

CITY OF GOTHENBURG, NEBRASKA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024



CITY OF GOTHENBURG, NEBRASKA  
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 4
FINANCIAL SECTION	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	5 - 6
Statement of Activities	7 - 8
Fund Financial Statements	
Balance Sheet - Governmental Fund Types	9
Reconciliation of the Fund Balance of the Governmental Funds to the Net Position - Governmental Activities	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund Types	11 - 12
Reconciliation of the Change in Fund Balances of Governmental Funds to the Change in Net Position - Governmental Activities	13
Statement of Net Position - Proprietary Funds	14 - 15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	16 - 17
Statement of Cash Flows - Proprietary Funds	18 - 19
Statement of Fiduciary Net Position	20
Statement of Changes in Net Position – Agency Fund	21
NOTES TO FINANCIAL STATEMENTS	22 - 40
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budgetary Basis -Budget and Actual - All Funds	41
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION	42
OTHER SUPPLEMENTAL INFORMATION	
Financial Statements of Individual Funds	
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances	43 - 48
Special Revenue Funds	
Combining Statement of Assets, Liabilities and Fund Balances	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	50
Schedule of Debt Service Requirements	51 - 55

CITY OF GOTHENBURG, NEBRASKA  
TABLE OF CONTENTS

	Page
REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	56 - 57
SCHEDULE OF FINDINGS AND RESPONSES	58 - 59



## INDEPENDENT AUDITORS' REPORT

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

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities – modified cash basis, the business-type activities – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Gothenburg, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Gothenburg, Nebraska's 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 – modified cash basis, the business-type activities – accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Gothenburg, Nebraska, as of September 30, 2024, and respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

#### **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 Gothenburg, 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 1, the financial statements referred to above include only the primary government of City of Gothenburg, Nebraska, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary governmental financial statements do not include financial data for the City's legally separate component units, 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 a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Gothenburg, Nebraska, as of September 30, 2024, the changes in its financial position, or, where

applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We draw attention to Note 1 of the financial statements, which describe the basis of accounting for the governmental activities and governmental funds. The governmental financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash and accrual basis of accounting described in Note 1. This includes determining that the modified cash and accrual basis of accounting are acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible 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 Gothenburg, 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 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 Gothenburg, 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 Gothenburg, 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 finding, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collective comprise the City of Gothenburg, Nebraska's basic financial statements. The accompanying combining and individual nonmajor fund 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. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises budgetary comparison schedules but not include is presented for purposes of additional analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1 2024, on our consideration of the City of Gothenburg, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant

agreements and other matters. The purpose of that report is 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 Gothenburg, Nebraska'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 City of Gothenburg, Nebraska's internal control over financial reporting and compliance.

RJ Meyer & Associates, LLC

North Platte, Nebraska  
January 10, 2025

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	2,841,721.48	3,789,120.77	6,630,842.25
Cash on deposit-County Treasurer	58,443.05	-	58,443.05
Certificates of deposit	269,464.33	1,300,556.89	1,570,021.22
Receivables (net of allowance for uncollectibles)	-	759,686.46	759,686.46
Property taxes receivable			
Deferred	254,862.16	-	254,862.16
Sales tax receivable	118,288.31	-	118,288.31
Special assessments			
Deferred	36,774.66	-	36,774.66
Notes receivable	876,383.00	-	876,383.00
Notes receivable - CDBG	1,446,392.67	-	1,446,392.67
Total Current Assets	<u>5,902,329.66</u>	<u>5,849,364.12</u>	<u>11,751,693.78</u>
Restricted assets			
Temporarily restricted			
Cash and cash equivalents	112,903.63	-	112,903.63
Total Restricted Assets	<u>112,903.63</u>	<u>-</u>	<u>112,903.63</u>
Capital assets (net of accumulated depreciation)			
Land	277,891.74	31,581.00	309,472.74
Infrastructure	8,095,118.13	-	8,095,118.13
Buildings and equipment	7,406,208.90	25,121,970.67	32,528,179.57
Less accumulated depreciation	<u>(6,098,118.90)</u>	<u>(15,918,791.80)</u>	<u>(22,016,910.70)</u>
Net Capital Assets	<u>9,681,099.87</u>	<u>9,234,759.87</u>	<u>18,915,859.74</u>
<b>TOTAL ASSETS</b>	<u><u>15,696,333.16</u></u>	<u><u>15,084,123.99</u></u>	<u><u>30,780,457.15</u></u>



CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Accounts payable	42,022.96	451,626.18	493,649.14
Accrued interest	-	17,348.40	17,348.40
Accrued salaries and wages	64,664.25	53,191.34	117,855.59
Payroll taxes payable	4,946.81	-	4,946.81
Sales tax payable	-	25,143.95	25,143.95
Deferred assessments	37,024.66	-	37,024.66
Accrued compensated absences	20,688.33	32,087.98	52,776.31
Customer deposits	-	36,891.74	36,891.74
<b>Noncurrent liabilities</b>			
Due within one year	415,000.00	474,992.72	889,992.72
Due in more than one year	<u>6,725,000.00</u>	<u>4,027,681.93</u>	<u>10,752,681.93</u>
<b>TOTAL LIABILITIES</b>	<u>7,309,347.01</u>	<u>5,118,964.24</u>	<u>12,428,311.25</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related	2,541,099.87	6,042,085.22	8,583,185.09
Restricted for:			
Debt service	53,366.40	1,954,566.39	2,007,932.79
Economic development	2,642,332.45	-	2,642,332.45
Library	19,769.43	-	19,769.43
Keno	3,441.54	-	3,441.54
Unrestricted	<u>3,126,976.46</u>	<u>1,968,508.15</u>	<u>5,095,484.61</u>
<b>TOTAL NET POSITION</b>	<u>8,386,986.15</u>	<u>9,965,159.76</u>	<u>18,352,145.91</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>15,696,333.16</u>	<u>15,084,123.99</u>	<u>30,780,457.15</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
<b>Functions/programs</b>						
<b>Primary government</b>						
<b>Governmental activities</b>						
General Government	465,390.04	38,526.00	374,909.39	(51,954.65)	-	(51,954.65)
Public Safety	927,657.68	24,521.38	-	(903,136.30)	-	(903,136.30)
Streets and Highways	791,580.11	-	4,000.00	(787,580.11)	-	(787,580.11)
Economic Development	300,604.41	-	-	(300,604.41)	-	(300,604.41)
Culture and Recreation	1,026,611.67	12,564.20	8,327.03	(1,005,720.44)	-	(1,005,720.44)
Health and Welfare	127,762.24	16,010.00	-	(111,752.24)	-	(111,752.24)
Other	7,130.86	-	-	(7,130.86)	-	(7,130.86)
Interest on long-term debt	29,621.50	-	-	(29,621.50)	-	(29,621.50)
<b>Total governmental activities</b>	<b>3,676,358.51</b>	<b>91,621.58</b>	<b>387,236.42</b>	<b>(3,197,500.51)</b>	<b>-</b>	<b>(3,197,500.51)</b>
<b>Business-type activities</b>						
Electric	4,841,661.81	5,316,594.15	-	-	474,932.34	474,932.34
Water	604,034.10	798,225.65	-	-	194,191.55	194,191.55
Sewer	890,575.60	800,647.71	-	-	(89,927.89)	(89,927.89)
Trash	581,691.60	594,635.02	-	-	12,943.42	12,943.42
<b>Total business-type activities</b>	<b>6,917,963.11</b>	<b>7,510,102.53</b>	<b>-</b>	<b>-</b>	<b>592,139.42</b>	<b>592,139.42</b>
<b>Total primary government</b>	<b>10,594,321.62</b>	<b>7,601,724.11</b>	<b>387,236.42</b>	<b>(3,197,500.51)</b>	<b>592,139.42</b>	<b>(2,605,361.09)</b>
<b>General revenues</b>						
Property taxes, levied for general purposes				1,588,334.19	-	1,588,334.19
Sales taxes, levied for general purposes				839,890.55	-	839,890.55
Sales taxes, levied for economic development				328,398.40	-	328,398.40
Franchise taxes				47,128.92	-	47,128.92
Motor vehicle taxes				103,753.73	-	103,753.73

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Primary Government		Total
					Business-Type Activities		
General revenues (Continued)							
Payments in-lieu-of taxes		63,093.71		63,093.71	-		63,093.71
Licenses and permits		11,328.40		11,328.40	-		11,328.40
Special assessments		11,815.21		11,815.21	-		11,815.21
Grants and contributions not restricted to specific programs		181,717.14		181,717.14	1,775.54		183,492.68
Unrestricted investment earnings		5,799.72		5,799.72	132,442.06		138,241.78
Restricted investment earnings		32,134.71		32,134.71	-		32,134.71
Other receipts		102,632.76		102,632.76	-		102,632.76
Total general revenues		3,316,027.44		3,316,027.44	121,688.58		3,437,716.02
Transfers				313,250.00	(313,250.00)		-
CHANGE IN NET POSITION				431,776.93	400,578.00		832,354.93
NET POSITION, beginning of year				7,955,209.22	9,564,581.76		17,519,790.98
NET POSITION, end of year				8,386,986.15	9,965,159.76		18,352,145.91

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
BALANCE SHEET  
GOVERNMENTAL FUND TYPES  
SEPTEMBER 30, 2024

	General	CDBG		Debt Service	Economic Development LB 840	Other Governmental Funds	Total Governmental Funds
		Loan	Reuse				
<b>ASSETS</b>							
Cash (including cash equivalents)	1,238,533.65	-	-	-	192,236.72	1,410,951.11	2,841,721.48
Cash on deposit - County Treasurer	58,443.05	-	-	-	-	-	58,443.05
Certificates of deposit	269,464.33	-	-	-	-	-	269,464.33
Property taxes receivable							
Deferred	254,862.16	-	-	-	-	-	254,862.16
Sales tax receivable	89,879.84	-	-	-	28,408.47	-	118,288.31
Special assessments (net)							
Deferred	-	-	36,774.66	-	-	-	36,774.66
Notes Receivable	288,288.00	-	-	-	588,095.00	-	876,383.00
Notes Receivable - CDBG	-	-	-	-	-	1,446,392.67	1,446,392.67
Temporarily Restricted assets							
Cash and equivalents	-	36,326.26	53,366.40	-	-	23,210.97	112,903.63
<b>TOTAL ASSETS</b>	<u>2,199,471.03</u>	<u>36,326.26</u>	<u>90,141.06</u>	<u>808,740.19</u>	<u>2,880,554.75</u>	<u>6,015,233.29</u>	
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	36,980.36	-	-	-	-	-	36,980.36
Accrued salaries and wages	64,664.25	-	-	-	-	-	64,664.25
Payroll taxes payable	4,946.81	-	-	-	-	-	4,946.81
Deferred assessments	250.00	-	36,774.66	-	-	-	37,024.66
Other liabilities	(458.74)	-	-	-	5,501.34	-	5,042.60
Total liabilities	<u>106,382.68</u>	<u>-</u>	<u>36,774.66</u>	<u>-</u>	<u>5,501.34</u>	<u>5,501.34</u>	<u>148,658.68</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	254,862.16	-	-	-	-	-	254,862.16
<b>FUND BALANCES</b>							
Restricted	-	36,326.26	53,366.40	808,740.19	1,820,476.97	2,718,909.82	2,718,909.82
Assigned	-	-	-	-	1,054,576.44	1,054,576.44	1,054,576.44
Unassigned	1,838,226.19	-	-	-	-	-	1,838,226.19
Total fund balances	<u>1,838,226.19</u>	<u>36,326.26</u>	<u>53,366.40</u>	<u>808,740.19</u>	<u>2,875,053.41</u>	<u>5,611,712.45</u>	<u>5,611,712.45</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>2,199,471.03</u>	<u>36,326.26</u>	<u>90,141.06</u>	<u>808,740.19</u>	<u>2,880,554.75</u>	<u>6,015,233.29</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG  
RECONCILIATION OF THE FUND BALANCE  
OF THE GOVERNMENTAL FUNDS TO THE NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2024

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

Fund Balance - total governmental funds	5,611,712.45
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.	9,681,099.87
Property taxes receivable but unavailable are not reported as revenue in the funds but, are revenue in the statement of activities	254,862.16
Compensated absences are not accrued in the fund financial statements but are in the statement of net position	(20,688.33)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(7,140,000.00)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>8,386,986.15</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPES  
MODIFIED CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2024

	General	CDBG		Debt Service	Economic Development LB 840	Other Governmental Funds	Total Governmental Funds
		Loan Reuse					
<b>REVENUES</b>							
Property taxes	1,588,334.19	-	-	-	-	-	1,588,334.19
Sales taxes	839,890.55	-	-	-	328,398.40	-	1,168,288.95
Motor vehicle taxes	103,753.73	-	-	-	-	-	103,753.73
Franchise taxes	47,128.92	-	-	-	-	-	47,128.92
Licenses and permits	11,328.40	-	-	-	-	-	11,328.40
Intergovernmental	442,003.10	-	-	-	-	13,631.42	455,634.52
Charges for services	16,010.00	-	-	-	-	-	16,010.00
Special assessments	-	-	11,815.21	-	-	-	11,815.21
Interest	5,799.72	30,545.72	454.26	-	1,122.65	12.08	37,934.43
Other	105,548.56	-	-	-	60,005.00	72,695.78	238,249.34
<b>Total revenues</b>	<u>3,159,797.17</u>	<u>30,545.72</u>	<u>12,269.47</u>	<u>-</u>	<u>389,526.05</u>	<u>86,339.28</u>	<u>3,678,477.69</u>
<b>EXPENDITURES</b>							
Current							
General Government	449,019.40	-	75.00	-	-	-	449,094.40
Public Safety	863,211.68	-	-	-	-	-	863,211.68
Streets	465,956.06	-	-	-	-	-	465,956.06
City Hall	16,435.84	-	-	-	-	-	16,435.84
Health and Welfare	122,099.81	-	-	-	-	-	122,099.81
Library	269,572.86	-	-	-	-	6,061.89	275,634.75
Culture and Recreation	480,067.95	-	-	-	-	102,616.77	582,684.72
Tree Lot/Compost	1,452.30	-	-	-	-	-	1,452.30
Economic Development	-	72,593.76	-	-	165,026.21	61,532.14	299,152.11
Capital outlay	494,588.33	-	-	-	-	4,297,859.34	4,792,447.67
Debt service	-	-	259,000.00	-	-	-	259,000.00
Principal	-	-	29,621.50	-	-	-	29,621.50
Interest	-	-	288,696.50	-	-	-	288,696.50
<b>Total expenditures</b>	<u>3,162,404.23</u>	<u>72,593.76</u>	<u>288,696.50</u>	<u>-</u>	<u>165,026.21</u>	<u>4,468,070.14</u>	<u>8,156,790.84</u>

CITY OF GOTHENBURG, NEBRASKA  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUND TYPES  
 MODIFIED CASH BASIS  
 YEAR ENDED SEPTEMBER 30, 2024

	General	CDBG Loan Reuse	Debt Service	Economic Development LB 840	Other Governmental Funds	Total Governmental Funds
REVENUES OVER (UNDER) EXPENDITURES	(2,607.06)	(42,048.04)	(276,427.03)	224,499.84	(4,381,730.86)	(4,478,313.15)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	327,833.17	-	288,622.00	-	-	616,455.17
Bond proceeds	-	-	-	-	5,430,000.00	5,430,000.00
Operating transfers out	(288,637.00)	-	-	-	(14,568.17)	(303,205.17)
Total other financing sources (uses)	<u>39,196.17</u>	<u>-</u>	<u>288,622.00</u>	<u>-</u>	<u>5,415,431.83</u>	<u>5,743,250.00</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	36,589.11	(42,048.04)	12,194.97	224,499.84	1,033,700.97	1,264,936.85
FUND BALANCES, beginning of year	<u>1,801,637.08</u>	<u>78,374.30</u>	<u>41,171.43</u>	<u>584,240.35</u>	<u>1,841,352.44</u>	<u>4,346,775.60</u>
FUND BALANCES, end of year	<u><u>1,838,226.19</u></u>	<u><u>36,326.26</u></u>	<u><u>53,366.40</u></u>	<u><u>808,740.19</u></u>	<u><u>2,875,053.41</u></u>	<u><u>5,611,712.45</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
 RECONCILIATION OF THE CHANGE IN FUND BALANCES  
 OF GOVERNMENTAL FUNDS TO THE CHANGE IN NET POSITION  
 OF GOVERNMENTAL ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental funds	1,264,936.85
--	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	4,265,521.90
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	(5,171,000.00)
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Property taxes collected more than sixty days after year-end are not current financial resources and therefore, are not reported as revenue in governmental funds.	72,218.28
--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>199.90</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>431,876.93</u></u>
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The notes to the financial statements are an integral part of this statement.



CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				Total
	Electric	Water	Sewer	Waste	
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	3,535,622.25	-	360,881.41	-	3,896,503.66
Certificates of deposit	1,300,556.89	-	-	-	1,300,556.89
Accounts receivable	443,638.38	74,783.91	73,549.94	57,443.51	649,415.74
Unbilled revenue	73,318.09	13,326.64	13,316.41	10,309.59	110,270.73
Total current assets	<u>5,353,135.61</u>	<u>88,110.55</u>	<u>447,747.76</u>	<u>67,753.10</u>	<u>5,956,747.02</u>
Capital Assets					
Land	31,581.00	-	-	-	31,581.00
Buildings and equipment	11,256,157.50	5,026,350.99	8,818,215.29	21,246.89	25,121,970.67
Less accumulated depreciation	<u>(7,362,398.72)</u>	<u>(2,183,044.06)</u>	<u>(6,352,102.13)</u>	<u>(21,246.89)</u>	<u>(15,918,791.80)</u>
Net capital assets	<u>3,925,339.78</u>	<u>2,843,306.93</u>	<u>2,466,113.16</u>	-	<u>9,234,759.87</u>
<b>TOTAL ASSETS</b>	<u><u>9,278,475.39</u></u>	<u><u>2,931,417.48</u></u>	<u><u>2,913,860.92</u></u>	<u><u>67,753.10</u></u>	<u><u>15,191,506.89</u></u>
<b>LIABILITIES</b>					
Current liabilities					
Cash deficit - equity in pooled cash	-	55,630.24	-	51,752.65	107,382.89
Accounts payable	450,704.72	-	921.46	-	451,626.18
Accrued interest	8,262.94	3,642.89	5,442.57	-	17,348.40
Accrued wages	25,906.23	8,136.71	15,368.42	-	49,411.36
Accrued payroll taxes	1,981.83	622.46	1,175.69	-	3,779.98
Taxes payable	25,143.95	-	-	-	25,143.95
Current portion of long-term - bonds	125,000.00	180,000.00	-	-	305,000.00
Current portion of long-term - loan	-	-	169,992.72	-	169,992.72
Total current liabilities	<u>636,999.67</u>	<u>248,032.30</u>	<u>192,900.86</u>	<u>51,752.65</u>	<u>1,129,685.48</u>
Current liabilities payable from restricted assets					
Consumer deposits	<u>36,891.74</u>	-	-	-	<u>36,891.74</u>

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				Total
	Electric	Water	Sewer	Waste	
LIABILITIES (Continued)					
Noncurrent liabilities					
Bonds payable (net of current portion)	1,185,000.00	1,095,000.00	-	-	2,280,000.00
Loan payable (net of current portion)	-	-	1,747,681.93	-	1,747,681.93
Total noncurrent liabilities	<u>1,185,000.00</u>	<u>1,095,000.00</u>	<u>1,747,681.93</u>	<u>-</u>	<u>4,027,681.93</u>
Other liabilities					
Compensated absences	18,654.69	5,397.43	8,035.86	-	32,087.98
Total other liabilities	<u>18,654.69</u>	<u>5,397.43</u>	<u>8,035.86</u>	<u>-</u>	<u>32,087.98</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,877,546.10</b></u>	<u><b>1,348,429.73</b></u>	<u><b>1,948,618.65</b></u>	<u><b>51,752.65</b></u>	<u><b>5,226,347.13</b></u>
NET POSITION					
Invested in capital assets, net of related debt	3,925,339.78	1,568,306.93	548,438.51	-	6,042,085.22
Restricted	36,891.74	-	1,917,674.65	-	1,954,566.39
Unrestricted	<u>3,438,697.77</u>	<u>14,680.82</u>	<u>(1,500,870.89)</u>	<u>16,000.45</u>	<u>1,968,508.15</u>
<b>TOTAL NET POSITION</b>	<u><b>7,400,929.29</b></u>	<u><b>1,582,987.75</b></u>	<u><b>965,242.27</b></u>	<u><b>16,000.45</b></u>	<u><b>9,965,159.76</b></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><b>9,278,475.39</b></u>	<u><b>2,931,417.48</b></u>	<u><b>2,913,860.92</b></u>	<u><b>67,753.10</b></u>	<u><b>15,191,506.89</b></u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				
	Electric	Water	Sewer	Waste	Total
<b>OPERATING REVENUES</b>					
Charge for services	5,265,215.22	763,800.97	785,056.15	594,470.17	7,408,542.51
Other	51,378.93	34,424.68	15,591.56	164.85	101,560.02
Total operating revenues	5,316,594.15	798,225.65	800,647.71	594,635.02	7,510,102.53
Less: Cost of purchased power	3,238,510.49	-	-	-	3,238,510.49
<b>GROSS OPERATING MARGIN</b>	<b>2,078,083.66</b>	<b>798,225.65</b>	<b>800,647.71</b>	<b>594,635.02</b>	<b>4,271,592.04</b>
<b>OPERATING EXPENSES</b>					
Chemicals	3,780.56	188.05	1,937.20	-	5,905.81
Administrative services	32,251.78	10,414.44	3,405.04	162.00	46,233.26
Personal services	680,685.98	241,454.76	442,222.50	-	1,364,363.24
Insurance	42,111.32	42,249.12	42,310.49	-	126,670.93
Supplies	141,281.64	8,990.61	43,933.54	-	194,205.79
Postage	519.06	286.40	250.00	-	1,055.46
Trash haulers	-	-	-	570,328.65	570,328.65
Recycling fee	-	-	-	8,814.12	8,814.12
Bad debts	4,226.07	912.30	1,174.88	571.84	6,885.09
Repairs and maintenance	349,035.16	70,418.05	75,760.46	-	495,213.67
Utilities	17,610.90	64,396.18	78,129.09	-	160,136.17
Fuel/grease/oil/tires	13,097.14	10,548.26	13,018.17	-	36,663.57
Taxes	1,150.00	-	-	-	1,150.00
Other professional services	21,574.60	2,187.50	25,872.01	-	49,634.11
Depreciation	252,536.83	119,373.89	140,073.42	-	511,984.14
Miscellaneous	13,244.23	19,782.87	3,271.93	1,814.99	38,114.02
Total operating expenses	1,573,105.27	591,202.43	871,358.73	581,691.60	3,617,358.03
<b>OPERATING INCOME (LOSS)</b>	<b>504,978.39</b>	<b>207,023.22</b>	<b>(70,711.02)</b>	<b>12,943.42</b>	<b>654,234.01</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	130,387.40	2,054.66	-	-	132,442.06
Grants received	1,775.54	-	-	-	1,775.54
Gain (Loss) on sale of fixed assets	-	(4,548.75)	(7,980.27)	-	(12,529.02)
Interest expense	(30,046.05)	(12,831.67)	(19,216.87)	-	(62,094.59)
Total nonoperating revenues (expenses)	102,116.89	(15,325.76)	(27,197.14)	-	59,593.99

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				Total
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	
TRANSFERS OUT	<u>(298,250.00)</u>	<u>(7,500.00)</u>	<u>(7,500.00)</u>	<u>-</u>	<u>(313,250.00)</u>
NET INCOME (LOSS)	<u>308,845.28</u>	<u>184,197.46</u>	<u>(105,408.16)</u>	<u>12,943.42</u>	<u>400,578.00</u>
NET POSITION, beginning of year	<u>7,092,084.01</u>	<u>1,398,790.29</u>	<u>1,070,650.43</u>	<u>3,057.03</u>	<u>9,564,581.76</u>
NET POSITION, end of year	<u>7,400,929.29</u>	<u>1,582,987.75</u>	<u>965,242.27</u>	<u>16,000.45</u>	<u>9,965,159.76</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				Total
	Electric	Water	Sewer	Waste	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	5,274,488.65	754,845.39	773,855.39	579,232.22	7,382,421.65
Other operating cash receipts	51,378.93	34,424.68	15,591.56	164.85	101,560.02
Cash payments to suppliers	(3,529,367.89)	(230,373.78)	(289,114.62)	(581,691.60)	(4,630,547.89)
Cash payments to employees	(675,058.92)	(240,116.19)	(440,361.40)	-	(1,355,536.51)
Net cash provided by (used by) operating activities	<u>1,121,440.77</u>	<u>318,780.10</u>	<u>59,970.93</u>	<u>(2,294.53)</u>	<u>1,497,897.27</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash paid for property and equipment	(121,123.40)	(67,647.00)	(17,650.00)	-	(206,420.40)
Receipts of (Payments on) debt	(120,000.00)	(175,000.00)	(164,813.16)	-	(459,813.16)
Net cash used in capital and related financing activities	<u>(271,169.45)</u>	<u>(255,781.77)</u>	<u>(201,912.17)</u>	<u>-</u>	<u>(728,863.39)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase (Decrease) in consumer dep	2,291.74	-	-	-	2,291.74
Receipts of interest income	115,310.20	2,054.66	-	-	117,364.86
Addition to Certificates of Deposit	(50,038.93)	-	-	-	(50,038.93)
(Increase) Decrease in restricted investments	(86,113.66)	-	-	-	(86,113.66)
Net cash provided by (used in) investing activities	<u>(18,550.65)</u>	<u>2,054.66</u>	<u>-</u>	<u>-</u>	<u>(16,495.99)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Increase (Decrease) equity in pooled cash		(57,552.99)	-	2,294.53	(55,258.46)
Grant proceeds	1,775.54	-	-	-	1,775.54
Prior period adjustments		-			-
Transfer out	(298,250.00)	(7,500.00)	(7,500.00)	-	(313,250.00)
Net cash provided by (used in) noncapital financing sources	<u>(296,474.46)</u>	<u>(65,052.99)</u>	<u>(7,500.00)</u>	<u>2,294.53</u>	<u>(366,732.92)</u>

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Funds				Total
	Electric	Water	Sewer	Waste	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	535,246.21	(0.00)	(149,441.24)	0.00	385,804.97
CASH AND CASH EQUIVALENTS, beginning of year	2,892,993.15	-	510,322.65	-	3,403,315.80
CASH AND CASH EQUIVALENTS, end of year (including all restricted cash)	<u>\$ 3,428,239.36</u>	<u>\$ -</u>	<u>\$ 360,881.41</u>	<u>\$ -</u>	<u>3,789,120.77</u>
OTHER SUPPLEMENTAL INFORMATION					
Cash and cash equivalents (claim on cash)	<u>3,428,239.36</u>	<u>-</u>	<u>360,881.41</u>	<u>-</u>	<u>3,789,120.77</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	<u>504,978.39</u>	<u>207,023.22</u>	<u>(70,711.02)</u>	<u>12,943.42</u>	<u>654,234.01</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	252,536.83	119,373.89	140,073.42	-	511,984.14
Increase (Decrease) in accrued compensation	6,279.49	1,269.67	1,749.35	-	9,298.51
(Increase) Decrease in unbilled rev	1,827.46	(1,022.90)	(1,139.02)	(1,969.41)	(2,303.87)
(Increase) Decrease in accounts receivable	7,445.97	(7,932.68)	(10,061.74)	(13,268.54)	(23,816.99)
Increase (Decrease) in taxes payable	(652.43)	68.90	111.75	-	(471.78)
Increase (Decrease) in accounts payable and accrued expenses	<u>349,025.06</u>	<u>-</u>	<u>(51.81)</u>	<u>-</u>	<u>348,973.25</u>
Total adjustments	<u>616,462.38</u>	<u>111,756.88</u>	<u>130,681.95</u>	<u>(15,237.95)</u>	<u>843,663.26</u>
Net cash provided by (used by) operating activities	<u>1,121,440.77</u>	<u>318,780.10</u>	<u>59,970.93</u>	<u>(2,294.53)</u>	<u>1,497,897.27</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
SEPTEMBER 30, 2024

ASSETS	
Cash and cash equivalents	<u>58,418.05</u>
TOTAL ASSETS	<u>58,418.05</u>
LIABILITIES	
Due to plan members	<u>58,418.05</u>
TOTAL LIABILITIES	<u>58,418.05</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF CHANGES IN NET POSITION  
AGENCY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Health Insurance & Flexible Spending Arrangement Fund
Additions:		
Contributions - Health Insurance	715.86	
Contributions - Flexible Spending Arrangement(FSA)	<u>31,499.16</u>	<u>32,215.02</u>
Total additions		<u>32,215.02</u>
Deductions:		
Benefit payments - FSA		<u>28,054.42</u>
Total deductions		<u>28,054.42</u>
Change in Net Position		4,160.60
Restricted Net Position - Beginning		<u>54,257.45</u>
Restricted Net Position - Ending		<u>58,418.05</u>

The notes to the financial statements are an integral part of this statement.



CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Gothenburg, Nebraska operates under the provisions of statutes of the State of Nebraska. The City operates under a Mayor-Council form of government and provides the following services: general (administrative), public works (streets), public health and safety (police and fire), cemetery, public library, cultural and recreation (parks), electric, water, sanitation, solid waste maintenance, public improvements, planning and zoning, and redevelopment assistance.

A. REPORTING ENTITY

The financial statements include only the primary government of the City of Gothenburg, Nebraska. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices of the City that are not legally separate. Such legally separate entities are referred to as component units.

The City of Gothenburg, Nebraska has one component unit over which it exercises significant influence, the Gothenburg Community Redevelopment Authority. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The Redevelopment Authority is considered a component unit of the City of Gothenburg, Nebraska because it is benefited by tax increment financing. During the fiscal year ending September 30, 2023 the City took over the operations of the Airport Authority; therefore it is no longer a separate entity and included in the Governmental Funds of the City.

These financial statements encompass only the primary government of the City of Gothenburg, Nebraska and do not include the component units. The Redevelopment Authority issues separately audited financial statements that may be obtained from the City Clerk of the City of Gothenburg, Nebraska.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental or enterprise funds are aggregated and reported as other governmental or enterprise funds.

C. BASIS OF PRESENTATION

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City uses the following fund categories, fund types, and major funds:

Governmental Funds

The City reports the following major governmental funds:

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

CDBG Loan Reuse Fund - The CDBG Loan Reuse Fund is used to account for the accumulation of resources, and the payment of expenses related to projects for the expansion and creation of new jobs within the City.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

Sales Tax Fund - The Sales Tax Fund is used to account for the accumulation of sales tax revenues, and related expenses for projects relating to the expansion and creation of new jobs within the City.

Capital Project Funds (when needed) - The Capital Project Funds account for acquisition of capital assets or construction of major capital facilities not being financed by proprietary funds or nonexpendable trust funds.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF PRESENTATION (Continued)

Governmental Funds (Continued)

Additionally, the City reports the following nonmajor fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital) that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises; or (b) where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

The City reports the following major proprietary funds:

Electric Fund - The Electric Fund accounts for the revenues and expenses of the electric utility. The electric utility purchases electricity wholesale from Nebraska Public Power and retails it to the residents of the City.

Water Fund - The Water Fund accounts for the revenues and expenses of the water utility. The water utility pumps, transmits, stores and distributes water to the residents of the City.

Sewer Fund - The Sewer Fund accounts for the revenues and expenses of the sewer utility. The sewer utility pumps, transmits, and processes the liquid waste of the residents of the City.

The City reports the following nonmajor proprietary fund:

Waste Fund - The Waste Fund accounts for the revenues and expenses of the waste utility. The waste utility collects and transmits the solid waste of the residents of the City.

Fiduciary Funds

The Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Nonexpendable Trust and Pension Trust Funds.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales and services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

E. BUDGET AND BUDGETARY ACCOUNTING

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

Prior to September 10, the Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGET AND BUDGETARY ACCOUNTING (Continued)

Prior to September 10, the budget is legally enacted by formal approval by the City Council.

Formal budgetary integration is employed as a management control device during the year for all reported funds.

City expenditures are limited to budgeted amounts. The City must hold a public hearing to authorize expenditures in excess of budget.

F. INVESTMENTS

Investments are carried at fair value. Short-term investments (U.S. Government Securities) are reported at amortized cost, which approximates fair value.

G. RECEIVABLES

Loans are made from reuse money in Special Revenue funds to local businesses for economic development. The loans are recorded as receivable. Interest on loans and deposits is recorded as revenue, and is accrued through September 30.

The account receivables in the enterprise funds represent amounts due for services provided to local residents and businesses. Meters are read on the 25th of the month. The receivables are billed at the end of the month, based on the meter readings, and are due by the eighth of the following month. Service is discontinued for nonpayment.

Notes receivable in the general and special revenue funds represent tax-supported contributions toward capital construction related to those funds. Payments received in the General Fund are considered income when received. The notes bear 0% interest.

H. CONCENTRATION OF CREDIT RISK

The City has receivables from businesses and individuals living in the City for property taxes, special assessments and charges for service provided by enterprise funds. Real or personal property is collateral for the property taxes and special assessments, charges for service are uncollateralized.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CAPITAL ASSETS

Prior to GASB Statement No. 34, capital assets for governmental funds were recorded in the General Fixed Asset Account Group and were not depreciated. The new model requires that all capital assets, whether owned by governmental activities or business-type activities be recorded and depreciated in the government-wide financial statements.

Capital assets are defined as assets with an initial cost of \$2,000 or more and an estimated useful life of more than one year.

Capital assets are stated at cost or at estimated fair value at time of donation. The accounting for property, plant and equipment and accumulated depreciation in the Electric, Water and Water Pollution Control Enterprise Funds is recorded at cost less retirements in the manner prescribed by the Federal Power Commission and/or the National Association of Railroad and Utility Commissioners.

The City's policy is to capitalize interest on proprietary funds and construction projects until substantially completed. Major expenditures for property and those which substantially increased useful lives are capitalized. Maintenance, repairs and minor renewals are expensed when incurred. When capital assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

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

Plant and equipment	5 - 50 years
Transportation	5 - 8 years

J. COMPENSATED ABSENCES

The government allows employees to accumulate vacation leave up to two-year's vacation entitlement. Sick leave will be paid only upon illness while in the employment of the government.

The City's sick leave policy allows employees to accumulate a maximum of 130 days of unused sick leave and any earned sick leave in excess of 130 days will be paid out at a rate of two days sick leave for one-day payment.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. LONG-TERM OBLIGATIONS

The City reports long-term debt of governmental funds at face value in the government-wide financial statements only. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium of discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds pay-able are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

L. INTERFUND TRANSACTIONS

During the course of normal operations the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management. Quasi-external transactions and reimbursements are appropriately accounted for as fund revenues and expenditures/expenses, or adjustments thereto, in the funds involved.

The General Fund and enterprise funds provide services for each other. Amounts charged for these services are recorded as revenue and expenditures/operating expenses in the respective funds. All lease transactions are interfund, so no further disclosure is deemed necessary.

M. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the City considers cash, which consists of checking and interest bearing money market accounts as well as short-term certificates of deposit with an original maturity date of three months or less to be cash equivalents.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles 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.

O. UNBILLED REVENUES

Billings for electric, water, sewer, and waste revenues are rendered on a monthly cycle basis. Unbilled revenues from the last billing date to the end of the period are accrued in the period of usage and included in accounts receivable.

P. FASB STATEMENTS

The City has elected Alternative 1, as provided by Governmental Accounting Standards Board Statement No. 20, and accordingly, FASB statements issued after November 30, 1989 are not applied.

Q. RESTRICTED ASSETS - ORDER OF USE

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

R. PROPERTY TAXES

Property taxes are recorded as a receivable when levied. Based on past experience, the uncollected portion has been negligible. The portion of the taxes not collected within 60 days after fiscal period end are recorded as deferred revenue.

Property tax revenues are recognized in the accounting period when they become susceptible to accrual; that is, when they become both "measurable" and "available" to finance expenditures.



CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. PROPERTY TAXES (Continued)

Property tax calendar:

Lien date	January 1, 2023
Levy date	September 30, 2023
Tax bills mailed	December 1, 2023
Due date	December 31, 2023
First installment payment delinquent	May 1, 2024
Second installment payment delinquent	September 1, 2024

The City is permitted by State Statute to levy taxes up to \$0.4500 cents per \$100 of actual valuation for general governmental services other than the payment of principal and interest on long-term debt and in necessary amounts for the payment of principal and interest on long-term debt. Valuations are determined by the County Assessor. The following schedule shows comparative tax levies for \$100 actual assessed valuations:

	Tax Levies Cents Per \$100 of Actual Valuation <u>2023</u>
Fund	
General	<u>0.393900</u>
City actual valuations	<u>293,249,105</u>

S. RECENT ACCOUNTING PRONOUNCEMENTS

The City adopts pronouncements of the Government Accounting Standards Board (GASB) as they become effective. Of the two pronouncements that became effective for the year ended September 30, 2024, GASB 83 (asset retirement obligations) could apply but does not, and GASB 88 (debt disclosures) applies, but has no effect on the financial statements for the year ended September 30, 2024.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund financial statements include a reconciliation between fund balance - total government funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds". The details of that difference are as follows:

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Bonds and notes payable	<u>(7,140,000.00)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>(7,140,000.00)</u>

The governmental fund financial statements also include a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the "government-wide statement of activities." One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlays	4,815,422
Depreciation	<u>(541,729)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>4,273,693</u>

NOTE 3. SALES TAX

During fiscal year 1986, the citizens of the City voted in favor of a 1/2% city sales tax with a 4 year sunset. A resolution adopted by the City Council stated that 100% of the sales tax revenue was to be used for economic development. During fiscal year 1991, the citizens of the City voted in favor of maintaining the 1/2% city sales tax with no sunset. A resolution adopted by the City Council stated that 100% of the proceeds were to be used for the purpose of financing the economic development program to create jobs and ensure the economic stability and vitality for a four-year period. During fiscal year 1993 the citizens of the City voted in favor of an additional 1/2% sales tax with a 4 year sunset. A resolution adopted by the City Council stated the 100% of the increase was to be used for swimming pool renovations. During fiscal year 1997 the citizens of the City voted in favor of an additional 1% sales tax with no sunset. A resolution adopted by the City Council stated the additional 1% was to be used for property tax relief. The local merchants collect the sales tax and remit it to the Nebraska Department of Revenue by the 20th of the following month. The Department of Revenue remits the sales tax to the City of Gothenburg, Nebraska (net of a collection fee) within 30 days after they receive it. The City sales tax is recorded as revenue by the City of Gothenburg, Nebraska when it is in the hands of the intermediary collecting agent.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. CONCENTRATION OF CREDIT RISK

As of September 30, 2024, the City's deposits with financial institutions were entirely covered by FDIC insurance and securities held by agents of the depositories and assigned to the City in the form of joint safekeeping receipts.

Custodial credit risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The types of investments the City is authorized to invest funds in are enumerated in State Statutes and generally include U.S. Government obligations and securities in which the state investment officer is authorized to invest. The City has no investment policy that would further limit its investment choices.

NOTE 5. INVESTMENTS

State laws authorize the City, with the consent of its City Council, to invest the funds of the City in securities of the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another.

Investments are carried at cost and are shown on the balance sheet at cost net of amortized discount or premium. Certificates of deposit are included in cash and are not included below in investments.

The government has investments in bonds issued by the Gothenburg Redevelopment Authority, which constitute conduit debt to the Redevelopment Authority. According to the bond resolutions of the Redevelopment Authority, these bonds are a limited obligation of the Authority. The Authority is not obligated to pay the principal of the bonds or interest or any other costs associated with the bonds and has not pledged its faith, credit, or taxing power for such payment.

During the year ended September 30, 2009, the government purchased \$177,573 of TIF Bond Series 2009-A from the Gothenburg Redevelopment Authority. The bonds bear an interest rate of 2% to be paid with TIF revenues pledged for the projects with a maturity date of December 31, 2027.

During the year ended September 30, 2009, the government purchased \$400,000 of TIF bonds Series 2008-A from the Gothenburg Redevelopment Authority. The bonds bear an interest rate of 0% to be paid with TIF revenues pledge for the project with a maturity date of December 31, 2023.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. INVESTMENTS (Continued)

During the year ended September 30, 2022, the government purchased \$200,000 of TIF bonds Series 2021-A from the Gothenburg Redevelopment Authority. The bonds bear an interest rate of 1% to be paid with TIF revenues pledge for the project with a maturity date of November 1, 2037.

NOTE 6. RESTRICTED ASSETS

Restricted assets of the City at September 30, 2024, consisted of the following cash and cash equivalent accounts restricted for specified purposes:

Debt Service Fund	53,367
Special Revenue Funds	
Keno Fund	3,442
Library State Aid	19,769
Economic development	<u>2,642,332</u>
Total special revenue funds	<u>2,665,543</u>
Total restricted assets	<u>2,718,910</u>

NOTE 7. CHANGES IN CAPITAL ASSETS

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

	Balance October 1, <u>2023</u>	Addi- tions	Dele- tions	Balance September 30, <u>2024</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	<u>277,892</u>	_____	_____	<u>277,892</u>
Total capital assets not depreciated	<u>277,892</u>	_____	_____	<u>277,892</u>
Capital assets being depreciated				
Buildings and equipment	10,794,876	4,815,422	(108,971)	15,501,327
Less accumulated depreciation				
Buildings and improvements	<u>(5,657,190)</u>	<u>(541,729)</u>	<u>100,800</u>	<u>(6,098,119)</u>
Total capital assets being depreciated, net	<u>5,137,686</u>	<u>4,273,693</u>	<u>(8,171)</u>	<u>9,403,208</u>
Governmental activities capital assets, net	<u>5,415,578</u>	<u>4,273,693</u>	<u>(8,171)</u>	<u>9,681,100</u>

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. CHANGES IN FIXED ASSETS (Continued)

	Balance October 1, <u>2023</u>	Addi- tions	Dele- tions	Balance September 30, <u>2024</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated				
Land and right-of-way	<u>31,581</u>	_____	_____	<u>31,581</u>
Total capital assets not depreciated	<u>31,581</u>	_____	_____	<u>31,581</u>
Capital assets being depreciated				
Buildings and equipment	24,955,497	206,419	(39,945)	25,121,971
Less accumulated depreciation				
Plant and equipment	<u>(15,427,447)</u>	<u>(511,984)</u>	<u>20,639</u>	<u>(15,918,792)</u>
Total capital assets being depreciated, net	<u>9,528,050</u>	<u>(305,565)</u>	<u>(19,306)</u>	<u>9,203,179</u>
Business-type activities capital assets, net	<u>9,559,631</u>	<u>(305,565)</u>	<u>(19,306)</u>	<u>9,234,760</u>

Depreciation expense was charged as an expense to programs of the primary government as follows:

Governmental activities	
General Government	13,568
Public Safety	64,446
Streets and Highways	289,760
Culture and Recreation	168,292
Health and Welfare	<u>5,663</u>
Total depreciation expense - governmental activities	<u>541,729</u>
Business-type activities	
Electric	252,537
Water	119,374
Sewer	<u>140,073</u>
Total depreciation expense - business-type activities	<u>511,984</u>

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

The government issues various purpose bonds to pay for property improvements. These bonds are to be repaid from special assessments to the property owners that benefit by the improvements and from taxes levied. These bonds pledge the full faith and credit of the government.

On April 15, 2020 the City issued \$1,120,000 of Electric Revenue Bonds. Semiannual payments of interest at 1.2-2.05% is due from December 15, 2020 through June 15, 2035, and annual principal payments of \$65,000 – \$85,000 from June 15, 2021 through June 15, 2035.

On November 10, 2020, the City obtained a loan of \$745,000 from the Nebraska Department of Environmental Quality (NDEQ). Semiannual payments of interest and principal of \$19,595.02 December 15, 2021 through June 15, 2041, including interest at .5% and administrative fee of 1%.

The government has pledged the Wastewater User Charge as the dedicated source of revenue has assessed property owners \$168,952 and charged tap fees of \$150,000 for a portion of the project costs. The government has pledged sewer and water use charges as the dedicated source of revenue for the repayment of the balance of these long-term loans.

On December 15, 2020, the City issued \$1,800,000 of GO Water Bonds Series 2020. Semiannual payments of interest at .45% - 1.4% is due June 15, 2021 through December 15, 2030 and annual principal payments of \$175,000 - \$185,000 from December 15, 2021 to December 15, 2030.

As of September 30, 2011, the City received \$150,000 of ARRA loan proceeds from the Nebraska Department of Environmental Quality (NDEQ) of which \$75,000 of these proceeds were forgiven. Semiannual payments of approximately \$1,973 are due from December 15, 2011 to June 15, 2029, which include interest expense at 0.00%.

On July 15, 2020, the City issued \$1,300,000 of Highway Allocation Pledge Fund Bonds to currently fund Street Improvements. The bonds are payable over 10 years with interest rates from .95-1.65%, due in annual installments of \$125,000 to \$135,000, June 15, 2021 through 2030.

On June 15, 2017, the City issued \$410,000 of Highway Allocation Fund Bonds with interest rates at 1.35 – 2.40%, due in annual installments of \$40,000 – 45,000, December 15, 2017 to December 15, 2026. These bonds were used to provide funds for various paving projects.

On June 13, 2017, the City issued \$810,000 of Electric Revenue Bonds with interest rates at 1.35 – 3.30%, due in annual installments of \$45,000 – 65,000, June 15, 2018 to June 15, 2032. Semi-annual interest payments due December 15 and June 15.

On June 4, 2018 the City issued \$93,000 General Obligation Paving Bonds for street improvements. The bonds are payable over 10 years interest rate at 2.6% in semi-annual installments and principal payments from \$8,000 to \$10,000 due in annual installments from June 15 2019 to June 15, 2028.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (Continued)

On February 18, 2018 the City issued \$350,000 of Series 2018 Highway Allocation Pledge Fund Highway Allocation Bonds to fund street improvements. The bonds are payable over 10 years with interest rates from 1.85% to 2.90% due in semi-annual installments and principal payments from \$35,000 to \$40,000 due in annual installments from December 15, 2018 to December 15, 2027.

On December 15, 2020 the City issued \$750,000 of 2021 Pledge Fund Highway Allocation Bonds to currently fund street improvements. The bonds are payable over 15 years with interest rates from .35% to 1.7% due in semi-annual installments and principal payments from \$45,000 to \$50,000 due in annual installments from December 15, 2021 to December 15, 2035.

In February 2021, the City issued \$1,685,000 Series 2021 Refunding Series 2013 Bonds to refinance three NDEQ loans payable over 15 years. Semiannual payments of interest from .5% - 1.75% and principal payments from \$50,000 - \$65,000 from June 15 2021 to June 15, 2036.

In May 2024, the City issued \$5,430,000 Series 2024 Municipal Improvement Bond to currently fund street improvements including infrastructure. The bonds payable 20 years with interest 4.125 - 5% and principal payments from \$150,000 - \$405,000 from June 15 2025 to June 15, 2044.

The following is a summary of long-term transactions for the City year ended September 30, 2024:

<u>Governmental Activities</u>	Balance October 1,		Balance September 30,	Amount Due	
	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>	
				<u>in 2025</u>	
.95-1.65% 2020 Hwy Bonds	915,000		(130,000)	785,000	130,000
1.85-2.9% 2018 Highway Bonds	180,000		(35,000)	145,000	35,000
1.35 – 2.40% Hwy Alloc. Bonds	170,000		(40,000)	130,000	40,000
2.66% 2018 G.O. Bonds	49,000		(9,000)	40,000	10,000
.35% - 1.7% Hwy Alloc Bonds	655,000		(45,000)	610,000	50,000
4.125%-5% Muni Improve Bond	<u>0</u>	<u>5,430,000</u>	<u>(0)</u>	<u>5,430,000</u>	<u>150,000</u>
Total Governmental Activities	<u>1,969,000</u>	<u>5,430,000</u>	<u>(259,000)</u>	<u>7,140,000</u>	<u>415,000</u>
<u>Business-Type Activities</u>					
<u>Sewer Fund</u>					
0.50% 2021 NDEQ Loan	673,804		(35,866)	637,938	36,045
0.00% 2011 NDEQ Loan	23,685		(3,947)	19,737	3,947
.5% - 1.75% Bond	1,385,000		(125,000)	1,260,000	130,000
<u>Electric Fund</u>					
1.35-3.00% 2017 Revenue Bond	515,000		(50,000)	465,000	55,000
1.2-2.05% 2020 Revenue Bonds	915,000		(70,000)	845,000	70,000
<u>Water Bonds</u>					
.45%-1.4% 2020 GO Water	<u>1,450,000</u>		<u>(175,000)</u>	<u>1,275,000</u>	<u>180,000</u>
Total Business- Type Activities	<u>4,962,489</u>		<u>(459,813)</u>	<u>4,502,674</u>	<u>474,992</u>
Total Long-Term Debt	<u>6,931,489</u>	<u>5,430,000</u>	<u>(718,813)</u>	<u>11,642,674</u>	<u>889,992</u>

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (Continued)

Annual Requirements of Long-Term Debt

The annual requirements to service the preceding outstanding debt as of September 30, 2024 including interest payments of \$3,537,391 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u> Street Improvement <u>Bonds</u>	<u>Business- Type Activities</u> Utility <u>Loans</u>	<u>Total</u>
2025	713,086	534,171	1,247,257
2026	715,538	529,846	1,245,384
2027	713,378	500,047	1,213,435
2028	669,680	494,955	1,164,635
2029	616,430	499,371	1,115,801
2030 - 2034	2,535,996	1,734,924	4,270,923
2035 - 2039	2,235,020	487,068	2,722,088
2040 - 2044	<u>2,122,163</u>	<u>78,380</u>	<u>2,200,543</u>
	<u>10,321,290</u>	<u>4,858,775</u>	<u>15,180,065</u>
Less interest	<u>(3,181,290)</u>	<u>(356,101)</u>	<u>(3,537,391)</u>
	<u>7,140,000</u>	<u>4,502,674</u>	<u>11,642,674</u>

NOTE 9. TRANSFERS

Transfers between funds of the primary government for the ended September 30, 2024, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	327,833	288,637
Debt Service Fund	288,622	
Enterprise Funds		
Electric Fund		298,250
Water Fund		7,500
Sewer Fund		7,500
Minor Funds		
Special Revenue Funds		
Airport Fund		<u>14,568</u>
GRAND TOTALS	<u>616,455</u>	<u>616,455</u>

The City transfers funds from its enterprise funds to the General Fund to pay for administrative services. The General Fund transfers are used to move resources collected for the payment of debt to the Debt Service Fund



CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which provide electric and water sales, sewer and solid waste services. The City has outstanding NDEQ loans related to Utility Fund operations. The revenues of the Water and Sewer Funds are pledged as security for these loans. The fund financial statements report these funds as major funds.

NOTE 11. CONTINGENT LIABILITY

The City was contingently liable for accrued and unused sick leave and personal days off at September 30, 2024 and 2023 of \$346,490 and \$315,317 respectively.

NOTE 12. RETIREMENT PLAN

The City participates in a 457 deferred compensation plan. The plan is a defined contribution plan and full-time employees are eligible to participate at 21 years of age and after one year of service. The employer matches 100% of the contributions, not to exceed 6% of compensation. The employee becomes fully vested in the new plan upon his/her normal retirement date, upon becoming totally disabled, upon completion of 7 years of service, at death, or at plan termination.

Employee contributions	135,518
City contributions	96,929

NOTE 13. RISK MANAGEMENT

Liability Insurance

The City purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

Workers' Compensation

The City purchases liability insurance for workers' compensation from a commercial carrier.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 14. FUND BALANCES

Fund balances are restricted or assigned as follows:

Special Revenue	
Restricted	
Library grants	19,769
Keno	3,442
CDBG Loan	36,326
Economic Development LB 840	808,740
Redevelopment	1,797,266
Debt Service	<u>53,366</u>
	<u>2,718,909</u>
Assigned	
Parks	24,152
Capital Projects	<u>1,030,424</u>
	<u>1,054,576</u>

NOTE 15. GOVERNMENTAL FUND BALANCES

The fund balances are being reported using GASB Statement No. 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to observe constraints imposed upon the use of its resources reported in governmental funds. As such, the City has identified September 30, 2024 fund balance on the Balance Sheet as follows:

- a. The City has notes receivable in the governmental funds classified as non-spendable. The receivables are related to loans made for economic development.
- b. The City has amounts shown as restricted for the Economic Development and Debt service fund balance restricted for future loans and debt payments.
- c. The City has fund balances classified as assigned which represent resources intended for the respective fund uses.
- d. The City has no fund balances classified as committed.

The City considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The City Administrator is authorized to make assignments pursuant to resolution by the City Council.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 16. COMPARATIVE INFORMATION

The financial statements include certain prior year information on pages 50 to 55 of the report. The information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with City of Gothenburg's financial statements for the year ended September 30, 2024, from which the information was derived.

NOTE 17. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 10, 2025, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CITY OF GOTHENBURG, NEBRASKA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -  
BUDGETARY BASIS - BUDGET AND ACTUAL - ALL FUNDS  
YEAR ENDED SEPTEMBER 30, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes and special assessments	2,084,211	3,011,601.85	927,390.85
Licenses and permits	15,230	11,328.40	(3,901.60)
Intergovernmental	734,294	455,634.52	(278,659.48)
Charges for services	7,656,538	7,400,723.39	(255,814.61)
Interest	14,300	170,376.49	156,076.49
Other	339,154	371,018.92	31,864.92
Bond/loan proceeds	1,750,000	5,430,000.00	3,680,000.00
Transfers in	683,778	616,455.17	(67,322.83)
Total revenues	13,277,505	17,467,138.74	4,189,633.74
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	789,420	444,765.07	344,654.93
Public Safety	1,157,960	972,662.46	185,297.54
Civil Defense	4,040	6,426.00	(2,386.00)
Streets	5,273,969	4,822,452.49	451,516.51
City Hall	30,000	16,435.84	13,564.16
Health and Welfare	234,162	135,346.12	98,815.88
Library	270,259	275,634.75	(5,375.75)
Culture and Recreation	1,176,158	894,385.73	281,772.27
Tree Lot/Compost	600	2,512.30	(1,912.30)
Economic Development	1,468,006	584,904.32	883,101.68
Community Service	5,000	-	5,000.00
Electric	7,258,424	4,325,550.21	2,932,873.79
Waste	530,456	581,691.60	(51,235.60)
Wastewater	1,008,031	747,126.02	260,904.98
Water	875,090	538,136.97	336,953.03
<b>Debt service</b>			
Principal and Interest	872,485	811,651.40	60,833.60
Transfers out	683,778	616,455.17	67,322.83
Total expenditures	21,637,838	15,776,136.45	5,861,701.55
<b>REVENUES OVER (UNDER) EXPENDITURES</b>		<b>1,691,002.29</b>	

See accompanying notes to financial statements.

CITY OF GOTHENBURG, NEBRASKA  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

NOTE 1. STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -  
BUDGETARY BASIS - BUDGET AND ACTUAL

Basis of Accounting

As described in Note 1, budgets are adopted on the cash basis of accounting. The governmental fund types which report on the modified accrual basis, and the Enterprise Funds, which report on the accrual basis, are included in the combined statement of revenues and expenses - budget and actual, general all-purpose fund, on the budgetary (cash) basis. A reconciliation of operating results on the budgetary basis to net income for the Governmental Funds and Enterprise Funds are as follows:

Budget Law

The City is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Appropriations for expenditures lapse at year-end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

Reconciliation of budgetary basis

A reconciliation of revenues over expenditures on the budgetary basis to net gain (loss) for all funds is as follows:

Revenues over (under) expenses - budgetary basis	<u>1,690,902</u>
Adjustments	
Accounts receivable	23,817
Taxes receivable	(72,218)
Sales taxes receivable	(20,062)
Notes receivable (	285,752
Accrued wages	(3,160)
Unbilled revenue	2,304
Customer deposits	(2,292)
Taxes payable	472
Accounts payable	(354,076)
Payroll taxes payable	567
Accrued interest	1,122
Depreciation and amortization	(511,984)
Purchase of capital assets	206,421
Net Proceeds from capital debt	459,813
Net payments/loans for development	<u>(41,963)</u>
Total adjustments	<u>(25,487)</u>
Total	<u>1,665,415</u>
Net change in fund balance - governmental funds	1,264,837
Change in net position - proprietary funds	<u>400,578</u>
	<u>1,665,415</u>

OTHER INFORMATION

CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
REVENUES		
Taxes		
General levy	1,588,334.19	916,386.27
Motor vehicle taxes	103,753.73	100,735.44
Franchise	47,128.92	55,768.24
City sales tax	839,890.55	742,163.93
Total taxes	<u>2,579,107.39</u>	<u>1,815,053.88</u>
Licenses and permits	<u>11,328.40</u>	<u>22,034.19</u>
Intergovernmental		
Equalization payment	90,558.41	64,610.99
Homestead exemption	59,796.21	43,078.86
Highway allocation and incentive	4,000.00	535,226.45
Motor vehicle fees	39,778.95	36,179.60
Prorate motor vehicle	3,058.68	2,721.73
Carline	63,093.71	1,276.82
Grants	181,717.14	73,857.11
Total intergovernmental	<u>442,003.10</u>	<u>756,951.56</u>
Charges for services		
Pool	-	37.10
Grave openings	16,010.00	20,100.00
Total charges for services	<u>16,010.00</u>	<u>20,137.10</u>
Miscellaneous		
ACE dividends	5,991.00	3,671.00
Municipal Co-op - fire	24,521.38	24,225.62
Interest income	5,799.72	4,537.18
Mowing	12,564.20	18,762.20
Fees and fines	38,526.00	30,083.20
Other	23,945.98	29,130.25
Total miscellaneous	<u>111,348.28</u>	<u>110,409.45</u>
TOTAL REVENUES	<u>3,159,797.17</u>	<u>2,724,586.18</u>



CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
EXPENDITURES		
General Government - administration		
Personnel services	281,343.43	259,950.64
Professional fees	20,880.00	24,386.00
Telephone	3,007.22	2,856.08
Office equipment and supplies	9,261.90	6,788.28
Dues/subscriptions	23,264.51	18,484.38
Printing and publishing	869.00	400.00
Miscellaneous	6,165.78	11,910.33
Repairs	8,283.55	4,107.68
Insurance	42,812.14	2,369.09
Community Development	29,700.00	1,400.00
Postage	2,592.86	1,000.00
Legal/public notices	3,732.24	4,738.52
Awards/prizes	3,447.85	3,898.45
Meals/lodging	2,014.31	1,911.09
Training	2,846.25	1,996.55
Lease payments	1,212.24	1,119.00
Fuel/tires	3,911.82	5,189.98
Employee bonds	3,335.00	3,355.00
Technical	171.09	160.39
Safety	168.21	185.88
Total General Government - administration	449,019.40	356,207.34
Public Safety - police		
Personnel services	630,597.70	668,400.82
Dues/subscriptions	24,730.75	24,160.63
Tires and repairs	23,688.23	6,652.78
Gas and oil	16,014.07	14,466.81
Telephone	8,232.88	8,172.98
Printing and publishing	369.96	887.84
Office supplies	2,146.60	1,716.25
Miscellaneous	2,361.66	2,686.68
Professional fees	-	137.00
Meals/lodging	1,552.86	3,282.60
Dog fees	1,402.34	1,253.53
Training	1,725.00	1,870.00
Safety	5,344.80	5,007.83
Clothing	2,922.45	3,510.89

CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
EXPENDITURES (Continued)		
Public Safety - police (Continued)		
Dispatch service	57,595.68	33,150.00
Technical/radios	1,606.77	3,854.00
Small tools	67.40	6.45
Office/computer equipment	2,746.75	1,701.04
Total Public Safety - police	783,105.90	780,918.13
Public Safety - fire		
Personnel services	9,141.62	2,277.24
Utilities	7,105.71	7,116.49
Insurance	4,340.48	500.00
Repairs	5,754.73	3,424.84
Supplies	716.78	4,189.99
Ambulance	11,565.72	3,860.42
Miscellaneous	6,538.55	7,062.66
Telephone	1,824.73	1,334.60
Awards/prizes	800.14	148.27
Dispatching	11,263.88	5,850.00
Training	2,500.00	700.00
Fuel/tires	3,590.24	4,035.47
Clothing	14,496.03	18,330.49
Safety	467.17	446.15
Total Public Safety - fire	80,105.78	59,276.62
Total Public Safety	863,211.68	840,194.75
Street		
Personnel services	306,234.13	314,437.45
Asphalt/crack filler	12,612.88	5,081.99
Tires and repairs	40,843.24	33,230.78
Gas and oil	16,935.64	15,815.23
Telephone	1,895.13	1,395.41
Gravel/sand/rock	37,050.19	43,420.27
Supplies	10,016.73	8,747.26
Miscellaneous	2,859.39	6,670.49
Utilities	6,403.01	6,133.96
Training	2,544.05	1,046.10

CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
EXPENDITURES (Continued)		
Street (Continued)		
Engineering/architecture fees	1,320.95	2,586.53
Signs/sign posts	6,315.33	2,812.04
Safety	406.85	560.46
Small tools	2,268.10	3,565.91
Concrete	9,820.74	24,852.25
Chemicals	8,429.70	14,644.69
Total - Street	465,956.06	485,000.82
City Hall		
Personnel services	819.54	2,481.92
Utilities	10,126.69	9,846.59
Repairs	2,746.00	5,383.91
Janitorial	977.22	1,146.90
Supplies	1,125.34	449.30
Miscellaneous	584.05	217.83
Total - City Hall	16,435.84	19,526.45
Health and Welfare - cemetery		
Personnel services - maintenance contract	100,949.96	90,465.67
Utilities	5,483.87	5,982.29
Chemicals	6,819.04	8,565.66
Legal/public notices	129.72	141.71
Repairs	8,717.22	5,558.65
Total Health and Welfare - cemetery	122,099.81	110,713.98
Library		
Personnel services	199,209.08	177,616.32
Contract labor	5,133.75	3,980.00
Utilities	13,022.46	12,545.93
Telephone	1,670.22	1,536.55
Legal/public notices	122.49	10.99
Dues/subscriptions/books	18,434.19	23,535.56
Miscellaneous	407.28	348.95

CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
EXPENDITURES (Continued)		
Library (Continued)		
Children's programs	1,393.52	1,175.07
Repairs	17,162.31	8,560.84
Training	160.00	30.00
Supplies	5,233.89	8,273.01
Technical/computer programs	5,687.73	6,938.81
Janitorial	952.80	774.61
Postage	840.14	857.57
Total - Library	<u>269,572.86</u>	<u>246,184.21</u>
Culture and Recreation - park		
Personnel services	199,761.99	184,483.47
Utilities	19,206.22	19,133.77
Dues & subscriptions	260.00	593.00
Repairs	14,316.91	16,050.89
Supplies	15,106.43	14,337.19
Management Fee	15,000.00	15,000.00
Miscellaneous	1,625.23	1,954.89
Telephone	1,610.01	1,588.76
Chemicals/Janitorial	21,723.78	23,278.25
Gravel/sand/rock	281.05	1,102.90
Lodging tax	3,454.75	2,506.66
Seeds/plants/trees	15,547.77	6,957.53
Total Culture and Recreation - park	<u>307,894.14</u>	<u>286,987.31</u>
Culture and Recreation - pool		
Personal services	43,260.00	40,000.00
Utilities	7,573.00	8,994.44
Repair and maintenance	4,738.22	11,782.96
Supplies and chemicals	13,692.94	17,299.64
Miscellaneous	1,779.59	1,666.66
Safety	-	22.48
Telephone	959.83	649.90

CITY OF GOTHENBURG, NEBRASKA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
EXPENDITURES (Continued)		
Culture and Recreation - pool (Continued)		
Small tools	170.23	191.06
Total Culture and Recreation - pool	<u>172,173.81</u>	<u>80,607.14</u>
Total Culture and Recreation	<u>480,067.95</u>	<u>367,594.45</u>
Tree lot/compost		
Gravel/sand/rock	1,067.80	282.29
Supplies	380.71	-
Chipping	3.79	420.00
Repairs and maintenance	-	262.46
Total Tree lot/compost	<u>1,452.30</u>	<u>964.75</u>
Capital outlay		
Administration	205.98	-
Police	103,311.94	661.29
Street	58,637.09	35,135.03
City Hall	-	9,695.24
Cemetery	13,246.31	6,500.00
Park	311,701.01	257,596.09
Civil Defense	6,426.00	-
Total capital outlay	<u>494,588.33</u>	<u>309,587.65</u>
TOTAL EXPENDITURES	<u>3,162,404.23</u>	<u>2,735,974.40</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,607.06)</u>	<u>(11,388.22)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	327,833.17	579,298.80
Operating transfers out	<u>(288,637.00)</u>	<u>(230,874.00)</u>
Total other financing sources (uses)	<u>39,196.17</u>	<u>348,424.80</u>
REVENUES OVER EXPENDITURES AND OTHER USES	36,589.11	337,036.58
FUND BALANCE, beginning of year	<u>1,801,637.08</u>	<u>1,464,600.50</u>
FUND BALANCE, end of year	<u>1,838,226.19</u>	<u>1,801,637.08</u>

CITY OF GOTHENBURG, NEBRASKA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024

	Lafayette Park	Library State Aid	Keno	Capital Projects	Airport	Miscellaneous Funds	Totals
ASSETS							
ASSETS							
Cash	24,152.55	-	-	1,030,423.89	-	356,374.67	1,410,951.11
Restricted cash	-	19,769.43	3,441.54	-	-	-	23,210.97
Notes receivable	-	-	-	-	-	1,446,392.67	1,446,392.67
<b>TOTAL ASSETS</b>	<u>24,152.55</u>	<u>19,769.43</u>	<u>3,441.54</u>	<u>1,030,423.89</u>	<u>-</u>	<u>1,802,767.34</u>	<u>2,880,554.75</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES AND FUND BALANCES							
Services payable	-	-	-	-	-	5,501.34	5,501.34
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,501.34</u>	<u>5,501.34</u>
FUND BALANCES							
FUND BALANCES							
Assigned	24,152.55	-	-	1,030,423.89	-	-	1,054,576.44
Restricted	-	19,769.43	3,441.54	-	-	1,797,266.00	1,820,476.97
Total fund balances (deficit)	<u>24,152.55</u>	<u>19,769.43</u>	<u>3,441.54</u>	<u>1,030,423.89</u>	<u>-</u>	<u>1,797,266.00</u>	<u>2,875,053.41</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>24,152.55</u>	<u>19,769.43</u>	<u>3,441.54</u>	<u>1,030,423.89</u>	<u>-</u>	<u>1,802,767.34</u>	<u>2,880,554.75</u>

CITY OF GOTHENBURG, NEBRASKA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024

	Lafayette Park	Library State Aid	Keno	Capital Projects	Airport	Miscellaneous Funds	Totals
<b>REVENUES</b>							
Property taxes	-	8,327.03	-	-	5,304.39	-	5,304.39
Intergovernmental	-	-	12.08	-	-	-	8,327.03
Interest	1,899.86	-	-	-	50,795.92	-	72,695.78
Other	1,899.86	8,327.03	12.08	-	56,100.31	-	86,339.28
Total revenues							
<b>EXPENDITURES</b>							
Current	700.00	-	-	-	-	-	700.00
Refunds	-	6,061.89	-	101,916.77	41,532.14	-	169,510.80
Expenses	-	-	-	4,297,859.34	-	-	4,297,859.34
Capital outlay	700.00	6,061.89	-	4,399,776.11	41,532.14	-	4,468,070.14
Total expenditures							
REVENUES OVER (UNDER) EXPENDITUR	1,199.86	2,265.14	12.08	(4,399,776.11)	14,568.17	-	(4,381,730.86)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in (out)	-	-	-	-	(14,568.17)	-	(14,568.17)
Bond proceeds	-	-	-	5,430,000.00	-	-	5,430,000.00
Total other financing sources (uses)	-	-	-	5,430,000.00	(14,568.17)	-	5,415,431.83
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>							
	1,199.86	2,265.14	12.08	1,030,223.89	-	-	1,033,700.97
FUND BALANCE, beginning of year	22,952.69	17,504.29	3,429.46	200.00	-	1,797,266.00	1,841,352.44
FUND BALANCE, end of year	24,152.55	19,769.43	3,441.54	1,030,423.89	-	1,797,266.00	2,875,053.41

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
YEAR ENDED SEPTEMBER 30, 2024

	Year ending September 30,	Principal	Interest	Total
<b>HIGHWAY ALLOCATION BOND</b>				
	2025	50,000	7,208	57,208
Dated: December 15, 2020	2026	50,000	6,883	56,883
Original principal: \$750,000	2027	50,000	6,558	56,558
Due December 15, 2021 - 2035	2028	50,000	6,133	56,133
Callable: No	2029	50,000	5,608	55,608
Interest payable June 15 and December 15	2030	50,000	5,083	55,083
of each year at 0.35 - 1.7%	2031	50,000	4,470	54,470
	2032	50,000	3,770	53,770
	2033	50,000	3,070	53,070
	2034	50,000	2,295	52,295
	2035	55,000	1,403	56,403
	2036	55,000	468	55,468
		<u>610,000</u>	<u>52,945</u>	<u>662,945</u>
 <b>HIGHWAY ALLOCATION FUND BONDS</b>				
Highway Allocation 2017 Paving Bonds				
Dated June 15, 2017				
Original principal: \$410,000				
Due December 15, 2017 - 2026	2025	40,000	2,640	42,640
Callable: December 15, 2022	2026	45,000	1,620	46,620
Interest payable June 15 and December 15	2027	45,000	540	45,540
of each year at 1.35 - 2.40%		<u>130,000</u>	<u>4,800</u>	<u>134,800</u>
 <b>2018 HIGHWAY ALLOCATION PLEDGE FUND BONDS</b>				
Dated June 15, 2018	2025	35,000	3,619	38,619
Due June 15, 2028	2026	35,000	2,683	37,683
Interest @1.85-2.9% through maturity	2027	35,000	1,668	36,668
Original amount: \$350,000	2028	40,000	580	40,580
		<u>145,000</u>	<u>8,549</u>	<u>153,549</u>
 <b>2018 GENERAL OBLIGATION PAVING BONDS</b>				
Original Amount: \$93,000	2025	10,000	1,040	11,040
Dated June 15, 2018	2026	10,000	780	10,780
Due June 15, 2028	2027	10,000	520	10,520
Interest @2.66% through maturity	2028	10,000	260	10,260
		<u>40,000</u>	<u>2,600</u>	<u>42,600</u>



CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
YEAR ENDED SEPTEMBER 30, 2024

	<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>2020 HIGHWAY ALLOCATION PLEDGE FUND BONDS</b>				
Original principal: \$1,300,000	2025	130,000	11,263	141,263
Dated July 15, 2020	2026	130,000	9,703	139,703
Due June 15, 2030	2027	130,000	8,143	138,143
Interest @.95-1.65% through maturity	2028	130,000	6,258	136,258
	2029	130,000	4,373	134,373
	2030	<u>135,000</u>	<u>2,228</u>	<u>137,228</u>
		<u>785,000</u>	<u>41,965</u>	<u>826,965</u>
<b>2024 MUNICIPAL IMPROVEMENT BOND</b>				
Original principal: \$5,430,000	2025	150,000	272,318	422,318
Dated June 15, 2024	2026	180,000	243,870	423,870
Due June 15, 2044	2027	190,000	235,950	425,950
Interest @ 4.125-5.00% through maturity	2028	200,000	226,450	426,450
	2029	210,000	216,450	426,450
	2030	220,000	205,950	425,950
	2031	230,000	196,875	426,875
	2032	240,000	187,388	427,388
	2033	245,000	177,488	422,488
	2034	260,000	167,381	427,381
	2035	265,000	156,331	421,331
	2036	280,000	145,069	425,069
	2037	295,000	132,469	427,469
	2038	305,000	119,194	424,194
	2039	320,000	105,088	425,088
	2040	335,000	90,288	425,288
	2041	350,000	74,375	424,375
	2042	365,000	57,750	422,750
	2043	385,000	39,500	424,500
	2044	<u>405,000</u>	<u>20,250</u>	<u>425,250</u>
		<u>5,430,000</u>	<u>3,070,431</u>	<u>8,500,431</u>

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
YEAR ENDED SEPTEMBER 30, 2024

	<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>SEWER LOAN - NDEQ</b>				
Original principal: \$150,000	2025	3,947		3,947
ARRA Principal Forgiveness \$75,000	2026	3,947		3,947
Due December 15 2010 to June 15, 2029	2027	3,947		3,947
Semiannual payments due December 15	2028	3,947		3,947
and June 15	2029	3,947		3,947
Interest rate 0.00%		<u>19,737</u>		<u>19,737</u>
<b>WATER GO BOND</b>				
Original principal: \$1,800,000	2025	180,000	12,025	192,025
Due June 15 2021 to June 15, 2031	2026	180,000	10,810	190,810
Semiannual payments due December 15	2027	180,000	9,460	189,460
and June 15	2028	180,000	7,885	187,885
Interest rate 0.45% to 1.40%	2029	185,000	5,966	190,966
	2030	185,000	3,746	188,746
	2031	185,000	1,295	186,295
		<u>1,275,000</u>	<u>51,188</u>	<u>1,326,188</u>
<b>SEWER REFUNDING BOND</b>				
Original principal: \$1,685,000	2025	130,000	15,406	145,406
Due June 15 2021 to June 15, 2036	2026	130,000	14,431	144,431
Semiannual payments due December 15	2027	100,000	13,513	113,513
and June 15	2028	100,000	12,763	112,763
Interest rate 0.5% to 1.75%	2029	100,000	11,875	111,875
	2030	100,000	10,575	110,575
	2031	100,000	9,375	109,375
	2032	100,000	7,975	107,975
	2033	100,000	6,563	106,563
	2034	100,000	4,813	104,813
	2035	100,000	3,063	103,063
	2036	100,000	1,313	101,313
		<u>1,260,000</u>	<u>111,663</u>	<u>1,371,663</u>

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
YEAR ENDED SEPTEMBER 30, 2024

	Year ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>NDEQ</b>				
Original principal: \$745,000	2025	36,045	3,145	39,190
Due December 15, 2021 to June 15, 2041	2026	36,226	2,964	39,190
Semiannual payments due December 15	2027	36,407	2,783	39,190
and June 15	2028	36,589	2,601	39,190
Interest rate .5%	2029	36,773	2,417	39,190
	2030	36,957	2,233	39,190
	2031	37,142	2,048	39,190
	2032	37,328	1,862	39,190
	2033	37,515	1,676	39,190
	2034	37,702	1,488	39,190
	2035	37,891	1,299	39,190
	2036	38,081	1,109	39,190
	2037	38,271	919	39,190
	2038	38,463	727	39,190
	2039	38,656	534	39,190
	2040	38,849	341	39,190
	2041	39,044	146	39,190
		<u>637,938</u>	<u>28,293</u>	<u>666,231</u>
 <b>ELECTRIC REVENUE BOND</b>				
Original principal: \$810,000	2025	55,000	13,560	68,560
Due December 15, 2017 to June 15, 2032	2026	55,000	12,405	67,405
Semiannual payments due June 15	2027	55,000	10,865	65,865
and December 15	2028	55,000	9,325	64,325
Interest rate 1.35 % - 3.30%	2029	60,000	7,785	67,785
	2030	60,000	6,105	66,105
	2031	60,000	4,125	64,125
	2032	65,000	2,145	67,145
		<u>465,000</u>	<u>66,315</u>	<u>531,315</u>

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS  
YEAR ENDED SEPTEMBER 30, 2024

	Year ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>ELECTRIC REVENUE BOND</b>				
Original principal: \$1,120,000	2025	70,000	15,043	85,043
Due June 15, 2021 to June 15, 2035	2026	70,000	14,063	84,063
Semiannual payments due June 15	2027	75,000	13,083	88,083
and December 15	2028	75,000	11,845	86,845
Interest rate 1.2 % - 2.05%	2029	75,000	10,608	85,608
	2030	75,000	9,370	84,370
	2031	80,000	7,983	87,983
	2032	80,000	6,503	86,503
	2033	80,000	5,023	85,023
	2034	80,000	3,383	83,383
	2035	85,000	1,743	86,743
		<u>845,000</u>	<u>98,643</u>	<u>943,643</u>
 <b>TOTAL</b>		 <u>11,642,674</u>	 <u>3,537,391</u>	 <u>15,180,065</u>



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

The Honorable Mayor and City Council  
City of Gothenburg  
Gothenburg, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities – modified cash basis, the business-type activities – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds and the aggregate remaining fund information – modified cash basis of the City of Gothenburg, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses Items 2024-0001 and 2024-0002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City of Gothenburg, Nebraska's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

RJ Meyer & Associates, LLC

North Platte, Nebraska  
January 10, 2025

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2024

2024 – 0001      SEGREGATION OF DUTIES

Criteria

Good business practice includes the separation of duties involving the handling of accounting information and accounting report generation.

Condition

The City's accounting department has a lack of segregation of duties.

Cause

Due to the limited number of personnel involved in the accounting function, the City of Gothenburg has limited segregation of duties over bookkeeping, billing, and accounting functions.

Effect

Increased opportunities for fraud and wrongful acts.

Organization's Response

The Organization believes the cost involved would greatly outweigh the possible benefits to be derived from developing a more complex internal control system. However, the present system seems to be operating as understood by all parties involved.

2024 – 0002      PREPARATION OF FINANCIAL STATEMENTS

Criteria

Management is responsible for establishing and maintaining internal controls, including monitoring and for the fair presentation of financial statements, including notes to the financial statements in conformity with the accrual basis of accounting.

Condition

Financial statements prepared by the City did not have disclosures included.

Cause

Management hasn't demonstrated the ability to prepare financial statements in accordance with generally accepted accounting principles. The preparation of financial statements under this basis of accounting requires management to possess the ability to prepare the financial statements and related disclosures without assistance from the auditors.

Recommendation

We recommend that the City review and approve the proposed auditor adjusting entries, the adequacy of disclosures prepared by the auditors, and apply analytical procedures to the draft financial statements among other procedures as considered necessary by management.

CITY OF GOTHENBURG, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2024

2024 – 0002      PREPARATION OF FINANCIAL STATEMENTS (Continued)

City's Response

The City relies on the auditors to propose adjustments necessary to prepare the financial statements including related note disclosures. The City reviews all proposed adjustments in relation to the financial statements and records those adjustments that it agrees with.