HASTINGS CITY COUNCIL
WORKSESSION AGENDA

Hastings Municipal Airport
3300 W. 12th Street
March 18, 2024
5:30 PM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA for March 18, 2024 Worksession.

PUBLIC NOTICE - Official Notice of the Worksession was published in the Hastings Tribune on Friday, March 15, 2024. Pursuant to Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is available for public review and a current copy of the Nebraska Open Meetings Act is posted and accessible to members of the public.

DISCUSSION ITEMS

1. Presentation of Financial Audit for the City of Hastings and Utility Department ending September 30, 2023 - AMGL, P.C.

ADJOURN:

The Mayor and City Council reserve the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda.

It is the intention of the Mayor and City Council to take up the items on the agenda in sequential order. However, the Mayor and City Council reserve the right to take up matters in a different order to accommodate the schedules of the city council members, person having items on the agenda, and the public.

Worksession meetings are intended to allow for communication and discussion amongst the elected officials. At the prerogative of the presiding officer of the worksession, city staff, consultants or citizens may be requested or allowed to address specific items on the worksession agenda.

AMGL
CPAs & Advisors

SHAREHOLDERS:
Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings for the year ended September 30, 2023, and have issued our report thereon dated February 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 27, 2023. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Findings</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Hastings are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the 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 financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the collectability of accounts and notes receivable are based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Eight audit adjustments increased the governmental fund balances by $1,111,406. Thirteen audit adjustments increased the net position of the business-type funds by $1,596,447. Nine audit adjustments increased the net position of the component unit by $582,999. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Accounts receivable and revenue were increased $64,747 on the IT Fund and increased $77,048 on the General Fund.

2. Reinsurance receivable and revenue were increased $1,071,493 and health claims payable and expenses were increased $155,350.

3. Accounts receivable and revenue were increased $502,621 on the utility funds.

4. Accounts payable and expenses were decreased $23,868 on the governmental funds.

5. Accounts payable was increased $359,023 on the Electric Fund with a $232,803 increase to construction in progress, and a $126,220 increase in expenses. Accounts payable and construction in progress were increased $165,301 on the Combined Utilities.

6. Depreciation expense was reduced $1,453,387 on the utility funds.

7. Electric due to other funds was decreased and revenue was increased $298,371 to balance the due to/due from accounts between funds.

8. Accrued emission fees and expenses were both decreased $60,883.

9. Capital assets were increased and expenses were decreased $66,599 on the Landfill Fund.

10. Depreciation expense of $668,327 was recorded on the Landfill Fund.

11. CRA notes receivable were increased $601,703, revenue was increased $159,016, and expense was decreased $442,687.

12. CRA grants receivable and revenue were increased $92,724.

13. CRA real estate inventory held for resale was decreased $66,698 with various offsetting entries posted to revenue and expenses.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the City of Hastings as of September 30, 2023, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1) We noted a parcel owned by the CRA has an assessed valuation of approximately $80,000; however, the property is not suitable for development. We recommend working with the City to transfer the property in order to avoid paying unnecessary property taxes.

2) At September 30, 2023, bank balances at Wells Fargo exceeded FDIC coverage and pledged collateral by $559,994. We recommend monitoring bank balances compared to collateral and requesting the bank to assign additional collateral if necessary in the future.

3) We noted that the City had not received a stop loss reimbursement from Sun Life since May 19, 2023, despite the fact that the monthly reporting from HUB noted eligible stop loss claims of approximately $1 million. Upon investigation it was determined that BCBSNE was not delivering the correct reporting to Sun Life resulting in the City being owed approximately $1 million of stop loss health insurance at year end. We recommend developing a process to monitor third parties to ensure that the City is receiving all eligible stop loss insurance to ensure adequate self-insurance cash flow.

Hastings Utilities

1) Prior to the audit, the due to/due from accounts for the Utility Funds were out of balance by $346,905. Much of this variance was created by the capital asset conversion project in Munis, but $48,534 of the variance related to amounts due to PPGA. We recommend reconciling the due to/due from accounts monthly and verifying that they remain in balance each month.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, budgetary comparison schedules, and schedule of funding progress – public safety employees' retirement system, which are required supplementary information (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.

We were engaged to report on the combining statements for nonmajor governmental funds and internal service funds, which accompany the financial statements but are not RSI. With respect to the supplementary information, 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 financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Hastings and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, P.C.

Grand Island, Nebraska
February 15, 2024

CITY OF HASTINGS, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

September 30, 2023

TABLE OF CONTENTS

AMGL
CPAs & Advisors

SHAREHOLDERS:
Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

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

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

A PROFESSIONAL CORPORATION

a result, the accompanying financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Hastings, as of September 30, 2023, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Library Foundation, Inc., as of and for the year ended December 31, 2022, and our report thereon, dated December 20, 2023, expressed an unmodified opinion on those financial statements.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Museum Foundation, Inc., as of and for the year ended December 31, 2022, and our report thereon, dated March 10, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hastings, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hastings, Nebraska's basic financial statements. The nonmajor governmental funds combining statements and the internal service funds combining statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of the City of Hastings, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hastings's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hastings, Nebraska's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
February 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hastings, we offer readers of the City of Hastings financial statements this narrative overview and analysis of the financial activities of the City of Hastings for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets of the City of Hastings exceeded its liabilities at the close of the most recent fiscal year by $383,133,538 (*net position*). Of this amount, $111,561,121 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Hastings governmental funds reported combined ending net position of $128,167,494. Approximately 31.0 percent of this total amount, $39,743,885 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $19,446,529, or 92.5 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Hastings maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the Museum Fund, and the Debt Service Fund all of which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-84 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Hastings, assets exceeded liabilities by $383,133,538 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2023			September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	$ 62,447,170	$ 90,395,624	$ 152,842,794	$ 56,419,875	$ 99,786,060	$ 156,205,935
Capital Assets	76,503,319	191,855,795	268,359,114	76,555,204	178,235,330	254,790,534
Total Assets	138,950,489	282,251,419	421,201,908	132,975,079	278,021,390	410,996,469
Long-term Liabilities	5,847,124	17,480,193	23,327,317	6,267,287	18,478,199	24,745,486
Other Liabilities	4,935,871	9,805,182	14,741,053	4,871,806	9,041,322	13,913,128
Total Liabilities	10,782,995	27,285,375	38,068,370	11,139,093	27,519,521	38,658,614
Net Position:						
Net Investment in Capital Assets	71,858,175	182,556,736	254,414,911	71,291,730	167,746,652	239,038,382
Restricted	16,565,434	592,072	17,157,506	16,075,967	504,079	16,580,046
Unrestricted	39,743,885	71,817,236	111,561,121	34,468,289	82,251,138	116,719,427
Total Net Position	$ 128,167,494	$ 254,966,044	$ 383,133,538	$ 121,835,986	$ 250,501,869	$ 372,337,855

By far, the largest portion of the City of Hastings' net position (66.4 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Hastings uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Hastings' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hastings' net position (4.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($111,561,121) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Expenses and Program Revenues - Governmental Activities

	Year Ended September 30, 2023		Year Ended September 30, 2022	
Function	Program Revenues	Program Expenses	Program Revenues	Program Expenses
General Government	$ 8,098,258	$ 9,118,769	$ 3,720,228	$ 6,721,289
Public Safety	1,115,149	10,161,400	1,096,336	9,257,467
Public Works	2,118,026	5,414,487	3,672,891	5,613,260
Environment & Leisure	1,697,201	7,018,892	2,350,152	5,941,197
Economic Development	-	-	-	99,735
Interest and Bond Fees	-	74,904	-	78,184
Depreciation	-	4,701,577	-	4,541,139
Total	$ 13,028,634	$ 36,490,029	$ 10,839,607	$ 32,252,271

Revenues by Source - Governmental Activities

	Year Ended September 30, 2023		Year Ended September 30, 2022	
Charges for Services	$ 6,702,407	15.65 %	$ 5,776,534	14.76 %
Operating Grants & Contributions	1,427,142	3.33	1,142,258	2.92
Capital Grants & Contributions	4,899,085	11.44	3,920,815	10.02
Property Taxes	7,479,229	17.47	7,190,987	18.37
Motor Vehicle Taxes	610,553	1.43	583,778	1.49
Wheel Tax	390,455	0.91	383,685	0.98
Payments in Lieu of Taxes	3,967,591	9.27	4,032,702	10.30
Occupation Taxes	322,439	0.75	309,758	0.79
Sales Tax	9,409,157	21.97	8,555,991	21.86
Franchise Taxes	400,069	0.94	418,538	1.07
State Allocation	4,827,577	11.27	4,763,692	12.17
Keno	261,500	0.61	295,049	0.75
Special Assessments	262,057	0.61	1,209,373	3.09
Miscellaneous	96,343	0.22	129,323	0.33
Interest	1,767,016	4.13	284,818	0.73
Gain (Loss) on Sale of Assets	(1,083)	-	148,145	0.38
Total	$ 42,821,537	100.00 %	$ 39,145,446	100.00 %

Net position increased $6,331,508 in the governmental funds during the year ended September 30, 2023.

Business-type activities. Business-type activities increased the City of Hastings' net position by $4,464,175, accounting for 41.4 percent of the total growth in the government's net position for the year ended September 30, 2023. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

	Year Ended September 30, 2023		Year Ended September 30, 2022	
Function	Program Revenues	Program Expenses	Program Revenues	Program Expenses
Landfill	$ 2,660,734	$ 1,949,686	$ 2,592,018	$ 2,177,634
Electric	59,092,646	60,526,844	65,334,182	63,770,525
Combined System Utilities	28,383,407	26,464,149	24,658,912	23,638,740
Total	$ 90,136,787	$ 88,940,679	$ 92,585,112	$ 89,586,899

Revenues by Source - Business-type Activities

	Year Ended September 30, 2023		Year Ended September 30, 2022	
Charges for Services	$ 89,896,048	96.24 %	$ 92,267,283	98.44 %
Capital Grants & Contributions	240,739	0.26	317,829	0.34
Miscellaneous	969,019	1.04	856,306	0.91
Interest	2,741,235	2.93	307,444	0.33
Loss on Disposal of Assets	(442,187)	(0.47)	(24,015)	(0.02)
Total	$ 93,404,854	100.00 %	$ 93,724,847	100.01 %

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Hastings' governmental funds reported combined ending fund balances of $47,500,695. Approximately 40.9 percent of this total amount ($19,442,398) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) placed in a nonspendable endowment for cemetery perpetual care ($88,575), 2) restricted for street improvements ($8,900,481), 3) restricted for federal programs ($2,907,375), 4) restricted for capital projects ($1,387,017), 5) restricted for debt service ($1,383,468), 6) restricted for the Aquatic Center ($286,157), 7) restricted for museum projects ($1,263,711), 8) restricted for community betterment ($267,263), 9) restricted for other purposes ($81,387), 10) assigned for budgetary stabilization ($6,257,386), 11) assigned for equipment replacement ($356,914), or 12) assigned for a variety of other purposes ($4,878,563).

The General Fund is the chief operating fund of the City of Hastings. At the end of the current fiscal year, unassigned fund balance of the General Fund was $19,446,529, while total fund balance reached $25,703,915. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 92.5 percent of total General Fund expenditures, while total fund balance represents 122.3 percent of that same amount.

The fund balance of the City of Hastings' General Fund increased by $1,141,547 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year were as follows: Landfill Fund - $6,363,114, Electric Fund - $38,836,118, and Combined System Utilities Fund – $26,618,004. The change in net position for the proprietary funds was as follows: Landfill Fund - $1,019,637, Electric Fund - $788,938, and Combined System Utilities Fund – $2,655,600. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Hastings' business-type activities.

Budgetary Highlights

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

Capital Assets. The City of Hastings' investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $268,359,114 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Major capital asset projects during the year ended September 30, 2023, included:

- Land South of library donated by the Library Foundation - $210,164
- Body camera software system - $478,458
- Lake Hastings trail lights - $109,545
- Progator with EZ-Liner paint machine - $136,077
- 2023 John Deere backhoe loader - $163,300
- Construction costs on sidewalk improvements - $227,288
- Gas mains and services - $329,205
- Water meters - $277,765
- Modify RBC building and HVAC improvements - $390,698
- Fisher Fountain improvements - $651,290
- Electric distribution poles, conductor, and underground improvements - $1,086,718

- Electric line transformers - $280,586
- Construction in progress on electric projects - $11,113,794
- Construction in progress on water projects - $2,352,186
- Construction in progress on sewer projects - $2,576,764
- Construction in progress on utility admin projects - $2,243,240

City of Hastings' Capital Assets (net of depreciation)

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	$ 210,164	$ 6,265,168	$ 6,475,332	$ -	$ 6,265,168	$ 6,265,168
Construction in Progress	3,411,991	30,727,924	34,139,915	1,144,936	12,246,188	13,391,124
Infrastructure	44,469,565	-	44,469,565	46,730,069	-	46,730,069
Buildings & Equipment	28,411,599	-	28,411,599	28,680,199	-	28,680,199
Landfill	-	7,167,671	7,167,671	-	7,769,398	7,769,398
Electric	-	61,624,321	61,624,321	-	65,324,815	65,324,815
Electric Non-Utility Plant	-	7,178,546	7,178,546	-	7,788,482	7,788,482
Gas	-	1,392,034	1,392,034	-	800,496	800,496
Water	-	44,584,439	44,584,439	-	44,811,259	44,811,259
Pollution Control	-	29,133,103	29,133,103	-	30,130,008	30,130,008
Administrative	-	3,782,589	3,782,589	-	3,099,516	3,099,516
Total	$ 76,503,319	$ 191,855,795	$ 268,359,114	$ 76,555,204	$ 178,235,330	$ 254,790,534

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

Long-term debt. At the end of the current fiscal year, the City of Hastings had total long-term debt outstanding of $13,944,203. Of this amount, $4,252,194 comprises debt backed by the full faith and credit of the government. The remainder of the City of Hastings' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and financing agreements.

City of Hastings' Outstanding Debt

	Year Ended September 30, 2023			Year Ended September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	$ 4,252,194	$ -	$ 4,252,194	$ 4,656,503	$ -	$ 4,656,503
Revenue Bonds	-	6,910,000	6,910,000	-	7,620,000	7,620,000
Note Payable	175,840	2,139,365	2,315,205	213,520	2,276,372	2,489,892
Financing Agreements	217,110	249,694	466,804	393,451	592,306	985,757
Total	$ 4,645,144	$ 9,299,059	$ 13,944,203	$ 5,263,474	$ 10,488,678	$ 15,752,152

The City of Hastings' total debt decreased by $1,807,949 (11.5 percent) during the current fiscal year due to scheduled principal payments.

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

Economic Factors and Next Year's Budgets and Rates

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

- Property tax asking for the year ending September 30, 2024 of $8,125,766 is $628,486 (8.4 percent) higher than the prior year. The property valuation increased 8.4 percent over the prior year.

- At September 30, 2023, the City had contractual commitments totaling $5,307,814 on 25 different capital projects, 20 of which are expected to be completed during the next fiscal year.

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

Request for Information

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

CITY OF HASTINGS, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	$ 30,561,455	$ 50,786,288	$ 81,347,743	$ 1,350,003
Certificates of deposit	4,404,460	17,760,050	22,164,510	-
County treasurer cash	320,630	-	320,630	78,001
Receivables:				
Accounts, net of allowance for doubtful accounts	2,123,684	8,749,404	10,873,088	-
Special assessments	1,811,000	-	1,811,000	-
Current portion of note receivable	-	-	-	153,000
Current portion of TIF receivables	-	-	-	998,996
Interest	134,813	191,666	326,479	-
Property tax	263,054	-	263,054	16,089
Due from (to) other funds	3,967,591	(3,967,591)	-	-
Due from other governments	1,919,200	-	1,919,200	92,724
Inventory	32,249	11,388,055	11,420,304	-
Total current assets	45,538,136	84,907,872	130,446,008	2,688,813
Noncurrent assets:				
Restricted cash and cash equivalents	14,373,972	1,332,500	15,706,472	74,798
Restricted certificates of deposit	2,535,062	4,155,252	6,690,314	-
Noncurrent portion of note receivable	-	-	-	2,153,461
Noncurrent portion of TIF receivables	-	-	-	7,246,586
Property held for resale	-	-	-	713,405
Capital assets:				
Land	210,164	6,265,168	6,475,332	-
Construction in progress	3,411,991	30,727,924	34,139,915	-
Other capital assets, net of depreciation	72,881,164	154,862,703	227,743,867	225,848
Net capital assets	76,503,319	191,855,795	268,359,114	225,848
Total noncurrent assets	93,412,353	197,343,547	290,755,900	10,414,098
Total assets	138,950,489	282,251,419	421,201,908	13,102,911
LIABILITIES				
Current liabilities:				
Accounts payable	1,455,483	8,037,405	9,492,888	87,798
Accrued wages	263,275	584,364	847,639	-
Accrued interest	15,515	5,119	20,634	-
Sales tax payable	-	232,102	232,102	-
Customer deposits	6,877	558,805	565,682	-
Claims incurred not paid	701,727	-	701,727	-
Unavailable property tax and assessments	1,937,727	-	1,937,727	7,694
Current portion of TIF payables	-	-	-	954,770
Current portion of long-term obligations	555,267	387,387	942,654	6,692
Total current liabilities	4,935,871	9,805,182	14,741,053	1,056,954
Noncurrent liabilities:				
Compensated absences - noncurrent	1,757,247	3,499,878	5,257,125	-
Closure/post-closure liability	-	5,068,643	5,068,643	-
Noncurrent portion of TIF payables	-	-	-	7,115,331
Noncurrent portion of long-term obligations	4,089,877	8,911,672	13,001,549	99,171
Total noncurrent liabilities	5,847,124	17,480,193	23,327,317	7,214,502
Total liabilities	10,782,995	27,285,375	38,068,370	8,271,456
NET POSITION				
Net investment in capital assets	71,858,175	182,556,736	254,414,911	225,848
Restricted for:				
Debt service	1,383,468	-	1,383,468	-
Landfill closure/post-closure costs	-	592,072	592,072	-
Perpetual care - permanent	88,575	-	88,575	-
Street improvements	8,900,481	-	8,900,481	-
Federal programs	2,907,375	-	2,907,375	-
Capital projects	1,387,017	-	1,387,017	-
Economic development	-	-	-	74,798
Aquatic Center	286,157	-	286,157	-
Museum projects	1,263,711	-	1,263,711	-
Community betterment	267,263	-	267,263	-
Other purposes	81,387	-	81,387	-
Unrestricted	39,743,885	71,817,236	111,561,121	4,530,809
Total net position	$ 128,167,494	$ 254,966,044	$ 383,133,538	$ 4,831,455

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Program Revenues Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 9,118,769	$ 3,857,945	$ 821,861
Public safety	10,161,400	796,282	308,380
Public works	5,414,487	867,304	5,400
Environment and leisure	7,018,892	1,180,876	291,501
Interest and fees on long-term debt	74,904	-	-
Depreciation	4,701,577	-	-
Total governmental activities	36,490,029	6,702,407	1,427,142
Business-type activities:			
Landfill	1,949,686	2,660,734	-
Electric	60,526,844	58,922,480	-
Combined System Utilities	26,464,149	28,312,834	-
Total business-type activities	88,940,679	89,896,048	-
Total primary government	$ 125,430,708	$ 96,598,455	$ 1,427,142
Component unit:			
Community Redevelopment Authority	$ 603,654	$ 45,268	$ 206,369

See notes to financial statements.

	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position — Primary Government — Governmental Activities	Business-type Activities	Total	Component Unit
	$ 3,418,452	$ (1,020,511)		$ (1,020,511)	
	10,487	(9,046,251)		(9,046,251)	
	1,245,322	(3,296,461)		(3,296,461)	
	224,824	(5,321,691)		(5,321,691)	
	-	(74,904)		(74,904)	
	-	(4,701,577)		(4,701,577)	
	4,899,085	(23,461,395)	$ -	(23,461,395)	
	-	-	711,048	711,048	
	170,166	-	(1,434,198)	(1,434,198)	
	70,573	-	1,919,258	1,919,258	
	240,739	-	1,196,108	1,196,108	
	$ 5,139,824	(23,461,395)	1,196,108	(22,265,287)	
	$ -				$ (352,017)
General revenues:					
Taxes:					
Property		7,479,229	-	7,479,229	453,580
Motor vehicle		610,553	-	610,553	-
Wheel tax		390,455	-	390,455	-
Payments in lieu of taxes		3,967,591	-	3,967,591	-
Occupation		322,439	-	322,439	-
Sales tax		9,409,157	-	9,409,157	-
Franchise		400,069	-	400,069	-
State allocation		4,827,577	-	4,827,577	-
Keno		261,500	-	261,500	-
Special assessments		262,057	-	262,057	-
Miscellaneous		96,343	969,019	1,065,362	-
Interest income		1,767,016	2,741,235	4,508,251	73,335
Gain (loss) on disposal of assets		(1,083)	(442,187)	(443,270)	49,710
Total general revenues		29,792,903	3,268,067	33,060,970	576,625
Change in net position		6,331,508	4,464,175	10,795,683	224,608
Net position - September 30, 2022		121,835,986	250,501,869	372,337,855	4,606,847
Net position - September 30, 2023		$ 128,167,494	$ 254,966,044	$ 383,133,538	$ 4,831,455

CITY OF HASTINGS, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Street Fund	Museum Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 16,276,843	$ 3,509,117	$ 751,607	$ 774,255	$ 14,452,729	$ 35,764,551
Certificates of deposit	3,804,460	1,600,000	-	600,000	335,062	6,339,522
County treasurer cash	225,869	31,678	44,942	18,141	-	320,630
Receivables:						
Accounts, net of allowance for doubtful accounts	528,178	16,648	28,622	-	21,677	595,125
Special assessments	-	-	-	1,811,000	-	1,811,000
Interest	89,362	2,369	-	-	5,842	97,573
Property tax	208,148	-	38,337	16,569	-	263,054
Due from other funds	3,967,591	-	-	-	-	3,967,591
Due from other governments	1,258,444	-	-	-	660,756	1,919,200
Inventory	-	-	32,249	-	-	32,249
Total assets	$ 26,358,895	$ 5,159,812	$ 895,757	$ 3,219,965	$ 15,476,066	$ 51,110,495
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 342,465	$ 299,626	$ 70,458	$ -	$ 692,079	$ 1,404,628
Accrued wages	207,200	20,750	15,159	-	-	243,109
Accrued interest	-	-	-	15,515	-	15,515
Sales tax payable	143	-	1,801	-	-	1,944
Customer deposits	5,000	-	-	1,877	-	6,877
Unavailable receivables	100,172	-	18,450	1,819,105	-	1,937,727
Total liabilities	654,980	320,376	105,868	1,836,497	692,079	3,609,800
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	88,575	88,575
Restricted for:						
Street improvements	-	4,839,436	-	-	4,061,045	8,900,481
Federal programs	-	-	-	-	2,907,375	2,907,375
Capital projects	-	-	-	-	1,387,017	1,387,017
Debt service	-	-	-	1,383,468	-	1,383,468
Aquatic Center	-	-	-	-	286,157	286,157
Museum projects	-	-	-	-	1,263,711	1,263,711
Community betterment	-	-	-	-	267,263	267,263
Other purposes	-	-	-	-	81,387	81,387
Assigned for:						
Budgetary stabilization	6,257,386	-	-	-	-	6,257,386
Equipment replacement	-	-	-	-	356,914	356,914
Other purposes	-	-	789,889	-	4,088,674	4,878,563
Unassigned	19,446,529	-	-	-	(4,131)	19,442,398
Total fund balances	25,703,915	4,839,436	789,889	1,383,468	14,783,987	47,500,695
Total liabilities and fund balances	$ 26,358,895	$ 5,159,812	$ 895,757	$ 3,219,965	$ 15,476,066	$ 51,110,495

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

September 30, 2023

Total fund balances - governmental funds		$ 47,500,695
Amounts reported for *governmental activities* in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $156,933,017 and the accumulated depreciation is $80,429,698.		76,503,319
Internal service funds are used by management to charge the costs of certain activities, such as information technology, fleet services, and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		10,494,053
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Noncurrent compensated absences	$ (1,685,429)	
Financing agreements	(217,110)	
Note payable	(175,840)	
General obligation bonds payable	(4,252,194)	(6,330,573)
Total net position - governmental activities		$ 128,167,494

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

	General Fund	Street Fund	Museum Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 5,905,393	$ 20,350	$ 1,106,607	$ 446,879	$ -	$ 7,479,229
Motor vehicle	477,270	-	94,962	38,321	-	610,553
Wheel tax	-	390,455	-	-	-	390,455
Occupation	54,090	-	268,349	-	-	322,439
Sales tax	6,272,975	-	-	-	3,136,182	9,409,157
Franchise	400,069	-	-	-	-	400,069
In lieu of tax	3,967,591	-	-	-	-	3,967,591
Intergovernmental	1,650,492	3,572,694	-	-	-	5,223,186
Keno	-	-	-	-	261,500	261,500
Special assessments	-	-	-	189,591	72,466	262,057
Charges for services	4,029,875	172,368	405,324	-	53,481	4,661,048
Grants	11,179	626,841	10,250	-	942,259	1,590,529
Contributions	25,000	-	14,947	-	53,547	93,494
Interest income	794,429	126,233	-	109,690	349,900	1,380,252
Sale of assets	420	-	-	-	-	420
Insurance proceeds	-	-	-	-	3,418,452	3,418,452
Other revenue	44,368	47,872	3,603	-	500	96,343
Total revenues	23,633,151	4,956,813	1,904,042	784,481	8,288,287	39,566,774
EXPENDITURES						
General government	4,938,605	-	-	-	1,249,063	6,187,668
Public safety	10,169,054	-	-	-	61,141	10,230,195
Public works	461,439	3,474,927	-	-	1,514,444	5,450,810
Environment and leisure	4,592,196	-	1,636,555	-	843,261	7,072,012
Capital outlay	820,750	425,063	-	-	2,593,863	3,839,676
Principal payments on debt	37,680	-	-	404,309	-	441,989
Interest on long-term debt	-	7,925	-	60,641	-	68,566
Bond/loan fees	-	-	-	800	-	800
Total expenditures	21,019,724	3,907,915	1,636,555	465,750	6,261,772	33,291,716
Excess of revenues over expenditures	2,613,427	1,048,898	267,487	318,731	2,026,515	6,275,058
OTHER FINANCING SOURCES (USES)						
Transfers in	63,000	-	-	98,871	1,041,000	1,202,871
Transfers out	(1,534,880)	-	(50,000)	(750,000)	(111,871)	(2,446,751)
Net transfers	(1,471,880)	-	(50,000)	(651,129)	929,129	(1,243,880)
Net change in fund balances	1,141,547	1,048,898	217,487	(332,398)	2,955,644	5,031,178
Fund balances - September 30, 2022	24,562,368	3,790,538	572,402	1,715,866	11,828,343	42,469,517
Fund balances - September 30, 2023	$ 25,703,915	$ 4,839,436	$ 789,889	$ 1,383,468	$ 14,783,987	$ 47,500,695

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

Total net change in fund balances - governmental funds	$ 5,031,178
Amounts reported for *governmental activities* in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay ($4,668,321) was exceeded by depreciation expense ($4,701,577). (Capital assets of $828,645 were funded directly by grants and contributions.)	(33,256)
Losses on disposal of capital assets are not shown in the governmental fund financial statements. However, in the statement of activities, the loss is reported as a reduction to asset sales proceeds.	(18,629)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities in the statement of activities.	855,670
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	(121,785)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	618,330
Change in net position of governmental activities	$ 6,331,508

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2023

	Enterprise Funds				Internal
	Landfill Fund	Electric Fund	Combined System Utilities Fund	Total	Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,681,349	$ 41,293,588	$ 5,811,351	$ 50,786,288	$ 9,170,876
Certificates of deposit	2,500,000	8,795,284	6,464,766	17,760,050	600,000
Receivables:					
Accounts receivable	182,920	6,169,773	2,396,711	8,749,404	1,528,559
Interest	90,124	75,792	25,750	191,666	37,240
Intercompany	-	(15,682,765)	15,682,765	-	-
Inventory	-	9,131,020	2,257,035	11,388,055	-
Total current assets	6,454,393	49,782,692	32,638,378	88,875,463	11,336,675
Noncurrent assets:					
Restricted cash and cash equivalents	-	1,332,500	-	1,332,500	-
Restricted certificates of deposit	4,155,252	-	-	4,155,252	-
Capital assets:					
Construction in progress	-	15,235,409	15,492,515	30,727,924	-
Electric distribution system	-	204,271,391	-	204,271,391	-
Gas distribution system	-	-	35,899,108	35,899,108	-
Water distribution system	-	-	56,623,814	56,623,814	-
Pollution control distribution system	-	-	68,538,647	68,538,647	-
Administrative equipment	-	-	13,501,156	13,501,156	-
Buildings and equipment	13,093,185	-	-	13,093,185	-
Less accumulated depreciation	(5,925,514)	(140,495,521)	(91,556,941)	(237,977,976)	-
Non-utility plant	-	15,866,333	-	15,866,333	-
Less non-utility accumulated depreciation	-	(8,687,787)	-	(8,687,787)	-
Net capital assets	7,167,671	86,189,825	98,498,299	191,855,795	-
Total noncurrent assets	11,322,923	87,522,325	98,498,299	197,343,547	-
Total assets	17,777,316	137,305,017	131,136,677	286,219,010	11,336,675
LIABILITIES					
Current liabilities:					
Accounts payable	24,856	6,501,342	1,511,207	8,037,405	48,911
In lieu of tax payable to City	-	2,221,771	1,745,820	3,967,591	-
Accrued wages	11,168	347,952	225,244	584,364	20,166
Accrued interest	5,999	-	(880)	5,119	-
Sales tax payable	-	28,548	203,554	232,102	-
Customer deposits	-	-	558,805	558,805	-
Claims incurred not paid	-	-	-	-	701,727
Current portion of long-term debt	249,694	-	137,693	387,387	-
Total current liabilities	291,717	9,099,613	4,381,443	13,772,773	770,804
Noncurrent liabilities:					
Compensated absences - noncurrent	49,256	1,673,998	1,776,624	3,499,878	71,818
Closure/post closure liability	3,563,180	1,505,463	-	5,068,643	-
Noncurrent portion of long-term debt	-	-	8,911,672	8,911,672	-
Total noncurrent liabilities	3,612,436	3,179,461	10,688,296	17,480,193	71,818
Total liabilities	3,904,153	12,279,074	15,069,739	31,252,966	842,622
NET POSITION					
Net investment in capital assets	6,917,977	86,189,825	89,448,934	182,556,736	-
Restricted for:					
Closure/post-closure costs	592,072	-	-	592,072	-
Unrestricted	6,363,114	38,836,118	26,618,004	71,817,236	10,494,053
Total net position	$ 13,873,163	$ 125,025,943	$ 116,066,938	$ 254,966,044	$ 10,494,053

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

	Enterprise Funds				Internal
	Landfill Fund	Electric Fund	Combined System Utilities Fund	Total	Service Funds
Operating revenues:					
Sales	$ 2,648,615	$ 56,018,465	$ 28,312,834	$ 86,979,914	$ -
Health insurance revenue	-	-	-	-	10,125,226
I T charges	-	-	-	-	2,040,860
Other revenue	12,119	-	-	12,119	-
Total operating revenues	2,660,734	56,018,465	28,312,834	86,992,033	12,166,086
Operating expenses:					
Cost of power	-	26,674,553	-	26,674,553	-
Production	-	15,963,991	10,317,109	26,281,100	-
Water and sewer treatment	-	-	2,380,811	2,380,811	-
Transmission and distribution	-	2,372,404	2,502,806	4,875,210	-
Sewer line expenses	-	-	610,125	610,125	-
General and administrative	-	8,468,894	6,162,268	14,631,162	-
Personnel costs	848,822	-	-	848,822	1,241,376
Utilities	14,068	-	-	14,068	663
Repairs and maintenance	164,585	-	-	164,585	-
Contractual services	140,949	-	-	140,949	-
Supplies	10,306	-	-	10,306	2,213
Professional fees	95,918	-	-	95,918	-
Fuel	95,228	-	-	95,228	-
Dues and training	2,560	-	-	2,560	5,902
Insurance	44,037	-	-	44,037	9,793,193
Computer software and equipment	-	-	-	-	1,892,171
Bad debts expense (recovery)	(161,887)	-	-	(161,887)	-
Miscellaneous	12,129	-	-	12,129	-
Depreciation	668,327	3,959,987	2,566,034	7,194,348	-
Total operating expenses	1,935,042	57,439,829	24,539,153	83,914,024	12,935,518
Operating income (loss)	725,692	(1,421,364)	3,773,681	3,078,009	(769,432)
Nonoperating revenues (expenses):					
Interest income	308,589	1,787,917	644,729	2,741,235	386,760
Participation and capacity agreements	-	1,547,329	-	1,547,329	-
Interest expense	(14,644)	-	(110,682)	(125,326)	(5,538)
Non-utility plan depreciation	-	(609,936)	-	(609,936)	-
Payments in lieu of taxes	-	(2,221,768)	(1,745,822)	(3,967,590)	-
Net coal sales	-	1,356,686	-	1,356,686	-
Loss on disposal of capital assets	-	(247,900)	(194,287)	(442,187)	-
Miscellaneous income	-	683,119	285,900	969,019	-
Miscellaneous expense	-	(255,311)	(68,492)	(323,803)	-
Contributions in aid of construction	-	170,166	70,573	240,739	-
Total nonoperating revenues (expenses)	293,945	2,210,302	(1,118,081)	1,386,166	381,222
Excess (deficiency) of revenues over expenditures	1,019,637	788,938	2,655,600	4,464,175	(388,210)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	1,243,880
Change in net position	1,019,637	788,938	2,655,600	4,464,175	855,670
Net position - September 30, 2022	12,853,526	124,237,005	113,411,338	250,501,869	9,638,383
Net position - September 30, 2023	$ 13,873,163	$ 125,025,943	$ 116,066,938	$ 254,966,044	$10,494,053

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2023

	Enterprise Funds	
	Landfill Fund	Electric Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 2,676,063	$ 67,524,396
Receipts from other funds	-	-
Payments to suppliers	(468,489)	(54,189,285)
Payments to employees	(911,457)	(9,468,783)
Net cash provided (used) by operating activities	1,296,117	3,866,328
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Increase in interfund loans	-	2,689,084
Payments in lieu of taxes	-	(2,221,768)
Transfer from General Fund	-	-
Net cash provided (used) by noncapital financing activities	-	467,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(66,600)	(12,016,163)
Contributions in aid of construction	-	170,166
Sales proceeds on capital assets	-	394,975
Principal payments on capital debt	(342,612)	-
Interest paid on capital debt	(22,122)	-
Net cash used by capital and related financing activities	(431,334)	(11,451,022)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in certificates of deposit	-	1,998,670
Increase in restricted certificates of deposit	(135,464)	-
Interest received	231,272	1,739,820
Net cash provided by investing activities	95,808	3,738,490
Increase (decrease) in cash and cash equivalents	960,591	(3,378,888)
Cash and cash equivalents - beginning of the year	2,720,758	46,004,976
Cash and cash equivalents - end of the year	$ 3,681,349	$ 42,626,088
Composition of cash and cash equivalents:		
Cash and cash equivalents	$ 3,681,349	$ 41,293,588
Restricted cash and cash equivalents	-	1,332,500
Total cash and cash equivalents	$ 3,681,349	$ 42,626,088

See notes to financial statements.

Combined System Utilities Fund	Total	Internal Service Funds
$ 29,434,518	$ 99,634,977	$ -
-	-	10,637,527
(13,836,695)	(68,494,469)	(11,510,519)
(8,220,293)	(18,600,533)	(1,223,613)
7,377,530	12,539,975	(2,096,605)
(2,689,084)	-	-
(1,745,822)	(3,967,590)	-
-	-	1,243,880
(4,434,906)	(3,967,590)	1,243,880
(10,401,886)	(22,484,649)	-
70,573	240,739	-
24,525	419,500	-
(847,007)	(1,189,619)	-
(110,101)	(132,223)	(5,538)
(11,263,896)	(23,146,252)	(5,538)
5,784,855	7,783,525	-
-	(135,464)	-
(15,305)	1,955,787	349,520
5,769,550	9,603,848	349,520
(2,551,722)	(4,970,019)	(508,743)
8,363,073	57,088,807	9,679,619
$ 5,811,351	$ 52,118,788	$ 9,170,876
$ 5,811,351	$ 50,786,288	$ 9,170,876
-	1,332,500	-
$ 5,811,351	$ 52,118,788	$ 9,170,876

CITY OF HASTINGS, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS, Continued

For the year ended September 30, 2023

	Enterprise Funds	
	Landfill Fund	Electric Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 725,692	$ (1,421,364)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	668,327	4,569,923
Participation and capacity agreements	-	1,547,329
Miscellaneous income, net of expenses	-	1,174,558
Change in assets and liabilities:		
Accounts receivable	15,329	59,586
Inventories	-	(3,108,963)
Accounts payable	(50,596)	893,856
Claims incurred not paid	-	-
Accrued expenses	(62,635)	151,403
Customer deposits	-	-
Net cash provided (used) by operating activities	$ 1,296,117	$ 3,866,328

See notes to financial statements.

Combined System Utilities Fund	Total	Internal Service Funds
$ 3,773,681	$ 3,078,009	$ (769,432)
2,764,247	8,002,497	-
-	1,547,329	-
862,137	2,036,695	-
259,547	334,462	(1,528,559)
176,440	(2,932,523)	-
(444,597)	398,663	28,273
-	-	155,350
(10,515)	78,253	17,763
(3,410)	(3,410)	-
$ 7,377,530	$ 12,539,975	$ (2,096,605)

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

INDEX

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

The City's financial reporting entity comprises the following:

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

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

	Brief Description of Activities and Relationship To The City:
Hastings Community Redevelopment Authority	Created to develop, finance, and maintain certain areas of the City in need of improvement and development. The CRA can borrow money, issue bonds, and request a levy of taxes under the City's overall levy limits. The CRA's annual budget is subject to the City Council's approval.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Discretely Presented Component Units, continued

	Brief Description of Activities and Relationship To The City:
Hastings Library Foundation, Inc.	Created for the exclusive purpose to raise funds to support the City's library. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2022 can be obtained by contacting the Foundation treasurer.
Hastings Museum Foundation, Inc.	Created for the exclusive purpose to raise funds to support the City's museum. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2022 can be obtained by contacting the Foundation treasurer.

2. Basis of Presentation

Government-wide Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Capital Project Funds

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

Debt Service Fund

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

Permanent Fund

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

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

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

3. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

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

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

c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity

Estimates

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

Cash and Investments

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

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

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

Receivables

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

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and special assessments compose the majority of proprietary fund receivables. The General Fund has recognized a $357,000 allowance for uncollectible accounts and the Electric Fund has recognized an $60,000 allowance for uncollectible accounts.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Due from Other Governments

The total due from other governments includes the following amounts:

Fund	Amount	Type
General	$ 1,132,039	Sales Tax
General	21,855	School Resource Officer
General	84,743	Federal and State Grants
General	8,783	Adams County library interlocal
General	11,024	Drug Task Force-county
Community Development	88,525	CDBG Grants
Parks-Rec Sales Tax	141,504	Sales Tax
Museum Sales Tax	56,602	Sales Tax
Library Grant	761	Federal and State Grants
Public Safety Grant	5,451	Federal and State Grants
Street Sales Tax	367,913	Sales Tax
Total governmental funds	$ 1,919,200	

Inventory

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

Restricted Assets

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets

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

Government-wide Statements

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Electric and Combined System Utilities

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

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

Effective October 1, 2022, the Utilities System changed depreciation methods and now use the straight line method over the estimated lives of the capital assets (ranging from 5 to 50 years). The provision for depreciation is computed at an overall straight-line composite rate of approximately 3.0 percent for the non-utility plant assets in the Electric Fund. Depreciation expense taken by the Utilities System (Electric and Combined System Utilities) during the year ended September 30, 2023 was $7,334,170.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Fund Financial Statements

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

Unavailable Property Tax

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

Compensated Absences

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

Long-term Debt

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

Government-wide Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt, continued

Fund Financial Statements

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

Equity Classifications

Government-wide Statements

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

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

b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

See Note C8 for additional disclosures.

Fund Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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

> **Nonspendable**−Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
>
> **Restricted**−Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.
>
> **Committed**−Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.
>
> **Assigned**−Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.
>
> **Unassigned**−All amounts not included in other spendable classifications.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

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

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

Property Taxes

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

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

Property taxes levied for 2022-2023 are recorded as revenue when expected to be collected within 60 days after September 30, 2023. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

In Lieu of Tax Payment

The transfer to the General Fund is calculated as 6.1 percent of the retail revenues of the Electric System for the year ended September 30, 2023. This amount is calculated to be $2,221,771.

The City withdraws monthly from Combined Funds for payment to the General Fund an amount equal to 1/12 of 5.14 percent of operating revenues for the preceding year. For the year ended September 30, 2023 the total amount of in lieu of tax payments are calculated to be $1,216,377 based on the operating revenues for the year ended September 30, 2023.

On July 22, 1991 resolution #1344 was passed by the City Council to transfer from the Gas Department and the Water Department of the Combined System to the General Fund 2.5 percent of the total revenues of the previous year. This amount will be in addition to the current in lieu of tax payments. The payment for the year ended September 30, 2023 is $529,443.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Contributions in Aid of Construction

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

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Deposit Laws and Regulations, continued

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

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

Bonds Payable

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

5. Budgetary Data

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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

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

a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.

b. The budget is published with subsequent public hearings to obtain taxpayer comments.

c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.

d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.

e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.

f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.

g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.

h. The City of Hastings adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Certificates of Deposit

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2023. The categories of collateral are defined as follows:

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

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

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

Types of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Cash and investments	$ 130,748,268	$ 24,449,170	$ 105,739,104	$ 559,994	$ 127,333,840

Reconciliation to Government-wide Statement of Net Position:	
Primary Government –	
Unrestricted cash and cash equivalents	$ 81,347,743
Unrestricted certificates of deposit	22,164,510
Restricted cash and cash equivalents	15,706,472
Restricted certificates of deposit	6,690,314
Component Units –	
Unrestricted cash and cash equivalents	1,350,003
Restricted cash and cash equivalents	74,798
	$ 127,333,840

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

2. Restricted Assets

The restricted assets as of September 30, 2023, are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Type of Restricted Assets:				
Cash and cash equivalents	$ 14,373,972	$ 1,332,500	$ 15,706,472	$ 74,798
Certificates of deposit	2,535,062	4,155,252	6,690,314	-
	$ 16,909,034	$ 5,487,752	$ 22,396,786	$ 74,798

Governmental restricted cash and certificates of deposit consist of the following at September 30, 2023:

Street Fund - restricted for street improvements	$ 5,109,117
Debt Service Fund - restricted for debt service	1,374,255
Cemetery Perpetual Care Fund - restricted for perpetual care	88,575
BID Fund - restricted for downtown projects	19,279
Museum Sales Tax Fund - restricted for capital projects	1,207,109
Library Grant Fund - restricted for library expenses	41,016
Parks Grant Fund - restricted for capital projects	79,373
Duncan Park Sales Tax Fund - restricted for capital projects	61,081
Aquatics Center Fund - restricted for aquatics	280,315
Public Safety Grant Fund - restricted for public safety expenses	18,735
ARPA Fund - restricted for federal programs	2,907,375
Street Sales Tax Fund - restricted for street improvements	4,234,987
Parks-Rec Sales Tax Fund - restricted for capital projects	1,178,513
Keno Betterment Fund - restricted for community betterment	265,333
Capital Projects Fund - restricted for capital projects	43,971
Total governmental activities restricted cash and CD's	$ 16,909,034

Business-type activities restricted cash and certificates of deposit consist of the following at September 30, 2023:

Landfill Fund - restricted for closure/post-closure costs	$ 4,155,252
Electric Fund - restricted for ash disposal closure/post closure costs	1,332,500
Total business-type activities restricted cash and CD's	$ 5,487,752

Component unit restricted cash consists of $74,798 restricted for economic development at September 30, 2023.

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

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivables. Accounts receivable of the governmental activities consist of telephone and cable franchise tax (4.0 percent), ambulance (10.6 percent), utility reimbursements (26.4 percent), reinsurance on health insurance claims (50.5 percent) and other (8.5 percent) receivables. Receivables detail at September 30, 2023, is as follows:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Accounts receivable	$ 2,480,684	$ 8,809,404	$ 11,290,088	$ -
Allowance for doubtful accounts	(357,000)	(60,000)	(417,000)	-
Net accounts receivable	$ 2,123,684	$ 8,749,404	$ 10,873,088	$ -

Notes receivable for the CRA consist of the following at September 30, 2023:

Note Held By:	Due From	Note Balance at September 30, 2023	Terms
CRA:			
TIF loan	The Listening Room	$ 1,471	TIF proceeds pledged on loan
Revolving Loan	Brandt Rentals, LLC	18,500	Matures 10/5/26
Revolving Loan	Shabri, LLC	294,000	Matures 5/9/26
Revolving Loan	The Listening Room	220,000	Maturity date was 7/1/18
Revolving Loan	Uptown Experience	91,250	Matures 9/30/29
Revolving Loan	1st Street Brewing	192,064	Matures 12/31/24
Revolving Loan	THOAR, LLC	42,667	Maturity date was 10/1/31
Revolving Loan	ABBC Restorations, LLC	23,320	Matures 3/19/26
Revolving Loan	Optika Curated Eyeware, LLC	43,163	Matures 10/31/25
Revolving Loan	Luckee, LLC	53,328	Matures 8/12/26
Revolving Loan	LincHome, LLC	54,132	Matures 3/10/26
Revolving Loan	Spitz	121,000	Matures 5/25/27
Revolving Loan	Corner Building LLC	100,000	Matures 10/1/43
Revolving Loan	Ridgeline	100,000	Matures 4/17/29
Revolving Loan	Bryant Books & Music	25,000	Matures 6/1/33
Revolving Loan	Bad Sportz Inc	330,000	Matures 1/1/35
Revolving Loan	Garage Flats	150,000	Matures 3/1/44
		1,858,424	

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

3. Accounts and Notes Receivable, continued

Note Held By:	Due From	Note Balance at September 30, 2023	Terms
NMPF Loan	Lemon & Co	7,168	Matures 10/1/25
NMPF Loan	Tim Maul	35,000	Matures 7/1/28
NMPF Loan	No Coast Brewing, LLC	40,000	Matures 1/1/25
NMPF Loan	No Coast Brewing, LLC	48,016	Matures 12/31/24
NMPF Loan	Steeple Brewing Company	9,057	Matures 2/1/24
NMPF Loan	LeNoir Dimbaya Coffee	4,853	Matures 2/28/28
		144,094	
Real Estate Loan	Dally's Deli	124,772	Matures 6/1/25
Real Estate Loan	ABBC Restoration, LLC	40,000	Matures 5/15/35
Real Estate Loan	THOAR, LLC	150,000	Matures 5/1/26
		314,772	
		2,318,761	
Less Allowance for Uncollectible Notes		(12,300)	
		$ 2,306,461	
Current portion		$ 153,000	
Long-term portion		2,153,461	
Total CRA notes receivable		$ 2,306,461	

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

4. Capital Assets

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

	Balance at October 1, 2022	Additions	Disposals	Reclass	Balance at September 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ -	$ 210,164	$ -	$ -	$ 210,164
Construction in progress	1,144,936	2,559,542	-	(292,487)	3,411,991
Total capital assets not being depreciated	1,144,936	2,769,706	-	(292,487)	3,622,155
Other capital assets being depreciated:					
Infrastructure	93,633,072	47,692	-	-	93,680,764
Buildings, machinery & equipment	57,787,418	1,850,923	(300,730)	292,487	59,630,098
Total other capital assets at historical cost	151,420,490	1,898,615	(300,730)	292,487	153,310,862
Less accumulated depreciation for:					
Infrastructure	(46,903,003)	(2,308,196)	-	-	(49,211,199)
Buildings, machinery & equipment	(29,107,219)	(2,393,381)	282,101	-	(31,218,499)
Total accumulated depreciation	(76,010,222)	(4,701,577) *	282,101	-	(80,429,698)
Other capital assets, net	75,410,268	(2,802,962)	(18,629)	292,487	72,881,164
Governmental activities capital assets, net	$ 76,555,204	$ (33,256)	$ (18,629)	$ -	$ 76,503,319

* Depreciation expense was charged to governmental activities as follows:

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

4. Capital Assets, continued

Governmental Activities, continued:

General Fund:	
General government:	
General	$ 776,107
Public safety:	
Police	180,626
Public safety	10,665
Total public safety	191,291
Public works:	
Cemetery	2,200
Environment and leisure:	
Library	131,402
Parks	195,381
Duncan Park	134,595
Aquatics	73,618
Pioneer Trail	9,232
Airport	59,014
Total environment and leisure	603,242
Total General Fund	1,572,840
IT Internal Service Fund	75,971
Special Revenue Funds:	
Street	2,630,108
Museum	103,683
Wireless E911	23,596
ARPA	96,784
Community Development	51,978
Natural Disaster	7,715
Business Improvement District	574
Keno	138,328
Total Special Revenue Funds	3,052,766
Total governmental activities depreciation expense	$ 4,701,577

Construction in progress at September 30, 2023, consists of the following costs incurred: $52,905 on the City office remodel; $25,822 on the Hastings Cultural Arts and Civic Center project; $373,063 on the Laird Avenue improvement project; $237,867 on the 33rd Street extension project; $1,155,056 on state project Hastings Southeast; $36,512 on the Kool-Aid display; $58,531 on the Heartland Park shelter; $164,586 on the Lincoln Park playground equipment; $569,600 on the Quiet Zone project; $32,864 on the museum interior project; $491,386 on the Parkview Cemetery paving project; and $213,799 on the airport terminal renovation project. See note D3 for additional details on commitments on these projects.

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

4. Capital Assets, continued

	October 1, 2022	Additions	Disposals	Reclass	September 30, 2023
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 6,265,168	$ -	$ -	$ -	$ 6,265,168
Construction in progress	12,246,188	18,481,736	-	-	30,727,924
Total capital assets not being depreciated	18,511,356	18,481,736	-	-	36,993,092
Other capital assets being depreciated:					
Landfill	13,029,085	66,600	(2,500)	-	13,093,185
Electric	206,812,572	902,369	(649,684)	(4,945,415)	202,119,842
Electric non-utility plant	15,866,333	-	-	-	15,866,333
Gas	36,240,102	753,585	(85,653)	(1,380,089)	35,527,945
Water	56,005,275	645,572	(132,774)	(1,205,122)	55,312,951
Pollution control	66,542,704	749,365	-	(1,185,015)	66,107,054
Administrative	3,904,399	885,422	(4,306)	8,715,641	13,501,156
Total other capital assets at historical cost	398,400,470	4,002,913	(874,917)	-	401,528,466
Less accumulated depreciation for:					
Landfill	(5,259,687)	(668,327)	2,500	-	(5,925,514)
Electric	(141,487,757)	(3,959,987)	6,808	4,945,415	(140,495,521)
Electric non-utility plant	(8,077,851)	(609,936)	-	-	(8,687,787)
Gas	(35,439,606)	(78,312)	1,918	1,380,089	(34,135,911)
Water	(11,194,016)	(741,452)	1,834	1,205,122	(10,728,512)
Pollution control	(36,412,696)	(1,746,270)	-	1,185,015	(36,973,951)
Administrative	(804,883)	(198,213)	170	(8,715,641)	(9,718,567)
Total accumulated depreciation	(238,676,496)	(8,002,497) *	13,230	-	(246,665,763)
Other capital assets, net	159,723,974	(3,999,584)	(861,687)	-	154,862,703
Business-type capital assets, net	$ 178,235,330	$ 14,482,152	$ (861,687)	$ -	$ 191,855,795

* Depreciation expense was charged to functions as follows:

Landfill	$ 668,327
Electric	4,569,923
Combined System Utilities	2,764,247
Total business-type activities depreciation expense	$ 8,002,497

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

4. Capital Assets, continued

Construction in progress at September 30, 2023 consists of $15,235,409 on electric projects; $618,328 on gas projects; $3,857,706 on water projects; $4,953,750 on sewer projects; and $6,062,730 on utility admin projects. See note D3 for additional details on commitments on these projects.

	Balance at October 1, 2022	Additions	Disposals	Balance at September 30, 2023
Community Redevelopment Authority:				
Capital assets being depreciated:				
Land improvements	$ 414,851	$ -	$ -	$ 414,851
Less accumulated depreciation:				
Land improvements	(167,854)	(21,149)	-	(189,003)
Community Redevelopment Authority, net	$ 246,997	$ (21,149)	$ -	$ 225,848
Community Redevelopment Authority:				
Capital assets not being depreciated:				
Land held for redevelopment	$ 780,103	$ 231,697	$ (298,395)	$ 713,405

5. Accounts Payable

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

6. Long-term Debt

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

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

6. Long-term Debt, continued

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

Type of Debt	Balance October 1, 2022	Additions	Deductions	Balance September 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	$ 4,656,503	$ -	$ (404,309)	$ 4,252,194	$ 410,977
Note payable	213,520	-	(37,680)	175,840	37,680
Financing agreements	393,451	-	(176,341)	217,110	106,610
	$ 5,263,474	$ -	$ (618,330)	$ 4,645,144	$ 555,267
Business-type Activities:					
Bonds payable	$ 7,620,000	$ -	$ (710,000)	$ 6,910,000	$ -
Note payable	2,276,372	-	(137,007)	2,139,365	137,693
Financing agreements	592,306	-	(342,612)	249,694	249,694
	$ 10,488,678	$ -	$ (1,189,619)	$ 9,299,059	$ 387,387
Community Redevelopment Authority:					
Notes payable	$ 106,705		$ (842)	$ 105,863	$ 6,692

Governmental Activities

As of September 30, 2023, the governmental long-term liabilities consisted of the following:

Bonds payable:

General obligation bonds dated September 24, 2020, with original issue amount of $4,020,000. Interest ranges from 0.50 to 1.85 percent with final maturity December 15, 2036.	$ 3,515,000

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

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:	
Limited tax general obligation public safety bonds dated May 21, 2020, with original issue amount of $734,343, bearing interest of 1.85 percent. Final maturity is December 15, 2027.	472,194
General obligation various purpose bonds dated May 30, 2017, with original issue amount of $625,000. Interest ranges from 1.25 to 2.60 percent with final maturity September 15, 2027.	265,000
Total bonds payable	4,252,194
Note payable:	
Note payable to the Nebraska Department of Aeronautics dated March 23, 2017 with an original issue amount of $376,424 to finance the 6-place T hangar project. The note is non-interest bearing and will be repaid over 120 monthly installments of $3,140, with final maturity May 2028.	175,840
Financing agreements:	
Financing agreement due to Dell Financial Services dated January 2019, with original issue amount of $313,138 to finance a Dell computer hardware and software for the City's ERP project. The loan bears interest of 5.064 percent and is due in five annual principal and interest payments of $68,962, commencing August 26, 2019 through August 26, 2023.	-

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

6. Long-term Debt, continued

Governmental Activities, continued

Financing agreements, continued:	
Financing agreement due to Tymco, Inc. dated September 20, 2022, with original issue amount of $331,645 to finance a Tymco Model 600BAH regenerative air street sweeper. The loan bears interest of 3.65 percent and is due in three annual principal and interest payments of $114,534, commencing October 1, 2022 (this payment was made in September 2022) through October 1, 2024.	217,110
Financing agreement due to Dell Financial Services dated August 2021, with original issue amount of $219,233 to finance a Dell computer equipment. The lease bears interest of 2.0 percent and is due in two annual principal and interest payments of $112,916, commencing August 19, 2022 through August 19, 2023.	-
Total financing agreements	217,110
Total governmental activities long-term obligations	$ 4,645,144
Current portion	$ 555,267
Noncurrent portion	4,089,877
Total	$ 4,645,144

The Debt Service Fund is making the principal and interest payments on the bonds, the General Fund will pay the note payable, the Street Fund is paying the Tymco, Inc. financing agreement, and the IT Fund is paying the Dell Financial Services financing agreements.

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

6. Long-term Debt, continued

Business-type Activities

As of September 30, 2023, the long-term debt payable from proprietary fund resources consisted of the following:

Financing agreements:	
Financing agreement due to Caterpillar Financial dated April 29, 2020, with original issue amount of $284,967 to finance a 2020 waste handler dozer. The loan bears interest of 3.29 percent and is due in four annual principal and interest payments of $77,190, commencing April 29, 2021 through April 29, 2024. The Landfill Fund is making these loan payments.	$ 74,734
Financing agreement due to Lease Servicing Center dated December 27, 2019, with original issue amount of $662,415 to finance a 2019 Morbark Wood Hog. The loan bears interest of 3.79 percent and is due in four annual principal and interest payments of $181,595, commencing December 27, 2020 through December 27, 2023. The Landfill Fund is making these loan payments.	174,960

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

6. Long-term Debt, continued

Business-type Activities, continued

Financing agreements, continued:	
Financing agreement due to Caterpillar Financial dated May 8, 2019, with original issue amount of $382,866 to finance a Caterpillar 826K compactor. The loan bears interest of 4.19 percent and is due in four annual principal and interest payments of $105,948, commencing May 8, 2020 through May 8, 2023. The Landfill Fund is making these loan payments.	-
Total financing agreements	249,694
Bonds and notes payable:	
Note payable to Nebraska Department of Environment and Energy with original issue amount of $2,781,130 issued to finance the aquifer storage and restoration project. The note bears interest of 0.5 percent and is due over 20 years with semi-annual principal and interest payments of $74,109 due December 15, 2018 through June 15, 2038. Annual administrative fees of 0.5 percent are also due on this note.	2,139,365
Combined system revenue bonds dated August 5, 2021, with original issue amount of $8,320,000. Interest is 1.46 percent with final maturity on October 15, 2032.	6,910,000
Total bonds and notes payable	9,049,365
Total business-type activity long-term debt	$ 9,299,059
Current portion	$ 387,387
Noncurrent portion	8,911,672
Total	$ 9,299,059

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

6. Long-term Debt, continued

Component Units

CRA notes payable:

On October 5, 2021, the CRA borrowed $120,150 from Five Points Bank to finance downtown parking lot improvements. The loan bears interest of 4.0 percent and is due in semi-annual principal and interest payments of $5,430 through June 15, 2035.	$ 105,863
Current portion	$ 6,692
Noncurrent portion	99,171
Total	$ 105,863

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

6. Long-term Debt, continued

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2023, are as follows:

	Governmental Activities			
	Other Debt Issues		Direct Placement	
Year Ending September 30,	Principal	Interest	Principal	Interest
2024	$ 410,977	$ 57,104	$ 144,290	$ 7,925
2025	412,676	52,349	148,180	4,033
2026	414,407	47,371	37,680	-
2027	426,169	41,857	37,680	-
2028	357,965	35,836	25,120	-
2029-2033	1,360,000	125,360	-	-
2034-2036	870,000	23,607	-	-
	$ 4,252,194	$ 383,484	$ 392,950	$ 11,958

	Business-type Activities					Component Units	
	Other Debt Issues		Direct Placement			Direct Placement	
Year Ending September 30,	Principal	Interest	Principal	Interest	Fees	Principal	Interest
2024	$ -	$ 44,915	$ 387,387	$ 19,616	$ 10,525	$ 6,692	$ 4,168
2025	690,000	85,345	138,382	9,836	9,836	6,962	3,898
2026	730,000	76,115	139,075	9,143	9,143	7,244	3,617
2027	740,000	66,560	139,771	8,446	8,446	7,536	3,324
2028	750,000	56,875	140,471	7,747	7,747	7,841	3,020
2029-2033	4,000,000	131,820	712,973	28,115	28,115	44,218	10,083
2034-2038	-	-	731,000	10,089	10,089	25,370	1,449
	$ 6,910,000	$ 461,630	$ 2,389,059	$ 92,992	$ 83,901	$ 105,863	$ 29,559

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs

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

The City entered into an agreement with the Nebraska Department of Environment and Energy to establish a Closure/Post-Closure Care Account. The purpose of this account is to accumulate sufficient monies to fund all related costs of a clean closure, removal of all coal combustion residuals (CCR) and decontamination of the ash disposal area at the Whelan Energy Center. Monies are deposited into this account at a rate $3.00 per ton of ash put into the disposal area. The calculated amount of the Closure/Post-Closure liability was $1,475,077 at September 30, 2023, which is based on 29,881 tons of undisposed pond ash in the ash disposal area. It is estimated that an additional $106,570 will be recognized as post-closure expenses between the date of the balance sheet and the date Whelan Energy Center is expected to be closed. The estimated total current cost of the ash disposal closure and post-closure care, $1,581,647, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the ash disposal area were acquired as of September 30, 2023. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2023, funds of $1,332,500 are restricted to finance closure and post-closure of the City’s ash disposal area. These funds are presented on the City’s statement of net position as “restricted for ash disposal closure costs.” It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future users, taxpayers, or both.

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs, continued

State and federal laws and regulations require that the City of Hastings place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of $3,563,180 as of September 30, 2023, which is based on 46.0 percent usage (filled) of the landfill. It is estimated that an additional $3,594,835 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care, $7,158,015, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2023. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2023, funds of $4,155,252 are restricted to finance closure and post-closure of the City's landfill. These funds are presented on the City's statement of net position as "restricted for landfill closure costs." It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

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

7. Interfund Transactions and Balances

Operating transfers:

	Transfers In	Transfers Out
General Fund:		
Museum	$ 50,000	$ -
Keno Betterment	13,000	-
Bookmobile Replacement	-	6,000
IT Fund	-	1,243,880
Fire Equipment Sinking	-	270,000
Duncan Sales Tax	-	15,000
Total General Fund	63,000	1,534,880
Museum		
General	-	50,000
Debt Service:		
Fire Equipment Sinking	98,871	-
Capital Projects	-	750,000
Total Debt Service	98,871	750,000
Nonmajor Funds	1,041,000	111,871
Internal Service Funds	1,243,880	-
Total Operating Transfers	$ 2,446,751	$ 2,446,751

At September 30, 2023, the Combined System Utilities Fund owed $1,745,820 to the General Fund for in-lieu of tax. The Electric Fund owed $2,221,771 to the General Fund for in-lieu of tax. These balances are expected to be transferred during the year ending September 30, 2023. Also, the Electric Fund owed $15,682,765 to the Combined Utilities Fund. This balance has no scheduled repayment terms.

8. Fund Equity

Restricted net position for other purposes totaling $81,387 consists of $17,585 in the BID Fund, $39,616 in the Library Grant Fund and $24,186 in the Public Safety Grant Fund.

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

9. TIF Receivables and Payables

		9/30/2023	
TIF #	Description	TIF Receivable	TIF Payable
20	Hastings Village Gardens	$ 38,938	$ 38,938
21	Southwood Estates	22,306	22,306
24	Uptown Experience, LLC	51,543	-
26	Listening Room	1,471	-
33	801 Building Condominiums	83,296	-
34	Emerson Estates LLC	104,616	104,616
37	Thoar, LLC	78,342	39,171
38	On Top, LLC	36,701	36,701
40	Dietrich/Stein Brothers Building, LLC	144,270	144,270
43	Eastside Estates, LLC	201,737	201,737
48	DJ&R Investments, LLC	397,776	397,776
49	Thoar, LLC-723 W 11th St	40,764	40,764
50	Hastings Lodging 2	492,852	492,852
51	NPC Phase 1	1,307,378	1,307,378
52	Faris Redevelopment Project	46,952	46,952
53	Nebraska Truck Center	98,528	98,528
54	Thoar, LLC-737 W 1st St	67,801	67,801
55 & 60	Mesner North	1,028,761	1,028,761
56	Southern Bell Heartland, LLC	270,192	270,192
58 & 76	HEDC West Laux Dr Phase I	222,005	222,005
59 & 64	Brant Rentals, LLC	323,615	323,615
61	Shabri, LLC	36,539	36,539
62	Boys 3 MCP, Inc.	165,193	165,193
63	Abegglen & Hirschfeld	343,685	343,685
66	Thoar, LLC-Cameron building	212,179	212,179
67 & 78	HEDC Trail Ridge Addition-Phase I	1,480,696	1,480,696
68	West 2nd Investments, LLC	46,500	46,500
69	Luckee, LLC	46,495	46,495
70	ABBC Restorations	44,422	44,422
71	Theatre Building	54,128	54,128
73	HEDC Trail Ridge 2.0	29,486	29,486
74	Theatre District LLC Lot 3 Blk 1	600,001	600,001
75	Theatre District LLC Lot 8 Blk 1	41,686	41,686
77	DAVALWAT Properties LLC	84,728	84,728
		$ 8,245,582	$ 8,070,101

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

The City participates in five employee pension plans as follows:

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

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

Police and Firefighters Plan (Pre-1984)

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

(1) Employees who were hired prior to January 1, 1984, the date at which the Police and Firefighters Plans were amended from defined benefit plans to their current status as defined contribution plans, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.

(2) Employees hired after January 1, 1984, are covered by the defined contribution plan, which is administered by a third party.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police and Firefighters Plan (Pre-1984), continued

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

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

Police Plan

Plan Description

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

For the year ended September 30, 2023, the City's payroll total and covered under the Plan was $2,997,339 and $2,997,339, respectively.

NOTE D – OTHER NOTES, continued

1. **Employee Pension and Other Benefit Plans, continued**

Police Plan, continued

Plan Description, continued

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

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

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

Funding Status of Defined Benefit Plan

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

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

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

NOTE D – OTHER NOTES, continued

1. **Employee Pension and Other Benefit Plans, continued**

Police Plan, continued

Funding Status of Defined Benefit Plan, continued

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

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was $0, and contributions of $0 were made for the year ended September 30, 2023, as the City calculates they now have excess funding on their remaining benefit obligations.

Contributions made under the defined contribution portion of the Police Plan for the year ended September 30, 2023, were as follows:

		Amount as a Percentage of Covered Payroll
Employer	$ 209,813	7.0%
Employee	209,813	7.0%
Total	$ 419,626	

Firefighters Plan

Plan Description

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

For the year ended September 30, 2023, the City's payroll total and covered under the Plan was $2,052,721 and $2,052,721, respectively.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Plan Description, continued

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

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

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

Funding Status of Defined Benefit Plan

The projected retirement benefits at September 30, 2023, were determined through a valuation calculation. The valuation was performed using a present value calculation, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

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

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

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

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2023.

Contributions made under the defined contribution portion of the Firefighters Plan for the year ended September 30, 2023, were as follows:

		Amount as a Percentage of Covered Payroll
Employer	$ 266,853	13.0%
Employee	133,427	6.5%
Total	$ 400,280	

All Other City and Utilities System Employees

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

Benefit terms, including contribution requirements for the Plan are established and may be amended by the City of Hastings Retirement Board. All employees not in the Police and Fire Department are required to contribute to the Plan after they have been employed six months and are at least 21 years of age. The Plan has a six month vesting period. Any non-vested money in an account is sent back to the employer as a forfeiture once the terminated employee takes a distribution out of the account. At that time, the City uses the forfeitures to offset the employer's contributions. Total forfeitures used during the year ended September 30, 2023 was $0.

Each participating employee is required to contribute 4.0% of the first $25,000 of compensation to the Plan, and 8.0% of any compensation over and above $25,000. The City and Utilities System then matches the employee's contribution. The City's annual contribution for the year ended September 30, 2023 was $481,457. The Utilities System total pension expense was $1,484,800 for the year ended September 30, 2023.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Deferred Compensation Plan

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

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

2. Risk Management

Insurance

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

The City's Self-Insurance Fund does not assume the full risk of loss related to claims filed under the insurance provided. The City has purchased insurance to cover individual claims in excess of $100,000 per claimant, as well as an aggregate stop loss of $7,328,575. The City pays the claims first up to the $100,000 per individual, and at the end of the policy year, the insurance company computes the amount due, if any, to the City in excess of the insured aggregate. At September 30, 2023 the City had not exceeded its aggregate stop loss for the year. Claims incurred prior to year-end but not paid are covered by the fiscal year aggregate and will be paid by the City, but later reimbursed. Claims incurred but not paid until subsequent to year-end totaled $701,727, are recorded as a liability in the Self-Insured Health Fund at September 30, 2023. The Self-Insurance Health Fund had $1,071,493 of reinsurance receivable at September 30, 2023.

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2023, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

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

	INVESTMENT MATURITIES (IN YEARS)				
	<1	1-5	5-10	10+	Total
City:					
CDs	$ 6,939,522	$ -	$ -	$ -	$ 6,939,522
Utilities:					
CDs	$ 13,115,252	$ -	$ -	$ -	$ 13,115,252
Money Market	8,800,050	-	-	-	8,800,050
	$ 21,915,302	$ -	$ -	$ -	$ 21,915,302

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

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Concentration of Credit Risk. The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2023, the City's investments in certificates of deposit consisted of the following:

Financial Institution	Amount
Five Points Bank	$ 10,689,712
Pinnacle Bank	6,110,000
Home Federal	2,255,062
Heartland Bank	1,000,000
	$ 20,054,774

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2023.

3. Commitments

Construction/Capital Assets

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

Project	Contract Amount	Paid Through 9/30/2023	Obligation Pending	Estimated Completion
Street improvements-Laird Ave	$ 412,511	$ 352,438	$ 60,073	11/30/2023
33rd Street extension	275,070	237,867	37,203	11/30/2023
Kool-Aid display	70,000	37,500	32,500	5/31/2024
Heartland Park shelter	103,649	58,531	45,118	11/30/2024
Lincoln Park play equipment	199,999	164,586	35,413	11/30/2024
Lincoln Park restroom	148,678	-	148,678	12/31/2023
Quiet zone	585,499	524,718	60,781	6/30/2025
Parkview Cemetery paving	489,621	464,618	25,003	5/30/2024
Downtown two-way conversion study	100,493	13,637	86,856	5/31/2024
12th Street study	154,900	141,335	13,565	1/31/2024
Grapple truck	138,998	-	138,998	5/31/2024
Ambulance	334,242	-	334,242	1/31/2025
Electric 2007 Freightliner	37,000	-	37,000	10/31/2024
Electric B Street switchgear	630,231	38,847	591,384	9/30/2024
Electric susbstation improvements	940,353	-	940,353	9/30/2029
Electric WEC1 North bunker site	131,685	34,914	96,771	9/30/2024
Electric line conversion	1,780,669	1,120,765	659,904	9/30/2029
Electric East 7th switchgear	603,443	521,184	82,259	9/30/2024
Electric WEC distribution	798,350	561,468	236,882	9/30/2024
Water main - 5th Street	548,060	-	548,060	12/31/2023

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Construction/Capital Assets, continued

Project	Contract Amount	Paid Through 9/30/2023	Obligation Pending	Estimated Completion
Water main - 2nd St	175,766	-	175,766	12/31/2023
Sewer aeration blowers	545,380	-	545,380	12/31/2023
Sewer primary digester project	3,059,165	2,745,540	313,625	12/31/2023
Utility admin - 2017 Chevy	23,500	-	23,500	10/31/2023
Utility admin - 2019 Ford truck	38,500	-	38,500	10/31/2023
Total commitments	$ 12,325,762	$ 7,017,948	$ 5,307,814	

Other Commitments

Lessor	Leased Property	Term	Amount
Quadient	Postage Machine	11/8/23 – 2/8/29	$275/month
	Postage Machine	5/12/23 – 5/12/28	$164/month
John Deere Financial	Skid Steer	8/24/22 – 8/24/25	$9,311/year
Hastings Building Co	Office	4/6/23 – 4/6/25	$4,070/month

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

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

Letter of Credit

The City has a $1,690,304 standby letter of credit available through Five Points Bank, with the Environmental Protection Agency as the beneficiary to satisfy the Performance Guarantee obligations related to the Hastings Groundwater Contamination Site. As of September 30, 2023, nothing had been drawn on this letter of credit, which expires September 24, 2024.

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts

MEAN Participation Agreement

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

City of Superior Agreement

On February 16, 2017, the Utilities entered into an agreement with the City of Superior to provide electric capacity and energy starting January 1, 2018 through December 31, 2022. The capacity quantity begins at 2,300 KW in 2018 and increases over the term of the agreement to 6,800 KW in 2022.

Coal Supply Agreements

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Coal Contracts

On July 27, 2010, the Utilities entered into an agreement with Chief Ethanol Fuels Inc. (Chief) to supply a minimum of 35,000 tons of coal a year. This coal is to be delivered to the Truck Load Out facility located at WEC. The term of the agreement runs from September 1, 2010 to December 31, 2015, and year to year thereafter. On July 14, 2016, an amendment was made to the agreement reducing the minimum annual coal purchase to 25,000 tons.

Peabody COALSALES, LLC

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

The Burlington Northern and Santa Fe Railway Company

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts

Central Plains Energy Project

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

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

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

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

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

Trailblazer Pipeline Company LLC

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

Tall Grass Interstate Gas Transmission LLC

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

Power Purchase Agreement

CCC-Hastings Renewable Energy, LLC

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

NOTE D – OTHER NOTES, continued

4. <u>Additional Utility Contracts, continued</u>

Wind Power Purchase Agreement

<u>Central Community College</u>

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

Public Power Generation Agency Financial Commitment

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

NOTE D – OTHER NOTES, continued

5. Environmental Remediation

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

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

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

NOTE D – OTHER NOTES, continued

6. Interlocal Agreements

The City is a party to 23 interlocal agreements in effect as of September 30, 2023. The City Clerk maintains a complete list of the interlocal agreements in effect.

7. Tax Abatements

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

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

Information relevant to the abatements granted by the CRA for the year ended September 30, 2023 is as follows:

NOTE D – OTHER NOTES, continued

7. Tax Abatements, continued

TIF Project:	Years Remaining on TIF Agreements	2023 TIF Valuation	2023 TIF Excess Tax Levied
Carmichael Ltd, LLC	2	$ 612,488	$ 13,320
Hastings Village Gardens	4	2,408,808	52,385
Southwood Estates Redevelopment	4	561,051	12,201
Uptown Experience, LLC	5	631,760	13,739
Listening Room	6	310,639	6,756
801 Building Condominiums	8	478,775	10,412
Emerson Estates LLC	8	601,320	13,077
Thoar, LLC (Old Market Firearms)	9	400,263	8,705
On Top, LLC	9	206,326	4,487
Dietrich/Stein Brothers Building, LLC	9	1,443,594	31,394
Eastside Estates, LLC	10	927,645	20,174
DJ&R Investments, LLC	11	2,339,569	50,963
Thoar, LLC-723 W 11th St	11	514,401	11,187
Hastings Lodging 2	12	4,700,190	102,385
NPC - Phase 1	12	9,125,653	198,785
Faris Redevelopment Project	12	232,561	5,058
Nebraska Truck Center, Inc	12	377,550	8,211
Thoar, LLC (737 W 1st St)	12	845,474	18,387
Mesner North Redevelopment Project	12	1,258,148	21,295
Southern Bell Heartland, LLC	12	1,143,885	24,876
HEDC West Laux Dr - Phase I	13	589,483	12,841
Brant Rentals, LLC	13	1,372,077	29,839
Mesner North	13	3,514,063	59,478
Shabri, LLC	13	455,602	9,908
Boys 3 MCP, Inc.	13	1,013,930	22,087
Abegglen & Hirschfeld	14	1,522,404	33,163
Brandt Rentals, LLC	14	365,169	7,941
Thoar, LLC - Cameron building	14	696,899	15,156
HEDC Trail Ridge Addition Phase 1	14	3,273,923	55,413
West 2nd Investments, LLC	14	365,847	7,956
Luckee, LLC	14	215,528	4,687
ABBC Restorations	14	358,942	7,806
Theatre District	14	177,784	3,866
HEDC Trail Ridge 2.0	15	116,139	1,966
Theatre District LLC-Lot 3 Blk 1	15	1,839,316	40,000
Theatre District LLC-Lot 8 Blk 1	15	127,788	2,779
HEDC West Laux Dr - Phase 2	15	168,556	3,671
DAVALWAT Properties LLC	15	259,735	5,648
HEDC Trail Ridge Addition Phase 2	15	2,776,470	46,994
			$ 998,996

NOTE D – OTHER NOTES, continued

8. Subsequent Events

Management has evaluated subsequent events through February 15, 2024, the date on which the financial statements were available for issue.

On October 23, 2023, City Council approved an agreement with Great Plains Asbestos Control Inc. for the City Hall asbestos containing materials abatement and mold remediation for $201,931.

During October 2023, the City contracted for the purchase of a 2024 vacuum trailer for $180,552.

On November 13, 2023, City Council approved a $138,990 work order with Garver LLC for the Hastings Municipal Airport apron rehabilitation project.

On November 27, 2023, City Council approved a $145,642 agreement with Ziemba Roofing Company for the Community Center roof replacement.

During December 2023, City Council approved a contract with Musco for Carter Park Field lighting for $200,000 and for Oswego Park Field lighting for $200,000.

On December 20, 2023, the CRA board approved the purchase of real estate for $205,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	$ 5,802,607	$ 5,862,383	$ 59,776
Motor vehicle	420,000	477,270	57,270
Occupation	50,000	54,090	4,090
Sales tax	5,000,000	6,214,878	1,214,878
Franchise	400,000	400,069	69
In lieu of tax	3,950,000	3,967,591	17,591
Intergovernmental	1,256,252	1,650,492	394,240
Charges for services	4,000,000	4,103,267	103,267
Grants	695,500	11,179	(684,321)
Interest income	50,000	727,689	677,689
Contributions	-	25,000	25,000
Sale of property	-	420	420
Other	152,348	44,368	(107,980)
Total resources	21,776,707	23,538,696	1,761,989
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government:			
City Administrator's office	750,259	530,725	(219,534)
Human resources	675,979	640,828	(35,151)
City attorney	340,933	222,735	(118,198)
Finance	894,830	972,918	78,088
Mayor and Council	109,452	106,442	(3,010)
City clerk	288,713	263,054	(25,659)
Other governmental	3,522,068	2,166,658	(1,355,410)
Development services	1,074,054	818,119	(255,935)
Total general government	7,656,288	5,721,479	(1,934,809)
Public safety:			
911 Center	1,200,017	751,620	(448,397)
Fire and rescue	4,402,406	3,786,803	(615,603)
Ambulance service	-	168,319	168,319
Police	6,280,452	5,503,331	(777,121)
Total public safety	11,882,875	10,210,073	(1,672,802)

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND, Continued

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
CHARGES TO APPROPRIATIONS (OUTFLOWS), continued			
Public works:			
Cemetery	377,223	385,397	8,174
EPA mandates	240,450	58,517	(181,933)
Storm water management	-	79,467	79,467
Total public works	617,673	523,381	(94,292)
Environment and leisure:			
Auditorium	172,756	156,036	(16,720)
Parks	2,182,142	2,122,186	(59,956)
Water park	472,152	491,669	19,517
Recreation programming	190,734	189,059	(1,675)
Library	1,562,973	1,420,203	(142,770)
Airport	369,168	360,333	(8,835)
Total environment and leisure	4,949,925	4,739,486	(210,439)
Total charges to appropriations	25,106,761	21,194,419	(3,912,342)
Resources over (under) charges to appropriations	(3,330,054)	2,344,277	5,674,331
OTHER FINANCING SOURCES (USES)			
Transfers in	103,000	63,000	(40,000)
Transfers out	(2,210,515)	(1,534,880)	675,635
Net transfers	(2,107,515)	(1,471,880)	635,635
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	$ (5,437,569)	$ 872,397	$ 6,309,966

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - STREET FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ 18,500	$ 20,350	$ 1,850
Wheel tax	350,000	390,455	40,455
Intergovernmental	3,455,777	3,572,694	116,917
Charges for services	120,000	159,323	39,323
Grants	590,695	626,841	36,146
Interest income	25,000	123,864	98,864
Other revenue	3,000	47,872	44,872
Total resources	4,562,972	4,941,399	378,427
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	4,213,119	3,417,337	(795,782)
Capital outlay	1,828,000	425,063	(1,402,937)
Interest expense	-	7,925	7,925
Total charges to appropriations	6,041,119	3,850,325	(2,190,794)
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	$ (1,478,147)	$ 1,091,074	$ 2,569,221

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MUSEUM FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ 1,154,544	$ 1,098,648	$ (55,896)
Motor vehicle tax	85,000	94,962	9,962
Occupation tax	250,000	268,349	18,349
Charges for services	310,000	408,787	98,787
Grants	15,000	10,250	(4,750)
Contributions	3,200	14,947	11,747
Other income	-	3,603	3,603
Total resources	1,817,744	1,899,546	81,802
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Environment and leisure	1,852,430	1,654,480	(197,950)
Capital outlay	280,000	-	(280,000)
Total charges to appropriations	2,132,430	1,654,480	(477,950)
Resources over (under) charges to appropriations	(314,686)	245,066	559,752
OTHER FINANCING USES			
Transfers out	(50,000)	(50,000)	-
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	$ (364,686)	$ 195,066	$ 559,752

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ 465,899	$ 445,061	$ (20,838)
Motor vehicle tax	40,000	38,321	(1,679)
Special assessments	265,000	188,310	(76,690)
Interest income	1,500	109,690	108,190
Total resources	772,399	781,382	8,983
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	404,310	404,309	(1)
Interest expense	61,589	61,588	(1)
Other expenses	20,000	800	(19,200)
Total charges to appropriations	485,899	466,697	(19,202)
Resources over charges to appropriations	286,500	314,685	28,185
OTHER FINANCING SOURCES (USES)			
Transfers in	98,871	98,871	-
Transfers out	(500,000)	(750,000)	(250,000)
Net transfers	(401,129)	(651,129)	(250,000)
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	$ (114,629)	$ (336,444)	$ (221,815)

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULES - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year ended September 30, 2023

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

	General Fund	Street Fund	Museum Fund	Debt Service Fund
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis from the budgetary comparison schedules	$ 23,538,696	$ 4,941,399	$ 1,899,546	$ 781,382
Differences - budget to GAAP:				
Cash to accrual adjustments	94,455	15,414	4,496	3,099
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 23,633,151	$ 4,956,813	$ 1,904,042	$ 784,481
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the bugetary comparison schedules	$ 21,194,419	$ 3,850,325	$ 1,654,480	$ 466,697
Differences - budget to GAAP:				
Cash to accrual adjustments	(174,695)	57,590	(17,925)	(947)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 21,019,724	$ 3,907,915	$ 1,636,555	$ 465,750
Net transfers:				
Actual amounts (budgetary basis) from the budgetary comparison schedules	$ (1,471,880)	$ -	$ (50,000)	$ (651,129)
Differences - budget to GAAP:				
Cash to accrual adjustments	-	-	-	-
Total net transfers as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ (1,471,880)	$ -	$ (50,000)	$ (651,129)

SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA

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

Year ended September 30, 2023

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

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

CITY OF HASTINGS, NEBRASKA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Permanent	Special Revenue Funds			
	Cemetery Perpetual Care	BID Fund	Community Development	Museum Sales Tax Fund	S Landfill Cap Fund
ASSETS					
Cash and cash equivalents	$ 33,513	$ 19,279	$ (38,437)	$ 1,207,109	$ 22,836
Certificates of deposit	55,062	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	-
Interest	-	-	-	-	-
Due from other governments	-	-	88,525	56,602	-
Total assets	$ 88,575	$ 19,279	$ 50,088	$ 1,263,711	$ 22,836
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 1,694	$ 10,300	$ -	$ -
Fund balances:					
Nonspendable:					
Cemetery perpetual care	88,575	-	-	-	-
Restricted for:					
Street improvements	-	-	-	-	-
Federal programs	-	-	-	-	-
Capital projects	-	-	-	-	-
Aquatic Center	-	-	-	-	-
Museum projects	-	-	-	1,263,711	-
Community betterment	-	-	-	-	-
Other purposes	-	17,585	-	-	-
Assigned for:					
Equipment replacement	-	-	-	-	-
Other purposes	-	-	39,788	-	22,836
Unassigned	-	-	-	-	-
Total fund balances	88,575	17,585	39,788	1,263,711	22,836
Total liabilities and fund balances	$ 88,575	$ 19,279	$ 50,088	$ 1,263,711	$ 22,836

Library Grant Fund	Fire Equipment Sinking Fund	Bookmobile Replacement	Parks Grant Fund	Duncan Park Sales Tax	Aquatics Center Fund	Police Equipment Sinking Fund
$ 41,016	$ 356,914	$ 132,488	$ 79,373	$ 61,081	$ 315	$ -
-	-	-	-	-	280,000	-
-	-	-	-	-	-	-
-	-	-	-	-	5,842	-
761	-	-	-	-	-	-
$ 41,777	$ 356,914	$ 132,488	$ 79,373	$ 61,081	$ 286,157	$ -
$ 2,161	$ -	$ -	$ 73,454	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	5,919	61,081	-	-
-	-	-	-	-	286,157	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,616	-	-	-	-	-	-
-	356,914	-	-	-	-	-
-	-	132,488	-	-	-	-
-	-	-	-	-	-	-
39,616	356,914	132,488	5,919	61,081	286,157	-
$ 41,777	$ 356,914	$ 132,488	$ 79,373	$ 61,081	$ 286,157	$ -

CITY OF HASTINGS, NEBRASKA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS, Continued

September 30, 2023

	Special Revenue Funds					
	CANDO Fund	Public Safety Grant Fund	ARPA Fund	Wireless E911 Fund	Landline E911 Fund	Street Sales Tax Fund
ASSETS						
Cash and cash equivalents	$ 122,237	$ 18,735	$ 2,907,375	$ 354,399	$ 397,732	$ 4,234,987
Certificates of deposit	-	-	-	-	-	-
Receivables:						
Accounts receivable	-	-	-	-	5,234	-
Interest	-	-	-	-	-	-
Due from other governments	-	5,451	-	-	-	367,913
Total assets	$ 122,237	$ 24,186	$ 2,907,375	$ 354,399	$ 402,966	$ 4,602,900
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 541,855
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	-	-
Restricted for:						
Street improvements	-	-	-	-	-	4,061,045
Federal programs	-	-	2,907,375	-	-	-
Capital projects	-	-	-	-	-	-
Aquatic Center	-	-	-	-	-	-
Museum projects	-	-	-	-	-	-
Community betterment	-	-	-	-	-	-
Other purposes	-	24,186	-	-	-	-
Assigned for:						
Equipment replacement	-	-	-	-	-	-
Other purposes	122,237	-	-	354,399	402,966	-
Unassigned	-	-	-	-	-	-
Total fund balances	122,237	24,186	2,907,375	354,399	402,966	4,061,045
Total liabilities and fund balances	$ 122,237	$ 24,186	$ 2,907,375	$ 354,399	$ 402,966	$ 4,602,900

Natural Disaster Fund	Scales Fund	Diversion Program	Parks-Rec Sales Tax Fund	Keno Betterment	Capital Projects Fund	Total Nonmajor Governmental Funds
Special Revenue Funds						
$ 2,959,729	$ 38,893	$ 15,338	$ 1,178,513	$ 265,333	$ 43,971	$ 14,452,729
-	-	-	-	-	-	335,062
-	-	-	-	16,443	-	21,677
-	-	-	-	-	-	5,842
-	-	-	141,504	-	-	660,756
$ 2,959,729	$ 38,893	$ 15,338	$ 1,320,017	$ 281,776	$ 43,971	$ 15,476,066
$ -	$ -	$ -	$ -	$ 14,513	$ 48,102	$ 692,079
-	-	-	-	-	-	88,575
-	-	-	-	-	-	4,061,045
-	-	-	-	-	-	2,907,375
-	-	-	1,320,017	-	-	1,387,017
-	-	-	-	-	-	286,157
-	-	-	-	-	-	1,263,711
-	-	-	-	267,263	-	267,263
-	-	-	-	-	-	81,387
-	-	-	-	-	-	356,914
2,959,729	38,893	15,338	-	-	-	4,088,674
-	-	-	-	-	(4,131)	(4,131)
2,959,729	38,893	15,338	1,320,017	267,263	(4,131)	14,783,987
$ 2,959,729	$ 38,893	$ 15,338	$ 1,320,017	$ 281,776	$ 43,971	$ 15,476,066

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

	Permanent	Special Revenue Funds			
	Cemetery Perpetual Care	BID Fund	Community Development	Museum Sales Tax Fund	S Landfill Cap Fund
REVENUES					
Sales tax	$ -	$ -	$ -	$ 313,615	$ -
Keno	-	-	-	-	-
Special assessments	-	72,466	-	-	-
Charges for services	-	-	-	-	-
Grants	-	-	795,970	-	-
Interest income	2,725	1,328	-	30,380	663
Contributions	-	-	8,392	-	-
Insurance proceeds	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	2,725	73,794	804,362	343,995	663
EXPENDITURES					
General government	-	55,723	620,954	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	971
Environment and leisure	-	-	-	3,581	-
Capital outlay	-	-	201,844	36,512	-
Total expenditures	-	55,723	822,798	40,093	971
Excess (deficiency) of revenues over expenditures	2,725	18,071	(18,436)	303,902	(308)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net transfers	-	-	-	-	-
Net change in fund balances	2,725	18,071	(18,436)	303,902	(308)
Fund balances - September 30, 2022	85,850	(486)	58,224	959,809	23,144
Fund balances - September 30, 2023	$ 88,575	$ 17,585	$ 39,788	$ 1,263,711	$ 22,836

Library Grant Fund	Fire Equipment Sinking Fund	Bookmobile Replacement	Parks Grant Fund	Duncan Park Sales Tax	Aquatic Center Fund	Police Equipment Sinking Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,113	-	-	-	-	-	-
1,380	7,750	3,592	2,482	1,378	9,710	-
-	-	283	8,136	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
54,493	7,750	3,875	10,618	1,378	9,710	-
-	-	-	-	-	-	-
-	4,879	-	-	-	-	7,304
-	-	-	-	-	-	-
42,956	-	-	44,879	-	-	-
12,756	49,778	-	58,531	-	-	-
55,712	54,657	-	103,410	-	-	7,304
(1,219)	(46,907)	3,875	(92,792)	1,378	9,710	(7,304)
-	270,000	6,000	-	15,000	-	-
-	(98,871)	-	-	-	-	-
-	171,129	6,000	-	15,000	-	-
(1,219)	124,222	9,875	(92,792)	16,378	9,710	(7,304)
40,835	232,692	122,613	98,711	44,703	276,447	7,304
$ 39,616	$ 356,914	$ 132,488	$ 5,919	$ 61,081	$ 286,157	$ -

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

	Special Revenue Funds					
	CANDO Fund	Public Safety Grant Fund	ARPA Fund	Wireless E911 Fund	Landline E911 Fund	Street Sales Tax Fund
REVENUES						
Sales tax	$ -	$ -	$ -	$ -	$ -	$ 2,038,524
Keno	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Charges for services	-	-	-	-	52,779	-
Grants	-	6,251	-	86,925	-	-
Interest income	1,505	-	107,834	9,032	10,549	114,400
Contributions	17,500	4,236	-	-	-	-
Insurance proceeds	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	19,005	10,487	107,834	95,957	63,328	2,152,924
EXPENDITURES						
General government	10,723	-	-	-	-	-
Public safety	-	6,078	-	18,587	18,201	-
Public works	-	-	-	-	-	674,786
Environment and leisure	-	-	741,441	-	-	-
Capital outlay	-	-	839,782	-	-	569,600
Total expenditures	10,723	6,078	1,581,223	18,587	18,201	1,244,386
Excess (deficiency) of revenues over expenditures	8,282	4,409	(1,473,389)	77,370	45,127	908,538
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net transfers	-	-	-	-	-	-
Net change in fund balances	8,282	4,409	(1,473,389)	77,370	45,127	908,538
Fund balances - September 30, 2022	113,955	19,777	4,380,764	277,029	357,839	3,152,507
Fund balances - September 30, 2023	$ 122,237	$ 24,186	$ 2,907,375	$ 354,399	$ 402,966	$ 4,061,045

Natural Disaster Fund	Scales Fund	Diversion Program	Parks-Rec Sales Tax Fund	Keno Betterment	Capital Projects Fund	Total Nonmajor Governmental Funds
Special Revenue Funds						
$ -	$ -	$ -	$ 784,043	$ -	$ -	$ 3,136,182
-	-	-	-	261,500	-	261,500
-	-	-	-	-	-	72,466
-	-	702	-	-	-	53,481
-	-	-	-	-	-	942,259
-	195	409	26,577	8,820	9,191	349,900
-	15,000	-	-	-	-	53,547
3,418,452	-	-	-	-	-	3,418,452
-	500	-	-	-	-	500
3,418,452	15,695	1,111	810,620	270,320	9,191	8,288,287
461,672	-	-	-	99,991	-	1,249,063
-	6,092	-	-	-	-	61,141
-	-	-	-	164,000	674,687	1,514,444
-	-	-	10,404	-	-	843,261
20,000	-	-	194,130	-	610,930	2,593,863
481,672	6,092	-	204,534	263,991	1,285,617	6,261,772
2,936,780	9,603	1,111	606,086	6,329	(1,276,426)	2,026,515
-	-	-	-	-	750,000	1,041,000
-	-	-	-	(13,000)	-	(111,871)
-	-	-	-	(13,000)	750,000	929,129
2,936,780	9,603	1,111	606,086	(6,671)	(526,426)	2,955,644
22,949	29,290	14,227	713,931	273,934	522,295	11,828,343
$ 2,959,729	$ 38,893	$ 15,338	$ 1,320,017	$ 267,263	$ (4,131)	$ 14,783,987

CITY OF HASTINGS, NEBRASKA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2023

	Health Insurance Fund	I T Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 8,884,789	$ 286,087	$ 9,170,876
Certificates of deposit	600,000	-	600,000
Accounts receivable	392,319	64,747	457,066
Reinsurance receivable	1,071,493	-	1,071,493
Interest receivable	37,240	-	37,240
Total current assets	10,985,841	350,834	11,336,675
LIABILITIES			
Current liabilities:			
Accounts payable	591	48,320	48,911
Claims incurred not paid	701,727	-	701,727
Accrued wages	-	20,166	20,166
Total current liabilities	702,318	68,486	770,804
Noncurrent liabilities:			
Compensated absences - noncurrent	-	71,818	71,818
Total liabilities	702,318	140,304	842,622
NET POSITION			
Unrestricted	$ 10,283,523	$ 210,530	$ 10,494,053

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2023

	Health Insurance Fund	I T Fund	Total
Operating revenues:			
Interdepartmental charges	$ -	$ 2,040,860	$ 2,040,860
Health insurance funding-interdepartmental	7,620,112	-	7,620,112
Employee premiums	1,368,072	-	1,368,072
Reinsurance receipts	1,137,042	-	1,137,042
Total operating revenues	10,125,226	2,040,860	12,166,086
Operating expenses:			
Personnel costs	-	1,241,376	1,241,376
Utilities	-	663	663
Supplies	-	2,213	2,213
Dues and training	-	5,902	5,902
Software	-	1,206,883	1,206,883
Computer equipment	-	685,288	685,288
Insurance claims and health premiums	9,793,193	-	9,793,193
Total operating expenses	9,793,193	3,142,325	12,935,518
Operating income (loss)	332,033	(1,101,465)	(769,432)
Nonoperating revenues (expenses):			
Interest income	386,760	-	386,760
Interest expense	-	(5,538)	(5,538)
Total nonoperating revenues (expenses)	386,760	(5,538)	381,222
Excess (deficiency) of revenues over expenditures	718,793	(1,107,003)	(388,210)
OTHER FINANCING SOURCES			
Transfers in	-	1,243,880	1,243,880
Change in net position	718,793	136,877	855,670
Net position - September 30, 2022	9,564,730	73,653	9,638,383
Net position - September 30, 2023	$ 10,283,523	$ 210,530	$ 10,494,053

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the year ended September 30, 2023

	Health Insurance Fund	I T Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds	$ 8,661,414	$ 1,976,113	$ 10,637,527
Payments to suppliers	(9,642,430)	(1,868,089)	(11,510,519)
Payments to employees	-	(1,223,613)	(1,223,613)
Net cash used by operating activities	(981,016)	(1,115,589)	(2,096,605)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from General Fund	-	1,243,880	1,243,880
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest paid	-	(5,538)	(5,538)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	349,520	-	349,520
Increase (decrease) in cash and cash equivalents	(631,496)	122,753	(508,743)
Cash and cash equivalents - beginning of the year	9,516,285	163,334	9,679,619
Cash and cash equivalents - end of the year	$ 8,884,789	$ 286,087	$ 9,170,876
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	$ 332,033	$ (1,101,465)	$ (769,432)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Change in assets and liabilities:			
Accounts receivable	(392,319)	(64,747)	(457,066)
Reinsurance receivable	(1,071,493)	-	(1,071,493)
Accounts payable	(4,587)	32,860	28,273
Claims incurred not paid	155,350	-	155,350
Accrued expenses	-	17,763	17,763
Net cash used by operating activities	$ (981,016)	$ (1,115,589)	$ (2,096,605)

See notes to financial statements.

ADDITIONAL INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

AMGL
CPAs & Advisors

SHAREHOLDERS:

Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 15, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting 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 were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

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

A PROFESSIONAL CORPORATION

entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below to be a material weakness.

Reinsurance Receivable

The City had not received any reinsurance receipts from its stop loss insurer since May 19, 2023. During the audit fieldwork in December 2023, it was determined that $1,071,493 of reinsurance proceeds was due to the City. The City needs to implement a process to monitor third party insurers to ensure the City receives all eligible stop loss insurance 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. We consider the deficiency described below to be a significant deficiency.

Segregation of Duties

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hastings, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Unsecured Bank Balances

Bank balances at one financial institution exceeded FDIC coverage and pledged securities by $559,994 at September 30, 2023.

City of Hastings's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Hastings, Nebraska's response to the findings identified in our audit and described above. The City of Hastings' response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City will implement procedures to monitor health insurance claims to ensure stop loss insurance is received on a timely basis in the future. Also, the City will monitor bank balances and request financial institutions to assign additional collateral, if necessary, in the future. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

DMGL, PC

Grand Island, Nebraska
February 15, 2024

City of Hastings
September 30,

	Reference	Recommended	2023	2022	2021	2020	2019
Population			25,154	25,154	25,154	25,224	25,224
Valuation		$ 1,781,726,673	$ 1,766,801,196	$ 1,621,629,786	$ 1,539,701,283	$ 1,454,956,540	$ 1,377,649,781
Per Capita		$ 82,265	$ 70,239	$ 64,468	$ 61,211	$ 57,681	$ 54,617
1) Unrestricted Net Position/Total Net Position							
Government Wide	Page 15	35%	29.12%	31.35%	31.46%	28.67%	27.71%
Governmental Activities		25%	31.01%	28.29%	28.42%	27.68%	24.68%
Business-Type Activities		40%	28.17%	32.83%	32.88%	29.09%	28.95%
2) Top 4 Sources of Revenues - Governmental Activities							
Sales Tax	Page 10	$545 per Capita	$ 374	$ 340	$ 312	$ 285	$ 264
Property Taxes		$256 per Capita	297	286	275	260	243
Grants and Contributions		$215 per Capita	251	201	341	201	261
State Allocation		$146 per Capita	192	189	192	168	164
3) State Allocations							
Highway Allocation		$117 Per Capita	$ 133	$ 121	$ 128	$ 112	$ 113
Municipal Equalization		$29 Per Capita	50	59	54	47	42
4) Governmental Expenses (Excludes capital outlay)							
General Government	Page 85	$145 Per Capita	$ 205	$ 168	$ 163	$ 146	$ 149
Public Safety:	Page 85	$435 Per Capita					
Police			$ 218	$ 203	$ 189	$ 177	$ 167
Fire and rescue			150	137	121	123	115
Ambulance service			7	7	9	8	7
Emergency Communication Center			30	35	34	32	28
			$ 404	$ 382	$ 353	$ 340	$ 318
Public works	Page 86	$135 Per Capita	$ 13	$ 31	$ 28	$ 31	$ 31
Culture and Recreation:	Page 86	$150 Per Capita					
Parks			$ 81	$ 78	$ 72	$ 69	$ 65
Auditorium			6	6	5	5	6
Recreation Programming			8	7	6	5	6
AquaCourt			20	15	13	1	14
Library			56	53	52	53	49
Airport			13	15	12	10	8
			$ 185	$ 174	$ 161	$ 143	$ 149
5) Outstanding GO Debt/Valuation	Page 14	< 5%-Good < 3%-Excellent	0.26%	0.33%	0.37%	0.43%	0.30%

	Reference	Recommended	2023	2022	2021	2020	2019
6) Unassigned Fund Balance/General Fund Expenditures	**Pages 17 & 19**	**30%**	**92.52%**	**93.37%**	**116.60%**	**113.83%**	**109.20%**
7) Months Expense in Street Cash Reserve	**Pages 17 & 19**	**12.0**	**12.1**	**8.5**	**11.4**	**10.7**	**16.7**
8) Levy Rates							
General		**0.32**	**0.397709**	**0.42396**	**0.416087**	**0.423196**	**0.410418**
		$268/Capita	**$ 279**	**$ 273**	**$ 255**	**$ 244**	**$ 224**
Debt Service		**0.04**	**0.026633**	**0.026000**	**0.026000**	**0.026491**	**0.039269**
		$34/Capita	**$ 19**	**$ 17**	**$ 16**	**$ 15**	**$ 21**
Total Levy			**0.424342**	**0.449960**	**0.442087**	**0.449687**	**0.449687**
			$ 298	**$ 290**	**$ 271**	**$ 259**	**$ 246**
9) Net Depreciable Capital Assets/Original Cost							
Governmental Activities	**Page 51**	**> 35%**	**47.54%**	**49.80%**	**46.83%**	**46.48%**	**46.88%**
Business-type Activities	**Page 53**	**> 35%**	**38.57%**	**40.09%**	**41.35%**	**42.92%**	**43.28%**
10) Operating Income/Total Operating Revenue							
Electric Fund	**Page 22**	**15.00%**	**-2.54%**	**3.64%**	**23.56%**	**-2.93%**	**3.49%**
Gas Fund	**Page 45 Utility**	**15.00%**	**-1.92%**	**-16.26%**	**-29.78%**	**-1.97%**	**-5.20%**
Water Fund	**Page 46 Utility**	**15.00%**	**27.76%**	**28.82%**	**27.68%**	**41.14%**	**35.77%**
Pollution Control Fund	**Page 47 Utility**	**15.00%**	**23.71%**	**26.38%**	**26.29%**	**29.63%**	**28.63%**
Street Lighting Fund	**Page 48 Utility**	**15.00%**	**-**	**-**	**-**	**42.84%**	**46.65%**
Landfill Fund	**Page 22**	**15.00%**	**27.27%**	**17.11%**	**10.77%**	**0.04%**	**24.83%**
Internal Service Fund	**Page 22**	**10.00%**	**-6.32%**	**-0.24%**	**6.20%**	**10.56%**	**23.39%**
11) Debt Coverage Ratio							
Electric	**Pages 22 & 23**	**1.50**	**n/a**	**n/a**	**n/a**	**n/a**	**1.58**
Landfill		**1.50**	**3.82**	**2.29**	**1.75**	**1.88**	**6.10**
Combinded System Utilities		**1.50**	**6.62**	**7.25**	**1.43**	**2.13**	**4.41**
12) Cash, Investments & Treasurer Cash							
Governmental Activities: (General - unassigned)	**Page 17/19/51**						
Operating		**10,100,000**					
Replacement (construction in process is $3,622,155)		**3,775,000**					
(Budgetary stabilization is $6,257,386)		**13,875,000**	**19,446,529**	**19,124,799**	**21,281,796**	**19,089,901**	**17,486,712**
Business-type Activities	**Page 21/22/53**						
Operating		**38,360,000**					
Replacement (construction in process is $30,727,924)		**45,900,000**					
Restricted		**5,490,000**					
		89,750,000	**74,034,090**	**86,652,170**	**87,990,660**	**76,360,886**	**75,205,767**