest receivables	15,443	2,249	428	11,349		41,838			71,307
Prepaid expense				25,000					25,000
Inventory	580,618	136,388	29,701		43,437				790,144
Restricted cash	468,412	556,046	115,616	2,153,130					3,293,204
Capital lease receivable						125,000		(125,000)	
Total current assets	<u>11,407,813</u>	<u>1,108,524</u>	<u>1,725,475</u>	<u>4,407,779</u>	<u>48,390</u>	<u>1,588,347</u>	<u>51,150</u>	<u>(125,000)</u>	<u>20,212,478</u>
13 Noncurrent assets									
Capital assets									
Nondepreciable		34,640	98,735	888,728	1,803,584	1,308,054	701,336		4,835,077
Depreciable (net)	5,754,535	10,287,995	3,017,738	3,136,707	655,149	1,533,778	990,639		25,376,541
Capital lease receivable (net)						510,000		(510,000)	
Due from other funds	1,819,164							(1,634,146)	185,018
Total noncurrent assets	<u>7,573,699</u>	<u>10,322,635</u>	<u>3,116,473</u>	<u>4,025,435</u>	<u>2,458,733</u>	<u>3,351,832</u>	<u>1,691,975</u>	<u>(2,144,146)</u>	<u>30,396,636</u>
TOTAL ASSETS	<u>18,981,512</u>	<u>11,431,159</u>	<u>4,841,948</u>	<u>8,433,214</u>	<u>2,507,123</u>	<u>4,940,179</u>	<u>1,743,125</u>	<u>(2,269,146)</u>	<u>50,609,114</u>
LIABILITIES									
Current liabilities									
Accounts payable	43,716	39,011	14,607	79,140	76,317	257,154	8,731		518,676
Sales tax payable	39,562	13,190	7,068		2,995		401		63,216
Accrued wages	15,817	14,458	9,067	19,423	8,458				67,223
Accrued payroll expenses	2,042	1,908	1,187	2,419	908				8,464
Accrued interest		47,234	9,674	3,172	3,242	41,838			105,160
Current portion of long-term debt		431,600	88,400	140,000	125,000	280,000		(125,000)	940,000
Total current liabilities	<u>101,137</u>	<u>547,401</u>	<u>130,003</u>	<u>244,154</u>	<u>216,920</u>	<u>578,992</u>	<u>9,132</u>	<u>(125,000)</u>	<u>1,702,739</u>

CITY OF GERING, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund	Leasing Fund	Civic Fund	Eliminations	Total
LIABILITIES (Continued)									
Noncurrent liabilities									
Customer deposit	458,685	74,166					10,420		543,271
Accrued compensated absences	66,953	20,709	67,614	73,511	39,013				267,800
Landfill closure costs				2,018,130					2,018,130
Due to other funds		361,234		1,200,000	32,241	40,671		(1,634,146)	
Long-term debt		4,336,750	888,250	285,000	510,000	3,795,000		(510,000)	9,305,000
Total noncurrent liabilities	<u>525,638</u>	<u>4,792,859</u>	<u>955,864</u>	<u>3,576,641</u>	<u>581,254</u>	<u>3,835,671</u>	<u>10,420</u>	<u>(2,144,146)</u>	<u>12,134,201</u>
TOTAL LIABILITIES	<u>626,775</u>	<u>5,340,260</u>	<u>1,085,867</u>	<u>3,820,795</u>	<u>798,174</u>	<u>4,414,663</u>	<u>19,552</u>	<u>(2,269,146)</u>	<u>13,836,940</u>
NET POSITION									
Invested in capital assets, net of related debt	5,754,535	5,554,285	2,139,823	3,600,435	1,823,733	(1,233,168)	1,691,975	635,000	19,966,618
Restricted	458,685	559,551	115,616	2,074,215					3,208,067
Unrestricted	<u>12,141,517</u>	<u>(22,937)</u>	<u>1,500,642</u>	<u>(1,062,231)</u>	<u>(114,784)</u>	<u>1,758,684</u>	<u>31,598</u>	<u>(635,000)</u>	<u>13,597,489</u>
TOTAL NET POSITION	<u>18,354,737</u>	<u>6,090,899</u>	<u>3,756,081</u>	<u>4,612,419</u>	<u>1,708,949</u>	<u>525,516</u>	<u>1,723,573</u>		<u>36,772,174</u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund	Leasing Fund	Civic Fund	Eliminations	Total
OPERATING REVENUES									
Charges for services	9,637,636	1,507,302	1,268,640	3,052,083	508,137		289,984		16,263,782
Other income	101,493	5,015	1,352	10,785	7,613	310,944	651		437,853
Total operating revenues	<u>9,739,129</u>	<u>1,512,317</u>	<u>1,269,992</u>	<u>3,062,868</u>	<u>515,750</u>	<u>310,944</u>	<u>290,635</u>		<u>16,701,635</u>
OPERATING EXPENSES									
Cost of sales	3,288,107								3,288,107
Personnel services	1,057,937	506,463	536,451	1,138,865	417,494				3,657,210
Operating material/supplies	78,559	32,985	17,171	23,916	91,247				243,878
Operating expenses	512,806	293,884	167,071	850,415	109,458	6,515	410,437		2,350,586
Depreciation and amortization	365,591	353,126	228,510	540,677	87,123	41,454	86,277		1,702,758
Total operating expenses	<u>5,303,000</u>	<u>1,186,458</u>	<u>949,203</u>	<u>2,553,873</u>	<u>705,322</u>	<u>47,969</u>	<u>496,714</u>		<u>11,242,539</u>
OPERATING INCOME (LOSS)	<u>4,436,129</u>	<u>325,859</u>	<u>320,789</u>	<u>508,995</u>	<u>(189,572)</u>	<u>262,975</u>	<u>(206,079)</u>		<u>5,459,096</u>
NONOPERATING REVENUES (EXPENSES)									
Bond issue costs									
Interest income	98,051	11,652	15,517	32,859	18	39,362	367	(3,242)	194,584
Interest expense		(117,614)	(22,574)	(13,103)	(3,242)	(140,007)		3,242	(293,298)
Total nonoperating revenues (expenses)	<u>98,051</u>	<u>(105,962)</u>	<u>(7,057)</u>	<u>19,756</u>	<u>(3,224)</u>	<u>(100,645)</u>	<u>367</u>		<u>(98,714)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>4,534,180</u>	<u>219,897</u>	<u>313,732</u>	<u>528,751</u>	<u>(192,796)</u>	<u>162,330</u>	<u>(205,712)</u>		<u>5,360,382</u>
OPERATING TRANSFERS									
Operating transfers in	1,327				268,633		104,625	(374,585)	
Operating transfers out	(2,135,404)	(69,380)	(127,380)	(127,197)				374,585	(2,084,776)
Total operating transfers	<u>(2,134,077)</u>	<u>(69,380)</u>	<u>(127,380)</u>	<u>(127,197)</u>	<u>268,633</u>		<u>104,625</u>		<u>(2,084,776)</u>
CHANGE IN NET POSITION	2,400,103	150,517	186,352	401,554	75,837	162,330	(101,087)		3,275,606
NET POSITION, beginning of year	<u>15,954,634</u>	<u>5,774,673</u>	<u>3,735,438</u>	<u>4,210,865</u>	<u>1,633,112</u>	<u>363,186</u>	<u>1,824,660</u>		<u>33,496,568</u>
Prior period adjustment		165,709	(165,709)						
NET POSITION, end of year	<u>18,354,737</u>	<u>6,090,899</u>	<u>3,756,081</u>	<u>4,612,419</u>	<u>1,708,949</u>	<u>525,516</u>	<u>1,723,573</u>		<u>36,772,174</u>

See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund	Leasing Fund	Civic Fund	Elimi- nations	Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers	9,672,852	1,450,994	1,268,336	3,052,157	520,946		325,174		16,290,459
Cash received from other sources	101,493	5,015	1,352	10,785	7,613	310,944	651		437,853
Cash payments to suppliers of goods and services	(4,081,729)	(281,447)	(175,555)	(682,361)	(167,223)	210,217	(410,038)		(5,588,136)
Cash payments to employees	(1,050,218)	(497,265)	(537,136)	(1,138,578)	(422,637)				(3,645,834)
Net cash provided by (used in) operating activities	<u>4,642,398</u>	<u>677,297</u>	<u>556,997</u>	<u>1,242,003</u>	<u>(61,301)</u>	<u>521,161</u>	<u>(84,213)</u>		<u>7,494,342</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Capital lease receipts (payments)					(120,000)	120,000			
Operating loans in (out)	161,540	(6,048)			(83,386)	40,671			112,777
Operating transfers in (out)	(2,134,078)	(69,380)	(127,380)	(127,197)	268,633		104,625	(1,031,187)	(3,115,964)
Net cash provided by (used in) noncapital financing activities	<u>(1,972,538)</u>	<u>(75,428)</u>	<u>(127,380)</u>	<u>(127,197)</u>	<u>65,247</u>	<u>160,671</u>	<u>104,625</u>	<u>(1,031,187)</u>	<u>(3,003,187)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Payments for capital assets	(12,200)	(29,113)	(35,135)	(255,333)		(1,308,054)	(13,925)		(1,653,760)
Payments on long-term debt		(406,700)	(83,300)	(130,000)		(270,000)			(890,000)
Interest payments		(124,395)	(24,564)	(13,778)	(3,763)	(118,770)		3,242	(282,028)
Net cash provided by (used in) capital and related financing activities	<u>(12,200)</u>	<u>(560,208)</u>	<u>(142,999)</u>	<u>(399,111)</u>	<u>(3,763)</u>	<u>(1,696,824)</u>	<u>(13,925)</u>	<u>3,242</u>	<u>(2,825,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest income	105,451	11,143	15,384	30,860	17	19,475	367	(3,242)	179,455
Net cash provided by (used in) investing activities	<u>105,451</u>	<u>11,143</u>	<u>15,384</u>	<u>30,860</u>	<u>17</u>	<u>19,475</u>	<u>367</u>	<u>(3,242)</u>	<u>179,455</u>

CITY OF GERING, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund	Leasing Fund	Civic Fund	Eliminations	Total
NET INCREASE (DECREASE) IN CASH	2,763,111	52,804	302,002	746,555	200	(995,517)	6,854	(1,031,187)	1,844,822
CASH, beginning of year	6,439,386	557,090	1,174,652	3,291,861		2,417,026	43,686		13,923,701
CASH, end of year	9,202,497	609,894	1,476,654	4,038,416	200	1,421,509	50,540	(1,031,187)	15,768,523
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating income (loss)	4,436,129	325,859	320,789	508,995	(189,572)	262,975	(206,079)		5,459,096
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	365,591	353,126	228,510	540,677	87,123	41,454	86,277		1,702,758
(Increase) decrease in assets:									
Accounts receivable	77,385	(32,582)	6,019	157	12,809		37,267		101,055
Unbilled revenue	(34,408)	(26,187)	(6,323)	(83)					(67,001)
Prepaid expense									
Inventory	84,203	1,675	(7,060)		(4,151)				74,667
Increase (decrease) in liabilities:									
Accounts payable	(253,263)	30,614	8,679	21,970	37,155	216,732	2,073		63,960
Sales tax payable	(33,198)	13,133	7,068		478		(1,674)		(14,193)
Accrued wages	2,146	7,496	3,205	4,341	(1,550)				15,638
Accrued payroll expenses	25	847	253	208	(369)				964
Customer deposit	(7,761)	2,461					(2,077)		(7,377)
Accrued compensated absences	5,548	855	(4,143)	(4,262)	(3,224)				(5,226)
Landfill closure costs				170,000					170,000
Total adjustments	206,268	351,438	236,208	733,008	128,271	258,186	121,866		2,035,245
Net cash provided by (used in) operating activities	4,642,397	677,297	556,997	1,242,003	(61,301)	521,161	(84,213)		7,494,341

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See accompanying notes to financial statements.

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

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

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

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

Governmental Funds

General Fund

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

Special Revenue Funds

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

Streets Fund

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Keno Fund

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

Proprietary Funds

Enterprise Funds

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

Electric Fund

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

Water Fund

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

Wastewater Fund

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

Sanitation Fund

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

Golf Fund

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Proprietary Funds (Continued)

Leasing Corporation Fund

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

Civic Center Fund

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

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

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

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

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

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

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

The proprietary funds and government-wide statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

Equity Classifications

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Equity Classifications (Continued)

- b. Restricted net position - Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

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

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

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Equity Classifications (Continued)

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

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

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

Fixed Assets

Government-Wide Statements

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

As permitted by GASB Statement 34, the City has elected to capitalize governmental fund type infrastructure, consisting primarily of street improvements, on a prospective basis. Consequently, except for proprietary fund types, the financial statements do not include infrastructure prior to October 1, 2003 with the exception of significant street projects.

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fixed Assets (Continued)

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

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

Fund Financial Statements

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

Cash and Cash Equivalents – Includes cash on hand and cash in banks including certificates of deposit. As of September 30, 2020, there were no cash equivalents. Certain cash and investment accounts are restricted for construction projects, debt service, compliance with bond covenants, and other purposes. Assets are also restricted in the proprietary funds for refunding customer meter deposits.

Receivables

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

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

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

Inventory – Recorded at the lower of cost or net realizable value, using the first-in first-out method.

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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

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

Revenues

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

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

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

Operating Revenues and Expenses – In the proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

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

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

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

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

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

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 CUSTODIAL CREDIT RISK - DEPOSITS

The City utilizes pooled cash and certificates of deposit that are available for use by all funds except those required to maintain separate accounts. Each fund type's allocable portion of these pooled funds is displayed in the financial statements as "Cash and certificates of deposit." State law requires that all funds held in depositories be fully insured or collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2020, deposits with the financial institutions were uninsured by FDIC or collateralized by pledged securities in an amount of \$379,275.

NOTE 3 RESTRICTED ASSETS

Restricted cash in governmental funds consists of cash as follows:

City Park	Cash donated by the public specifically to be used for the improvement of the City's Northfield Park.	34,324
City Library	Cash Donated by the public specifically to be used for the improvement of the City library.	1,237
City Cemetery	Cash received for the sole purpose of perpetual care of the City cemetery.	392,724
	Total governmental funds restricted cash	428,285

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

Customer Deposits	Cash required by statute to be used solely for the purpose of refunding utility deposits held.	532,851
Debt Retirement	Cash required held by debt instrument for the sole purpose of debt retirement.	736,001
Landfill Closure Costs	Cash required by regulation to be set aside solely for the purpose of sanitation landfill closure and postclosure costs.	1,939,215
	Total governmental funds restricted cash	3,208,067

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS

Capital asset activity in the proprietary funds for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
<u>Governmental Activities</u>				
Land	829,498			829,498
Buildings and improvements	12,315,343	554,875		12,870,218
Equipment and vehicles	5,939,520	76,172	(182,724)	5,832,968
Construction in progress	905,914	169,664		1,075,578
	<u>19,990,275</u>	<u>800,711</u>	<u>(182,724)</u>	<u>20,608,262</u>
Less accumulated depreciation	(9,600,959)	(671,615)	182,724	(10,089,850)
Net capital assets	<u>10,389,316</u>	<u>129,096</u>		<u>10,518,412</u>
	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
<u>Business-Type Activities</u>				
Land	3,206,486			3,206,486
Buildings and improvements	10,662,779	38,366		10,701,145
Utility systems	36,807,044	16,873		36,823,917
Equipment and vehicles	11,720,972	165,120		11,886,092
Construction in progress	195,190	1,433,401		1,628,591
	<u>62,592,471</u>	<u>1,653,760</u>		<u>64,246,231</u>
Less accumulated depreciation	(32,331,855)	(1,702,758)		(34,034,613)
Net capital assets	<u>30,260,616</u>	<u>(48,998)</u>		<u>30,211,618</u>

Depreciation expense was recorded to activities as follows:

<u>Governmental Activities</u>	
General government	31,312
Public safety	140,558
Public works	341,315
Culture and recreation	159,437
	<u>672,622</u>
<u>Business-Type Activities</u>	
Electric	365,591
Water	353,126
Wastewater	228,510
Sanitation	540,677
Golf	87,123
Leasing Corp.	41,454
Civic Center	86,277
	<u>1,702,758</u>

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 ECONOMIC DEVELOPMENT LOANS RECEIVABLE

LB 840 Economic Development Program loans receivable at September 30, 2020 consist of the following:

	Balance October 1, 2019	Additions (Awards)	Credits & Refinanc- ing	Principal Payments	Balance September 30, 2020
<u>LB 840/Economic Development Loans Receivable:</u>					
Not eligible for job credits	610,128	100,000		90,887	619,241
<u>Grants:</u>					
Forgivable/Eligible for job Credits	624,700	135,000	167,700		592,000
Total LB 840 Receivables	<u>1,234,828</u>	<u>235,000</u>	<u>167,700</u>	<u>90,887</u>	<u>1,211,241</u>

USDA Rural Electric Revolving Loans Receivable at September 30, 2020 consist of the following:

	Balance October 1, 2019	Additions (Awards)	Credits & Refinanc- ing	Principal Payments	Balance September 30, 2020
<u>USDA Rural Electric Loans Receivable:</u>					
Interest free USDA	232,500	75,000		22,500	285,000
Total USDA Receivables	<u>232,500</u>	<u>75,000</u>		<u>22,500</u>	<u>285,000</u>

CDBG Revolving Loans Receivable at September 30, 2020 consist of the following:

	Balance October 1, 2019	Additions (Awards)	Credits & Refinanc- ing	Principal Payments	Balance September 30, 2020
<u>CDBG Revolving Loans Receivable:</u>					
CDBG revolving	29,521			9,661	19,860
Total CDBG Receivables	<u>29,521</u>			<u>9,661</u>	<u>19,860</u>

Tax Increment Financing (TIF) Loans Receivable at September 30, 2020 consist of the following:

	Balance October 1, 2019	Additions (Awards)	Credits & Refinanc- ing	Principal Payments	Balance September 30, 2020
<u>TIF Loans Receivable:</u>					
TIF loans receivable	1,416,667			157,613	1,259,054
Total TIF Receivables	<u>1,416,667</u>			<u>157,613</u>	<u>1,259,054</u>

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 ECONOMIC DEVELOPMENT LOANS RECEIVABLE (Continued)

Total Economic Development Loans Receivable 2,775,155

NOTE 6 LONG-TERM DEBT

Long-term debt payable at September 30, 2020, is as follows:

	Issue Date	Due Date	Interest Rate	Balance October 1, 2019	Proceeds	Payments	Balance September 30, 2020	Current	Long-Term
Governmental activities									
Note payable	9/30/17	9/30/22	0.00%	500,551		166,850	333,701	166,850	166,851
Note payable	6/27/17	12/1/32	7.00%	902,500			902,500	31,315	871,185
Note payable	3/29/07	12/15/21	7.00%	68,999		26,197	42,802	28,035	14,797
Note payable	11/12/08	6/15/23	5.50%	<u>7,172</u>		<u>1,649</u>	<u>5,523</u>	<u>1,741</u>	<u>3,782</u>
Total governmental activities				<u>1,479,222</u>		<u>194,697</u>	<u>1,284,525</u>	<u>227,941</u>	<u>1,056,584</u>
Business-type activities									
Bond payable	4/17/12	9/30/23	0.35% - 2.75%	555,000		130,000	425,000	140,000	285,000
Bond payable	7/15/16	12/15/36	0.08% - 3.45%	5,166,489		398,139	4,768,350	431,600	4,336,750
Bond payable	7/15/16	12/15/36	0.08% - 3.45%	1,068,511		91,861	976,650	88,400	888,250
Bond payable	1/31/18	12/15/37	1.60% - 1.70%	3,590,000		150,000	3,440,000	155,000	3,285,000
Bond payable	6/14/16	12/15/24	0.06% - 1.70%	<u>755,000</u>		<u>120,000</u>	<u>635,000</u>	<u>125,000</u>	<u>510,000</u>
Total business-type activities				<u>11,135,000</u>		<u>890,000</u>	<u>10,245,000</u>	<u>940,000</u>	<u>9,305,000</u>
Total government-wide				<u>12,614,222</u>		<u>1,084,697</u>	<u>11,529,525</u>	<u>1,167,941</u>	<u>10,361,584</u>

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

Years Ended September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	227,941	83,092	940,000	262,701	1,167,941	345,793
2022	234,927	60,814	695,000	249,300	929,927	310,114
2023	57,079	56,519	705,000	236,608	762,079	293,126
2024	58,922	52,651	570,000	222,700	628,922	275,351
2025	63,259	48,313	585,000	211,839	648,259	260,152
2026-2038	642,398	194,398	6,750,000	1,461,551	7,392,398	1,655,949
	<u>1,284,526</u>	<u>495,787</u>	<u>10,245,000</u>	<u>2,644,699</u>	<u>11,529,526</u>	<u>3,140,486</u>

Direct Borrowing and Direct Placement Debt

The City has outstanding bond debt from direct borrowing and direct placement related to business activities of the Leasing Corporation for the Stadium and Quad Plex in the amount of \$3,440,000. The debt is secured by specific real estate.

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT

Direct Borrowing and Direct Placement Debt (Continued)

The City has outstanding notes from direct borrowing and direct placement related to government activities for TIF, Industrial Park, and LB840 in the amount of \$1,284,526. This debt is secured by specific real estate and personal guarantees.

NOTE 7 INTERFUND TRANSFERS, LOANS, AND TRANSACTIONS

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

	Transfers In	Transfer Out
General Fund	2,700,828	45,421
Keno Fund		30,338
Street Fund	169,456	
Nonmajor Fund	901,655	1,611,404
Electric Fund	1,327	2,135,405
Water Fund		69,380
Sanitation Fund		127,197
Sewer Fund		127,380
Golf Fund	268,633	
Civic Center Fund	<u>104,625</u>	
	<u>4,030,954</u>	<u>4,030,954</u>

Loans – Make loans from one fund to another for various purposes the following schedule summarizes interfund loans as of September 30, 2020.

The City's Electric Fund made a loan to a nonmajor governmental fund for the purposes of making economic development loans to local business. Repayment of this loan will be made as repayment resources become available.	<u>225,687</u>
The City's Electric Fund made a loan to the Sanitation Fund for the purposes of making economic development loans to local business. Repayment of this loan will be made as repayment resources become available.	<u>1,200,000</u>
The City's Electric fund made a loan to the Water Fund to meet short-term cash shortages experienced by the Water Fund.	<u>361,234</u>
The City's Electric Fund made a loan to the Golf Fund to meet short-term cash shortages by the Golf Fund.	<u>32,241</u>
The City's General Fund made a loan to the Leasing Corp Fund to meet short-term cash shortages experienced by the Leasing Corp Fund.	<u>40,671</u>

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 INTERFUND TRANSFERS, LOANS, AND TRANSACTIONS (Continued)

Transactions – The City is committed under both an operating and a capital lease agreement with the City of Gering Leasing Corporation for lease of the municipal golf course along with the Stadium and Quadplex ballfield. The terms of the leases specify that lease payments will consist of a total of all payments due to or payable on behalf of the Leasing Corporation for building bonds payable through November 15, 2037. The lease is in both the Leasing Corporation, Golf Fund, and General Fund.

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

September 30,	Capital Lease	Operating Lease	Total
2021	125,000	155,000	280,000
2022	125,000	155,000	280,000
2023	125,000	160,000	285,000
2024	130,000	160,000	290,000
2025	130,000	875,000	1,005,000
2026 - 2029		1,005,000	1,005,000
2030 - 2037		<u>930,000</u>	<u>930,000</u>
	<u>635,000</u>	<u>3,440,000</u>	<u>4,075,000</u>

Elimination of current year interfund activity is as follows:

Fund Financial Statements

Governmental Funds

Statement of net position

Due to end from governmental funds 40,671

Statement of revenues, expenditures, and changes in fund balance

Net fund transfers between governmental funds 901,655

Transfers for self-funded health plan between government funds 1,095,564

Proprietary Funds

Statement of Net Position

Capital lease receivable and payable between proprietary funds 635,000

Due to and from between proprietary funds 1,634,146

Statement of revenues, expenses, and changes in net position

New fund transfers between enterprise funds 374,585

Interest income and expense between proprietary funds 3,242

Government-Wide Financial Statements

Statement of Net Position

Due from and to between governmental activities and business type act 185,018

Rental Income/Expense

253,797

Statement of Activities

Fund transfers between governmental and proprietary funds 2,084,776

Interest Income Expense

Transfers for self-funded health plan between governmental and proprietary funds 1,031,187

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 RISK MANAGEMENT

The City has established a self-funded health care plan for the benefit of eligible City employees and their eligible dependents. The plan provides reimbursement for covered charges incurred as a result of medically necessary treatment for illness or injury. The City purchases commercial insurance of claims in excess of coverage provided by the fund. At September 30, 2020, the City's maximum liability was \$45,000 per employee annually under the plan.

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

NOTE 9 ENVIRONMENTAL REMEDIATION

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

NOTE 10 CONTINGENCIES

Self-Insurance – The City operates a self-insured medical insurance plan for dental and health insurance for its employees. The City has contracted with a third-party administrator to provide claims processing services. In addition, the City has purchased a stop-loss policy covering all claims in excess of \$45,000 per year, per claim. The City retains risk of loss for all claims up to the stop-loss amount. As of September 30, 2020, cumulative contributions and revenues in excess of claims and expense were \$1,558,126, which the City has designated for payment of future claims.

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

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 RETIREMENT PLANS

General - The City sponsors a defined contribution plan which covers substantially all general city employees. Under the terms of the plan, an employee must be age 21 or older and have completed one year of continuous service and have not attained the age of 64. Participating employees are required to contribute 6% of their earnings. The City then makes a matching contribution to the plan on their behalf. An additional voluntary contribution can be made by employees to the plan to the extent allowed under the Internal Revenue Code, currently an additional 10%. The City will contribute an amount equal to an employee's voluntary contribution, not to exceed 6% of the employee's compensation. Employees are 100% vested in the plan after completing 5 years of service, reaching normal retirement age (65), meeting the requirements for early retirement date, becoming totally disabled, or deceased, whichever occurs first. Contributions to the general city employee retirement plan were \$184,195 and \$196,154 by the City and plan participants, respectively. There are 65 participants in the plan.

Police - Police officers are covered by a defined contribution plan sponsored by the City. Participants in the plan are required to contribute 7.0% of their salary to the plan, which is matched by a 7.0% contribution from the City. Employees are fully vested after 7 whole years of service. Contributions to the police retirement plan were \$79,306 and \$85,216 by the City and plan participants, respectively. There are 18 participants in the plan.

Fire Fighters - Fire fighters are covered by a defined contribution plan sponsored by the City. Eligible employees are required to contribute 6.5% of their salary to the plan, which the City then matches at the rate of 13% of the participant's salary. Employees are 40% vested after 4 whole years of service and an additional 10% per year following until fully vested after completion of 10 years of service. A participant's normal retirement age is the date he attains age 55 and completes 21 years of service. Nebraska State statutes govern the coverage afforded to participants under this plan. Contributions to the fire fighter's employee retirement plan were \$9,456 and \$4,728 by the City and plan participants, respectively. There is 1 participant in the plan.

NOTE 12 COMMITMENTS

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

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

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

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

The City has entered into an agreement with Eric Reichert, Insulation and Construction for the base bid in relation to the Oregon Trail Park Quad Field Baseball/Softball Complex in the amount of \$1,848,226 with an additional \$22,858 for demolition of existing

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 12 COMMITMENTS (Continued)

structures. There is an additional agreement for the project with Van Pelt Fencing in the amount of \$62,258. This work is estimated to begin in the Summer of 2020 and completed before December 2020.

NOTE 13 ECONOMIC DEPENDENCE

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

NOTE 14 LANDFILL CLOSURE COSTS

State and federal laws and regulations required the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period base on landfill capacity used as of each balance sheet date. The \$2,018,130 reported as landfill closure and post closure cost liability at September 30, 2020, represents the cumulative amount reported to date on an amount that will satisfy the expected liability at the expected closure date in the year 2023. The estimated cost of closure and post closure were re-estimated for current costs and current standards to \$1,939,215 as of September 30, 2020. Actual post closure costs may be higher due to inflation, changes in technology, or changes in regulations.

As of September 30, 2020, the landfill is estimated to be at 85% capacity and expected to remain open an additional 5.9 years.

NOTE 15 FUND BALANCES AND NET POSITION

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

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 15 FUND BALANCES AND NET POSITION (Continued)

	General Fund	Keno Fund	Street Fund	Nonmajor Funds	Total Governmental Funds
Restricted for:					
Assets held in trust	428,285				428,285
Specified use by law or regulation	<u> </u>	<u>1,418,493</u>	<u>1,273,906</u>	<u>2,674,942</u>	<u>5,367,341</u>
Total restricted funds	<u>428,285</u>	<u>1,418,493</u>	<u>1,273,906</u>	<u>2,674,942</u>	<u>5,795,626</u>
Nonspendable for:					
Inventory	<u>17,515</u>	<u> </u>	<u> </u>	<u> </u>	<u>17,515</u>
Committed for:					
Capital project/ Tourism				1,235,464	1,235,464
Debt Service	<u> </u>	<u> </u>	<u> </u>	<u>786,318</u>	<u>786,318</u>
Total commit- ted funds	<u> </u>	<u> </u>	<u> </u>	<u>2,021,782</u>	<u>2,021,782</u>
Assigned for:					
Self-insured costs	1,716,410				1,716,410
Capital projects	<u> </u>	<u> </u>	<u> </u>	<u>2,817,645</u>	<u>2,817,645</u>
Total assigned funds	<u>1,716,410</u>	<u> </u>	<u> </u>	<u>2,817,645</u>	<u>4,534,055</u>

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

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Total
Restricted for:					
Debt retirement		485,385	115,616	135,000	736,001
Landfill closure costs				1,939,215	1,939,215
Refundable customer deposits	<u>458,685</u>	<u>74,166</u>	<u> </u>	<u> </u>	<u>532,851</u>
Total restricted funds	<u>458,685</u>	<u>559,551</u>	<u>115,616</u>	<u>2,074,215</u>	<u>3,208,067</u>

CITY OF GERING, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 16 ECONOMIC DEVELOPMENT REAL ESTATE

The City acquires real property for the purpose of economically distressed areas for improvements and resale. Acquisitions are generally expected to produce sale proceeds below acquisition cost upon sale. As of September 30, 2020, the City holds one property for this purpose at a total cost of \$6,200.

The City acquires real property for the purpose of providing suitable locations and incentive for potential new commercial businesses to establish or relocate business operations within the City's economic area. As of September 30, 2020, the City holds two properties for this purpose at a total cost of \$1,352,908.

NOTE 17 PRIOR PERIOD ADJUSTMENT

Governmental-Wide Financial Statements

The City previously reported long-term loans at the full loan of the loans. The City believes these loans should also be reported as Deferred Inflows of resources because the receivables are unavailable. The amount of prior year receivables was, \$2,985,940.

Fund Financial Statement

In the prior year, the City paid the combined Water and Sewer Funds Bond Debt payment which was recorded by the Water Fund only. The City recorded a prior period adjustment of \$165,709 to correct the Water and Sewer Fund net position as of September 30, 2020.

NOTE 18 SUBSEQUENT EVENT

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through October 22, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	1,589,958	1,589,958	1,427,522	(162,436)
Intergovernmental	301,744	301,744	299,660	(2,084)
Local	<u>6,174,598</u>	<u>6,174,598</u>	<u>5,569,176</u>	<u>(605,422)</u>
Total revenues	<u>8,066,300</u>	<u>8,066,300</u>	<u>7,296,358</u>	<u>(769,941)</u>
Expenditures:				
General government	3,277,998	3,277,998	2,895,226	382,772
Public safety - Police and Fire	2,688,751	2,688,751	2,797,199	(108,448)
Public works - Other	352,300	352,300	321,286	31,014
Culture and recreation	<u>1,067,198</u>	<u>1,067,198</u>	<u>999,646</u>	<u>67,552</u>
Total expenditures	<u>7,386,247</u>	<u>7,386,247</u>	<u>7,013,357</u>	<u>372,890</u>
Excess revenues over (under) expenditures	<u>680,053</u>	<u>680,053</u>	283,000	<u>(397,052)</u>
Fund balances, October 1			<u>1,944,842</u>	
Fund balances, September 30			<u>2,227,842</u>	

CITY OF GERING, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
STREETS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	250,000	250,000	323,828	73,828
Intergovernmental	1,124,168	1,124,168	1,091,948	(32,220)
Local	410,500	410,500	183,910	(226,590)
Total revenues	<u>1,784,668</u>	<u>1,784,668</u>	<u>1,599,686</u>	<u>(184,982)</u>
Expenditures:				
Public works - Streets	2,326,036	2,326,036	1,517,761	808,275
Total expenditures	<u>2,326,036</u>	<u>2,326,036</u>	<u>1,517,761</u>	<u>808,275</u>
Excess revenues over (under) expenditures	<u>(541,368)</u>	<u>(541,368)</u>	81,925	<u>623,293</u>
Fund balances, October 1			<u>1,174,895</u>	
Fund balances, September 30			<u>1,256,820</u>	

CITY OF GERING, NEBRASKA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
 KENO FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	1,718,000	1,718,000	1,626,737	(91,263)
Total revenues	<u>1,718,000</u>	<u>1,718,000</u>	<u>1,626,737</u>	<u>(91,263)</u>
Expenditures:				
Community development	1,588,000	1,588,000	1,515,437	72,563
Total expenditures	<u>1,588,000</u>	<u>1,588,000</u>	<u>1,515,437</u>	<u>72,563</u>
Excess revenues over (under) expenditures	<u>130,000</u>	<u>130,000</u>	111,300	<u>(18,700)</u>
Fund balances, October 1			<u>1,314,197</u>	
Fund balances, September 30			<u>1,425,497</u>	

CITY OF GERING, NEBRASKA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

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

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

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

Revenues and expenditures presented on a non-GAAP budget basis of accounting differ from the revenues and expenditures presented in accordance with GAAP because of the different treatment of accruals. A reconciliation for the year ended September 30, 2020, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Streets Fund	Keno Fund
Net change in fund balances:			
Balance on a GAAP basis	776,015	99,011	104,296
Basis differences (accruals occur because the cash basis of accounting use for budgeting differs from the modified accrual basis of accounting prescribed for governmental fund	<u>(493,015)</u>	<u>(17,086)</u>	<u>7,004</u>
Balance on a budget basis	<u>283,000</u>	<u>81,925</u>	<u>111,300</u>



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

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

To the Mayor and City Council
City of Gering, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Gering, Nebraska's basic financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Gering, 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2021-002 and 2021-003.

Management's Response to Findings

The City of Gering, Nebraska's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Gering, Nebraska's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
October 22, 2021

CITY OF GERING
GERING, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2020

2020-001 SEGREGATION OF INTERNAL CONTROLS

Criteria

An integral part of an accounting and financial reporting system involves a structure processes and procedures, known as internal controls, which provide assurance that financial information is captured and properly recorded on a timely basis.

Condition

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

Cause

The City responded to the COVID 19 pandemic by closing the city offices and allowing personnel to work from home. Additionally, the City experienced significant resignations of accounting personnel and was unable to hire acceptable replacement personnel within a reasonable period of time.

Potential Effect

Errors and omissions of could occurs in the financial information without the continued proper internal control structure followed and maintained on a regular recurring basis.

Recommendation

Although we recognize the conditions and events endured by the City were unusual and infrequent, we strongly encourage the City to recognize conditions in the future that may lead to similar degradation of the City's internal control structure and seek external assistance to mitigate or prevent the internal control structure degradation.

City's Response

The City understands the inherent risks associated with inadequate segregation of accounting functions. The City requires monthly reporting to the City Council and the City administrator to ensure transactions are recorded, and potential errors and irregularities are identified on a timely basis. The City has currently restored many internal controls and is reviewing the accounting system for developing an acceptable control system.

2020-002 UNCOLLATERALIZED BANK ACCOUNTS

Criteria

Nebraska state statutes require that all deposits be collateralized.

CITY OF GERING
GERING, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2020

2020-002 UNCOLLATERALIZED BANK ACCOUNTS (Continued)

Condition

As of September 30, 2020, the City had uncollateralized deposits in the amount of \$379,275.

Cause

The City experienced significant challenges during the year including changes to operating procedures necessary to address the concerns of the COVID-19 pandemic. As a result, non-critical accounting functions were suspended, including monitoring collateralization of bank deposits.

Potential Effect

The City bears unnecessary risk of loss of amounts held in excess of insured or collateralized deposits.

Recommendation

Management should monitor cash balances to determine risk on a regularly recurring basis and request collateralization when necessary to ensure that all deposits are collateralized and/or covered by FDIC insurance.

City's Response

The City understands collateralization requirement for cash deposits and had previously employed monitoring procedures to provide assurance with compliance requirements. However, because of conditions that existed during the year, these procedures were not completed regularly. The city has restored cash deposit monitoring procedures.

2020-003 SUBMISSION OF AUDITED FINANCIAL STATEMENTS

Criteria

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

Condition

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

CITY OF GERING
GERING, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2020

2020-003 SUBMISSION OF AUDITED FINANCIAL STATEMENTS (Continued)

Cause

The City experienced significant challenges during the year including changes to operating procedures necessary to address the concerns of the COVID-19 pandemic. As a result, many processes needed to be completed prior to preparation, audit and submission of financial statements to the State of Nebraska.

Potential Effect

The City may be subject to limitations of state resources identified for the benefit of the City of Gering as well as other legal remedies as determined necessary by the State of Nebraska to obtain compliance.

Recommendation

Management and Governance should be aware of conditions and events which may serve to impair the City's ability for compliance with laws and regulations and provide direction for mitigation of noncompliance as necessary.

City's Response

The City understands the requirement to submit audited financial statements to the State of Nebraska and all requirements to comply with all laws and regulation the City is subject to. The City experienced significant events, including COVID-19 operating conditions, which delayed significant accounting processes necessary to prepare accurate financial information. The City communicated these conditions and the City's intent to provide the required financial information to the State of Nebraska the appropriate authorities at the time it was determined the City would not be able to comply with the requirements within the required period. The City will make a full submission of audited financial statements to the State of Nebraska.



City of Gering, Nebraska

1025 P Street • P.O. Box 687 • Gering, NE 69341 • (308) 436-5096

October 22, 2021

Dana F. Cole & Company, LLP
1510 Broadway
Scottsbluff, NE 69361

RE: AU-C 580

This representation letter is provided in connection with your audit of the financial statements of the City of Gering, Nebraska, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated a competent management-level individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

We confirm, to the best of our knowledge and belief, as of October 22, 2021, the following representations made to you during your audit:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 19, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility 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.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- We are in agreement with the adjusting journal entries you have proposed and they have been posted to the City's accounts.

We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

- Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the City or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management,

- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

- We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances or net position.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.

- We have identified and disclosed to you all instances of identified and suspected fraud and non-compliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- In regard to the Form 990 preparation services performed by you, we have:
 - Assumed all management responsibilities.
 - Designated an individual (within senior management) who has suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The financial statements include all component units, appropriately present major equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- The financial statements include all fiduciary activities required by GASB Statement No. 84.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Special and extraordinary items are appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- With respect to the Budgetary Comparison Schedules:
 - We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content,

is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
- Expenditures of federal awards were below the \$750,000 threshold for the year ended September 30, 2020, audit period, and we were not required to have an audit in accordance with the Uniform Guidance.

Signed: 

Title: City Administrator

Signed: _____

Title: _____