

**City of Gering, Nebraska**  
**Basic Financial Statements**  
**September 30, 2024**



**City of Gering  
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**City of Gering  
Elected Officials and Administration**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Kent Ewing	Mayor	December 31, 2026
Rebecca Shields	Council Member (Ward I)	December 31, 2026
Susan Wiedeman	Acting Council President (Ward I)	December 31, 2024
Pam O'Neal	Council Member (Ward II)	December 31, 2026
Michael Gillen	Council President (Ward II)	December 31, 2024
Ben Backus	Council Member (Ward III)	December 9, 2024
Julie Morrison	Council Member (Ward III)	December 31, 2026
Cody Bohl	Council Member (Ward IV)	January 27, 2025
Troy Cowan	Council Member (Ward IV)	March 20, 2025

<u>Administration</u>	<u>Position</u>	
Pat Heath	City Administrator	Appointed
Lyndsey Mathews	City Finance Director	Appointed
Kathleen Welfl	City Clerk	Appointed
Annie Folck	City Engineer	Appointed

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Gering  
Gering, Nebraska

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, which follows this report, and Required Supplementary Information as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gering's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2025, on our consideration of the City of Gering's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.

BerganKDV, LLC

St. Cloud, Minnesota  
May 7, 2025

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**City of Gering**  
**Management's Discussion and Analysis**  
**(Unaudited)**

The management of the City of Gering, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. Please consider this discussion in conjunction with the additional information provided in the transactions, events and conditions reflected in the City's financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at September 30, 2024, by \$85,106,061 (net position). Of this amount, \$27,227,794 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2024, the City's governmental funds reported combined ending fund balances of \$18,628,920. This is an increase of \$2,008,070 in comparison with the prior year.
- As of September 30, 2024, unassigned fund balance for governmental funds was \$2,604,289, or 43.4% of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

The statement of activities presents information showing how the City's net position changed during the year ended September 30, 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**City of Gering  
Management's Discussion and Analysis  
(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements**

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

**Governmental Funds**

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

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

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

**Proprietary Funds**

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

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

**City of Gering**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget. The City adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the General, KENO, Streets, LB840 and Downtown Development major funds to demonstrate compliance with this budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$85,106,601 at September 30, 2024.

By far the largest portion of the City's net position (44.3%) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary Statements of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 22,589,734	\$ 16,265,692	\$ 28,290,158	\$ 20,203,966	\$ 50,879,892	\$ 36,469,658
Capital assets	14,288,404	13,887,824	33,954,924	33,548,983	48,243,328	47,436,807
Other noncurrent assets	-	4,748,270	-	4,884,667	-	9,632,937
Total assets	36,878,138	34,901,786	62,245,082	58,637,616	99,123,220	93,539,402
Current liabilities	1,438,037	558,882	5,146,847	3,613,484	6,584,884	4,172,366
Long-term liabilities outstanding	877,275	1,072,978	6,555,000	8,048,365	7,432,275	9,121,343
Total liabilities	2,315,312	1,631,860	11,701,847	11,661,849	14,017,159	13,293,709
Deferred inflow of resources	-	686,136	-	-	-	686,136
Net assets						
Net investment in capital assets	13,261,422	13,123,331	24,434,089	25,798,983	37,695,511	38,922,314
Restricted	14,703,443	4,644,391	5,479,313	4,880,110	20,182,756	9,524,501
Unrestricted	6,597,961	14,816,068	20,629,833	16,296,674	27,227,794	31,112,742
Total net position	\$ 34,562,826	\$ 32,583,790	\$ 50,543,235	\$ 46,975,767	\$ 85,106,061	\$ 79,559,557

**City of Gering**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

At September 30, 2024, the City is able to report positive balances in all three categories of net position, for the government as a whole.

**Summary Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 2,650,715	\$ 2,377,684	\$ 18,802,961	\$ -	\$ 21,453,676	\$ 2,377,684
Operating grants and contributions	232,276	457,435	218,048	-	450,324	457,435
Capital grants and contributions	505,687	281,651	-	-	505,687	281,651
General revenues						
Property taxes	2,016,046	1,859,470	-	-	2,016,046	1,859,470
Tax increments	571,559	-	-	-	571,559	-
Sales and use tax	2,864,831	2,782,923	-	-	2,864,831	2,782,923
Franchise taxes	84,064	-	-	-	84,064	-
Other taxes	2,342,668	727,524	-	-	2,342,668	727,524
Intergovernmental	-	2,070,732	-	-	-	2,070,732
Investment income (loss)	874,154	578,986	1,079,851	676,788	1,954,005	1,255,776
Gain (loss) from sale of assets	32,188	81,326	31,946	40,000	64,134	121,326
Miscellaneous	125,796	489,662	42,643	278,305	168,439	767,967
Total revenues	12,299,984	11,707,393	20,175,449	995,093	32,475,433	12,702,488
Expenses						
General government	1,603,880	1,702,243	-	-	1,603,880	1,702,243
Public safety	3,649,847	2,368,486	-	-	3,649,847	2,368,486
Public works	1,888,281	1,520,651	-	-	1,888,281	1,520,651
Public health	-	-	-	-	-	-
Culture and recreation	4,073,887	3,130,903	-	-	4,073,887	3,130,903
Community Development	276,815	1,161,764	-	-	276,815	1,161,764
Interest on long-term debt	62,677	-	-	-	62,677	-
Electric	-	-	6,851,697	6,172,768	6,851,697	6,172,768
Water	-	-	1,625,001	1,640,001	1,625,001	1,640,001
Wastewater	-	-	1,204,656	933,094	1,204,656	933,094
Sanitation	-	-	3,544,078	3,129,503	3,544,078	3,129,503
Golf	-	-	958,648	881,625	958,648	881,625
Leasing Corp	-	-	200,252	209,965	200,252	209,965
Civic Center	-	-	873,649	821,336	873,649	821,336
Total expenses	11,555,387	9,884,045	15,257,981	13,788,292	26,813,368	23,672,337
Increase (decrease) in net assets before transfers	744,597	1,823,348	4,917,468	(12,793,199)	5,662,065	(10,969,849)
Transfers in (out)	1,350,000	1,524,928	(1,350,000)	(1,524,928)	-	-
Increase (decrease) in net assets	2,094,597	3,348,276	3,567,468	(14,318,127)	5,662,065	(10,969,849)
Error correction (See Note 20)	(115,563)	-	-	-	(115,563)	-
Net assets, October 1	32,583,792	29,235,516	29,343,649	43,661,776	61,927,441	72,897,290
Net assets, September 30	\$ 34,562,826	\$ 32,583,792	\$ 32,911,117	\$ 29,343,649	\$ 67,473,943	\$ 61,927,441

**City of Gering  
Management's Discussion and Analysis  
(Unaudited)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities**

Governmental activities increased the City's net position by a total of \$2,094,597. Key elements in this increase follows:

- Increase in Investment Income in the amount of \$295,168.
- Increased property, sales, and other tax revenues of \$1,853,628.

**Business-Type Activities**

Business-type activities increased the city's net position by \$3,567,468. Key elements in this increase follows:

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

As of September 30, 2024, the City's governmental funds reported combined ending fund balances of \$18,628,920 an increase of \$2,008,070 in comparison with the prior year. This increase is largely due to the Operating Transfers in from Electric Department and the Investments Income.

The general fund is the chief operating fund of the City. At September 30, 2024, the unassigned fund balance of the general fund was \$2,604,289. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 80.0% of total general fund expenditures.

The fund balance of the City's general fund increased by \$20,306 during fiscal year 2024. This increase is largely due to the Operating Transfers in from Electric Department and the Investments Income.

**Proprietary Funds**

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

**City of Gering**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Proprietary Funds (Continued)**

Unrestricted net position of the electric system, water system, wastewater system and landfill/sanitation collections department amounted to \$16,093,850, \$1,242,520, \$1,669,904 and \$1,294,754 respectively, at September 30, 2024. Unrestricted net position (deficit) of the leasing corporation fund and civic center fund amounted to (\$79,472) and \$179,066 respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$191,068 negative variance in property taxes
- \$74,717 positive variance in sales tax receipts
- \$101,530 positive variance in charges for services revenue
- \$113,547 positive variance in general governmental expenses
- \$215,914 positive variance in public safety expenses
- \$429,121 positive variance in recreation expenses

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, was \$48,243,328 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, storm sewers, electric plant, and water and sewer plant.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 829,498	\$ 835,698	\$ 2,836,020	\$ 2,836,020	\$ 3,665,518	\$ 3,671,718
Construction in progress	58,125	617,918	1,025,780	3,267,489	1,083,905	3,885,407
Buildings and improvements	3,603,589	3,205,576	5,957,841	6,199,725	9,561,430	9,405,301
Equipment and vehicles	3,227,912	3,022,607	4,721,164	3,841,749	7,949,076	6,864,356
Infrastructure	6,210,170	6,213,302	-	-	6,210,170	6,213,302
Leased equipment	359,110	-	-	-	359,110	-
Utility systems	-	-	19,414,119	17,404,000	19,414,119	17,404,000
Total	<u>\$ 14,288,404</u>	<u>\$ 13,895,101</u>	<u>\$ 33,954,924</u>	<u>\$ 33,548,983</u>	<u>\$ 48,243,328</u>	<u>\$ 47,444,084</u>



**City of Gering  
Management's Discussion and Analysis  
(Unaudited)**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Capital Assets (Continued)**

Major capital asset events during 2024 included the following:

- Landfill/Sanitation Fund - Harris Baler Badger \$516,711
- Landfill/Sanitation Fund - purchase new Freightliner \$264,052
- Water Fund - water main Pacific Blvd \$128,059
- Water Fund - 3B Project \$206,100
- Wastewater Fund - 2024 Vactor sewer jet/vac truck \$551,626
- General Fund/Streets - street mill and overlay \$309,214

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 47-49 of this report.

**Long-Term Debt**

At September 30, 2024, the City of Gering had total debt outstanding of \$8,181,982. This amount represents bonds secured by specified revenue sources (i.e., revenue bonds), as well as notes payable and lease liabilities.

Additional information on the City's long-term debt can be found in Note 8 of the notes to the financial statements on pages 49-52 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ 710,002	\$ 764,493	\$ -	\$ -	\$ 710,002	\$ 764,493
Revenue bonds	-	-	4,215,000	7,750,000	4,215,000	7,750,000
Lease liabilities	316,980	-	2,940,000	-	3,256,980	-
Total	<u>\$ 1,026,982</u>	<u>\$ 764,493</u>	<u>\$ 7,155,000</u>	<u>\$ 7,750,000</u>	<u>\$ 8,181,982</u>	<u>\$ 8,514,493</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The City's property tax base provided by real growth is estimated at 1.02%, with an actual property tax request of \$2,130,611.16
- For the 2025 budget, the projection for sales tax was budgeted at a 9% increase to more align with actual receipts in the most recent years.
- Budgeted transfers from enterprise funds to government funds remained the same due to funds being aligned and becoming more self-sustaining.

Various utility rates were increased for the 2025 budget year. The residential and commercial water, wastewater and sanitation collection rates were increased as well as various landfill fees. In addition, the stormwater flat surcharge amount was increased. Electric rates for all users remained the same as last year. The rate increases implemented are necessary to fund debt service, capital expenditures, infrastructure investment, to cover the cost of inflation and to cover the cost of unfunded Federal mandates.

**City of Gering  
Management's Discussion and Analysis  
(Unaudited)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)**

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Gering, Finance Department, P.O. Box 687, Gering, NE 69341.

## **BASIC FINANCIAL STATEMENTS**

**City of Gering**  
**Statement of Net Position**  
**September 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (including cash equivalents)	\$ 17,614,815	\$ 18,176,085	\$ 35,790,900
Cash with county treasurer	172,694	-	172,694
Accounts receivable	201,007	2,791,126	2,992,133
Taxes receivable	699,944	59,140	759,084
Lease receivable	40,421	-	40,421
Land held for resale	1,352,908	-	1,352,908
Interest receivable	14,645	20,984	35,629
Notes receivable	2,476,978	-	2,476,978
Prepaid items	-	25,000	25,000
Inventory	16,322	1,738,510	1,754,832
Restricted cash	-	5,479,313	5,479,313
Capital assets			
Land	829,498	2,836,020	3,665,518
Construction in progress	58,125	1,025,780	1,083,905
Capital assets being depreciated			
Utility systems	-	41,722,103	41,722,103
Buildings and improvements	7,536,554	12,884,136	20,420,690
Equipment and vehicles	8,660,507	15,082,182	23,742,689
Infrastructure	9,724,524	-	9,724,524
Leased equipment	460,304	-	460,304
Less accumulated depreciation and amortization	(12,981,108)	(39,595,297)	(52,576,405)
Total assets	<u>36,878,138</u>	<u>62,245,082</u>	<u>99,123,220</u>
<b>Liabilities</b>			
Accounts payable	646,352	668,018	1,314,370
Salaries and benefits payable	160,201	143,236	303,437
Interest payable	18,927	46,785	65,712
Due to other governments	3,095	84,805	87,900
Customer deposits	-	635,225	635,225
Landfill closure costs	-	2,660,835	2,660,835
Bond principal payable, net:			
Payable within one year	-	305,000	305,000
Payable after one year	-	3,910,000	3,910,000
Notes Payable			
Payable within one year	63,259	-	63,259
Payable after one year	646,743	-	646,743
Lease Liability			
Payable within one year	86,448	295,000	381,448
Payable after one year	230,532	2,645,000	2,875,532
Compensated absences payable:			
Payable within one year	459,755	307,943	767,698
Total liabilities	<u>2,315,312</u>	<u>11,701,847</u>	<u>14,017,159</u>
<b>Net Position</b>			
Net investment in capital assets	13,261,422	24,434,089	37,695,511
Restricted for			
Community betterment	1,125,203	-	1,125,203
Economic development	5,297,953	-	5,297,953
Public safety	842,710	-	842,710
Road maintenance and improvements	1,846,155	-	1,846,155
American rescue plan	1,590,988	-	1,590,988
Debt service	1,556,240	-	1,556,240
Downtown redevelopment	334,785	-	334,785
Cemetery operations and improvements	633,617	-	633,617
Tourism and recreation	1,475,792	-	1,475,792
Debt covenants	-	305,000	305,000
Landfill closure/post closure	-	5,174,313	5,174,313
Unrestricted	<u>6,597,961</u>	<u>20,629,833</u>	<u>27,227,794</u>
Total net position	<u>\$ 34,562,826</u>	<u>\$ 50,543,235</u>	<u>\$ 85,106,061</u>

See notes to basic financial statements.

City of Gering  
Statement of Activities  
Year Ended September 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
General government	\$ 1,603,880	\$ 80,015	\$ -	\$ 505,687	\$ (1,018,178)	\$ -	\$ (1,018,178)
Public safety	3,649,847	143,842	14,229	-	(3,491,776)	-	(3,491,776)
Public works	1,888,281	138,236	209,356	-	(1,540,689)	-	(1,540,689)
Recreation	4,073,887	2,014,832	3,091	-	(2,055,964)	-	(2,055,964)
Community development	276,815	273,790	5,600	-	2,575	-	2,575
Interest on long-term debt	62,677	-	-	-	(62,677)	-	(62,677)
Total governmental activities	11,555,387	2,650,715	232,276	505,687	(8,166,709)	-	(8,166,709)
<b>Business-type activities</b>							
Electric	6,851,697	9,224,981	39,342	-	-	2,412,626	2,412,626
Water	1,625,001	1,982,101	7,988	-	-	365,088	365,088
Wastewater	1,204,656	1,492,943	3,427	-	-	291,714	291,714
Sanitation	3,544,078	4,485,584	142,842	-	-	1,084,348	1,084,348
Golf	958,648	836,115	11,827	-	-	(110,706)	(110,706)
Leasing	200,252	252,853	-	-	-	52,601	52,601
Civic	873,649	528,384	12,622	-	-	(332,643)	(332,643)
Total business-type activities	15,257,981	18,802,961	218,048	-	-	3,763,028	3,763,028
<b>Total primary government</b>	<b>\$ 26,813,368</b>	<b>\$ 21,453,676</b>	<b>\$ 450,324</b>	<b>\$ 505,687</b>	<b>(8,166,709)</b>	<b>3,763,028</b>	<b>(4,403,681)</b>
<b>General revenues</b>							
Property Taxes					2,016,046	-	2,016,046
Tax increments					571,559	-	571,559
Sales taxes					2,864,831	-	2,864,831
Franchise taxes					84,064	-	84,064
Miscellaneous taxes					2,342,668	-	2,342,668
Unrestricted investment earnings					874,154	1,079,851	1,954,005
Other general revenue					125,796	42,643	168,439
Gain on sale of capital assets					32,188	31,946	64,134
Transfers					1,350,000	(1,350,000)	-
Total general revenues and transfers					10,261,306	(195,560)	10,065,746
Change in net position					2,094,597	3,567,468	5,662,065
Net position - beginning, as previously stated					32,583,792	46,975,767	79,559,559
Error correction (See Note 20)					(115,563)	-	(115,563)
Net position - beginning					32,468,229	46,975,767	79,443,996
Net position - ending					\$ 34,562,826	\$ 50,543,235	\$ 85,106,061

See notes to basic financial statements.

**City of Gering**  
**Balance Sheet - Governmental Funds**  
**September 30, 2024**

		Special Revenue		
	General Fund	Keno Fund	Street Fund	LB 840 Fund
<b>Assets</b>				
Cash and investments	\$ 3,292,623	\$ 1,219,860	\$ 1,667,491	\$ 1,410,158
Cash with county treasurer	61,101	-	-	-
Accounts receivable	51,821	14,897	130,263	-
Taxes receivable	268,536	-	94,788	102,213
Interest receivable	2,272	2,081	1,261	924
Notes receivable	-	-	-	530,749
Lease receivable	40,421	-	-	-
Inventory	16,322	-	-	-
Land held for resale	-	-	-	1,352,908
<b>Total assets</b>	<b>\$ 3,733,096</b>	<b>\$ 1,236,838</b>	<b>\$ 1,893,803</b>	<b>\$ 3,396,952</b>
<b>Liabilities</b>				
Accounts payable	\$ 125,600	\$ 111,635	\$ 23,121	\$ 908
Due to other governments	32	-	-	-
Salaries and benefits payable	129,455	-	24,527	-
<b>Total liabilities</b>	<b>255,087</b>	<b>111,635</b>	<b>47,648</b>	<b>908</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	152,099	-	-	-
Unavailable revenue - ALLO settlement	19,068	-	-	-
Deferred inflows of resources related to lease receivable	52,614	-	-	-
Unavailable revenue - notes receivable	-	-	-	17,500
<b>Total deferred inflows of resources</b>	<b>223,781</b>	<b>-</b>	<b>-</b>	<b>17,500</b>
<b>Fund Balances</b>				
Nonspendable	16,322	-	-	-
Restricted	633,617	1,125,203	1,846,155	3,378,544
Assigned	-	-	-	-
Unassigned	2,604,289	-	-	-
<b>Total fund balances</b>	<b>3,254,228</b>	<b>1,125,203</b>	<b>1,846,155</b>	<b>3,378,544</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 3,733,096</b>	<b>\$ 1,236,838</b>	<b>\$ 1,893,803</b>	<b>\$ 3,396,952</b>

Special Revenue		
Downtown Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 313,294	\$ 6,581,964	\$ 14,485,390
4,023	107,570	172,694
-	4,026	201,007
61,328	173,079	699,944
599	5,325	12,462
(44,459)	1,990,688	2,476,978
-	-	40,421
-	-	16,322
-	-	1,352,908
<u>\$ 334,785</u>	<u>\$ 8,862,652</u>	<u>\$ 19,458,126</u>
\$ -	\$ 135,731	\$ 396,995
-	3,063	3,095
-	6,219	160,201
<u>-</u>	<u>145,013</u>	<u>560,291</u>
-	27,634	179,733
-	-	19,068
-	-	52,614
-	-	17,500
<u>-</u>	<u>27,634</u>	<u>268,915</u>
-	-	16,322
334,785	7,386,566	14,704,870
-	1,303,439	1,303,439
-	-	2,604,289
<u>334,785</u>	<u>8,690,005</u>	<u>18,628,920</u>
<u>\$ 334,785</u>	<u>\$ 8,862,652</u>	<u>\$ 19,458,126</u>

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**City of Gering**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**September 30, 2024**

Total fund balances - governmental funds	\$ 18,628,920
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	27,269,512
Less accumulated depreciation/amortization	(12,981,108)

Certain revenues are include in net position but are excluded from fund balances until they are available to liquidate liabilities of the current period. Unavailable revenue relating to:

Property taxes	179,733
Lease receivable	52,614
ALLO settlement	19,068
Notes receivable	17,500

Long-term liabilities are included in net position but are excluded from fund balances until due and payable.

Notes payable	(710,002)
Lease liability	(316,980)
Interest payable	(18,927)
Compensated absences payable	(459,755)

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Self-Insurance Internal Service Fund are included in governmental activities in the Statement of Net Position.

	2,882,251
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Total net position - governmental activities	<u>\$ 34,562,826</u>
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**City of Gering**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended September 30, 2024**

		Special Revenue		
	General Fund	Keno Fund	Street Fund	LB 840 Fund
<b>Revenues</b>				
Taxes	\$ 1,709,793	\$ -	\$ -	\$ -
Tax increments	-	-	-	26,343
Sales taxes	743,434	-	483,349	299,243
Franchise taxes	103,132	-	-	-
Miscellaneous taxes	883,346	-	1,345,211	-
Intergovernmental	17,320	-	209,356	-
Charges for services	434,008	1,695,638	3,000	118,558
Interest	139,006	77,204	82,472	76,528
Miscellaneous	47,540	-	3,406	5,021
Total revenues	<u>4,077,579</u>	<u>1,772,842</u>	<u>2,126,794</u>	<u>525,693</u>
<b>Expenditures</b>				
Current				
General government	596,413	-	-	-
Public safety	3,093,366	-	-	-
Public works	103,098	-	1,253,219	-
Recreation	1,829,139	1,663,665	-	-
Economic development	-	-	-	157,210
Debt service				
Principal	99,652	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	273,210	379	523,915	-
Total expenditures	<u>5,994,878</u>	<u>1,664,044</u>	<u>1,777,134</u>	<u>157,210</u>
Excess of revenues over (under) expenditures	<u>(1,917,299)</u>	<u>108,798</u>	<u>349,660</u>	<u>368,483</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	18,500	-	13,688	-
Lease issuance	224,525	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	2,000,000	-	-	-
Transfers out	(305,420)	-	-	-
Total other financing sources (uses)	<u>1,937,605</u>	<u>-</u>	<u>13,688</u>	<u>-</u>
Net change in fund balances	20,306	108,798	363,348	368,483
<b>Fund Balances</b>				
Beginning of year	3,284,892	1,016,405	1,482,807	1,174,935
Error Correction (See Note 20)	(50,970)	-	-	1,835,126
Beginning of year, as restated	<u>3,233,922</u>	<u>1,016,405</u>	<u>1,482,807</u>	<u>3,010,061</u>
End of year	<u>\$ 3,254,228</u>	<u>\$ 1,125,203</u>	<u>\$ 1,846,155</u>	<u>\$ 3,378,544</u>

See notes to basic financial statements.

Special Revenue		
Downtown Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 284,316	\$ 1,994,109
46,146	499,070	571,559
446,060	892,745	2,864,831
-	-	103,132
-	114,111	2,342,668
-	5,600	232,276
-	186,230	2,437,434
27,209	317,903	720,322
47	233,949	289,963
519,462	2,533,924	11,556,294
-	837,508	1,433,921
-	92,405	3,185,771
-	-	1,356,317
-	382,816	3,875,620
20,045	6,648	183,903
-	54,491	154,143
-	57,082	57,082
-	616,363	1,413,867
20,045	2,047,313	11,660,624
499,417	486,611	(104,330)
-	-	32,188
-	-	224,525
-	505,687	505,687
-	120,031	2,120,031
(390,000)	(74,611)	(770,031)
(390,000)	551,107	2,112,400
109,417	1,037,718	2,008,070
269,827	5,694,266	12,923,132
(44,459)	1,958,021	3,697,718
225,368	7,652,287	16,620,850
\$ 334,785	\$ 8,690,005	\$ 18,628,920

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City of Gering  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances to  
the Statement of Activities - Governmental Funds  
Year Ended September 30, 2024

Net change in fund balances - governmental funds \$ 2,008,070

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	1,444,623
Depreciation/amortization expense	(1,234,084)
Loss on disposal of capital assets	(14,153)

Revenues relating to delinquent taxes and notes receivable are included in the change in net position but are excluded from the net change in fund balances until they are available to liquidate liabilities of the current period.

51,983

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds reported the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Lease issuance	(224,525)
Note principal payments and adjustments	54,491
Lease principal payments and adjustments	92,549

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

Accrued interest payable	1,508
Compensated absences	(92,348)

An internal service fund is used by management to charge the costs of insurance to individual funds. The change in net position of the Self-Insurance Internal Service Fund is included in governmental activities in the Statement of Net Position.

6,483

Change in net position - governmental activities \$ 2,094,597

**City of Gering**  
**Statement of Net Position - Proprietary Funds**  
**September 30, 2024**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
<b>Assets</b>				
Current assets				
Cash and investments (including cash equivalents)	\$ 12,627,094	\$ 951,850	\$ 1,733,717	\$ 2,156,296
Accounts receivable	1,478,922	387,142	225,888	606,499
Taxes receivable	50,261	1,293	7,586	-
Interest receivable	14,226	978	1,229	4,399
Inventories	1,483,313	168,384	22,900	-
Prepaid expenses	-	-	-	25,000
Restricted cash	-	253,150	51,850	5,174,313
Total current assets	<u>15,653,816</u>	<u>1,762,797</u>	<u>2,043,170</u>	<u>7,966,507</u>
Noncurrent assets				
Advances to other funds	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets				
Land	-	34,639	63,600	232,861
Utility systems	14,855,278	15,802,448	8,747,459	1,857,457
Buildings and improvements	1,212,170	22,497	-	2,406,157
Equipment and vehicles	2,871,090	719,346	1,949,857	7,607,053
Construction in progress	21,154	68,570	206,100	729,956
Total capital assets	<u>18,959,692</u>	<u>16,647,500</u>	<u>10,967,016</u>	<u>12,833,484</u>
Less accumulated depreciation	<u>(11,215,599)</u>	<u>(7,265,493)</u>	<u>(6,583,576)</u>	<u>(8,388,692)</u>
Net capital assets	<u>7,744,093</u>	<u>9,382,007</u>	<u>4,383,440</u>	<u>4,444,792</u>
Total noncurrent assets	<u>8,944,093</u>	<u>9,382,007</u>	<u>4,383,440</u>	<u>4,444,792</u>
Total assets	<u>\$ 24,597,909</u>	<u>\$ 11,144,804</u>	<u>\$ 6,426,610</u>	<u>\$ 12,411,299</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 74,066	\$ 78,417	\$ 289,287	\$ 142,933
Salaries and benefits payable	40,298	23,196	14,041	45,137
Due to other governments	68,015	1,703	8,697	-
Accrued interest	-	15,188	3,011	-
Compensated absences due within one year	96,781	52,939	6,380	109,370
Current portion of long-term obligations	-	253,150	51,850	-
Total current liabilities	<u>279,160</u>	<u>424,593</u>	<u>373,266</u>	<u>297,440</u>
Noncurrent liabilities				
Customer deposit	480,806	95,684	-	-
Landfill closure costs	-	-	-	2,660,835
Noncurrent portion of long-term obligations	-	3,245,300	664,700	-
Advances from other funds	-	-	-	1,200,000
Total noncurrent liabilities	<u>480,806</u>	<u>3,340,984</u>	<u>664,700</u>	<u>3,860,835</u>
Total liabilities	<u>759,966</u>	<u>3,765,577</u>	<u>1,037,966</u>	<u>4,158,275</u>
<b>Net Position</b>				
Net investment in capital assets	7,744,093	5,883,557	3,666,890	1,783,957
Restricted				
Debt covenants	-	253,150	51,850	-
Landfill closure/postclosure	-	-	-	2,660,835
New landfill	-	-	-	2,513,478
Unrestricted	<u>16,093,850</u>	<u>1,242,520</u>	<u>1,669,904</u>	<u>1,294,754</u>
Total net position	<u>23,837,943</u>	<u>7,379,227</u>	<u>5,388,644</u>	<u>8,253,024</u>
Total liabilities and net position	<u>\$ 24,597,909</u>	<u>\$ 11,144,804</u>	<u>\$ 6,426,610</u>	<u>\$ 12,411,299</u>

See notes to basic financial statements.

Golf Fund	Leasing Fund	Civic Fund	Totals	Governmental Activities - Internal Service Fund
\$ 283,904	\$ 244,072	\$ 179,152	\$ 18,176,085	\$ 3,129,425
22,569	-	70,106	2,791,126	-
-	-	-	59,140	-
19	42	91	20,984	2,183
63,913	-	-	1,738,510	-
-	-	-	25,000	-
-	-	-	5,479,313	-
370,405	244,114	249,349	28,290,158	3,131,608
-	-	-	1,200,000	-
1,803,584	-	701,336	2,836,020	-
459,461	-	-	41,722,103	-
1,311,727	4,349,743	3,581,842	12,884,136	-
1,187,912	-	746,924	15,082,182	-
-	-	-	1,025,780	-
4,762,684	4,349,743	5,030,102	73,550,221	-
(2,507,213)	(562,890)	(3,071,834)	(39,595,297)	-
2,255,471	3,786,853	1,958,268	33,954,924	-
2,255,471	3,786,853	1,958,268	35,154,924	-
\$ 2,625,876	\$ 4,030,967	\$ 2,207,617	\$ 63,445,082	\$ 3,131,608
\$ 59,266	\$ -	\$ 24,049	\$ 668,018	\$ 249,357
20,564	-	-	143,236	-
4,343	-	2,047	84,805	-
-	28,586	-	46,785	-
42,473	-	-	307,943	-
-	295,000	-	600,000	-
126,646	323,586	26,096	1,850,787	249,357
14,548	-	44,187	635,225	-
-	-	-	2,660,835	-
-	2,645,000	-	6,555,000	-
-	-	-	1,200,000	-
14,548	2,645,000	44,187	11,051,060	-
141,194	2,968,586	70,283	12,901,847	249,357
2,255,471	1,141,853	1,958,268	24,434,089	-
-	-	-	305,000	-
-	-	-	2,660,835	-
-	-	-	2,513,478	-
229,211	(79,472)	179,066	20,629,833	2,882,251
2,484,682	1,062,381	2,137,334	50,543,235	2,882,251
\$ 2,625,876	\$ 4,030,967	\$ 2,207,617	\$ 63,445,082	\$ 3,131,608

**City of Gering**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended September 30, 2024**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
<b>Operating Revenues</b>				
Charges for services	\$ 9,224,981	\$ 1,982,101	\$ 1,492,943	\$ 4,485,584
Other revenues	39,342	7,988	3,427	142,842
Total operating revenues	<u>9,264,323</u>	<u>1,990,089</u>	<u>1,496,370</u>	<u>4,628,426</u>
<b>Operating Expenses</b>				
Cost of sales	3,913,334	-	-	-
Personnel services	1,292,823	737,696	452,805	1,511,782
Supplies	171,621	157,151	54,695	481,095
Operating expenses	1,074,668	333,926	383,052	856,537
Depreciation and amortization	399,251	353,999	305,555	694,664
Total operating expenses	<u>6,851,697</u>	<u>1,582,772</u>	<u>1,196,107</u>	<u>3,544,078</u>
Operating income (loss)	<u>2,412,626</u>	<u>407,317</u>	<u>300,263</u>	<u>1,084,348</u>
<b>Nonoperating Revenues (Expenses)</b>				
Rent	16,105	-	-	-
Investment income	684,573	46,556	82,252	250,174
Interest expense	-	(42,229)	(8,549)	-
Total nonoperating revenue (expenses)	<u>700,678</u>	<u>4,327</u>	<u>73,703</u>	<u>250,174</u>
Income before sale of capital assets and transfers	3,113,304	411,644	373,966	1,334,522
<b>Other Financing Sources (Uses)</b>				
Gain (loss) on sale of capital assets	-	6,857	-	25,089
Transfers in	170,000	-	-	-
Transfers out	(2,267,740)	-	-	(170,000)
Total other financing sources (uses)	<u>(2,097,740)</u>	<u>6,857</u>	<u>-</u>	<u>(144,911)</u>
Change in net position	1,015,564	418,501	373,966	1,189,611
<b>Net Position</b>				
Net position - beginning of year	22,822,379	6,960,726	5,014,678	7,063,413
Error correction (See Note 20)	-	-	-	-
Net position - beginning, as restated	<u>22,822,379</u>	<u>6,960,726</u>	<u>5,014,678</u>	<u>7,063,413</u>
Net position - end of year	<u>\$ 23,837,943</u>	<u>\$ 7,379,227</u>	<u>\$ 5,388,644</u>	<u>\$ 8,253,024</u>



Golf Fund	Leasing Fund	Civic Fund	Totals	Governmental Activities - Internal Service Fund
\$ 836,115	\$ 252,853	\$ 528,384	\$ 18,802,961	\$ -
11,827	-	12,622	218,048	2,082,151
<u>847,942</u>	<u>252,853</u>	<u>541,006</u>	<u>19,021,009</u>	<u>2,082,151</u>
-	-	-	3,913,334	-
544,973	-	-	4,540,079	-
42,881	-	40,461	947,904	-
317,985	2,250	715,047	3,683,465	2,229,500
52,809	109,928	118,141	2,034,347	-
<u>958,648</u>	<u>112,178</u>	<u>873,649</u>	<u>15,119,129</u>	<u>2,229,500</u>
<u>(110,706)</u>	<u>140,675</u>	<u>(332,643)</u>	<u>3,901,880</u>	<u>(147,349)</u>
26,538	-	-	42,643	-
3,405	7,949	4,942	1,079,851	153,832
-	(88,074)	-	(138,852)	-
<u>29,943</u>	<u>(80,125)</u>	<u>4,942</u>	<u>983,642</u>	<u>153,832</u>
<u>(80,763)</u>	<u>60,550</u>	<u>(327,701)</u>	<u>4,885,522</u>	<u>6,483</u>
-	-	-	31,946	-
527,740	-	390,000	1,087,740	-
-	-	-	(2,437,740)	-
<u>527,740</u>	<u>-</u>	<u>390,000</u>	<u>(1,318,054)</u>	<u>-</u>
446,977	60,550	62,299	3,567,468	6,483
2,037,705	1,001,831	2,075,035	46,975,767	2,911,084
-	-	-	-	(35,316)
<u>2,037,705</u>	<u>1,001,831</u>	<u>2,075,035</u>	<u>46,975,767</u>	<u>2,875,768</u>
<u>\$ 2,484,682</u>	<u>\$ 1,062,381</u>	<u>\$ 2,137,334</u>	<u>\$ 50,543,235</u>	<u>\$ 2,882,251</u>

**City of Gering**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended September 30, 2024**

	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund
<b>Cash Flows - Operating Activities</b>				
Receipts from customers	\$ 9,333,420	\$ 1,966,844	\$ 1,506,005	\$ 4,496,014
Interfund services provided and used	-	-	-	-
Payments to suppliers	(5,759,982)	(451,538)	(154,748)	(1,103,347)
Payments to employees	(1,264,827)	(723,293)	(447,476)	(1,475,551)
Net cash flows - operating activities	2,308,611	792,013	903,781	1,917,116
<b>Cash Flows - Noncapital Financing Activities</b>				
Transfer from other funds	170,000	-	-	-
Transfer to other funds	(2,267,740)	-	-	(170,000)
Net cash flows - noncapital financing activities	(2,097,740)	-	-	(170,000)
<b>Cash Flows - Capital and Related Financing Activities</b>				
Payments made on advance to other funds	-	-	-	-
Receipts from advance from other funds	222,872	-	-	-
Receipts from special assessments	16,105	-	-	-
Principal paid on debt	-	(253,150)	(51,850)	-
Interest paid on debt	-	(45,823)	(9,385)	-
Proceeds from disposal of capital assets	-	10,000	-	25,089
Acquisition of capital assets	(200,137)	(321,592)	(877,735)	(947,662)
Net cash flows - capital and related financing activities	38,840	(610,565)	(938,970)	(922,573)
<b>Cash Flows - Investing Activities</b>				
Interest and dividends received	681,761	46,371	82,005	249,318
Net change in cash and cash equivalents	931,472	227,819	46,816	1,073,861
Cash and cash equivalents (including restricted cash), October 1	11,695,622	977,181	1,738,751	6,256,748
Cash and cash equivalents (including restricted cash), September 30	\$ 12,627,094	\$ 1,205,000	\$ 1,785,567	\$ 7,330,609
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ 2,412,626	\$ 407,317	\$ 300,263	\$ 1,084,348
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation expense	399,251	353,999	305,555	694,664
Accounts receivable	69,097	(23,245)	9,635	(132,412)
Inventory	(617,249)	(24,486)	1,203	-
Accounts payable	20,482	62,477	281,829	(79,915)
Sales tax payable	12,638	23	(33)	-
Salaries payable	27,996	14,403	5,329	36,231
Deposits payable	(16,230)	1,525	-	-
Closure/post-closure	-	-	-	314,200
Total adjustments	(104,015)	384,696	603,518	832,768
Net cash flows - operating activities	\$ 2,308,611	\$ 792,013	\$ 903,781	\$ 1,917,116

See notes to basic financial statements.

Golf Fund	Leasing Fund	Civic Fund	Totals	Governmental Activities - Internal Service Fund
\$ 841,672	\$ 252,853	\$ 517,522	\$ 18,914,330	\$ -
-	-	-	-	2,082,151
(369,755)	(2,250)	(844,553)	(8,686,173)	(2,015,459)
(535,891)	-	-	(4,447,038)	-
(63,974)	250,603	(327,031)	5,781,119	66,692
527,740	-	390,000	1,087,740	-
-	-	-	(2,437,740)	-
527,740	-	390,000	(1,350,000)	-
(222,872)	-	-	(222,872)	-
-	-	44,187	267,059	-
26,538	-	-	42,643	-
-	(290,000)	-	(595,000)	-
-	(94,970)	-	(150,178)	-
-	-	-	35,089	-
-	-	(96,305)	(2,443,431)	-
(196,334)	(384,970)	(52,118)	(3,066,690)	-
3,401	7,941	4,924	1,075,721	153,389
270,833	(126,426)	15,775	2,440,150	220,081
13,071	370,498	163,377	21,215,248	2,909,344
\$ 283,904	\$ 244,072	\$ 179,152	\$ 23,655,398	\$ 3,129,425
\$ (110,706)	\$ 140,675	\$ (332,643)	\$ 3,901,880	\$ (147,349)
52,809	109,928	118,141	2,034,347	-
(6,270)	-	(23,484)	(106,679)	-
(10,038)	-	-	(650,570)	-
(11,369)	-	(45,884)	227,620	214,041
(30)	-	(1,506)	11,092	-
9,082	-	-	93,041	-
12,548	-	(41,655)	(43,812)	-
-	-	-	314,200	-
46,732	109,928	5,612	1,879,239	214,041
\$ (63,974)	\$ 250,603	\$ (327,031)	\$ 5,781,119	\$ 66,692

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**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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 present the City and its component units. The City includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Blended Component Units - Reported as if they were part of the City.

Joint Ventures and Jointly Governed Organizations - The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

**1. Blended Component Unit**

**City of Gering Leasing Corporation**

The City of Gering Leasing Corporation was formed in 1989 to provide tax-exempt financing for various construction projects of the City. The City management and governing body exercise complete financial control over the City of Gering Leasing Corporation. Its activities are for the sole benefit of the City.

The services provided by the City of Gering Leasing Corporation are so intertwined with the City that the City of Gering Leasing Corporation is in substance the same as the City and is reported as a part of the City and blended into the City's financial statements as part of the proprietary funds.

**Community Development Agency and Community Development Authority**

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

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**1. Blended Component Unit (Continued)**

**Community Development Agency and Community Development Authority (Continued)**

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

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The fiduciary funds are only reported in the statement of fiduciary net position and the statement of changes in fiduciary net position at the fund financial statement level. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the 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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

**Description of Funds:**

**Major Governmental Funds:**

General Fund - This 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.

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

Street Fund - This fund is a special revenue fund used to account for receipts and disbursements attributed to maintenance and improvement of the City streets and other City infrastructure.

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

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

**Proprietary Funds:**

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

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

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

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

**Proprietary Funds: (Continued)**

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sanitary Sewer Enterprise Fund and the Storm Drainage Enterprise Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Cash and Investments**

The City's cash and cash equivalents are considered to be cash on hand, cash held by the County Treasurer, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and investments include nonpooled deposit balances related to Northfield Arboretum, USDA funding, Keno funding, meter deposits and landfill activity and balances from all funds that



**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**2. Cash and Investments**

The City's cash and cash equivalents are considered to be cash on hand, cash held by the County Treasurer, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and investments include nonpooled deposit balances related to Northfield Arboretum, USDA funding, Keno funding, meter deposits and landfill activity and balances from all funds that are combined and invested to the extent available in various securities as authorized by state law.

Investments in debt securities are carried at fair value and cash deposits at financial institutions are carried at cost, which reasonably estimate fair value. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

Certain investments for the City are reported at fair value as disclosed in Note 2. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in the Nebraska Agency Investment Trust is measured at the net asset value per share provided by the pool which approximates fair value.

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

**3. Receivables**

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

**4. Lease Receivable**

The City is a lessor for numerous non-cancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**4. Lease Receivable (Continued)**

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

The City determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period. The City had one item that qualified for reporting in this category: Unavailable revenue received after the availability period. This is reported as deferred inflows on the governmental funds balance sheet and will be recognized as revenue next year.

**6. Unbilled Utility Revenue**

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

**7. Inventory**

Inventory is valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**8. Land Held for Resale**

Land held for resale is carried at the lower of cost or net realizable value. 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, 2024, the City holds two properties for this purpose at a total cost of \$1,352,908.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**9. Capital Assets**

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

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

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

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

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

**10. Compensated Absences**

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

**11. 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**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**12. Fund Balance**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. Classifications of fund balance that will be used are as follows:

- **Nonspendable Fund Balances** - These are resources that cannot be spent because they are either not readily convertible to cash or are legally or contractually required to be maintained intact. Examples include money held in escrow, prepaid amounts, land held for resale, and long-term loans or notes receivable.
- **Restricted Fund Balances** - These are resources whose spending is constrained externally by creditors or by laws and regulations of another government. Examples include grants, intergovernmental revenues, and resources in debt service funds that include a legally enforceable requirement that those resources be spent only for specific purposes.
- **Committed Fund Balances** - These are resources that can only be used for specific purposes established by the City Council. Establishment of these specific purposes must be done by a resolution adopted by the City Council and may only be changed or removed by a resolution adopted by the City Council.
- **Assigned Fund Balances** - These are resources that the City intends to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are established by a motion of the City Council. The City Council may also delegate this authority.
- **Unassigned Fund Balances** - These are resources that are available for any purpose of the fund. Amounts identified as cash flow resources are classified as unassigned. Only the General Fund may have a positive unassigned fund balance. A deficit fund balance in any fund must be classified as an unassigned fund balance.

When multiple classifications of resources are available for use, it is the City's policy to first use restricted resources if permitted, then committed, assigned, or unassigned resources. It is the City's policy to retain in fund balance resources that have the lowest level of constraints possible.

**13. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**14. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**14. Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**E. 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. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes**

Real estate and personal property taxes are levied and due on December 31 of each year and may be paid in two equal installments. The first and second half becomes delinquent on the following April 1 and August 1, respectively.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

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

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

**A. Deposits**

**Custodial Credit Risk:** This the risk that in the event of the failure of a bank or other counterparty, the City will not be able to recover the value of its deposits or collateral securities in the possession of a third party.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

The City has not adopted a specific risk management policy for deposits but does require all deposits and investments be in compliance with the provisions of Nebraska State Statutes. Statutes authorize the City to invest in time deposits at banks selected as depositories of City funds, direct debt securities of the United States Government, and certain government agency bonds.

Cash is stated at cost, which approximates fair value. The City's cash deposits, including certificates of deposits, are with institutions insured by the Federal Deposit Insurance Corporation (FDIC) and other collateral. At September 30, 2024, the City's deposits at banks were \$16,002,881, all of which was insured by FDIC insurance or collateralized by pledged securities.

Cash held by the Scotts Bluff County Treasurer of \$172,694 was covered by collateral held by the County or was invested in U.S. Government Securities held by the County and are held by the County's agent in the City's name.

**B. Investments**

**Credit Risk:** This is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the City. Or, for investments, credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in possession of an outside party.

**Interest Rate Risk:** This is the risk that the value of deposits will decrease as a result of a rise in interest rates. Or, for investments, interest rate risk is the risk that market values of securities in a portfolio would decrease due to changes in market value interest rates. The City's objective relating to interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities.

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

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	1-2 Years	2-5 Years	Greater than 5 Years
NPAIT	\$ 161,226	\$ 161,226	\$ -	\$ -	\$ -
Nonnegotiable certificates of deposit	11,382,271	3,240,280	2,493,453	5,143,018	505,520
Money market accounts	13,830,010	13,830,010	-	-	-
Total	<u>\$ 25,373,507</u>	<u>\$ 17,231,516</u>	<u>\$ 2,493,453</u>	<u>\$ 5,143,018</u>	<u>\$ 505,520</u>

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Investments Managed by Trustee**

The City's Pension Trust Funds are administered by trustees. At September 30, 2024 Pension Trust Funds managed by a trustee consisted of the following:

	<u>Fire</u>	<u>Police</u>	<u>City</u>	<u>Total</u>
Mutual Funds	<u>\$ 156,462</u>	<u>\$ 3,476,398</u>	<u>\$ 8,169,769</u>	<u>\$ 11,802,629</u>

The City has the following recurring fair value measurements as of September 30, 2024:

- \$13,830,011 of investments are valued using a quoted market price (Level 1 inputs)
- \$11,382,271 of investments are valued using a matrix pricing model (Level 2 inputs)

The following summary reconciles cash and investments to the financial statements:

Cash at County Treasurer	\$ 172,694
Petty Cash	2,507
Pooled Deposits	12,508,738
Nonpooled Deposits	3,385,461
Investments	<u>25,373,507</u>
 Total	 <u><u>\$ 41,442,907</u></u>
 Statement of Net Position	
Cash and investments	\$ 35,790,900
Funds held by county treasurer	172,694
Restricted cash	<u>5,479,313</u>
 Total deposits and investments	 <u><u>\$ 41,442,907</u></u>



**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 3 - RESTRICTED CASH**

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

Debt Retirement

Cash required held by debt instrument for the sole purpose of debt retirement.	\$ 305,000
--	------------

Landfill Closure Costs

Cash required by regulation to be set aside solely for the purpose of sanitation landfill closure and postclosure costs.	2,660,835
--	-----------

New Landfill Joint Sinking

Cash required by resolution to be set aside solely for the purpose of siting a new landfill.	<u>2,513,478</u>
--	------------------

Total governmental funds restricted cash	<u><u>\$ 5,479,313</u></u>
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**NOTE 4 - RECEIVABLES**

The tax levy for the City is certified by the County Board each year. Real estate taxes are due and attach as an enforceable lien on December 31 following the levy date. The first half of real estate taxes becomes delinquent on April 1 and the second half becomes delinquent August 1 following the levy date. Delinquent taxes bear interest at a 14% annual rate. Property taxes are collected by the County Treasurer and are periodically remitted to the City.

The tax rate to finance governmental services other than the payment of principal and interest on long-term debt for the year ended September 30, 2024 was \$.32063 per \$100 of assessed valuation. The assessed valuation for the 2023-2024 tax year was \$680,455,304.

In the governmental fund financial statements, property taxes are recorded as a receivable when levied. Based on past experience, the uncollectible portion has been negligible and no allowance for uncollectible taxes has been recorded. Property taxes levied for 2023-2024 are recorded as revenue when levied and collected within 60 days after September 30, 2024. Prior-year levies were recorded using these same principles and remaining receivables are re-evaluated, annually. The portion of the taxes not collected within 60 days after year-end is recorded as unavailable revenue on the balance sheet.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Historically, substantially all property taxes have been collected.



**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 4 - RECEIVABLES (CONTINUED)**

Economic Development Program loans receivable at September 30, 2024, consist of the following:

	Balance October 1, 2023, restated	Additions (Awards)	Credits & Refinancing	Principal Payments	Balance September 30, 2024
Notes receivable					
Eligible for job credits	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Not eligible for job credits	474,245	-	-	(79,780)	394,465
Grants					
Eligible for job credits	50,500	-	(3,500)	-	47,000
Allowance for uncollectible accounts	(29,500)	-	-	-	(29,500)
Total LB840 notes receivable	<u>795,245</u>	<u>-</u>	<u>(3,500)</u>	<u>(79,780)</u>	<u>711,965</u>
TIF notes receivable	1,178,389	-	-	(128,876)	1,049,513
USDA notes receivable	850,750	-	-	(135,250)	715,500
Total notes receivable	<u>\$ 2,824,384</u>	<u>\$ -</u>	<u>\$ (3,500)</u>	<u>\$ (343,906)</u>	<u>\$ 2,476,978</u>
Forgivable Grants					
Eligible for job credits	<u>\$ 297,500</u>	<u>\$ 50,000</u>	<u>\$ (149,000)</u>	<u>\$ -</u>	<u>\$ 198,500</u>

**NOTE 5 - INTERFUND LOANS AND LEASES**

**A. Loans**

Make loans from one fund to another for various purposes the following schedule summarizes interfund loans as of September 30, 2024.

The City's Electric Fund made a loan to the Sanitation Fund for the purpose of purchasing equipment at the landfill. Repayment of this loan will be made as repayment resources become available.

\$ 1,200,000

**B. Leases**

The City is committed under intra-entity lease agreements with the City of Gering Leasing Corporation for lease of the municipal golf course along with the Stadium and Quadplex ballfield. The terms of the leases specify that lease payments will consist of a total of all payments due to or payable on behalf of the Leasing Corporation for building bonds payable through September 30, 2038. The lease is recorded as lease expense in the General Fund and Lease Revenue in the Leasing Corporation Fund. All transactions from this agreement have been eliminated on the financial statements except the remaining debt.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 5 - INTERFUND LOANS AND LEASES (CONTINUED)**

**B. Leases (Continued)**

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

Year Ending September 30,	Golf Fund Lease	General Fund Lease	Total
2025	\$ 130,000	\$ 165,000	\$ 295,000
2026	-	170,000	170,000
2027	-	175,000	175,000
2028	-	180,000	180,000
2029	-	185,000	185,000
2030-2034	-	1,005,000	1,005,000
Total	<u>\$ 130,000</u>	<u>\$ 2,810,000</u>	<u>\$ 2,940,000</u>

**NOTE 6 - INTERFUND 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 during the year ended September 30, 2024, were as follows:

	Transfers In					Total
	General Fund	Other Governmental Funds	Electric Fund	Golf Fund	Civic Center Fund	
Transfers Out						
General Fund	\$ -	\$ 45,420	\$ -	\$ 260,000	\$ -	\$ 305,420
Downtown Development Fund	-	-	-	-	390,000	390,000
Other Governmental Funds	-	74,611	-	-	-	74,611
Electric Fund	2,000,000	-	-	267,740	-	2,267,740
Sanitation Fund	-	-	170,000	-	-	170,000
Total	<u>\$ 2,000,000</u>	<u>\$ 120,031</u>	<u>\$ 170,000</u>	<u>\$ 527,740</u>	<u>\$ 390,000</u>	<u>\$ 3,207,771</u>

Transfers were made for the following reasons:

- To support government services and activities as well as to compensate for overhead expenses.
- To Golf from the Parks to pay for the Golf Course bond Payment.
- Transfer the MFO Sinking Fund amount received by Fire to the Fire's Sinking Fund.
- From downtown development to the Civic Center to cover the costs of hiring a new catering manager for the Civic Center.
- Transfer from the Special Projects to the Public Safety Fund was the Police's insurance money received on vehicles that were not repaired.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 6 - INTERFUND TRANSFERS (CONTINUED)**

- Transfer from Sanitation to the Electric Fund to repay loan.
- Transfer of the Electric fund to the Golf course fund is the utilities that are used from homeowners around the surrounding golf course.

**NOTE 7 - CAPITAL ASSETS**

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

	Beginning Balance, Restated	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 835,698	\$ -	\$ (6,200)	\$ -	\$ 829,498
Construction in progress	617,918	44,788	(3,000)	(601,581)	58,125
Total capital assets not being depreciated	<u>1,453,616</u>	<u>44,788</u>	<u>(9,200)</u>	<u>(601,581)</u>	<u>887,623</u>
Other capital assets					
Buildings and improvements	6,895,809	62,766	-	577,979	7,536,554
Equipment and vehicles	7,996,099	781,797	(175,235)	57,846	8,660,507
Lease equipment	235,779	224,525	-	-	460,304
Infrastructure	9,393,779	330,745	-	-	9,724,524
Total other capital assets at historical cost	<u>24,521,466</u>	<u>1,399,833</u>	<u>(175,235)</u>	<u>635,825</u>	<u>26,381,889</u>
Less accumulated depreciation					
Buildings and improvements	3,690,233	242,732	-	-	3,932,965
Equipment and vehicles	4,980,767	587,866	(170,282)	34,244	5,432,595
Lease equipment	31,585	69,609	-	-	101,194
Infrastructure	3,180,477	333,877	-	-	3,514,354
Total accumulated depreciation	<u>11,883,062</u>	<u>1,234,084</u>	<u>(170,282)</u>	<u>34,244</u>	<u>12,981,108</u>
Total other capital assets, net	<u>12,638,404</u>	<u>165,749</u>	<u>(4,953)</u>	<u>601,581</u>	<u>13,400,781</u>
Governmental activities capital assets, net	<u>\$ 14,092,020</u>	<u>\$ 210,537</u>	<u>\$ (14,153)</u>	<u>\$ -</u>	<u>\$ 14,288,404</u>

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 2,836,020	\$ -	\$ -	\$ -	\$ 2,836,020
Construction in progress	3,267,489	304,345	-	(2,546,054)	1,025,780
Total capital assets not being depreciated	<u>6,103,509</u>	<u>304,345</u>	<u>-</u>	<u>(2,546,054)</u>	<u>3,861,800</u>
Other capital assets					
Buildings and improvements	12,784,297	99,839	-	-	12,884,136
Utility systems	39,066,333	268,144	(128,991)	2,516,617	41,722,103
Equipment and vehicles	14,302,265	1,771,103	(986,379)	(4,807)	15,082,182
Total other capital assets at historical cost	<u>66,152,895</u>	<u>2,139,086</u>	<u>(1,115,370)</u>	<u>2,511,810</u>	<u>69,688,421</u>
Less accumulated depreciation					
Buildings and improvements	6,584,570	341,725	-	-	6,926,295
Utility systems	21,662,335	774,640	(128,991)	-	22,307,984
Equipment and vehicles	10,460,516	917,982	(983,236)	(34,244)	10,361,018
Total accumulated depreciation	<u>38,707,421</u>	<u>2,034,347</u>	<u>(1,112,227)</u>	<u>(34,244)</u>	<u>39,595,297</u>
Total other capital assets, net	<u>27,445,474</u>	<u>104,739</u>	<u>(3,143)</u>	<u>2,546,054</u>	<u>30,093,124</u>
Business-type activities capital assets, net	<u>\$ 33,548,983</u>	<u>\$ 409,084</u>	<u>\$ (3,143)</u>	<u>\$ -</u>	<u>\$ 33,954,924</u>

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities	
General Government	\$ 136,933
Public Safety	262,697
Public Works	495,466
Culture and recreation	207,355
Economic development	<u>62,024</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,164,475</u></u>
Business-type activities	
Electric	\$ 399,251
Water	353,999
Wastewater	305,555
Sanitation	694,664
Golf	52,809
Leasing	109,928
Civic	<u>118,141</u>
Total depreciation expense - business-type activities	<u><u>\$ 2,034,347</u></u>

**NOTE 8 - LONG-TERM DEBT**

**A. Components of Long-Term Liabilities**

	Issue Date	Interest Rates	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities					
Governmental activities					
Note payable	6/27/2017	7.00%	12/1/2032	\$ 710,002	\$ 63,259
Police car camera lease	4/1/2024	N/A	3/30/2029	175,647	41,101
Body camera lease	3/1/2023	N/A	2/28/2028	104,677	33,646
Taser lease	11/1/2022	N/A	10/1/2027	36,656	11,701
Compensated absences				<u>459,755</u>	<u>459,755</u>
Total governmental activities				1,486,737	609,462
Business-type activities					
Bond payable, Series 2021 Water	7/15/2021	0.30% - 2.00%	12/15/2036	3,498,450	253,150
Bond payable, Series 2021 Wastewater	7/15/2021	0.30% - 2.00%	12/15/2036	716,550	51,850
2018 baseball field lease	1/1/2018	1.85% - 3.60%	11/15/2037	2,810,000	165,000
2016 golf course lease	6/14/2016	0.06% - 1.70%	12/15/2024	130,000	130,000
Compensated absences				<u>307,943</u>	<u>307,943</u>
Total business-type activities				<u>7,462,943</u>	<u>907,943</u>
Total all long-term liabilities				<u><u>\$ 8,949,680</u></u>	<u><u>\$ 1,517,405</u></u>

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

Long-term bonded indebtedness listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues.

**B. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Note payable	\$ 764,493	\$ -	\$ (54,491)	\$ 710,002
Police car camera lease	-	224,525	(48,878)	175,647
Body camera lease	137,135	-	(32,458)	104,677
Taser lease	47,869	-	(11,213)	36,656
Total governmental activities	949,497	224,525	(147,040)	1,026,982
Compensated absences	367,407	-	92,348	459,755
Governmental activity long-term liabilities	1,316,904	224,525	(54,692)	1,486,737
Business-type activities				
Bonds payable				
Bond payable, Series 2021 Water	3,751,600	-	(253,150)	3,498,450
Bond payable, Series 2021 Wastewater	768,400	-	(51,850)	716,550
2018 baseball field lease	2,970,000	-	(160,000)	2,810,000
2016 golf course lease	260,000	-	(130,000)	130,000
Total business-type activities	7,750,000	-	(595,000)	7,155,000
Compensated absences	258,516	-	49,427	307,943
Business-type activity long-term liabilities	8,008,516	-	(545,573)	7,462,943
Total all long-term liabilities	\$ 9,325,420	\$ 224,525	\$ (600,265)	\$ 8,949,680

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**C. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term liabilities:

Year Ending September 30,	Governmental Activities					
	Notes Payable		Lease Liabilities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 63,259	\$ 48,313	\$ 86,448	\$ 13,204	\$ 149,707	\$ 61,517
2026	72,108	43,808	90,009	9,643	162,117	53,451
2027	72,592	38,981	93,718	5,935	166,310	44,916
2028	77,675	33,900	46,805	2,072	124,480	35,972
2029	83,294	28,278	-	-	83,294	28,278
2030-2034	341,074	49,431	-	-	341,074	49,431
Total	<u>\$ 710,002</u>	<u>\$ 242,711</u>	<u>\$ 316,980</u>	<u>\$ 30,854</u>	<u>\$ 1,026,982</u>	<u>\$ 273,565</u>

  

Year Ending September 30,	Business-Type Activities					
	Bonds Payable		Lease Liabilities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 305,000	\$ 53,684	\$ 295,000	\$ 87,710	\$ 600,000	\$ 141,394
2026	305,000	51,854	170,000	82,375	475,000	134,229
2027	310,000	49,700	175,000	77,889	485,000	127,589
2028	310,000	47,143	180,000	73,095	490,000	120,238
2029	315,000	44,094	185,000	67,938	500,000	112,032
2030-2034	1,630,000	158,068	1,005,000	251,367	2,635,000	409,435
2035-2037	1,040,000	27,102	930,000	67,770	1,970,000	94,872
Total	<u>\$ 4,215,000</u>	<u>\$ 431,645</u>	<u>\$ 2,940,000</u>	<u>\$ 708,144</u>	<u>\$ 7,155,000</u>	<u>\$ 1,139,789</u>

**D. Direct Borrowing and Direct Placement Debt**

The City has outstanding bond debt from direct borrowing and direct placement related to business activities of the Leasing Corporation for the Stadium and Quad Plex in the amount of \$2,810,000. The debt is secured by specific real estate.

The City has outstanding notes from direct borrowing and direct placement related to government activities for the Cobblestone Tax Increment Financing project in the amount of \$710,002. This debt is secured by specific real estate and personal guarantees.

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

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**E. Lease Liabilities**

On November 1, 2022, the City entered into a lease agreement with Axon Enterprise for tasers. The lease agreement includes annual principal and interest payments of \$13,298. The lease agreement expires in 2026.

On March 1, 2023, the City entered into a lease agreement with Axon Enterprise for body cameras. The lease agreement includes annual principal and interest payments of \$37,447. The lease agreement expires in 2027.

On April 1, 2024, the City entered into a lease agreement with Axon Enterprise, Inc. for the use of in-car camera equipment. The lease agreement includes annual principal and interest payments of \$48,877. The lease agreement expires in 2028.

**NOTE 9 - FUND BALANCE**

**A. Classifications**

A summary of governmental fund balance classifications at September 30, 2024, is as follows:

	Major Funds					Nonmajor Governmental Funds	Total
	General Fund	Special Revenue Funds			Downtown Redevelopment Fund		
		Keno Fund	Street Fund	LB840 Fund			
Fund balances							
Nonspendable							
Inventory	\$ 16,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,322
Restricted							
Community Betterment	-	1,125,203	-	-	-	-	1,125,203
Economic Development	-	-	-	3,378,544	-	1,901,909	5,280,453
Debt service	-	-	-	-	-	1,575,167	1,575,167
Public Safety	-	-	-	-	-	842,710	842,710
Downtown Redevelopment	-	-	-	-	334,785	-	334,785
Road Maintenance and Improvements	-	-	1,846,155	-	-	-	1,846,155
Cemetery Operations and Improvements	633,617	-	-	-	-	-	633,617
Tourism and Recreation	-	-	-	-	-	1,475,792	1,475,792
American Rescue Plan	-	-	-	-	-	1,590,988	1,590,988
Total restricted	633,617	1,125,203	1,846,155	3,378,544	334,785	7,386,566	14,704,870
Assigned							
Capital Improvements	-	-	-	-	-	1,303,439	1,303,439
Unassigned	2,604,289	-	-	-	-	-	2,604,289
Total fund balances	\$ 3,254,228	\$ 1,125,203	\$ 1,846,155	\$ 3,378,544	\$ 334,785	\$ 8,690,005	\$ 18,628,920



**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 10 - RISK MANAGEMENT**

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.

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, 2024, the City's maximum liability was \$45,000 per employee annually under the plan. The claims liability is included in the liabilities of the Internal Service Fund at December 31, 2024, and is based on the requirement that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred on the date of the financial statements and the loss can be reasonably estimated.

Year	Unpaid Claims at Beginning of Year	Incurred Claims	Premiums and Settlements	Unpaid Claims at End of Year
2023	\$ 97,724	\$ 995,606	\$ (1,093,330)	\$ -
2024	-	1,631,245	(1,381,888)	249,357

**NOTE 11 - 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 believes 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 12 - CONTINGENCIES**

**A. 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, 2024, cumulative contributions and revenues in excess of claims and expense were \$2,916,559, which the City has designated for payment of future claims.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 12 - CONTINGENCIES (CONTINUED)**

**B. 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.

**C. Unemployment Insurance**

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

**NOTE 13 - RETIREMENT PLANS**

The employees of the City are covered by several defined contribution retirement plans as detailed below. All plans are administered by outside trustees and, therefore, are not included in the City's basic financial statements. Any plan provisions or amendments are reviewed and approved by the Mayor and City Council. The City plans are administered by the International Cities and Counties Manager Association - Retirement Corporation (ICMA-RC). ICMA-RC is a not-for-profit organization chartered to provide a portable retirement plan for government employers nationwide. The City's total pension expense was \$360,838.

**A. 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 \$233,928 and \$232,343 by the City and plan participants, respectively. There are 65 participants in the plan.

**B. 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 \$114,156 and \$119,121 by the City and plan participants, respectively. There are 22 participants in the plan.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 13 - RETIREMENT PLANS (CONTINUED)**

**C. 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 \$12,754 and \$7,358 by the City and plan participants, respectively. There are 2 participants in the plan.

**NOTE 14 - COMMITMENTS**

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

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

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

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

The City has various multi-year construction projects in process which were not completed in the current fiscal year. As of September 30, 2024, outstanding commitments for these multi-year projects total approximately \$1,663,182.

**NOTE 15 - ECONOMIC INDEPENDENCE**

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

**NOTE 16 - 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 \$2,660,835 reported as landfill closure and post-closure cost liability at September 30, 2024, represents the cumulative amount reported to date on an amount that will satisfy the expected liability at the expected closure date in the year 2026. The estimated cost of closure and post-closure were re-estimated for current costs and current standards to \$2,660,835 as of September 30, 2024. Actual post-closure costs may be higher due to inflation, changes in technology, or changes in regulations.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 16 - LANDFILL CLOSURE COSTS (CONTINUED)**

The City does an annual survey to determine the amount of remaining airspace or capacity. Then the remaining life of the landfill is calculated based on historical volumes of waste received. As of September 30, 2024, it was calculated that the landfill has a minimum of three years left. This number could change if the amount of waste received is significantly higher or lower than historical averages.

**NOTE 17 - TAX ABATEMENTS**

As of September 30, 2024, the City provided tax abatements through the Tax Increment Financing (TIF) program. The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in *Nebraska Revised Statute* SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a development plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer, and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period. Currently, the City has Developer TIF bonds that extend through December 31, 2036. For the year ended September 30, 2024, the City abated \$93,929 in property tax revenue under the tax increment financing program.

**NOTE 18 - AMERICAN RESCUE PLAN**

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

**NOTE 19 - NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

Summary of any GASB Statements if statement will impact client's financial statements.

GASB Statement No. 101 *Compensated Absences*. This standard improves the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal year ending September 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. The disclosures required by this Statement will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This Statement will be effective for the year ending September 30, 2025.

**City of Gering**  
**Notes to Basic Financial Statements**

**NOTE 19 - NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED (CONTINUED)**

GASB Statement No. 103, *Financial Reporting Model Improvements*. The changes required by this Statement provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities. This Statement will be effective for the year ending September 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets. This Statement will be effective for the year ending September 30, 2026.

**NOTE 20 - ERROR CORRECTION**

Beginning fund balance in the following funds and beginning net position of governmental activities were adjusted to correctly state these balances for the related reasons listed below.

	General Fund	LB840 Fund	Downtown Redevelopment	Economic Development	Debt Service	Internal Service	Governmental Activities
LB840 and Other Notes Receivable							
Deferred Inflows	\$ -	\$ 482,218	\$ (44,459)	\$ 1,096,166	\$ 861,855	\$ -	\$ (48,467)
Land Held for Resale	-	1,352,908	-	-	-	-	-
Lease Assets	-	-	-	-	-	-	204,194
Lease Liabilities	-	-	-	-	-	-	(185,004)
Unrecorded Liabilities	(50,970)	-	-	-	-	(35,316)	(86,286)
Total	<u>\$ (50,970)</u>	<u>\$ 1,835,126</u>	<u>\$ (44,459)</u>	<u>\$ 1,096,166</u>	<u>\$ 861,855</u>	<u>\$ (35,316)</u>	<u>\$ (115,563)</u>

## REQUIRED SUPPLEMENTARY INFORMATION

City of Gering  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - General Fund  
Year Ended September 30, 2024

	Budgeted Amounts		
	Original and Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 1,819,751	\$ 1,628,683	\$ (191,068)
Sales tax	662,500	737,217	74,717
Franchise taxes	145,000	142,806	(2,194)
Miscellaneous taxes	832,327	883,171	50,844
Intergovernmental	-	9,937	9,937
Charges for services	344,471	446,001	101,530
Interest	30,000	114,378	84,378
Miscellaneous revenues	12,500	115,392	102,892
Total revenues	<u>3,846,549</u>	<u>4,077,585</u>	<u>231,036</u>
<b>Expenditures</b>			
General government	702,810	589,263	(113,547)
Public safety	3,297,112	3,081,198	(215,914)
Public works	108,213	102,857	(5,356)
Recreation	2,292,047	1,862,926	(429,121)
Debt service			
Principal	<u>99,652</u>	<u>99,652</u>	<u>-</u>
Total expenditures	<u>6,499,834</u>	<u>5,735,896</u>	<u>(763,938)</u>
Excess of revenues over (under) expenditures	(2,653,285)	(1,658,311)	994,974
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital asset	-	18,500	18,500
Transfers in	2,000,000	2,000,000	-
Transfers out	<u>(305,421)</u>	<u>(305,420)</u>	<u>1</u>
Total other financing sources (uses)	<u>1,694,579</u>	<u>1,713,080</u>	<u>18,501</u>
Net change in fund balances	<u><u>\$ (958,706)</u></u>	54,769	<u><u>\$ 1,013,475</u></u>
<b>Fund Balance</b>			
Beginning of year		<u>3,298,955</u>	
End of year		<u><u>\$ 3,353,724</u></u>	

City of Gering  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - Keno Fund  
Year Ended September 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Charges for services	\$ 1,754,500	\$ 1,700,510	\$ (53,990)
Interest	10,000	54,641	44,641
Total revenues	<u>1,764,500</u>	<u>1,755,151</u>	<u>(9,349)</u>
<b>Expenditures</b>			
Recreation	1,623,000	1,671,336	48,336
Total expenditures	<u>1,623,000</u>	<u>1,671,336</u>	<u>48,336</u>
Excess of revenues over (under) expenditures	<u>141,500</u>	<u>83,815</u>	<u>(57,685)</u>
Net change in fund balances	<u>\$ 141,500</u>	83,815	<u>\$ (57,685)</u>
<b>Fund Balance</b>			
Beginning of year		<u>1,136,045</u>	
End of year		<u>\$ 1,219,860</u>	



City of Gering  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - Street Fund  
Year Ended September 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 1,327,822	\$ 1,331,064	\$ 3,242
Sales tax	350,000	438,492	88,492
Intergovernmental	209,356	209,356	-
Charges for services	3,000	12,000	9,000
Interest	20,000	68,780	48,780
Miscellaneous revenues	500	3,406	2,906
Total revenues	<u>1,910,678</u>	<u>2,063,098</u>	<u>152,420</u>
<b>Expenditures</b>			
Public works	2,056,147	1,802,987	(253,160)
Total expenditures	<u>2,056,147</u>	<u>1,802,987</u>	<u>(253,160)</u>
Excess of revenues over (under) expenditures	(145,469)	260,111	405,580
<b>Other Financing Sources</b>			
Proceeds from sale of capital asset	-	13,688	13,688
Total other financing sources	<u>-</u>	<u>13,688</u>	<u>13,688</u>
Net change in fund balances	<u>\$ (145,469)</u>	273,799	<u>\$ 419,268</u>
<b>Fund Balance</b>			
Beginning of year		<u>1,393,692</u>	
End of year		<u>\$ 1,667,491</u>	

City of Gering  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - LB 840 Fund  
Year Ended September 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 27,318	\$ 37,742	\$ 10,424
Sales tax	300,000	298,467	(1,533)
Intergovernmental	150,000	-	(150,000)
Charges for services	105,305	87,527	(17,778)
Interest	16,284	66,474	50,190
Miscellaneous revenues	-	5,021	5,021
Total revenues	<u>598,907</u>	<u>495,231</u>	<u>(103,676)</u>
<b>Expenditures</b>			
Economic development	1,149,767	156,343	(993,424)
Total expenditures	<u>1,149,767</u>	<u>156,343</u>	<u>(993,424)</u>
Excess of revenues over (under) expenditures	<u>(550,860)</u>	<u>338,888</u>	<u>889,748</u>
Net change in fund balances	<u>\$ (550,860)</u>	<u>338,888</u>	<u>\$ 889,748</u>
<b>Fund Balance</b>			
Beginning of year		<u>1,071,270</u>	
End of year		<u>\$ 1,410,158</u>	

City of Gering  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - Downtown Development Fund  
Year Ended September 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 65,849	\$ 52,193	\$ (13,656)
Sales tax	397,500	446,745	49,245
Interest	1,000	20,809	19,809
Miscellaneous revenues	-	47	47
Total revenues	<u>464,349</u>	<u>519,794</u>	<u>55,445</u>
<b>Expenditures</b>			
Economic development	47,413	20,045	(27,368)
Total expenditures	<u>47,413</u>	<u>20,045</u>	<u>(27,368)</u>
Excess of revenues over expenditures	416,936	499,749	82,813
<b>Other Financing Uses</b>			
Transfers out	(390,000)	(390,000)	-
Total other financing uses	<u>(390,000)</u>	<u>(390,000)</u>	<u>-</u>
Net change in fund balances	<u><u>\$ 26,936</u></u>	109,749	<u><u>\$ 82,813</u></u>
<b>Fund Balance</b>			
Beginning of year		<u>207,568</u>	
End of year		<u><u>\$ 317,317</u></u>	

**City of Gering**  
**Notes to Required Supplementary Information**

**NOTE 1 - BUDGETARY ACCOUNTING**

The City prepares its budgets on the cash basis of accounting. Accordingly, revenues are recognized when cash is received by the City and expenditures are recognized when cash is disbursed. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this method of accounting, all unexpended appropriations lapse at the end of the budget year.

Amounts presented on the cash basis of accounting differ from those presented in accordance with the modified accrual basis of accounting due to the treatment of afforded accruals. A reconciliation for the year ended September 30, 2024, which discloses the nature and amount of the adjustments necessary to convert the actual modified accrual data to the budgetary basis, is presented below:

	General Fund	Keno Fund	Street Fund	LB 840 Fund	Downtown Development Fund
Excess (deficiency) of revenues over over expenditures and other financing uses (budgetary basis)	\$ 54,769	\$ 83,815	\$ 273,799	\$ 338,888	\$ 109,749
Adjustments					
To adjust revenues for receivables and unavailable revenue	(6)	17,691	63,696	30,462	(332)
To adjust expenses for payables and accrued expenses	(258,982)	7,292	25,853	(867)	-
To adjust other financing sources and (uses) for receivables and deferred revenue	224,525	-	-	-	-
Excess of revenues over expenditures and other financing sources (modified accrual)	<u>\$ 20,306</u>	<u>\$ 108,798</u>	<u>\$ 363,348</u>	<u>\$ 368,483</u>	<u>\$ 109,417</u>

## **SUPPLEMENTARY INFORMATION**

**City of Gering**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

Special Revenue				
	Economic Development Fund	CDBG Fund	Capital Sinking Fund	Tourism Fund
<b>Assets</b>				
Cash and investments	\$ 674,370	\$ 91,471	\$ 784,066	\$ 1,127,938
Cash with county treasurer	7,024	-	-	-
Accounts receivable	-	-	-	500
Taxes receivable	-	-	-	40,885
Accrued interest	211	-	1,402	696
Notes receivable	1,128,833	-	-	-
Total assets	<u>\$ 1,810,438</u>	<u>\$ 91,471</u>	<u>\$ 785,468</u>	<u>\$ 1,170,019</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,022	\$ 34,390
Due to other governments	-	-	-	-
Salaries and benefits payable	-	-	-	4,649
Total liabilities	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>39,039</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	1,810,438	91,471	784,446	1,130,980
Assigned	-	-	-	-
Total fund balances	<u>1,810,438</u>	<u>91,471</u>	<u>784,446</u>	<u>1,130,980</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 1,810,438</u>	<u>\$ 91,471</u>	<u>\$ 785,468</u>	<u>\$ 1,170,019</u>

Special Revenue			Debt Service	Capital Project	Total Nonmajor Governmental Funds
RV Park Fund	Public Safety Fund	Special Projects Fund	Debt Service Fund	Capital Projects Fund	
\$ 350,285	\$ 44,814	\$ 1,594,686	\$ 713,760	\$ 1,200,574	\$ 6,581,964
-	10,782	-	89,764	-	107,570
3,526	-	-	-	-	4,026
-	29,981	-	-	102,213	173,079
110	321	1,001	932	652	5,325
-	-	-	861,855	-	1,990,688
<u>\$ 353,921</u>	<u>\$ 85,898</u>	<u>\$ 1,595,687</u>	<u>\$ 1,666,311</u>	<u>\$ 1,303,439</u>	<u>\$ 8,862,652</u>
\$ 4,476	\$ -	\$ 4,699	\$ 91,144	\$ -	\$ 135,731
3,063	-	-	-	-	3,063
1,570	-	-	-	-	6,219
<u>9,109</u>	<u>-</u>	<u>4,699</u>	<u>91,144</u>	<u>-</u>	<u>145,013</u>
-	27,634	-	-	-	27,634
-	27,634	-	-	-	27,634
344,812	58,264	1,590,988	1,575,167	-	7,386,566
-	-	-	-	1,303,439	1,303,439
<u>344,812</u>	<u>58,264</u>	<u>1,590,988</u>	<u>1,575,167</u>	<u>1,303,439</u>	<u>8,690,005</u>
<u>\$ 353,921</u>	<u>\$ 85,898</u>	<u>\$ 1,595,687</u>	<u>\$ 1,666,311</u>	<u>\$ 1,303,439</u>	<u>\$ 8,862,652</u>

**City of Gering**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended September 30, 2024**

	Special Revenue			
	Economic Development Fund	CDBG Fund	Capital Sinking Fund	Tourism Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	14,791	-	-	-
Sales taxes	-	-	-	297,373
Miscellaneous taxes	-	-	-	83,282
Intergovernmental	-	5,600	-	-
Charges for services	-	-	-	6,420
Miscellaneous				
Interest	16,351	-	64,587	53,077
Loan repayment	164,167	-	-	-
Miscellaneous	-	-	69,414	10
Total revenues	<u>195,309</u>	<u>5,600</u>	<u>134,001</u>	<u>440,162</u>
<b>Expenditures</b>				
Current				
General government	-	-	11,377	-
Public safety	-	-	-	-
Recreation	-	-	-	295,007
Economic development	1,047	5,601	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	350,979	2,862
Total expenditures	<u>1,047</u>	<u>5,601</u>	<u>362,356</u>	<u>297,869</u>
Excess of revenues over (under) expenditures	<u>194,262</u>	<u>(1)</u>	<u>(228,355)</u>	<u>142,293</u>
<b>Other Financing Sources (Uses)</b>				
Insurance recoveries	-	-	-	-
Transfers in	-	-	45,420	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>45,420</u>	<u>-</u>
Net change in fund balances	194,262	(1)	(182,935)	142,293
<b>Fund Balances</b>				
Beginning of year	520,010	91,472	967,381	988,687
Error Correction (See Note 20)	1,096,166	-	-	-
Beginning of year, as restated	<u>1,616,176</u>	<u>91,472</u>	<u>967,381</u>	<u>988,687</u>
End of year	<u>\$ 1,810,438</u>	<u>\$ 91,471</u>	<u>\$ 784,446</u>	<u>\$ 1,130,980</u>



Special Revenue			Debt Service	Capital Project	Total Nonmajor Governmental Funds
RV Park Fund	Public Safety Fund	Special Projects Fund	Debt Service Fund	Capital Projects Fund	
\$ -	\$ 284,316	\$ -	\$ -	\$ -	\$ 284,316
-	-	-	484,279	-	499,070
-	-	-	-	595,372	892,745
-	30,829	-	-	-	114,111
-	-	-	-	-	5,600
179,810	-	-	-	-	186,230
12,774	14,737	73,670	36,236	46,471	317,903
-	-	-	-	-	164,167
58	-	-	300	-	69,782
192,642	329,882	73,670	520,815	641,843	2,533,924
-	-	504,125	322,006	-	837,508
-	92,405	-	-	-	92,405
77,050	-	2,318	8,441	-	382,816
-	-	-	-	-	6,648
-	-	-	54,491	-	54,491
-	-	-	57,082	-	57,082
6,537	255,985	-	-	-	616,363
83,587	348,390	506,443	442,020	-	2,047,313
109,055	(18,508)	(432,773)	78,795	641,843	486,611
-	-	505,687	-	-	505,687
-	74,611	-	-	-	120,031
-	-	(74,611)	-	-	(74,611)
-	74,611	431,076	-	-	551,107
109,055	56,103	(1,697)	78,795	641,843	1,037,718
235,757	2,161	1,592,685	634,517	661,596	5,694,266
-	-	-	861,855	-	1,958,021
235,757	2,161	1,592,685	1,496,372	661,596	7,652,287
\$ 344,812	\$ 58,264	\$ 1,590,988	\$ 1,575,167	\$ 1,303,439	\$ 8,690,005

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**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Gering, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gering, Nebraska (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 7, 2025.

**Report on Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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 certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be a material weakness as audit finding 2024-001.

**Report on Compliance and Other Matters**

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

**City's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

BerganKDV, LLC

St. Cloud, Minnesota  
May 7, 2025

**City of Gering**  
**Schedule of Findings and Responses**

**FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2024-001**

The City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Management and the City Council are aware of the lack of segregation of accounting duties and have taken certain steps to compensate for the lack of segregation. Due to the number of staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct. However, management, along with the City Council, must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

During the course of our engagement, we proposed prior period adjustments and material audit adjustments that would not have been identified as a result of the City's existing internal controls system and, therefore, could have resulted in a material misstatement of the City's financial statements. The material audit adjustments detected as a result of audit procedures were corrected by management.

*City's Response:*

The City recognizes that there is a lack of segregation of duties due to a limited number of office staff with sufficient knowledge of accounting functions. To address this, the City has implemented internal controls aimed at mitigating this deficiency. While the City remains committed to consistently applying the internal controls currently in place, we acknowledge that some segregation gaps will persist. This is due to the cost of hiring additional qualified staff outweighing the benefits that would result from achieving full segregation of duties.

As such, City Management and the City Council remain aware of the associated risks and will continue to monitor the situation closely.



**City of Gering, Nebraska**

**Communications Letter**

**September 30, 2024**

**City of Gering  
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## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members  
of the City Council and Management  
City of Gering  
Gering, Nebraska

In planning and performing our audit of the basic 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, 2024, 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, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

The material weakness identified is stated within this letter.



The purpose of this communication, which is an integral part of our audit, is to describe for the Members of the City Council and management and others within the City and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

BerganKDV, LLC

St. Cloud, Minnesota  
May 7, 2025

## **City of Gering Material Weakness**

### **Lack of Segregation of Accounting Duties**

The City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Management and the City Council are aware of the lack of segregation of accounting duties and have taken certain steps to compensate for the lack of segregation. Due to the number of staff needed to properly segregate all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct. However, management, along with the City Council, must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

During the course of our engagement, we proposed prior period adjustments and material audit adjustments that would not have been identified as a result of the City's existing internal controls system and, therefore, could have resulted in a material misstatement of the City's financial statements. The material audit adjustments detected as a result of audit procedures were corrected by management.

## **City of Gering Required Communication**

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining information of the City as of and for the year ended September 30, 2024. Professional standards require that we advise you of the following matters related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Our Responsibility in Relation to Government Auditing Standards**

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's 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 basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

## **City of Gering Required Communication**

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Significant Risks**

We have considered the following significant risks in developing our audit approach:

- Improper Revenue Recognition Specific to Water and Sewer Charges for Services and Special Assessments - Revenue recognition is considered a fraud risk on substantially all engagements as it is generally the largest line item impacting a city's operating results.
- Risk of Management Override of Controls - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to manipulate results.
- Landfill Valuation - Landfill post-closure costs and related liabilities are material to the financial statements and involve significant estimates.

### **Qualitative Aspects of the City's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended September 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimate affecting the basic financial statements relate to:

Landfill Valuation - Landfill post-closure and related liabilities balances are based on estimates and judgments determined by the City related to the annual financial assurance calculations.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

## **City of Gering Required Communication**

### **Qualitative Aspects of the City's Significant Accounting Practices (Continued)**

#### *Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

#### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

The following bullet point summarizes the uncorrected financial statement misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

- Business-type fund inventory balances appear to be overstated.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of and corrected by management.

- Lease receivables and related deferred inflows of resources
- Deferred inflows of resources
- Prior period adjustments related to recording land held for resale as a governmental fund asset, unrecorded liabilities, correction to notes receivable and related deferred inflows of resources, lease assets and lease liabilities.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

## **City of Gering Required Communication**

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

### **Existence of a Material Misstatement that Affects the Basic Financial Statements of a Prior Period in Which There Was a Predecessor Auditor**

We have identified prior period adjustments related to deferred inflows of resources related to notes receivables, land held for resale, unrecorded liabilities, lease assets and lease liabilities. Beginning fund balances in the respective governmental funds and beginning net position for governmental activities were adjusted as a result.

## City of Gering Emerging Issues

### Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 101 - *Compensated Absences***  
GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.
- **Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***  
GASB has issued GASB Statement No. 102 relating to risk disclosures. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.
- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***  
GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.
- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***  
GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following is an extensive summary of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

**City of Gering  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 101 - *Compensated Absences***

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or non-cash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).



## City of Gering Emerging Issues

### **Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***

The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement provides definitions for concentration and constraint. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.

This Statement requires a government to assess whether a concentration or constraint could present a risk of financial difficulty. The City will need to make a disclosure in the notes to the financial statements if all three of the following criteria are true:

- The City knows about the concentration or constraint prior to financial statement issuance.
- The concentration or constraint makes the City vulnerable to risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have either (1) happened; (2) started to happen; or (3) are more likely.

If a government determines the above criteria for disclosure have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Disclosures are required for the government as a whole as well as any opinion unit in the financial statements that includes outstanding revenue debt. Disclosures can be combined to avoid unnecessary duplication (e.g., a subsequent event footnote).

GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

## City of Gering Emerging Issues

### **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Gering  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).