



CITY OF
FREMONT
NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2025

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Independent Auditor's Report

Honorable Mayor and City Council
City of Fremont, Nebraska

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fremont, Nebraska (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note A to the financial statements, in 2025, the City adopted new accounting guidance for compensated absences under Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The non-major governmental funds combining financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 GAAS. In our opinion, the non-major governmental funds combining financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Omaha, Nebraska
March 31, 2026**

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED SEPTEMBER 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the City of Fremont, Nebraska (the "City" or "City of Fremont") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Fremont for the fiscal year ended September 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City of Fremont exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$412,366,409 (*net position*). Of this amount, \$128,108,316 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Fremont governmental activities reported combined ending net position of \$168,887,820. Approximately 12.3 percent of this total amount, \$20,773,733 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,480,638, or 29.3 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

The *statement of net position* presents information about the City of Fremont's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fremont is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Fremont that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Fremont include general government, public safety, highways and streets, economic development and culture and recreation. The business-type activities of the City of Fremont include the Electric, Water, Sewer and Gas activities.

The government-wide financial statements can be found on pages 13 and 14 of this report.

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

The City of Fremont maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, and the Sales Tax Fund, all of which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Fremont adopts an biennial appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, and Sales Tax Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

Proprietary Funds. The City of Fremont maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Fremont uses enterprise funds to account for its Electric, Water, Sewer, and Gas Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Fremont's various functions.

The City of Fremont uses internal service funds to account for its employee health insurance, workers' compensation insurance and employee wellness fund. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 19- 22 of this report.

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Fremont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-61 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Fremont's budgetary comparison schedules. Required supplementary information can be found on pages 63-66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 68-71 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fremont, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$412,366,409 at the close of the most recent fiscal year. This information is derived from the financial statements and the 2024 information has not been updated to reflect the impacts of adoption of GASB Statement No. 101, *Compensated Absences*.

Summary of Net Position

	September 30, 2025			September 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 74,988,687	\$ 136,065,745	\$ 211,054,432	\$ 82,974,050	\$ 117,736,273	\$ 200,710,323
Capital, Lease and Subscription Assets	114,866,625	233,311,332	348,177,957	107,973,614	225,998,212	333,971,826
Deferred Outflow of Resources	448	1,648,015	1,648,463	988	1,781,241	1,782,229
Total Assets and Deferred Outflows	189,855,760	371,025,092	560,880,852	190,948,652	345,515,726	536,464,378
Current Liabilities	14,203,894	18,126,906	32,330,800	14,516,430	17,453,297	31,969,727
Long-term Liabilities	5,638,882	108,299,712	113,938,594	7,828,878	93,753,471	101,582,349
Deferred Inflow of Resources	1,125,164	1,119,885	2,245,049	1,288,945	1,308,631	2,597,576
Total Liabilities and Deferred Inflows	20,967,940	127,546,503	148,514,443	23,634,253	112,515,399	136,149,652
Net Position:						
Net Investment in Capital Assets	104,144,374	123,109,056	227,253,430	98,189,679	125,766,663	223,956,342
Restricted						
Expendable	43,844,713	13,034,950	56,879,663	42,756,969	13,685,694	56,442,663
Nonexpendable	125,000	-	125,000	125,000	-	125,000
Unrestricted	20,773,733	107,334,583	128,108,316	26,242,751	93,547,970	119,790,721
Total Net Position	\$ 168,887,820	\$ 243,478,589	\$ 412,366,409	\$ 167,314,399	\$ 233,000,327	\$ 400,314,726

The largest portion of the City of Fremont's net position (55.1 percent) reflects its net investment in capital assets (land, infrastructure, buildings, machinery, vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Fremont uses these capital, lease and

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

subscription assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Fremont's investment in its capital, lease and subscription assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital, lease and subscription assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Fremont's net position (13.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$128,108,316) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental Activities. Net position increased \$3,106,784 in the governmental activities during the year ended September 30, 2025, accounting for 20.5 percent of the total growth of the City for the year ended September 30, 2025. Key elements of this increase are as follows:

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General government	\$ 6,358,431	\$ 11,512,408	\$ 9,225,037	\$ 11,671,324
Public safety	2,936,822	14,457,347	2,088,551	12,636,386
Public works	3,489,970	10,336,382	3,256,225	10,713,669
Environment and leisure	2,228,482	6,983,643	5,407,660	10,872,109
Non-departmental	-	299,026	-	202,725
Interest on long-term debt	-	116,699	-	161,525
Total	<u>\$ 15,013,705</u>	<u>\$ 43,705,505</u>	<u>\$ 19,977,473</u>	<u>\$ 46,257,738</u>

Revenues by Source - Governmental Activities

	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for services	\$ 6,663,551	14.23 %	\$ 7,072,667	13.52 %
Operating grants and contributions	5,848,956	12.49	4,309,395	8.24
Capital grants and contributions	2,501,198	5.34	8,595,411	16.43
Property taxes	6,990,678	14.93	6,789,130	12.98
Motor vehicle taxes	713,582	1.52	676,030	1.29
Sales tax	10,465,450	22.36	10,371,722	19.83
Payments in lieu of taxes	23,051	0.05	-	-
Franchise taxes	243,820	0.52	184,825	0.35
Other taxes	2,022,238	4.32	2,033,934	3.89
State allocation	4,095,379	8.75	4,062,970	7.77
Keno	978,897	2.09	999,643	1.91
Miscellaneous	3,375	0.01	39,398	0.08
Investment income	2,546,927	5.44	2,578,140	4.93
Gain on sale of assets	228,936	0.49	153,541	0.29
Transfer from other funds	3,486,251	7.46	4,435,101	8.49
Total	<u>\$ 46,812,289</u>	<u>100.00 %</u>	<u>\$ 52,301,907</u>	<u>100.00 %</u>

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

Business-type Activities. Business-type activities increased the City of Fremont's net position by \$12,013,077, accounting for 79.5 percent of the total growth in the City's net position for the year ended September 30, 2025. Key elements of this increase are as follows:

<u>Function</u>	Expenses and Program Revenues - Business-type Activities			
	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 58,894,949	\$ 50,861,850	\$ 58,289,334	\$ 47,212,354
Water	6,508,715	4,718,841	6,480,967	4,299,500
Sewer	11,127,405	11,177,961	10,635,650	10,955,867
Gas	21,497,894	18,372,695	17,280,166	14,961,842
Total	<u>\$ 98,028,963</u>	<u>\$ 85,131,347</u>	<u>\$ 92,686,117</u>	<u>\$ 77,429,563</u>

	Revenues by Source - Business-type Activities			
	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for services	\$ 96,596,550	99.44 %	\$ 89,735,475	98.26 %
Operating grants and contributions	4,700	-	4,200	-
Capital grants and contributions	1,427,713	1.47	2,946,442	3.23
Investment income	2,587,994	2.66	3,070,305	3.36
Gain on sale of assets	13,718	0.01	2,475	-
Transfer to other funds	(3,486,251)	(3.58)	(4,435,101)	(4.85)
Total	<u>\$ 97,144,424</u>	<u>100.00 %</u>	<u>\$ 91,323,796</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Fremont's *governmental funds* reported combined ending fund balances of \$60,333,746. Approximately 14.0 percent of this total amount (\$8,473,007) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has already been, 1) restricted for the airport (\$466,470), 2) restricted for downtown improvement projects (\$102,398), 3) restricted for debt service (\$259,145), 4) restricted for street improvements (\$11,340,291), 5) restricted for public safety (\$11,072,754), 6) restricted for infrastructure (\$9,001,333), 7) restricted for property tax relief (\$612,645), 8) restricted for economic development (\$6,446,817), 9) restricted for a variety of capital/special projects (\$2,470,866), 10) restricted for Federal programs (\$685,277), 11) restricted for community betterment (\$174,016), 12) restricted for Transit (\$51,964), 13) committed for code enforcement/defense (\$1,314,753), 14) committed for capital improvement projects (\$7,686,025), 15) endowed as non-spendable principal (\$125,000), or 16) non-spendable prepaid expense (\$50,985).

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

The General Fund is the chief operating fund of the City of Fremont. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$8,480,638. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 29.3 percent of total General Fund expenditures.

The fund balance of the City of Fremont's General Fund decreased by \$(5,428,568) during the current fiscal year, which was \$1,921,773 less than was budgeted. The fund decrease is largely due to the timing of capital projects for Police and Streets.

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

Unrestricted net position of the *proprietary funds* at the end of the year were as follows: Electric Fund - \$65,751,034, Water Fund - \$12,665,911, Sewer Fund - \$11,869,919, and Gas Fund - \$17,047,719. The change in net position for the proprietary funds was as follows: Electric Fund - \$6,821,933, Water Fund - \$1,724,464, Sewer Fund - \$576,141, and Gas Fund - \$2,890,539. The Electric Fund experienced an increase in billed revenue in FY25 primarily due to higher residential consumption and a rate increase implemented mid-year in FY25. Fuel expenditures declined due to lower coal purchases and operational adjustments related to generating unit maintenance, although purchased power and other operating costs increased due to inflationary pressures, scheduled maintenance activities, and unscheduled repair activities. The Water Fund experienced increases in both consumption and billed revenue driven by drier conditions and rate adjustments implemented in the prior fiscal year. The Sewer Fund also saw increased billed revenue as the rate increase implemented in FY24 was reflected for the full fiscal year in FY25, although revenue from industrial wastewater loads declined due to lower than projected corporate discharge levels. The Gas Fund experienced increases in both consumption and billed revenue as a result of higher natural gas costs and increased demand during the fiscal year. Other factors affecting the finances of these four funds have been addressed in the discussion of the City of Fremont's business-type activities.

Budgetary Highlights

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

Capital, Lease and Subscription Assets and Debt Administration

Capital, Lease and Subscription Assets. The City of Fremont's investment in capital, lease, and subscription assets for its governmental and business-type activities as of September 30, 2025, amounts to \$348,177,957 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways and bridges.

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

Major capital asset events during the current fiscal year included the following:

Significant items placed in service during the current year at their installed values:

- Wastewater treatment plant upgrades - \$13,491,607
- Electric distribution system improvements and equipment - \$3,117,290
- Rawhide Creek trail - \$1,441,409
- Gas system improvements and equipment - \$1,392,874
- Morningside Pointe 2nd addition paving - \$1,092,926

Significant additions to Construction in Progress for continuing projects, with the current year expenditures noted:

- Multi-purpose building - \$5,259,873
- Storm restoration - \$1,936,014
- Substation addition - \$1,856,548
- Police and dispatch center building - \$1,797,367
- Unit 8 generator stator rewind - \$1,218,130
- ELG regulation bottom ash upgrade - \$3,091,648
- Transformer replacement - \$1,003,298

City of Fremont's Capital, Lease and Subscription Assets (net of depreciation and amortization)

	Year Ended September 30, 2025			Year Ended September 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 7,295,065	\$ 5,085,774	\$ 12,380,839	\$ 7,143,713	\$ 5,052,174	\$ 12,195,887
Construction in progress	15,168,446	25,028,052	40,196,498	8,432,568	16,452,913	24,885,481
Lease asset - land	76,333	-	76,333	81,721	-	81,721
Infrastructure	64,165,985	-	64,165,985	65,295,221	-	65,295,221
Buildings and improvements	20,981,616	-	20,981,616	21,546,926	-	21,546,926
Machinery and equipment	7,167,271	10,556,179	17,723,450	5,441,587	10,276,182	15,717,769
Distribution systems, buildings, and equipment	-	187,066,448	187,066,448	-	190,070,439	190,070,439
Office furniture and equipment	-	394,343	394,343	-	184,760	184,760
Subscription assets	11,909	888,259	900,168	31,878	318,232	350,110
Vehicles	-	4,292,277	4,292,277	-	3,643,512	3,643,512
Total	\$ 114,866,625	\$ 233,311,332	\$ 348,177,957	\$ 107,973,614	\$ 225,998,212	\$ 333,971,826

Additional information on the City of Fremont's capital, lease and subscription assets can be found in Note C5 on pages 44 - 46 of this report.

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

Long-term debt. At the end of the current fiscal year, the City of Fremont had total bonded debt, notes, financed purchases, lease and subscription payable (excluding TIF bonds payable) outstanding of \$121,008,514.

City of Fremont's Outstanding Debt						
Year Ended September 30, 2025			Year Ended September 30, 2024			
Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
General obligation bonds	\$ 6,963,926	\$ -	\$ 6,963,926	\$ 8,689,627	\$ -	\$ 8,689,627
Revenue bonds	-	113,225,176	113,225,176	-	98,594,023	98,594,023
Leases payable	84,702	-	84,702	88,141	-	88,141
Subscriptions payable	5,855	728,855	734,710	28,065	257,835	285,900
Total	\$ 7,054,483	\$ 113,954,031	\$ 121,008,514	\$ 8,805,833	\$ 98,851,858	\$ 107,657,691

The City of Fremont's total debt increased by \$13,350,823 (12.4) percent. The increase is due to the issuing of Combined Utility Revenue Bonds of \$20,370,000 in FY25 offset with the scheduled principal payments of debt.

The City of Fremont maintains an AA bond rating, while the Combined Utilities maintains an AA(-) bond rating from Standard & Poors.

Additional information on the City of Fremont's long-term debt can be found in Note C7 on pages 47-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City is in the first year of the two-year budget cycle for 2026 and 2027.
- Property tax assessment for the year ending September 30, 2025 is \$7,607,357 which is 8.8% higher than the assessment for the year ended September 30, 2024. The levy rate increased to \$0.260543 from \$0.247951 in the prior year, an increase of 5.1%. The City remains committed to responsible financial stewardship and providing essential services to its residents. In prior years, the City Council had imposed property taxes in anticipation of the costs related to defending and implementing a citizen-initiated ordinance. Litigation has been resolved leaving a balance of unspent funds. This unspent balance has been committed by the City Council for enforcement. The City Council committed \$1,334,743 at September 30, 2022 for this purpose. In addition, the Council also committed \$7,867,944 for capital improvement projects in FY26 and FY27.
- The City expanded E911 services with 1 FTE. In Public Works, an Engineering FTE was added but competitive hiring challenges has left key positions unfilled. Parks increased maintenance staff by 2 FTEs. Street Department also increased staff by 2 FTEs.
- The Utility had substantial unplanned storm restoration work related to the March 2025 blizzard. This work was mostly completed during the 2025 fiscal year; however, final completion and related expenditures that extended into the subsequent year were budgeted. There were also large, budgeted projects started in FY25 that will continue into FY26, including the ELG implementation, Unit 8 Generator Stator Rewind. The Utility also included expenditure adjustments in the budget to account for inflation. The Utility will again evaluate the rates for all four utilities in FY26 to keep up with increasing costs.
- Similar to the City, the Utility faces staffing challenges in an increasingly competitive job market, particularly due to the proximity of larger metro areas. The Utility replaced the Water/Wastewater

CITY OF FREMONT, NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - Continued FOR THE YEAR ENDED SEPTEMBER 30, 2025

Superintendent FTE with a Water/Sewer Superintendent and a Wastewater Superintendent FTE. One Safety Director FTE was also added. IT expanded the GIS division with 2 FTEs. Electric Distribution, Gas Department and Finance/Accounting each added 1 FTE.

- The City has budgeted to make significant expenditures for the following capital projects during the next fiscal year, (expenditures for smaller capital projects will be dependent upon actual revenues remaining within budgeted levels, while larger projects will be financed with a combination of long-term debt, cash reserves and private funding):
 - Various citywide paving and resurfacing projects - \$7,751,000 Projects underway
 - New Law Enforcement Center, \$21,183,871 Project underway
 - New Satellite Fire station (engineering only) - \$657,120 Project underway
 - Multi Use Building for Fleet, Streets and Parks - \$11,673,165 Project underway
 - Effluent Limitation Guidelines (ELG) power plant improvements - \$6,682,400 Project underway
 - Horizontal Well (engineering only)- \$1,500,000 Project underway
 - Amphitheater \$2,386,911 Project underway
 - Gas Capacity Increase - \$8,780,000

The City Council approved a four-point-zero (4.0) percent increase in rates for the Electric Fund effective March 1, 2025 and another increase of four-point-zero (4.0) percent effective March 1, 2026. The City also approved a fifteen-point-zero (15.0) percent increase in rates for Water Fund effective November 1, 2025.

Most of these factors, except for subsequent events, were considered in preparing the City of Fremont's budget for the 2026 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City of Fremont's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Fremont, 400 E. Military Avenue, Fremont, NE 68025.

CITY OF FREMONT, NEBRASKA
Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 46,133,856	\$ 29,716,631	\$ 75,850,487
Investments	19,826,145	37,022,068	56,848,213
County treasurer cash	288,736	-	288,736
Receivables:			
Special assessments	460,247	-	460,247
Accounts, net of allowance for doubtful accounts	1,362,258	4,378,061	5,740,319
Notes, net of allowance	22,137	886,743	908,880
Leases	145,523	52,620	198,143
Unbilled revenue	-	5,722,525	5,722,525
Interest	347,533	695,335	1,042,868
Property tax	65,262	-	65,262
Business tax	205,889	-	205,889
Other tax	373,530	-	373,530
Receivable/payable to other funds	(72,111)	72,111	-
Due from other governments	3,166,256	25,319	3,191,575
Inventory	-	15,325,283	15,325,283
Prepaid expenses	50,985	275,357	326,342
Total current assets	<u>72,376,246</u>	<u>94,172,053</u>	<u>166,548,299</u>
Noncurrent assets:			
Restricted cash and cash equivalents	77,257	7,143,190	7,220,447
Restricted investments	-	11,437,432	11,437,432
Notes receivable, net of allowance	1,556,329	10,634,121	12,190,450
Leases receivable	978,855	365,246	1,344,101
Regulatory asset	-	12,313,703	12,313,703
Capital, lease and subscription assets:			
Land	7,392,950	5,085,774	12,478,724
Construction in progress	15,168,446	25,028,052	40,196,498
Other capital, lease and subscription assets, net of depreciation and amortization	92,305,229	203,197,506	295,502,735
Net capital, lease and subscription assets	<u>114,866,625</u>	<u>233,311,332</u>	<u>348,177,957</u>
Total noncurrent assets	<u>117,479,066</u>	<u>275,205,024</u>	<u>392,684,090</u>
Total assets	<u>189,855,312</u>	<u>369,377,077</u>	<u>559,232,389</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refundings	448	1,648,015	1,648,463
Total deferred outflows of resources	<u>448</u>	<u>1,648,015</u>	<u>1,648,463</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,718,631	5,263,301	9,981,932
Claims liability	658,199	13,632	671,831
Accrued expenses	526,800	1,899,979	2,426,779
Due to other governments	1,878	-	1,878
Unearned revenues	3,552,832	306,561	3,859,393
Customer deposits	17,352	734,319	751,671
Current portion of long-term liabilities	4,728,202	9,909,114	14,637,316
Total current liabilities	<u>14,203,894</u>	<u>18,126,906</u>	<u>32,330,800</u>
Noncurrent liabilities:			
Noncurrent portion of long-term liabilities	5,638,882	108,299,712	113,938,594
Total noncurrent liabilities	<u>5,638,882</u>	<u>108,299,712</u>	<u>113,938,594</u>
Total liabilities	<u>19,842,776</u>	<u>126,426,618</u>	<u>146,269,394</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on lease receivables	1,125,164	360,630	1,485,794
Deferred gain on bond refundings	-	759,255	759,255
Total deferred inflows of resources	<u>1,125,164</u>	<u>1,119,885</u>	<u>2,245,049</u>
NET POSITION			
Net investment in capital assets	104,144,374	123,109,056	227,253,430
Restricted for:			
Debt service	271,400	12,071,145	12,342,545
Fly ash disposal	-	963,805	963,805
Street improvements	11,429,750	-	11,429,750
Federal grant programs	1,110,129	-	1,110,129
Transit	51,964	-	51,964
Expendable	30,981,470	-	30,981,470
Non expendable	125,000	-	125,000
Unrestricted	20,773,733	107,334,583	128,108,316
Total net position	<u>\$ 168,887,820</u>	<u>\$ 243,478,589</u>	<u>\$ 412,366,409</u>

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 11,512,408	\$ 2,930,244	\$ 3,428,187	\$ -	\$ (5,153,977)	\$ -	\$ (5,153,977)
Public safety	14,457,347	2,680,304	158,253	98,265	(11,520,525)	-	(11,520,525)
Public works	10,336,382	156,011	1,903,391	1,430,568	(6,846,412)	-	(6,846,412)
Environment and leisure	6,983,643	896,992	359,125	972,365	(4,755,161)	-	(4,755,161)
Non-departmental	299,026	-	-	-	(299,026)	-	(299,026)
Interest on long-term debt	116,699	-	-	-	(116,699)	-	(116,699)
Total governmental activities	<u>43,705,505</u>	<u>6,663,551</u>	<u>5,848,956</u>	<u>2,501,198</u>	<u>(28,691,800)</u>	<u>-</u>	<u>(28,691,800)</u>
Business-type activities:							
Electric	50,861,850	57,819,260	-	1,075,689	-	8,033,099	8,033,099
Water	4,718,841	6,357,970	-	150,745	-	1,789,874	1,789,874
Sewer	11,177,961	10,930,023	4,700	192,682	-	(50,556)	(50,556)
Gas	18,372,695	21,489,297	-	8,597	-	3,125,199	3,125,199
Total business-type activities	<u>85,131,347</u>	<u>96,596,550</u>	<u>4,700</u>	<u>1,427,713</u>	<u>-</u>	<u>12,897,616</u>	<u>12,897,616</u>
Total primary government	<u>\$ 128,836,852</u>	<u>\$ 103,260,101</u>	<u>\$ 5,853,656</u>	<u>\$ 3,928,911</u>	<u>\$ (28,691,800)</u>	<u>\$ 12,897,616</u>	<u>\$ (15,794,184)</u>
General revenues:							
Taxes:							
Property					6,990,678	-	6,990,678
Motor vehicle					713,582	-	713,582
Sales tax					10,465,450	-	10,465,450
Payments in lieu of taxes					23,051	-	23,051
Franchise					243,820	-	243,820
Other taxes					2,022,238	-	2,022,238
State allocation					4,095,379	-	4,095,379
Keno					978,897	-	978,897
Miscellaneous					3,375	-	3,375
Investment income					2,546,927	2,587,994	5,134,921
Gain on sale of assets					228,936	13,718	242,654
Transfer (to) from other funds					3,486,251	(3,486,251)	-
Total general revenues					<u>31,798,584</u>	<u>(884,539)</u>	<u>30,914,045</u>
Change in net position					<u>3,106,784</u>	<u>12,013,077</u>	<u>15,119,861</u>
Net position - September 30, 2024, as previously presented					167,314,399	233,000,327	400,314,726
Restatement					<u>(1,533,363)</u>	<u>(1,534,815)</u>	<u>(3,068,178)</u>
Net position - September 30, 2024, as restated					165,781,036	231,465,512	397,246,548
Net position - September 30, 2025					<u>\$ 168,887,820</u>	<u>\$ 243,478,589</u>	<u>\$ 412,366,409</u>

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Balance Sheet - Governmental Funds
September 30, 2025

	General	Street	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,874,205	\$ 6,519,580	\$ 25,822,579	\$ 5,304,468	\$ 44,520,832
Investments	9,699,753	3,500,000	3,000,000	2,626,392	18,826,145
County treasurer cash	207,595	58,771	-	22,370	288,736
Receivables:					
Special assessments	37,573	34,968	-	387,706	460,247
Accounts, net of allowance for doubtful accounts	1,199,949	12,330	-	149,927	1,362,206
Notes receivable, net of allowance for doubtful accounts	-	-	1,488,219	90,247	1,578,466
Leases	180,445	-	82,160	861,773	1,124,378
Interest	163,103	48,846	60,254	71,407	343,610
Property tax	49,628	-	-	15,634	65,262
Business tax	185,919	-	-	19,970	205,889
Other tax	-	373,530	-	-	373,530
Due from other governments	594,651	-	1,775,431	796,174	3,166,256
Due from other funds	1,331,362	983,007	103,498	259,418	2,677,285
Prepaid expenses	50,985	-	-	-	50,985
Total assets	\$ 20,575,168	\$ 11,531,032	\$ 32,332,141	\$ 10,605,486	\$ 75,043,827
LIABILITIES					
Accounts payable	\$ 864,598	\$ 3,169,954	\$ -	\$ 525,774	\$ 4,560,326
Accrued expenses	388,431	46,948	-	41,502	476,881
Due to other governments	1,878	-	-	-	1,878
Due to other funds	530,673	17,926	1,106,560	1,094,237	2,749,396
Unearned revenue	-	2,419,414	-	1,133,418	3,552,832
Customer deposits	12,627	-	1,125	3,600	17,352
Total liabilities	1,798,207	5,654,242	1,107,685	2,798,531	11,358,665
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	8,790	-	-	12,255	21,045
Unavailable revenue - other local taxes	37,573	34,968	-	32,413	104,954
Unavailable revenue - fees and other	1,025,476	54,433	60,118	960,226	2,100,253
Lease receivables revenue	172,721	-	79,275	873,168	1,125,164
Total deferred inflows of resources	1,244,560	89,401	139,393	1,878,062	3,351,416
FUND BALANCES (DEFICIT)					
Nonspendable:					
Permanent fund principal	-	-	-	125,000	125,000
Prepaid expenses	50,985	-	-	-	50,985
Restricted for:					
Airport	-	-	-	466,470	466,470
Downtown improvements/parking	-	-	-	102,398	102,398
Debt service	-	-	-	259,145	259,145
Street improvements	-	5,787,389	5,552,902	-	11,340,291
Public safety	-	-	10,382,382	690,372	11,072,754
Infrastructure	-	-	9,001,333	-	9,001,333
Property tax relief	-	-	612,645	-	612,645
Economic development	-	-	5,535,801	911,016	6,446,817
Capital/special projects	-	-	-	2,470,866	2,470,866
Federal programs	-	-	-	685,277	685,277
Community betterment	-	-	-	174,016	174,016
Transit	-	-	-	51,964	51,964
Committed for:					
Code enforcement/defense	1,314,753	-	-	-	1,314,753
Capital improvement projects	7,686,025	-	-	-	7,686,025
Unassigned	8,480,638	-	-	(7,631)	8,473,007
Total fund balances	17,532,401	5,787,389	31,085,063	5,928,893	60,333,746
Total liabilities, deferred inflows of resources and fund balances	\$ 20,575,168	\$ 11,531,032	\$ 32,332,141	\$ 10,605,486	\$ 75,043,827

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
September 30, 2025

Total fund balances - governmental funds \$ 60,333,746

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

Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$169,214,204 and the accumulated depreciation and amortization is \$54,347,579. 114,866,625

Deferred amounts on bond refundings are not financial resources and, therefore, are not reported as assets in governmental funds. 448

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 1,877,752

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and are shown as deferred inflows of resources in the fund statements. 2,226,252

Long-term liabilities, including bonds, leases and subscriptions payable and financed purchases, and related interest are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Accrued interest payable	(49,919)	
Compensated absences	(3,312,601)	
Other long-term debt	(7,054,483)	(10,417,003)

Total net position - governmental activities \$ 168,887,820

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	General	Street	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 6,311,195	\$ -	\$ -	\$ 679,483	\$ 6,990,678
Motor vehicle	-	713,582	-	-	713,582
Sales tax	-	-	10,465,450	-	10,465,450
Payments in lieu of taxes	20,940	-	-	2,111	23,051
Franchise	243,820	-	-	-	243,820
Business	1,931,794	-	-	91,179	2,022,973
Intergovernmental	339,362	5,756,525	-	5,826,299	11,922,186
Keno	-	-	-	978,897	978,897
Charges for services	4,848,040	96,622	17,030	276,652	5,238,344
Donations	96,909	13,487	-	74,972	185,368
Investment income	684,717	347,916	824,107	357,630	2,214,370
Sales proceeds on capital assets	116,984	82,890	51,940	192	252,006
Other income	46,669	1,378	-	1,997	50,044
Total revenues	14,640,430	7,012,400	11,358,527	8,289,412	41,300,769
EXPENDITURES					
General government	7,402,918	-	297,307	2,697,906	10,398,131
Public safety	15,575,499	-	2,588	1,551,219	17,129,306
Public works	463,337	12,727,662	-	263,493	13,454,492
Environment and leisure	5,183,151	-	-	1,167,788	6,350,939
Employee insurance	299,026	-	-	-	299,026
Lease and subscription principal payments	2,785	-	-	22,864	25,649
Lease and subscription interest payments	199	-	-	1,253	1,452
Principal payments on long-term debt	-	1,085,000	-	590,000	1,675,000
Interest on long-term debt	-	61,325	-	109,529	170,854
Total expenditures	28,926,915	13,873,987	299,895	6,404,052	49,504,849
Excess (deficiency) of revenues over expenditures	(14,286,485)	(6,861,587)	11,058,632	1,885,360	(8,204,080)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	63,739	63,739
Insurance recoveries	42,445	4,041	-	5,283	51,769
Transfers in	9,549,439	1,732,956	-	201,216	11,483,611
Transfers out	(733,967)	-	(5,875,555)	(1,387,838)	(7,997,360)
Net other sources and (uses)	8,857,917	1,736,997	(5,875,555)	(1,117,600)	3,601,759
Net change in fund balances	(5,428,568)	(5,124,590)	5,183,077	767,760	(4,602,321)
Fund balances - September 30, 2024	22,960,969	10,911,979	25,901,986	5,161,133	64,936,067
Fund balances - September 30, 2025	\$ 17,532,401	\$ 5,787,389	\$ 31,085,063	\$ 5,928,893	\$ 60,333,746

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Total net change in fund balances - governmental funds	\$	(4,602,321)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

This is the amount by which capitalized capital outlay exceeded depreciation expense in the period.		5,394,981
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The net effect of various miscellaneous transactions involving capital assets (contributions, disposals, etc.)		2,167,852
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Deferred outflows of resources relating to loss on refundings of long-term debt are not current financial resources, and therefore, the amortization of these deferred outflows are not reported as expenditures in the funds		(540)
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities in the statement of activities.		(1,080,877)
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The change in noncurrent compensated absences is reported as an expense in the statement of activities. Noncurrent compensated absences are not reported in the governmental funds.		(132,853)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred inflows in the governmental funds.		(276,368)
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Issuance of long-term debt, including original issue discount, is a net receipt in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.		(63,739)
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Repayment of bond, lease and subscription principal, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,700,649
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Change in net position of governmental activities	\$	<u>3,106,784</u>
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See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Net Position - Proprietary Funds
September 30, 2025

	Enterprise Funds					Internal Service Funds
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 13,000,531	\$ 8,544,464	\$ 165,164	\$ 8,006,472	\$ 29,716,631	\$ 1,613,024
Investments	30,261,082	3,260,986	-	3,500,000	37,022,068	1,000,000
Receivables:						
Accounts, net of allowance for doubtful accounts	3,509,793	290,562	412,989	164,717	4,378,061	52
Notes, net	-	-	886,743	-	886,743	-
Leases	16,919	35,701	-	-	52,620	-
Unbilled revenue	3,643,284	434,643	802,033	842,565	5,722,525	-
Due from other funds	410,839	6,477	11,793	138,619	567,728	-
Due from other governments	19,697	5,622	-	-	25,319	-
Interest	496,250	46,426	71,351	81,308	695,335	3,923
Inventory	13,282,417	271,606	177,237	1,594,023	15,325,283	-
Prepaid expenses	144,248	32,777	32,777	65,555	275,357	-
Total current assets	64,785,060	12,929,264	2,560,087	14,393,259	94,667,670	2,616,999
Noncurrent assets:						
Restricted cash and cash equivalents	5,545,672	-	1,597,518	-	7,143,190	77,257
Restricted investments	8,841,418	555,014	2,041,000	-	11,437,432	-
Leases receivable	365,246	-	-	-	365,246	-
Long-term notes receivable	-	-	10,634,121	-	10,634,121	-
Regulatory assets	8,597,323	-	-	3,716,380	12,313,703	-
Capital assets:						
Land	2,036,854	1,890,618	1,041,962	116,340	5,085,774	-
Construction in progress	23,013,453	464,986	652,936	896,677	25,028,052	-
Depreciable capital assets	247,959,549	46,873,662	112,888,867	25,523,530	433,245,608	-
Less accumulated depreciation	(144,986,407)	(25,304,346)	(45,234,376)	(14,522,973)	(230,048,102)	-
Net capital assets	128,023,449	23,924,920	69,349,389	12,013,574	233,311,332	-
Total noncurrent assets	151,373,108	24,479,934	83,622,028	15,729,954	275,205,024	77,257
Total assets	216,158,168	37,409,198	86,182,115	30,123,213	369,872,694	2,694,256
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows on bond refundings	315,436	4,738	1,327,841	-	1,648,015	-
Total deferred outflows of resources	315,436	4,738	1,327,841	-	1,648,015	-
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 4,111,866	\$ 86,641	\$ 237,960	\$ 826,834	\$ 5,263,301	\$ 158,305
Due to other funds	276,944	63,055	133,807	21,811	495,617	-
Accrued payroll	476,291	19,671	61,001	33,950	590,913	-
Sales tax payable	360,771	798	-	1,750	363,319	-
Accrued interest payable	288,690	11,050	642,721	3,286	945,747	-
Unearned revenue	306,561	-	-	-	306,561	-
Customer deposits	733,288	1,031	-	-	734,319	-
Claims liability	13,632	-	-	-	13,632	658,199
Current portion of long-term obligations	6,381,992	461,792	2,888,828	176,502	9,909,114	-
Total current liabilities	12,950,035	644,038	3,964,317	1,064,133	18,622,523	816,504
Noncurrent liabilities:						
Noncurrent portion of long-term obligations	59,400,781	772,343	47,984,471	142,117	108,299,712	-
Total noncurrent liabilities	59,400,781	772,343	47,984,471	142,117	108,299,712	-
Total liabilities	72,350,816	1,416,381	51,948,788	1,206,250	126,922,235	816,504
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of lease receivables	347,037	13,593	-	-	360,630	-
Deferred gain on bond refundings	759,255	-	-	-	759,255	-
Total deferred inflows of resources	1,106,292	13,593	-	-	1,119,885	-
NET POSITION						
Net investment in capital assets	68,424,044	22,763,037	20,052,731	11,869,244	123,109,056	-
Restricted for:						
Debt service	7,877,613	555,014	3,638,518	-	12,071,145	-
Fly ash disposal	963,805	-	-	-	963,805	-
Unrestricted	65,751,034	12,665,911	11,869,919	17,047,719	107,334,583	1,877,752
Total net position	\$ 143,016,496	\$ 35,983,962	\$ 35,561,168	\$ 28,916,963	\$ 243,478,589	\$ 1,877,752

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2025

	Enterprise Funds					Internal Service Funds
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total	
Operating revenues:						
Charges for services	\$ 57,648,828	\$ 6,296,764	\$ 10,341,668	\$ 21,486,280	\$ 95,773,540	\$ 5,351,433
Contributions from other funds	-	-	-	-	-	1,951,311
Other revenue	170,432	61,206	588,355	3,017	823,010	2,000
Total operating revenues	57,819,260	6,357,970	10,930,023	21,489,297	96,596,550	7,304,744
Operating expenses:						
Cost of power/gas	7,738,069	-	-	13,780,728	21,518,797	-
Production	27,100,367	1,529,420	4,009,575	-	32,639,362	-
Distribution	5,460,221	1,061,283	914,369	1,768,795	9,204,668	-
Customer accounting and collections	3,045,980	1,009,503	1,016,473	2,010,180	7,082,136	-
Administrative and general	225,429	112	727	-	226,268	5,569
Employee insurance	-	-	-	-	-	7,612,087
Workers' compensation	-	-	-	-	-	868,222
Depreciation and amortization	6,241,793	1,094,215	3,602,329	773,386	11,711,723	-
Total operating expenses	49,811,859	4,694,533	9,543,473	18,333,089	82,382,954	8,485,878
Operating income (loss)	8,007,401	1,663,437	1,386,550	3,156,208	14,213,596	(1,181,134)
Nonoperating revenues (expenses):						
Investment income	1,450,575	266,070	588,241	283,108	2,587,994	100,257
Interest expense	(755,681)	(24,308)	(1,634,488)	(4,327)	(2,418,804)	-
Gain (loss) on sale of assets	(294,310)	1,948	11,770	(35,279)	(315,871)	-
Grant revenue	-	-	4,700	-	4,700	-
Insurance recoveries	1,075,689	-	58,282	8,597	1,142,568	-
Total nonoperating revenues (expenses)	1,476,273	243,710	(971,495)	252,099	1,000,587	100,257
Income (loss) before net contributed capital and interfund transfers	9,483,674	1,907,147	415,055	3,408,307	15,214,183	(1,080,877)
Contributed capital (CC)	137,030	150,745	134,400	-	422,175	-
Cost recovered through CC	(137,030)	-	-	-	(137,030)	-
Transfers from other funds	621,885	-	581,789	-	1,203,674	-
Transfer to other funds	(3,283,626)	(333,428)	(555,103)	(517,768)	(4,689,925)	-
Net CC and transfers	(2,661,741)	(182,683)	161,086	(517,768)	(3,201,106)	-
Change in net position	6,821,933	1,724,464	576,141	2,890,539	12,013,077	(1,080,877)
Net position - September 30, 2024, as previously presented	137,439,410	34,290,385	35,137,157	26,133,375	233,000,327	2,958,629
Restatement	(1,244,847)	(30,887)	(152,130)	(106,951)	(1,534,815)	-
Net position - September 30, 2024, as restated	136,194,563	34,259,498	34,985,027	26,026,424	231,465,512	2,958,629
Net position - September 30, 2025	\$ 143,016,496	\$ 35,983,962	\$ 35,561,168	\$ 28,916,963	\$ 243,478,589	\$ 1,877,752

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2025

	Enterprise Funds					Internal Service Funds
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total	Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 56,144,691	\$ 5,968,660	\$ 11,669,119	\$ 18,470,839	\$ 92,253,309	\$ 5,351,381
Receipts from interfund services provided	1,529,475	431,666	61,291	2,972,654	4,995,086	1,951,311
Payments to suppliers	(25,286,354)	(2,053,038)	(2,466,403)	(17,906,125)	(47,711,920)	(9,110,009)
Payments for interfund services provided	(3,016,060)	(594,974)	(1,409,911)	(25,341)	(5,046,286)	-
Payments to employees	(16,031,350)	(861,813)	(2,060,527)	(1,245,433)	(20,199,123)	-
Net cash provided by (used in) operating activities	13,340,402	2,890,501	5,793,569	2,266,594	24,291,066	(1,807,317)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from other funds	621,885	-	581,789	-	1,203,674	-
Transfers to other funds	(3,283,626)	(333,428)	(555,103)	(517,768)	(4,689,925)	-
Interfund loans	1,935,691	16,950	(1,682,114)	(60,369)	210,158	-
Net cash used in noncapital financing activities	(726,050)	(316,478)	(1,655,428)	(578,137)	(3,276,093)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchase of property and equipment	(14,504,500)	(238,326)	(1,426,142)	(1,881,794)	(18,050,762)	-
Proceeds from sale of property and equipment	196,790	1,948	11,770	-	210,508	-
Proceeds from Bond Issuance	21,116,862	-	-	-	21,116,862	-
Lease principal collections	54,007	35,373	-	-	89,380	-
Lease interest collections	8,811	627	-	-	9,438	-
Principal payments on notes receivable	-	-	852,030	-	852,030	-
Principal payments on subscriptions payable *	(195,528)	(15,803)	-	(15,802)	(227,133)	-
Interest paid on subscriptions payable	(7,802)	(1,041)	-	(1,041)	(9,884)	-
Principal payments on capital debt	(3,431,956)	(420,000)	(2,513,044)	-	(6,365,000)	-
Interest paid on capital debt	(1,029,995)	(34,595)	(1,577,331)	-	(2,641,921)	-
Capital grant	-	-	4,700	-	4,700	-
Decrease in fly ash liability	(13,287)	-	-	-	(13,287)	-
Proceeds from insurance settlements	1,075,689	-	58,282	8,597	1,142,568	-
Net cash provided by (used in) capital and related financing activities	3,269,091	(671,817)	(4,589,735)	(1,890,040)	(3,887,201)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Net (purchases) and sales of investments	(11,213,000)	18,500	-	-	(11,194,500)	2,000,000
Interest received on investments	1,692,314	341,519	607,960	306,803	2,948,596	121,891
Net cash provided by (used in) investing activities	(9,520,686)	360,019	607,960	306,803	(8,245,904)	2,121,891
Increase in cash and cash equivalents	6,362,757	2,262,225	156,366	105,220	8,881,868	314,574
Cash and cash equivalents - beginning of the year	12,183,446	6,282,239	1,606,316	7,901,252	27,973,253	1,375,707
Cash and cash equivalents - end of the year	\$ 18,546,203	\$ 8,544,464	\$ 1,762,682	\$ 8,006,472	\$ 36,855,121	\$ 1,690,281
Composition of cash and cash equivalents:						
Cash and cash equivalents	\$ 13,000,531	\$ 8,544,464	\$ 165,164	\$ 8,006,472	29,716,631	\$ 1,613,024
Restricted cash and cash equivalents	5,545,672	-	1,597,518	-	7,143,190	77,257
Total cash and cash equivalents	\$ 18,546,203	\$ 8,544,464	\$ 1,762,682	\$ 8,006,472	\$ 36,859,821	\$ 1,690,281

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2025

	Enterprise Funds					Internal Service Funds
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 8,007,401	\$ 1,663,437	\$ 1,386,550	\$ 3,156,208	\$ 14,213,596	\$ (1,181,134)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization expense	6,241,793	1,094,215	3,602,329	773,386	11,711,723	-
Change in assets and liabilities:						
Accounts receivable and unbilled revenue	(44,956)	83,136	800,387	(45,804)	792,763	(52)
Inventories	(845,745)	73,280	(17,113)	(252,720)	(1,042,298)	-
Regulatory asset	194,602	-	-	222,269	416,871	-
Prepaid expenses	12,900	(3,273)	6,467	7,521	23,615	3,750
Accounts payable	(622,067)	10,274	(16,510)	(1,554,939)	(2,183,242)	85,628
Accrued payroll	99,904	82	12,978	3,917	116,881	-
Accrued compensated absences	421,871	10,761	18,481	(42,422)	408,691	-
Other accrued expenses	(25,163)	(631)	-	(822)	(26,616)	-
Unearned revenue	(60,807)	-	-	-	(60,807)	-
Customer deposits	21,492	-	-	-	21,492	-
Claims liability	-	-	-	-	-	(715,509)
Deferred inflows on leases receivable	(60,823)	(40,780)	-	-	(101,603)	-
Net cash provided by (used in) operating activities	<u>\$ 13,340,402</u>	<u>\$ 2,890,501</u>	<u>\$ 5,793,569</u>	<u>\$ 2,266,594</u>	<u>\$ 24,291,066</u>	<u>\$ (1,807,317)</u>
Supplemental Cash Flows Information						
Payables incurred for acquisition of capital, lease and subscription assets	\$ (2,533,390)	\$ -	\$ (132,507)	\$ (16,780)	\$ (2,682,677)	\$ -
Subscription payables incurred for subscription assets	507,329	143,352	-	143,352	794,033	-
Contributed capital, net	-	150,745	134,400	-	285,145	-
Amortization of bond premium/discount, net	213,549	10,693	9,736	-	233,978	-
Subscription asset and payable modification	95,880	-	-	-	95,880	-

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Fiduciary Net Position
September 30, 2025

	Custodial Fund
ASSETS	
Cash	\$ 631,053
Property tax receivables	13,868
Total assets	<u>644,921</u>
LIABILITIES - DUE TO OTHERS	<u>644,921</u>

See notes to financial statements

CITY OF FREMONT, NEBRASKA
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

	Custodial Fund
ADDITIONS	
Tax increment financing revenues	\$ 3,503,286
Interest income	8,914
Total additions	<u>3,512,200</u>
DEDUCTIONS	
Tax increment financing expenditures	3,484,176
Other	28,024
Total deductions	<u>3,512,200</u>
NET DECREASE IN FIDUCIARY NET POSITION	<u>-</u>
FIDUCIARY NET POSITION, BEGINNING OF YEAR	<u>-</u>
FIDUCIARY NET POSITION, END OF YEAR	<u><u>\$ -</u></u>

See notes to financial statements

CITY OF FREMONT, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

The City of Fremont, Nebraska, was incorporated in 1871. The City operates under a Mayor-Council form of government with an elected Mayor and an elected legislative body, Council, composed of eight members. The Mayor is elected at large for a four-year term, and the eight members of the City Council are elected, two from each of four wards, on alternating four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety; highways and streets; planning and zoning; parks; recreation; urban development; public transit; electric; water and sanitary sewer systems; gas; waste transfer; and general administrative services.

These financial statements present the financial statements of the City as the primary government. In determining its reporting entity, the City has considered all potential component units for which it is financially accountable, including other organizations which are fiscally dependent on the City, or the significance of their relationship with the City are such that exclusion would make the financial statements misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability, which was used in making this evaluation. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Any discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City currently has no component units which meet the criteria to be reported as discretely presented component units.

Component Unit - Community Development Agency (CDA)

The CDA created by the Mayor and Council to provide for redevelopment of various blighted areas within the City is included in the City’s reporting entity as fiduciary component unit because of the significance of its operational and financial relationships with the City. Members of the CDA consist of the Mayor and City Council with the Mayor serving as Chairman. Officers of the CDA are also officers of the City. Although it is legally separate from the City, the CDA is reported as if it were part of the primary government because its sole purpose is to provide redevelopment of various areas within the City. The City has operational responsibility for the CDA. The CDA does not issue separate financial statements and is included within the City’s financial statements as a fiduciary custodial fund.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. The material effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund Financial Statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column and the remaining funds are aggregated and reported as other governmental or proprietary funds.

The City reports the following fund types:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Basis of Presentation, Continued

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Enterprise Funds

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

Internal Service Fund

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

Fiduciary Funds

Custodial Fund

The Custodial Fund accounts for resources held by the City in a custodial capacity, for the benefit of other governments or outside organizations. The Community Development Agency (CDA) Fund is used to account for the resources for payment of principal and interest on tax increment financing bonds issued by the CDA of the City. These bonds were issued to provide long-term financing for redevelopment of various blighted and substantial areas around the City of Fremont. These bonds are payable only from real estate taxes on certain property located within these plan areas and do not constitute general obligations of the Agency or the City.

Major and Non-major Funds

The City reports the following major and non-major funds:

	<u>Fund</u>	<u>Brief Description</u>
Major:		
Governmental:		
General		See above for description.
Street		The Street Fund is a Special Revenue Fund that accounts for the City's share of highway allocation from the State of Nebraska.
Sales Tax		The Sales Tax Fund is a Special Revenue Fund that accounts for the local sales tax collected.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Basis of Presentation, Continued

Major and Non-major Funds, Continued

<u>Fund</u>	<u>Brief Description</u>
Proprietary:	
Enterprise:	
Electric, Water, Sewer, and Gas	See above for description.
Internal Service:	
Insurance	Accounts for the workers' compensation, and health insurance, and other programs for all City operations.
<i>Non-major:</i>	
Governmental:	
Debt Service	See above for description.
Capital Projects – Special Projects	See above for description.
Special Revenue:	
Paving and Sidewalk Districts	Accounts for the collection of special assessments on various paving and sidewalk districts.
Business Improvement District #1	Accounts for improvements and maintenance of downtown business area using special assessments on the properties within the district.
Public Use Property Special Projects	Accounts for bequests with restricted uses that the City receives.
Keno	Accounts for the City's share of the Keno gaming proceeds.
Community Development Block Grant (CDBG)	Accounts for revolving loans funded by CDBG grants.
Weatherization Economic Development Administration (EDA) (HUD)	Accounts for weatherization revolving loans funded by the Department of Housing and Urban Development (HUD) grants.
Economic Enhancement	Accounts for economic enhancement programs of the City.
Airport	Accounts for the operation and maintenance of the municipal airport.
Enhanced and Wireless 911	Accounts for the per-line telephone surcharge and per-line cell phone surcharge for the emergency communications system.
Drug Task Force	Accounts for Federal grant proceeds and payments from surrounding governmental entities under an interlocal agreement to combat drug use in Fremont and surrounding communities.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Basis of Presentation, Continued

Major and Non-major Funds, Continued

<u>Fund</u>	<u>Brief Description</u>
Governmental, continued:	
Special Revenue, continued:	
American Rescue Plan	Accounts for Federal grant proceeds and payments from the State of Nebraska under the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund to respond to the public health emergency and its negative economic impacts.
Transit Lines	Accounts for State and Federal grant proceeds and payments from the Department of Transportation to initiate public transportation services to nonurbanized areas (under 50,000 in population) for the operation and maintenance of our demand-response (non-fixed route) transit service available to the public.

3. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The City considers revenues are available if they are collected within 60 days of the end of the fiscal period. Property taxes, sales taxes, occupation taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases or subscriptions are reported as other financing sources.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

3. Measurement Focus and Basis of Accounting, Continued

Proprietary and Fiduciary Funds activities are accounted for on the flow economic resources measurement focus and use the accrual basis of accounting. The City's utility accounting records are maintained in accordance with all applicable pronouncements of the Governmental Accounting Standards Board (GASB) and generally follow the Uniform System of Accounts for Public Utilities and Licenses prescribed by the Federal Energy Regulatory Commission (FERC). The City prepares its proprietary financial statements as a business-type activity in conformity with accounting principles generally accepted in the United States of America (GAAP). Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Estimates

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

Cash and Investments

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

Interest on investments and deposits are allocated to the funds based on the fund's proportionate share of the investment balance. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

Receivables

Receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings as their major receivables. Unbilled revenue of \$5,722,525, representing consumer usage for the period between the last reading date and the end of the period, was recorded as of September 30, 2025.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Notes Receivable

Notes receivable include long-term loans made to local businesses and citizens using revolving loan funds from Community Development Block Grants through the State of Nebraska, as well as other economic development-based loans of LB840 revolving loan funds or Economic Enhancement funds of the City to qualifying businesses. Some loans are forgivable when certain performance-based conditions are met. Loans are shown net of an allowance for uncollectible amounts. Notes Receivable for business activities include interest-bearing loans made to local businesses to promote economic growth.

Due from Other Governments

The total due from other governments includes the following amounts:

<u>Fund</u>	<u>Amount</u>	<u>Description</u>
General	\$ 594,651	Grant reimbursement & TIF bonds
Sales tax	1,775,431	Sales tax
Airport	461,881	Grant reimbursement
CDBG	59,205	Grant reimbursement
Enhanced 911	159,900	Interlocal reimbursement
Special Projects	78,149	Grant reimbursement
Transit	37,039	Grant reimbursement
Governmental total	<u>\$ 3,166,256</u>	
Electric	\$ 19,697	Grant reimbursement
Water	5,622	Grant reimbursement
Business-type total	<u>\$ 25,319</u>	

Leases Receivable

The City is lessor for several noncancellable leases for land, hangars and tower space and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized over the lease term.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the receivable.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Inventory

All inventories are valued at average cost, except natural gas, which is valued at cost using the first-in/first-out ("FIFO") method.

Inventories consist of the following at September 30, 2025:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Total</u>
Coal	\$ 4,251,298	\$ -	\$ -	\$ -	\$ 4,251,298
Natural Gas	-	-	-	687,867	687,867
Production Supplies	5,738,853	271,606	177,237	151,710	6,339,406
Distribution Supplies	2,826,674	-	-	754,446	3,581,120
Other	465,592	-	-	-	465,592
	<u>\$ 13,282,417</u>	<u>\$ 271,606</u>	<u>\$ 177,237</u>	<u>\$ 1,594,023</u>	<u>\$ 15,325,283</u>

Restricted Assets

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

Regulatory Assets

Rates for the City's regulated operations are established and approved by the Utility and Infrastructure Board and City Council. The City applies the regulated operations provisions of GASB Codification Section Re10, *Regulated Operations*, which provide for the deferral of expenses which are expected to be recovered through customer rates over some future period (regulatory assets) and reductions in earnings to cover future expenditures (regulatory liabilities).

Regulatory assets are included in other noncurrent assets on the Balance Sheet and are being amortized in future rate periods when such costs are included in the revenue requirements to establish electric and gas rates.

Capital Assets

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

Government-wide Statements

In the government-wide financial statements, capital assets are capitalized and reported on the Statement of Net Position. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their acquisition value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Capital Assets - Continued

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

Buildings	20-50 years
Improvements and infrastructure	10-50 years
Machinery and equipment	3-20 years
Utility system	25-50 years

The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Fund Financial Statements

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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Unearned Revenues

Unearned revenue represents unearned utility revenues and advances on grants and contract awards for which the City has not met all of the applicable eligibility requirements.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period. The City has one item that qualifies for reporting in this category, the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net assets that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that period. The City has four items that qualify for reporting in this category: (1) Unavailable revenue received after the availability period. This includes property taxes plus other local taxes and fees received after 60 days. They are reported as deferred inflows on the governmental funds balance sheet and will be recognized as revenue next year. (2) Unavailable revenue relating to loans and grants. (3) Lease receivable revenues. (4) Deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

City employees earn sick leave at the rate of 3.70-8.31 hours per biweekly pay period, depending on their hire date. Half-time and three-quarter time employees receive applicable percentages of these same rates. Vacation and sick leave hours are accumulated on a biweekly basis and are fully vested when earned. Limitations on accumulated sick leave vary based on labor agreements, but in no case will accumulated sick leave payout exceed 50% of the accumulated balance, up to 1,440 hours. Accumulated vacation limitations vary from 240-304 hours depending on the applicable labor agreement. All accumulated vacation and sick leave, subject to limitations noted, is paid at separation.

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. The City recognizes the liability in the government-wide and proprietary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability. Accruals are based on current salary rates plus an additional amount for compensation-related payments such as Social Security and Medicare taxes and pension amounts using rates in effect at that date.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Compensated Absences, continued

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the unused vacation time and eligible sick leave owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below.

	Net Position 09/30/2024, as previously reported	Restatement	Net Position 09/30/2024, as restated
Government-wide			
Governmental activities	\$ 167,314,399	\$(1,533,363)	\$ 165,781,036
Business-type activities	233,000,237	(1,534,815)	231,465,422
Total government-wide	\$ 400,314,636	\$(3,068,178)	\$ 397,246,458
Proprietary/Enterprise funds			
Electric Fund	\$ 137,439,410	\$(1,244,847)	\$ 136,194,563
Water Fund	34,290,385	(30,887)	34,259,498
Sewer Fund	35,137,157	(152,130)	34,985,027
Gas Fund	26,133,375	(106,951)	26,026,424
Total proprietary/enterprise funds	\$ 233,000,327	\$(1,534,815)	\$ 231,465,512

Long-term Debt and Bond Discounts/Premiums

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

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Long-term Debt and Bond Discounts/Premiums - Continued

Government-wide Statements

In government-wide and proprietary financial statements, outstanding debt is reported as a liability. Bond discounts or premiums and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the life of the respective bonds. The long-term debt consists primarily of bonds payable and a fly ash liability.

Fund Financial Statements

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

Recovery of Plant Costs

Capital contributions are received from customers and other third parties primarily to offset the costs associated with expansion of the City's utility systems. The City follows FERC guidelines for recording capital contributions. These guidelines direct the reduction of utility plant by the amount of these contributions. In order to comply with GASB codification Section N50, *Nonexchange Transactions*, while continuing to follow FERC guidelines, capital contributions are recorded as income and offset by an expense in the same amount representing the recovery of plant costs.

Net Position Flow Assumption

Government-wide Statements

Net position is classified and displayed in three components:

- a. Net investment in capital assets – Consists of capital, lease and subscription assets, net of accumulated depreciation and amortization reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings, net of issuance premiums or discounts, that are attributable to the acquisition, construction, or improvement of those assets. The portion of debt attributable to unspent debt proceeds is not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Flow Assumption

Fund balances are divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the City Council. Commitments may be changed or lifted only by passage of an ordinance or issuance of a resolution or a motion passed by the City Council. This includes minimum cash reserves of not less than two months of regular General Fund operating revenues or expenditures and future revolving fund cash flows for the special assessment related non-major funds.

Assigned – Amounts that are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – All amounts not included in other spendable classifications.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report for each category of fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a one-and-one-half-cent sales tax on taxable sales within the City. The sales tax is to be used for the following purposes: 1/2 percent – 60 percent for infrastructure and 40 percent for public safety, 1/2 percent – for property tax relief, and 1/2 percent – divided in equal thirds for economic development, street improvements, and public safety.

The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the State in September and October (which represents sales for August and September) and received by the City in October and November have been accrued and are included under the caption “Due from other governments.”

Property Taxes

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

The tax levies for all political subdivisions in Dodge County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest. Property taxes levied for 2024-2025 are recorded as revenue when expected to be collected within 60 days after September 30, 2025. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as unavailable revenue on the fund balance sheets.

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

Operating Revenues and Expenses

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

Expenditures/Expenses

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

Governmental funds – by character and function

Proprietary funds – by operating and non-operating

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

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

5. Revenues, Expenditures, and Expenses Continued

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

Section 16-714 and 16-715 of the Revised Statutes of Nebraska 1943 require collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's cash deposits, including certificates of deposit, are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per participating financial institution. Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

Cash at the County Treasurer of \$288,736 was covered by collateral held by the County.

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

Bonds Payable

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

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

5. Budgetary Data

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

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

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

- a. On or before August 1, the City prepares a biennial budget for the next two fiscal years commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Budget adjustments within a fund can be made with City Administrator approval. However, the City Council must approve any supplemental appropriations.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Fremont adopts a budget by ordinance for all fund types.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for the City's various assets, liabilities, deferred outflows/inflows of resources, net position/fund balances, revenues and expenditures/expenses.

1. Cash and Investments

The City's policies regarding deposits of cash are discussed in Note A4 and the City's policies regarding risk management over deposits and investments are discussed in Note D2. The City's cash deposits and investments are with institutions insured by the Federal Deposit Insurance Corporation ("FDIC") and other collateral. At September 30, 2025, the bank balance of the City's deposits and investments were fully-insured or collateralized.

Reconciliation to Government-wide Statement of Net Position:

Cash and cash equivalents -	
Unrestricted	\$ 76,139,223
Restricted	7,220,447
Investments -	
Unrestricted	56,848,213
Restricted	11,437,432
Total	<u>\$ 151,645,315</u>

Investments and cash equivalents consist of the following:

County treasurer cash	\$ 288,736
Certificates of deposit	68,285,645
Deposit accounts and cash on hand	83,070,934
Total	<u>\$ 151,645,315</u>

Of the business-type restricted assets, \$12,071,145, relates to debt service reserves required by bond agreements. The remaining restricted cash and investments are restricted to cover fly ash closure costs and other contractually required reserves.

2. Accounts Receivable

Accounts receivable of the business-type activities consists of utilities' receivables. Accounts receivable of the governmental activities consist of ambulance (79.87 percent), waste transfer station (8.59 percent), cable franchise tax (2.62 percent), Keno proceeds (2.24 percent), fees assessed (0.94 percent), and other (5.77 percent) receivables. Receivables at September 30, 2025, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts receivable	\$ 1,876,331	\$ 4,701,813	\$ 6,578,144
Allowance for doubtful accounts	<u>(514,073)</u>	<u>(323,752)</u>	<u>(837,825)</u>
Net accounts receivable	<u>\$ 1,362,258</u>	<u>\$ 4,378,061</u>	<u>\$ 5,740,319</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

3. Notes Receivable

Company	Loan Amount	Date Issued	Interest	Type	Balance
Sales Tax Fund (LB840):					
Summit Medical Staffing	493,758	4/7/2021	0%	Performance Based	98,752
Tech Partners	24,188	12/8/2020	0%	Performance Based	4,838
WLG Fremont	600,000	10/6/2020	0%	Performance Based	240,000
Wholestone Farms	1,300,000	2/17/2021	0%	Performance Based	520,000
EleMETAL Fabrication	200,000	2/5/2021	0%	Performance Based	40,000
505 Main Street Group LLC	465,000	7/5/2021	0%	Performance Based	279,000
My Central Supply	200,000	2/24/2022	0%	Performance Based	120,000
New Star	100,000	2/26/2025	0%	Performance Based	100,000
New Star	100,000	2/12/2025	2%	Repayable	85,629
<i>Total Sales Tax Fund</i>					<u>1,488,219</u>
<u>Weatherization EDA (HUD) Fund:</u>					
Interest bearing notes	\$ 19,998	12/06/2017	1%	Repayable	12,817
Non-interest bearing notes	20,000	11/16/2017	0%	Repayable	7,444
Non-interest bearing notes	233,402	Various	0%	Forgivable	29,986
<i>Total Weatherization Fund</i>					<u>50,247</u>
<u>Economic Enhancement Fund:</u>					
WLG Fremont	100,000	10/6/2020	0%	Performance Based	40,000
<i>Total Economic Enhancement Fund</i>					<u>40,000</u>
<i>Total Notes Receivable</i>					<u><u>\$ 1,578,466</u></u>
<u>Business-type Activities</u>					
<u>Sewer Fund:</u>					
Wholestone Farms	\$ 15,000,000	3/1/2021	4%	Repayable	<u><u>\$ 11,520,864</u></u>

4. Lease Receivables

The City, as lessor, leases City-owned land, distribution systems, hangars and tower space at various locations, the terms of which expire in various years through 2046. Revenues earned under these lease contracts were \$215,535 for the year ended September 30, 2025, which includes both lease revenue and interest, included in charges for services for governmental funds and other revenues for enterprise funds. There were no variable payments received not previously included in the measurement of the leases receivable.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

5. Capital, Lease and Subscription Assets

Governmental Activities

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

	Balance at October 1, 2024	Additions	Disposals	Transfers	Balance at September 30, 2025
Governmental Activities:					
Capital, lease and subscription assets not being depreciation or amortized:					
Land	\$ 7,143,713	\$ 145,000	\$ (22,878)	\$ 29,230	\$ 7,295,065
Construction in progress	8,432,568	9,605,922	-	(2,870,044)	15,168,446
Total capital assets not being depreciated or amortized	<u>15,576,281</u>	<u>9,750,922</u>	<u>(22,878)</u>	<u>(2,840,814)</u>	<u>22,463,511</u>
Other capital, lease and subscription assets being depreciated or amortized:					
Lease asset - land	97,885	-	-	-	97,885
Infrastructure	90,272,113	1,426,527	-	1,701,667	93,400,307
Buildings and improvements	33,287,477	257,622	-	134,940	33,680,039
Machinery and equipment	16,991,999	1,891,882	(387,198)	1,004,207	19,500,890
Subscription assets	71,572	-	-	-	71,572
Total other capital, lease and subscription assets at historical cost	<u>140,721,046</u>	<u>3,576,031</u>	<u>(387,198)</u>	<u>2,840,814</u>	<u>146,750,693</u>
Less accumulated depreciation and amortization for:					
Lease asset - land	(16,164)	(5,388)	-	-	(21,552)
Infrastructure	(24,976,892)	(4,257,430)	-	-	(29,234,322)
Buildings and improvements	(11,740,551)	(957,872)	-	-	(12,698,423)
Machinery and equipment	(11,550,412)	(1,160,655)	377,448	-	(12,333,619)
Subscription assets	(39,694)	(19,969)	-	-	(59,663)
Total accumulated depreciation and amortization	<u>(48,323,713)</u>	<u>(6,401,314) *</u>	<u>377,448</u>	<u>-</u>	<u>(54,347,579)</u>
Other capital, lease and subscription assets, net	<u>92,397,333</u>	<u>(2,825,283)</u>	<u>(9,750)</u>	<u>2,840,814</u>	<u>92,403,114</u>
Governmental activities capital, lease and subscription assets, net	<u>\$ 107,973,614</u>	<u>\$ 6,925,639</u>	<u>\$ (32,628)</u>	<u>\$ -</u>	<u>\$ 114,866,625</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

5. Capital, Lease and Subscription Assets, Continued

* Depreciation and amortization expense was incurred by the following governmental activities:

General government	\$ 129,041
Public safety	
Police	271,963
Fire	250,681
E911	101,982
Civil Service	36,810
Total public safety	<u>661,436</u>
Public works	
Civil engineering	147,511
Streets	4,097,842
Total public works	<u>4,245,353</u>
Environment and leisure	
Culture and recreation	1,060,815
Transit lines	16,050
Airport	282,733
Business improvement district	5,886
Total environment and leisure	<u>1,365,484</u>
 Total governmental activities depreciation and amortization	 <u><u>\$ 6,401,314</u></u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

5. Capital, Lease and Subscription Assets, Continued

Business-type Activities

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

	Balance at October 1, 2024	Additions	Disposals	Transfers	Balance at September 30, 2025
<u>Business-type Activities:</u>					
Capital and subscription assets not being depreciated or amortized:					
Land	\$ 5,052,174	\$ 33,600	\$ -	\$ -	\$ 5,085,774
Construction in progress	16,452,913	8,575,139	-	-	25,028,052
Total capital and subscription assets not being depreciated or amortized	<u>21,505,087</u>	<u>8,608,739</u>	<u>-</u>	<u>-</u>	<u>30,113,826</u>
Other capital and subscription assets being depreciated or amortized:					
Distribution systems, buildings, and equipment	382,325,888	6,151,998	(51,457)	-	388,426,429
Machinery and equipment	28,752,981	1,819,406	(927,999)	-	29,644,388
Office furniture and equipment	3,053,871	324,421	(14,081)	-	3,364,211
Vehicles	9,375,747	1,503,215	(166,112)	-	10,712,850
Subscription assets	391,317	833,071	(126,658)	-	1,097,730
Total other capital and subscription assets at historical cost	<u>423,899,804</u>	<u>10,632,111</u>	<u>(1,286,307)</u>	<u>-</u>	<u>433,245,608</u>
Less accumulated depreciation and amortization for:					
Distribution systems, buildings, and equipment	(192,255,449)	(9,141,141)	36,609	-	(201,359,981)
Machinery and equipment	(18,476,799)	(1,426,783)	815,373	-	(19,088,209)
Office furniture and equipment	(2,869,111)	(111,600)	10,843	-	(2,969,868)
Vehicles	(5,732,235)	(851,524)	163,186	-	(6,420,573)
Subscription assets	(73,085)	(180,675)	44,289	-	(209,471)
Total accumulated depreciation and amortization	<u>(219,406,679)</u>	<u>(11,711,723)*</u>	<u>1,070,300</u>	<u>-</u>	<u>(230,048,102)</u>
Other capital and subscription assets, net	<u>204,493,125</u>	<u>(1,079,612)</u>	<u>(216,007)</u>	<u>-</u>	<u>203,197,506</u>
Business-type activities capital and subscription assets, net	<u>\$ 225,998,212</u>	<u>\$ 7,529,127</u>	<u>\$ (216,007)</u>	<u>\$ -</u>	<u>\$ 233,311,332</u>

* Depreciation and amortization expense was charged to funds as follows:

Electric	\$ 6,241,793
Water	1,094,215
Sewer	3,602,329
Gas	<u>773,386</u>
Total business-type activities depreciation and amortization	<u>\$ 11,711,723</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

6. Accounts Payable

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

7. Long-term Debt and Liabilities

The long-term debt and liabilities are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The following is a summary of changes in long-term debt and liabilities for the year ended September 30, 2025:

	Balance at October 1, 2024 (Restated)	Additions	Deductions	Balance at September 30, 2025	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable	\$ 8,540,000	\$ -	\$ (1,675,000)	\$ 6,865,000	\$ 1,545,000
Unamortized bond premium	166,062	-	(52,421)	113,641	-
Unamortized bond discount	(16,435)	-	1,720	(14,715)	-
Total bonds payable	8,689,627	-	(1,725,701)	6,963,926	1,545,000
Compensated absences*	3,179,748	132,853	-	3,312,601	3,176,612
Leases payable	88,141	-	(3,439)	84,702	3,711
Subscriptions payable	28,065	-	(22,210)	5,855	2,879
Total	<u>\$ 11,985,581</u>	<u>\$ 132,853</u>	<u>\$ (1,751,350)</u>	<u>\$ 10,367,084</u>	<u>\$ 4,728,202</u>
<u>Business-type Activities:</u>					
Bonds payable	\$ 96,685,000	\$ 20,370,000	\$ (6,365,000)	\$ 110,690,000	\$ 6,505,000
Unamortized bond premium	2,058,931	858,912	(242,277)	2,675,566	-
Unamortized bond discount	(149,908)	-	9,518	(140,390)	-
Total bonds payable	98,594,023	21,228,912	(6,597,759)	113,225,176	6,505,000
Compensated absences*	3,309,909	\$ 408,691	\$ -	\$ 3,718,600	\$ 3,199,124
Fly ash liability	550,700	-	(14,505)	536,195	-
Subscriptions payable	257,835	794,033	(323,013)	728,855	204,990
Total	<u>\$ 102,712,467</u>	<u>\$ 22,431,636</u>	<u>\$ (6,935,277)</u>	<u>\$ 118,208,826</u>	<u>\$ 9,909,114</u>

*The change in compensated absences above is a net change for the year.

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,545,000	\$ 136,557	\$ 6,505,000	\$ 2,974,757
2027	1,370,000	108,963	6,720,000	3,170,178
2028	1,385,000	89,589	7,180,000	3,001,252
2029	250,000	76,778	7,375,000	2,758,023
2030	260,000	70,521	7,395,000	2,537,173
2031-2035	1,400,000	240,451	38,070,000	9,496,268
2036-2040	655,000	38,484	26,810,000	4,398,071
2041-2045	-	-	9,080,000	1,271,965
2046	-	-	1,555,000	34,987
	<u>\$ 6,865,000</u>	<u>\$ 761,343</u>	<u>\$ 110,690,000</u>	<u>\$ 29,642,674</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

7. Long-term Debt and Liabilities, Continued

As of September 30, 2025, the City's long-term debt consisted of the following individual issues:

	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Date Callable</u>	<u>Interest Rates</u>	<u>Balance</u>
<u>Governmental Activities</u>					
General Obligation Library Bonds, Series 2022	11/17/2022	12/15/2037	11/17/2027	3.50 - 4.75%	\$ 1,800,000
General Obligation Auditorium Bonds, Series 2020	12/09/2020	12/15/2035	12/09/2025	0.35 - 1.65%	1,490,000
General Obligation Highway Allocation Fund Pledge Bonds, Series 2020	11/23/2020	12/15/2027	11/23/2025	1.25 - 2.00%	3,375,000
General Obligation Swimming Pool Refunding Bonds	08/01/2017	08/01/2026	08/01/2022	1.10 - 2.30%	200,000
Total governmental activities					<u>\$ 6,865,000</u>
<u>Business-type Activities</u>					
Combined Utilities Revenue Bonds, Series 2025	09/20/2025	10/15/2045	04/15/2033	4.00 - 5.00%	\$ 20,370,000
Combined Utilities Revenue Bonds, Series 2022	08/23/2022	04/15/2042	10/15/2029	4.00 - 4.375%	21,905,000
Combined Utilities Revenue Refunding Bonds, Series 2021B	06/24/2021	11/15/2038	06/24/2028	2.00 - 2.375%	34,880,000
Combined Utilities Revenue Refunding Bonds, Series 2021A	06/23/2021	07/15/2034	06/23/2028	1.75 - 5.00%	24,470,000
Combined Utilities Revenue Refunding Bonds, Series 2020	10/21/2020	07/15/2033	10/21/2025	1.00 - 5.00%	4,465,000
Combined Utilities Revenue Refunding Bonds, Series 2012	03/06/2012	10/15/2026	03/06/2022	0.35 - 4.00%	4,600,000
Total business-type activities					<u>\$ 110,690,000</u>

Pledged Revenue

The General Obligation Highway Allocation Fund Pledge Bonds are secured by a pledge of the revenue received from the City's annual allocation of State of Nebraska Highway Funds, through final maturity of the bonds in 2027. The total principal and interest remaining to be paid on the bonds is approximately \$3,442,863 with annual payments expected to require approximately 25% of revenues.

The net revenues of the combined utilities, as defined in the related bond ordinances, are pledged as security for repayment of the Combined Utilities Revenue and Combined Utilities Revenue Refunding Bonds until the bonds are paid or defeased.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

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

7. Long-term Debt and Liabilities, Continued

Leases Payable

The City leases land for its operations, the terms of which expire in various years through 2040. The City monitors changes in circumstance that would require a remeasurement of its leases and will remeasure the lease assets and payables if certain changes occur that are expected to significantly affect the amounts of the lease payables. During 2025, there were no variable payments not previously included in the measurement of the lease payable.

The following is a schedule by year of payments under the leases as of September 30, 2025:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 3,711	\$ 1,042
2027	3,998	992
2028	4,301	937
2029	4,621	878
2030	4,957	815
2031-2035	30,512	2,965
2036-2039	32,602	716
	<u>\$ 84,702</u>	<u>\$ 8,345</u>

Subscriptions Payable

The City has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2035. The subscriptions were measured based upon the rates at commencement of the SBITA term. The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and payables if certain changes occur that are expected to significantly affect the amount of the subscription payables. During the year ended September 30, 2025, there were no variable payments not previously included in the measurement of the subscription payable.

The following is a schedule by year of payments under the SBITAs as of September 30, 2025:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 2,879	\$ 109	\$ 204,990	\$ 25,504
2027	2,976	8	171,706	18,551
2028	-	-	61,861	14,099
2029	-	-	43,266	11,659
2030	-	-	45,192	9,697
2031-2034	-	-	201,840	17,522
	<u>\$ 5,855</u>	<u>\$ 117</u>	<u>\$ 728,855</u>	<u>\$ 97,032</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

8. Fly Ash Closure Costs

The City currently has a fly ash disposal area. State and Federal laws require the City to close, monitor, and maintain the disposal area once capacity is reached. The estimated costs of closure and post closure care as determined by the City are subject to changes due to the effects of inflation, revision of laws, changes in technology and other variables. As of September 30, 2025, the City had incurred a liability of \$536,195 for closure and post closure costs for the disposal area.

9. Tax Increment Financing Notes and Bonds

The City provides tax abatements under the Tax Increment Financing Program (TIF). Tax increment financing allows cities to create special districts and to make public/private improvements within those districts that will generate public/private-sector development. For a period of 15 years, the tax base is frozen at the predevelopment level, and taxes generated from the incremental increases in assessed value are remitted as payment on the notes and bonds. The developer funds the improvements or obtains financing for the improvements, and the development agreements between the City and developer expressly limit the City's commitment for debt repayment to the incremental tax collected during the 15-year period. At the end of the 15-year period, the tax jurisdiction collects on the increased property values. The related tax increment districts are not component units of the City; therefore, the City is not liable for the outstanding debt. The City's responsibility for this liability is limited only to remittances of paid taxes.

Eligibility for the approval requires the property to have no loss of pre-existing tax revenues and the developer demonstrates the project is not feasible without TIF. Abatements are obtained through application by the property owner and are reviewed and approved by a TIF council prior to commencing the improvements. Taxes abated under this program for the fiscal year ended September 30, 2025 were \$3,503,286.

The City purchased the bonds related to the South Broad Street, LLC project. The General Fund financial statements report the outstanding bonds as due from other governments.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

10. Interfund Transactions and Balances

At September 30, 2025 were the following due from/to other funds:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City's share of communication center operations	E911	General	\$ 259,418
Capital expenditures	General	Sales Tax	129,166
Capital expenditures	Street	Sales Tax	977,394
Payment for service provided	Electric	Airport	2,024
Payment for service provided	Sewer	Airport	17
Payment for service provided	Water	Airport	261
Payment for service provided	Electric	Electric	5,017
Payment for service provided	Gas	Electric	81,071
Payment for service provided	Sewer	Electric	6,518
Payment for service provided	Water	Electric	3,643
Payment for service provided	Electric	Gas	110
Payment for service provided	Sewer	Gas	2,523
Payment for service provided	Electric	General	261,997
Payment for service provided	Gas	General	4,010
Payment for service provided	Sewer	General	2,717
Payment for service provided	Water	General	2,530
Payment for service provided	Gas	Sewer	53,515
Payment for service provided	Gas	Street	23
Payment for service provided	Sewer	Street	11
Payment for service provided	Water	Street	43
Payment for service provided	Electric	Water	52,489
Payment for service provided	Sewer	Water	7
Payment for service provided/Cash flow	Electric	Sewer	70,109
Reimburse expense	Electric	Transit	1,244
Reimburse payment for service provided	Street	Gas	1,784
Reimburse payment for service provided	Street	Sewer	1,486
Reimburse payment for service provided	Street	Water	1,862
Reimburse payment for service provided	Street	Electric	482
Reimburse payment for service provided	Electric	Street	17,849
Reimburse shared services	General	Electric	180,214
Reimburse shared services	General	Gas	17,394
Reimburse shared services	General	Sewer	8,697
Reimburse shared services	General	Water	8,697
Service cash flow needs	General	CDBG	237,000
Service cash flow needs	General	E911	600,000
Service cash flow needs	General	Transit	150,193
South Hangar complex reimbursement	Sales Tax	Airport	103,498
			<u>\$ 3,245,013</u>

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

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

10. Interfund Transactions and Balances, Continued

Transfers between funds during the year were as follows:

	<u>Purpose</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:			
Sales tax	Property tax relief; operating transfers; capital projects	\$ 4,153,465	\$ -
Keno	Property tax relief	650,000	-
Public use property			
special projects	Library expansion	133,100	-
CDBG	Deobligation of funds	-	-
Airport	Capital project	-	(35,000)
Drug task force	City's share of multi-jurisdictional task force	22,949	-
Transit line	Capital project	-	(77,082)
Electric	Utility transfer in; expense reimbursement for IT purchases	3,233,626	(621,886)
Water	Utility transfer in	333,428	-
Sewer	Utility transfer in	555,103	-
Gas	Utility transfer in	467,768	-
Total General fund		<u>9,549,439</u>	<u>(733,968)</u>
Street fund:			
Sales tax	Various street improvement projects; drainage improvements; reimburse property insurance	1,732,956	-
Total Street fund		<u>1,732,956</u>	<u>-</u>
Sales tax fund:			
General	Property tax relief; operating transfers; capital projects	-	(4,153,465)
Street	Various street improvement projects; drainage improvements; reimburse property insurance	-	(1,732,956)
Special projects	Trail improvements	-	10,866
Total Sales tax fund		<u>-</u>	<u>(5,875,555)</u>
Non-major funds			
	Economic development – electric, water, sewer and gas to economic enhancement	100,000	-
	Others	(10,866)	(806,049)
	Airport - capital projects	35,000	-
	ARPA Funded Projects	-	(581,789)
	Transit line - capital projects	77,082	-
Total Non-major funds		<u>201,216</u>	<u>(1,387,838)</u>
Enterprise funds		<u>1,203,674</u>	<u>(4,689,925)</u>
Total operating transfers		<u>\$ 12,687,285</u>	<u>\$ (12,687,285)</u>

11. Deficit Fund Balance

At September 30, 2025, the CDBG Fund had a deficit balance of \$7,631. Some of the deficit will be offset by intergovernmental revenues in future years.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

The City participates in four contributory defined contribution plans (qualified 414(h) plans), and a non-qualified deferred compensation plan as follows:

<u>Name of Plan</u>	<u>Type of Plan</u>
Retirement Income Plan for City Government Employees of the City of Fremont	Defined Contribution Plan
Police Officers' Retirement Plan	Defined Contribution Plan
Firefighters' Retirement Plan	Defined Contribution Plan
Deferred Compensation Plan	Non-qualified Deferred Compensation Plan

Retirement Income Plan for City Government Employees

The City of Fremont has a contributory defined contribution employees' pension plan in which the general employees of the City and Department of Utilities participate. Regular full-time employees with less than seven consecutive years of service will contribute five percent of their gross payroll and the City will match the five percent. For those regular full-time employees with seven or more consecutive years of service, the City will contribute six-point five (6.5) percent. Employees are eligible to participate after six months of continuous service. All employees are fully-vested in their own contributions and become vested in the City's contribution ratably after seven years participation in the plan. The employees and the City contributed \$1,079,471 and \$1,251,800, respectively, as required by the plan for the fiscal year ended September 30, 2025. Forfeitures used to reduce employer contributions as allowed under the Plan were \$64,205. The Plan is administered by Principal, a trustee independent of the City and is, therefore, not included in these financial statements.

The City of Fremont, Nebraska Police Officer's Retirement Plan

The City of Fremont, Nebraska Police Officers' Retirement Plan (Police Plan) is a contributory defined contribution employees' pension plan in which all regular full-time sworn officers of the City participate. Employees and the City will each contribute nine-point-zero (7.0) percent of applicable payroll. Employees are immediately eligible to participate in the Police Plan. All employees are fully-vested in their own contributions and vest forty-point-zero (40.0) percent after two years of service, sixty-point-zero (60.0) percent after four years of service, eighty-point-zero (80.0) percent after six years of service and one-hundred-point-zero (100.0) percent after seven years, in the City's contributions to the Plan. The employees and the City contributed \$257,590 and \$257,590, respectively, as required by the Plan for the fiscal year ended September 30, 2025. Forfeitures used to reduce employer contributions as allowed under the Plan were \$2,132. The Plan is administered by Principal, a trustee independent of the City and is, therefore, not included in these financial statements.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

1. Employee Pension and Other Benefit Plans, Continued

The City of Fremont, Nebraska Firefighters' Retirement Plan

The City of Fremont, Nebraska Firefighters' Retirement Plan (Firefighters Plan) is defined contribution plan in which all firefighters of the City participate. The Fire employees are eligible on the first day of employment. The employees contribute ten-point-seven (8.7) percent and the City contributes fourteen-point-zero (13.0) percent of applicable payroll as defined in state statute. An employee is fully (100 percent) vested in his or her contributions and vests forty-point-zero (40.0) percent after four years of service plus twenty-point-zero (20.0) percent for each year thereafter, up to 100 percent, in the City's contributions to the Plan. The employees and the City contributed \$273,631 and \$408,875, respectively, as required by the Plan for the fiscal year ended September 30, 2025. Forfeitures used to reduce employer contributions as allowed under the Plan were \$26,259. The Plan is administered by, Principal, a trustee independent of the City, and is, therefore, not included in these financial statements.

Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency or permanent disability.

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

The employees contributed \$295,501 and the City contributed \$0 under the plan for the year ended September 30, 2025.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, Continued

2. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance and administers funds for certain self-insured programs. The City has self-insured itself for health benefits and workers' compensation claims. The City maintains a workers' compensation fund and a self-insured loss fund. The City provides first-dollar coverage for all workers' compensation exposure, with insurance acting as an umbrella or excess coverage. The City is self-insured for workers' compensation claims up to \$600,000 per occurrence. The City is also self-insured for health insurance claims up to \$175,000 of individual claims. The City currently has 287 employees being covered under the health benefit plan. The self-insurance programs are administered within the Internal Service Fund. The City maintains outside insurance coverage through various insurance policies covering buildings and their contents, equipment and property, and risk of loss due to employee dishonesty.

Settled claims in the past three years have not exceeded the commercial coverages. The City has estimated incurred but not reported claims on health benefits, to be \$647,420. This amount represents subsequent payments on prior year claim activity. The City has also estimated the incurred but not reported claims on workers' compensation, based on the claims for the two months subsequent to year end, to be \$10,778. This has been included as a current year expenditure. For all of the self-insured funds, an unreserved fund balance of \$1,877,752 was in the Internal Service Fund at September 30, 2025.

Claim Liability at October 1, 2024	\$ 1,373,708
Claims Incurred during current year	6,812,726
Claims Paid during current year	<u>(7,528,235)</u>
Claim Liability at September 30, 2025	<u>\$ 658,199</u>

Deposits and Investments

Concentration of Credit Risk The City's deposits and investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2025, the City's investments consisted of certificates of deposit and treasury notes at the following institutions:

<u>Financial Institution</u>	<u>Amount</u>
Pinnacle Bank	\$ 8,001,392 *
First Community Bank	27,419,500 *
Cornerstone Bank	32,864,753 *
Totals	<u>\$ 68,285,645</u>

*represents more than 5% of total investments

Foreign Currency Risk This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2025.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, Continued

2. Risk Management - continued

Deposits and Investments, Continued

Custodial Credit Risk For deposits and investments, custodial credit risk is the risk that, in the event of the failure of a bank or other counterparty, the City will not be able to recover the value of its deposits or investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2025 are held by the counterparties, not in the name of the City. The underlying securities consist of cash, certificates of deposit, and insured money market funds.

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

<u>Maturities by Month</u>	<u>Amount</u>
October 2025	\$ 16,050,000
November 2025	3,619,500
December 2025	16,000,000
January 2026	2,700,000
February 2026	-
March 2026	14,915,000
April 2026	4,000,000
May 2026	585,000
June 2026	1,850,000
July 2026	3,314,753
August 2026	5,251,392
	<u>\$ 68,285,645</u>

Credit Risk Credit risk is the risk that the bank or other counterparty will not fulfill its obligations. The City's cash equivalents and investments consist of certificates of deposit and money market funds, minimizing credit risk associated with the City's investment portfolio.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

3. Commitments and Contingencies

Construction

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

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
Multi-purpose building	\$ 9,986,134	\$ 5,322,095	\$ 4,664,039	September 30, 2026
Airport runway rehabilitation	4,166,904	4,122,136	44,768	December 31, 2025
N Lincoln Ave & 29th Street	3,797,247	3,356,797	440,450	September 30, 2026
JCF Park improvements	2,298,000	93,444	2,204,556	July 31, 2026
Broad Street resurfacing	1,526,234	900,880	625,354	April 30, 2026
Police station and dispatch center design	1,242,643	698,621	544,022	June 30, 2027
Fire engine	930,733	-	930,733	August 31, 2026
23rd Street turn lane improvements	797,639	526,020	271,619	April 30, 2026
23rd Street traffic signal improvements	746,875	652,764	94,111	November 30, 2025
16th Street asphalt overlay	745,802	534,556	211,246	April 30, 2026
Satellite fire station design	682,270	86,015	596,255	July 31, 2026
Engineering services for FEVR rail to trail	553,666	110,733	442,933	September 30, 2026
Ambulance	465,280	57,734	407,546	January 31, 2026
2025 pavement rehab	454,729	298,743	155,986	April 30, 2026
2025 airport layout plan	447,525	183,000	264,525	June 30, 2026
North Broad Street viaduct rehab	376,850	114,301	262,549	September 30, 2026
Engineering for 23rd street improvements	330,845	119,221	211,624	April 30, 2026
Elgin broom street sweeper	323,145	-	323,145	January 31, 2026
<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
<u>Enterprise Funds:</u>				
Unit 8 submerged ash conveyor system	\$ 6,479,422	\$ 4,648,767	\$ 1,830,655	February 28, 2026
Unit 8 turbine valves, generator inspection & stator rewind	3,625,923	2,612,507	1,013,416	October 31, 2025
SCADA control system	2,253,883	1,987,320	266,563	December 31, 2026
Substation transformer	1,717,139	937,661	779,478	April 30, 2026
Switchgear	979,785	930,796	48,989	November 30, 2025
Engineering services for gas distribution upgrade	459,278	-	459,278	August 31, 2026
2026 Altec digger line truck	423,752	-	423,752	July 31, 2026
Total	<u>\$ 47,910,159</u>	<u>\$ 29,401,786</u>	<u>\$ 18,508,373</u>	

The City of Fremont has entered into other various construction contracts with remaining commitments of approximately \$439,000 as of September 30, 2025.

The Department of Utilities has entered into other various construction contracts with remaining commitments of approximately \$552,000 as of September 30, 2025.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

3. Commitments and Contingencies, Continued

Claims and Litigation

The City is involved in various litigation in the normal course of its operations and services. In the opinion of City management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the City in connection with its legal proceedings will not have a material effect on the City's financial position, but could be material to the results of operations in future accounting periods.

Government Grants

The City participates in a number of federally assisted grant programs, which are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies, is not determinable at this time; however, City officials do not believe that such amounts, if any, would be significant.

Regulatory Compliance

The City of Fremont is required by state and federal laws and regulations to make annual contributions to finance fly ash closure and post closure care. The City is in compliance with these requirements, and at September 30, 2025 investments of \$1,500,000 are held for these purposes. These investments are held in certificates of deposit and are presented on the City's balance sheet as restricted investments. Details of the restricted cash and investments are in Note C1. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future electricity customers, taxpayers, or both.

The Electric Department's operations are subject to stringent federal, state, and local laws and regulations relating to improving and maintaining environmental quality. Substantial capital investment brought the Department into compliance with environmental regulations including mercury emissions. Environmental expenditures related to current operations are factored into the strategic planning process of the Department and are considered when determining future energy rates. Financing of these expenditures is expected to be through available cash reserves and bonded debt.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

3. Commitments and Contingencies, Continued

Electric Department

On October 12, 2021, the Electric Department entered into an agreement with Navajo Transitional Energy Company, original agreement expired in 2023. Under the terms of the agreement, the City estimates a purchase 280,000 tons of coal at an agreed-upon base price per ton each year, which will be adjusted each month for any variation in the Base Btu. The City agrees to buy all of its coal through Navajo Transition Energy company. During the fiscal year ended September 30, 2025, the City purchased 291,311 of the tons required under this contract. In October 2023, this agreement was extended through December 2025. In December 2025, this agreement was extended through December 2027.

The Electric Department entered into a rail transportation agreement with Union Pacific Railroad Company for coal shipping. The original contract term was January 1, 2019 through December 31, 2023. In October 2023, the agreement was extended through December 2028. Under the terms of the agreement, the shipping rate increased five-point-zero (5.0) percent from the shipping rate effective December 31, 2023. The price will further be adjusted by five-point-zero (5.0) percent annually over the term of the contract. The City must use Union Pacific to ship a minimum of 275,000 tons and a maximum volume of 400,000 tons for each twelve month(s) period.

In 2016, the Electric Department entered into a power purchase agreement with Cottonwood Wind Project, LLC for power from a single wind energy facility of approximately 40 MW effective December 5, 2016 through December 5, 2041. During the 15th contract year, the City may exercise its option to purchase the facility property within 180 days after the end of the term.

On March 12, 2024, the Electric Department entered into an agreement with Nebraska Public Power District (NPPD) for the replacement of the T1 transformer at NPPD's Fremont substation. The estimated completion date for this work is December 31, 2027.

CITY OF FREMONT, NEBRASKA

Notes to Financial Statements

September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

3. Commitments and Contingencies, Continued

Gas Department

The Gas Department entered into an agreement to purchase natural gas from the Central Plains Energy Project #3 (CPEP3) in April 2012. The agreement requires the City to purchase fixed monthly quantities of gas through 2042 at a discounted price that accounts for approximately seventeen (17) percent of the City's current requirements.

The Gas Department entered into an agreement to purchase natural gas from BP Canada Energy Marketing Corp. on September 18, 2012. The agreement was extended in June 2016, effective through October 31, 2020, extended again April 1, 2020 through March 31, 2023, and extended again in April 1, 2023 through March 31, 2028. The agreement stipulates the volume of maximum daily quantity purchases which varies depending on the month of the purchase. The price is based on the monthly index published inside the Federal Energy Regulatory Commission (FERC) Gas Market Report.

In September 2018, the Gas Department entered into a contract to purchase natural gas from The Public Energy Authority of Kentucky (PEAK). The contract term is April 1, 2019 to March 31, 2049. In May 2024 the contract term was extended to November 30, 2054. Under the agreement, the City will purchase an average daily quantity of natural gas at a minimum discounted rate. At the end of each gas delivery reset period, the City has the right to elect not to purchase gas if the price of gas is above the minimum discount specified in the contract. The volume represents approximately twenty-four (24) percent of the city's current requirements.

The Gas Department entered into an agreement to purchase natural gas from the Central Plains Energy Project #4 (CPEP4) in November 2018. The agreement requires the City to purchase fixed monthly quantities of gas through 2042 at a discounted price that accounts for approximately fourteen (14) percent of the City's current requirements.

In January 2022, the Gas Department entered into a contract to purchase natural gas from Minnesota Municipal Gas Agency (MMGA). The contract term is January 25, 2022 through October 31, 2052. Under the agreement, the City will purchase an average daily quantity of natural gas at a minimum discounted rate. At the end of each gas delivery reset period, the City has the right to elect not to purchase gas if the price of gas is above the minimum discount specified in the contract. The volume represents approximately fifteen (15) percent of the City's current requirements.

4. Major Customers

	Electric Revenue	Water Revenue	Sewer Revenue	Gas Revenue	Total Revenue
	(% of TBR)	(% of TBR)	(% of TBR)	(% of TBR)	(% of TBR)
Customer A	\$ 6,106,734 11.50%	\$ 962,057 15.00%	\$ 2,243,780 21.90%	\$ 3,207,131 15.10%	\$ 12,519,702 13.70%
Customer B	\$ 5,492,307 10.30%	\$ 476,088 7.40%	\$ 1,304,210 12.70%	\$ 2,561,496 12.00%	\$ 9,834,101 10.80%
Customer C	\$ 1,638,751 3.08%	\$ 75,786 1.19%	\$ 139,271 1.36%	\$ 2,400,316 11.28%	\$ 4,254,124 4.70%
Total billed revenue (TBR)	\$ 53,131,407	\$ 6,392,643	\$ 10,255,326	\$ 21,273,901	\$ 91,053,277

All customers maintain a current status on their accounts.

CITY OF FREMONT, NEBRASKA
Notes to Financial Statements
September 30, 2025

NOTE D – OTHER NOTES, CONTINUED

5. Union Contracts

The City is subject to the following union contracts:

- International Brotherhood of Electrical Workers Local 1536 Unit 5 – effective October 1, 2021 – September 30, 2025. Renewed – effective October 1, 2025 – September 30, 2029.
- American Federation of State, County and Municipal Employees, AFL/CIO Local 251– effective October 1, 2021 – September 30, 2025. Renewed – effective October 1, 2025 – September 30, 2029.
- International Association of Fire Fighters Local 1015 – effective October 1, 2021 – September 30, 2025. Renewed – effective October 1, 2025 – September 30, 2029.
- Fraternal Order of Police Local No. 37– effective October 1, 2021 – September 30, 2025. Renewed – effective October 1, 2025 – September 30, 2029.

6. Subsequent Events

In October of 2025, the City affirmed the Emergency Declaration for expenses in excess of the spending limit for repairs to the Lon D. Wright Unit 8 generator, turbine, boiler and associated equipment for a total cost of \$2,192,901.

In October of 2025, the City approved bid package #1 with Sampson Construction for the Fremont Police Headquarters and Fremont/Dodge County 911 Center in the amount of \$6,351,688. In January of 2026, the City approved bid package #2 in the amount of \$13,644,437 for a total cost of \$19,996,125.

In November of 2025, the City approved a professional services agreement with Olsson in the amount of \$555,285 for the Fremont Municipal Airport parallel taxiway rehabilitation.

In November of 2025, the City approved a contract with Muth Electric in the amount of \$1,173,876 for the 2025 traffic signal improvements.

In November of 2025, the City awarded a contract to HPI for the 50T combustion inspection and #2 bearing inspection in the amount of \$556,325.

In December of 2025, the City approved a contract with Motorola Solutions in the amount of \$800,014 for new radio consoles for the public radio safety system.

In February of 2026, the City authorized the purchase of additional meters for the Advanced Metering Infrastructure system in the amount of \$782,352.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FREMONT, NEBRASKA
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 6,242,563	\$ 6,235,319	\$ (7,244)
Payments in lieu of taxes	9,800	20,940	11,140
Franchise	245,000	196,892	(48,108)
Business	1,934,000	1,915,861	(18,139)
Intergovernmental	863,700	357,127	(506,573)
Charges for services	3,902,155	5,078,434	1,176,279
Donations	511,000	96,909	(414,091)
Investment income	405,218	947,882	542,664
Sales proceeds on capital assets	-	116,984	116,984
Other	9,800	46,669	36,869
Total resources	14,123,236	15,013,017	889,781
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	8,093,016	7,758,067	334,949
Public safety	28,668,356	15,221,914	13,446,442
Public works	1,007,150	463,337	543,813
Environment and leisure	5,421,347	5,182,096	239,251
Employee insurance	202,725	299,026	(96,301)
Lease and subscription principal payments	-	2,785	(2,785)
Lease and subscription interest payments	-	199	(199)
Total changes to appropriations	43,392,594	28,927,424	14,465,170
Resources over (under) charges to appropriations	(29,269,358)	(13,914,407)	15,354,951
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	42,445	42,445
Transfers in	24,081,517	9,549,439	(14,532,078)
Transfers out	(2,162,500)	(733,967)	1,428,533
Total other financing sources (uses)	21,919,017	8,857,917	(13,061,100)
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (7,350,341)</u>	<u>\$ (5,056,490)</u>	<u>\$ 2,293,851</u>

CITY OF FREMONT, NEBRASKA
Budgetary Comparison Schedule - Street Fund
For the Year Ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Motor vehicle	\$ 675,000	\$ 656,276	\$ (18,724)
Intergovernmental	5,099,000	5,383,196	284,196
Charges for services	60,800	89,879	29,079
Donations	2,550,250	13,487	(2,536,763)
Investment income	54,000	501,644	447,644
Sales proceeds on capital assets	-	82,890	82,890
Other	-	1,378	1,378
	<u>8,439,050</u>	<u>6,728,750</u>	<u>(1,710,300)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	18,767,211	10,801,337	7,965,874
Principal payments on long-term debt	1,085,000	1,085,000	-
Interest on long-term debt	61,500	61,325	175
	<u>19,913,711</u>	<u>11,947,662</u>	<u>7,966,049</u>
Total changes to appropriations			
	<u>19,913,711</u>	<u>11,947,662</u>	<u>7,966,049</u>
Resources over (under) charges to appropriations	<u>(11,474,661)</u>	<u>(5,218,912)</u>	<u>6,255,749</u>
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	4,041	4,041
Transfers in	7,016,000	1,732,956	(5,283,044)
	<u>7,016,000</u>	<u>1,736,997</u>	<u>(5,279,003)</u>
Total other financing sources (uses)			
	<u>7,016,000</u>	<u>1,736,997</u>	<u>(5,279,003)</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (4,458,661)</u>	<u>\$ (3,481,915)</u>	<u>\$ 976,746</u>

CITY OF FREMONT, NEBRASKA
Budgetary Comparison Schedule - Sales Tax Fund
For the Year Ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	\$ 11,414,000	\$ 10,406,740	\$ (1,007,260)
Charges for services	10,000	17,030	7,030
Investment income	168,000	824,107	656,107
Sales proceeds on capital assets	-	51,940	51,940
Total resources	11,592,000	11,299,817	(292,183)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	1,028,500	297,307	731,193
Public safety	-	2,588	(2,588)
Total changes to appropriations	1,028,500	299,895	728,605
Resources over (under) charges to appropriations	10,563,500	10,999,922	436,422
OTHER FINANCING SOURCES (USES)			
Transfers out	(23,780,000)	(5,875,555)	17,904,445
Total other financing sources (uses)	(23,780,000)	(5,875,555)	17,904,445
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (13,216,500)</u>	<u>\$ 5,124,367</u>	<u>\$ 18,340,867</u>

City of Fremont, Nebraska
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Year Ended September 30, 2025

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

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

Amounts presented on the cash basis of accounting differ from those presented in accordance with the modified accrual basis of accounting due to the treatment of afforded accruals. A reconciliation for the year ended September 30, 2025, which discloses the nature and amount of the adjustments necessary to convert the modified accrual data to the budgetary basis, is presented below:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Sales Tax Fund</u>
Sources/inflows of resources:			
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 15,013,017	\$ 6,728,750	\$ 11,299,817
Differences - budget to modified accrual:			
Cash to accrual adjustments	<u>(372,587)</u>	<u>283,650</u>	<u>58,710</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 14,640,430</u></u>	<u><u>\$ 7,012,400</u></u>	<u><u>\$ 11,358,527</u></u>
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 28,927,424	\$ 11,947,662	\$ 299,895
Differences - budget to modified accrual:			
Cash to accrual adjustments	<u>(509)</u>	<u>1,926,325</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 28,926,915</u></u>	<u><u>\$ 13,873,987</u></u>	<u><u>\$ 299,895</u></u>
Other financing sources (uses):			
Actual amounts (budgetary basis) "total other financing sources (uses)" from the budgetary comparison schedules	\$ 8,857,917	\$ 1,736,997	\$ (5,875,555)
Differences - budget to modified accrual:			
Cash to accrual adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 8,857,917</u></u>	<u><u>\$ 1,736,997</u></u>	<u><u>\$ (5,875,555)</u></u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF FREMONT, NEBRASKA
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2025

	Debt Service	Special Revenue Funds						
	Debt Service	Paving & Sidewalk Districts	Business Improvement District #1	Public Use Property Special Projects	Keno	CDBG	Weatherization EDA (HUD)	Economic Enhancement
ASSETS								
Cash and cash equivalents	\$ 233,396	\$ 424,185	\$ 104,278	\$ 28,467	\$ 172,369	\$ 195,035	\$ 172,463	\$ 871,016
Investments	-	1,650,000	-	125,000	-	-	-	-
County treasurer cash	22,370	-	-	-	-	-	-	-
Receivables:								
Special assessments	-	355,293	32,413	-	-	-	-	-
Accounts, net of allowance for doubtful accounts	-	-	-	-	42,000	-	-	-
Notes, net of allowance for doubtful accounts	-	-	-	-	-	-	50,247	40,000
Leases	-	-	-	-	-	-	-	-
Interest	-	61,131	-	1,531	-	-	-	-
Property tax	15,634	-	-	-	-	-	-	-
Business tax	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	59,205	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	\$ 271,400	\$ 2,490,609	\$ 136,691	\$ 154,998	\$ 214,369	\$ 254,240	\$ 222,710	\$ 911,016
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 1,880	\$ -	\$ 40,353	\$ 24,871	\$ 119	\$ -
Accrued expenses	-	200	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	237,000	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-
Total liabilities	-	200	1,880	-	40,353	261,871	119	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	12,255	-	-	-	-	-	-	-
Unavailable revenue - other local taxes	-	-	32,413	-	-	-	-	-
Unavailable revenue - fees and other	-	370,945	-	562	-	-	-	-
Lease receivables revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	12,255	370,945	32,413	562	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable:								
Permanent fund principal	-	-	-	125,000	-	-	-	-
Restricted for:								
Airport	-	-	-	-	-	-	-	-
Downtown improvements/parking	-	-	102,398	-	-	-	-	-
Debt service	259,145	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	911,016
Capital/special projects	-	2,119,464	-	29,436	-	-	-	-
Federal programs	-	-	-	-	-	-	222,591	-
Community betterment	-	-	-	-	174,016	-	-	-
Transit	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,631)	-	-
Total fund balances (deficit)	259,145	2,119,464	102,398	154,436	174,016	(7,631)	222,591	911,016
Total liabilities, deferred inflows of resources and fund balances	\$ 271,400	\$ 2,490,609	\$ 136,691	\$ 154,998	\$ 214,369	\$ 254,240	\$ 222,710	\$ 911,016

CITY OF FREMONT, NEBRASKA
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2025

	Special Revenue Funds					Capital Projects	Total Non-Major Governmental Funds
	Airport	Enhanced & Wireless 911	Drug Task Force	American Rescue Plan	Transit Lines	Special Projects	
ASSETS							
Cash and cash equivalents	\$ 111,296	\$ 545,718	\$ 52,985	\$ 1,743,632	\$ 193,519	\$ 456,109	\$ 5,304,468
Investments	351,392	500,000	-	-	-	-	2,626,392
County treasurer cash	-	-	-	-	-	-	22,370
Receivables:							
Special assessments	-	-	-	-	-	-	387,706
Accounts, net of allowance for doubtful accounts	107,797	-	-	-	130	-	149,927
Notes, net of allowance for doubtful accounts	-	-	-	-	-	-	90,247
Leases	861,773	-	-	-	-	-	861,773
Interest	3,571	5,174	-	-	-	-	71,407
Property tax	-	-	-	-	-	-	15,634
Business tax	-	19,970	-	-	-	-	19,970
Due from other governments	461,881	159,900	-	-	37,039	78,149	796,174
Due from other funds	-	259,418	-	-	-	-	259,418
Total assets	\$ 1,897,710	\$ 1,490,180	\$ 52,985	\$ 1,743,632	\$ 230,688	\$ 534,258	\$ 10,605,486
LIABILITIES							
Accounts payable	\$ 110,730	\$ 53,705	\$ -	\$ 159,936	\$ 37	\$ 134,143	\$ 525,774
Accrued expenses	-	34,590	-	-	6,712	-	41,502
Due to other funds	105,800	600,000	-	-	151,437	-	1,094,237
Unearned revenue	12,408	-	-	1,121,010	-	-	1,133,418
Customer deposits	3,600	-	-	-	-	-	3,600
Total liabilities	232,538	688,295	-	1,280,946	158,186	134,143	2,798,531
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	12,255
Unavailable revenue - other local taxes	-	-	-	-	-	-	32,413
Unavailable revenue - fees and other	325,534	164,498	-	-	20,538	78,149	960,226
Lease receivables revenue	873,168	-	-	-	-	-	873,168
Total deferred inflows of resources	1,198,702	164,498	-	-	20,538	78,149	1,878,062
FUND BALANCES (DEFICITS)							
Nonspendable:							
Permanent fund principal	-	-	-	-	-	-	125,000
Restricted for:							
Airport	466,470	-	-	-	-	-	466,470
Downtown improvements/parking	-	-	-	-	-	-	102,398
Debt service	-	-	-	-	-	-	259,145
Public safety	-	637,387	52,985	-	-	-	690,372
Economic development	-	-	-	-	-	-	911,016
Capital/special projects	-	-	-	-	-	321,966	2,470,866
Federal programs	-	-	-	462,686	-	-	685,277
Community betterment	-	-	-	-	-	-	174,016
Transit	-	-	-	-	51,964	-	51,964
Unassigned	-	-	-	-	-	-	(7,631)
Total fund balances (deficit)	466,470	637,387	52,985	462,686	51,964	321,966	5,928,893
Total liabilities, deferred inflows of resources and fund balances	\$ 1,897,710	\$ 1,490,180	\$ 52,985	\$ 1,743,632	\$ 230,688	\$ 534,258	\$ 10,605,486

CITY OF FREMONT, NEBRASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental
Funds
For the Year Ended September 30, 2025

	Debt Service	Special Revenue Funds						
	Debt Service	Paving & Sidewalk Districts	Business Improvement District #1	Public Use Property Special Projects	Keno	CDBG	Weatherization EDA (HUD)	Economic Enhancement
REVENUES								
Property tax	\$ 679,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments in lieu of taxes	2,111	-	-	-	-	-	-	-
Business	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	57,413	17,960	-
Keno	-	-	-	-	978,897	-	-	-
Charges for services	-	41,801	62,640	-	-	-	-	-
Donations	-	-	(122,500)	133,100	-	-	-	-
Investment income	2,794	118,949	2,586	6,822	1,843	-	2,072	14,095
Sales proceeds on capital assets	-	-	-	-	-	-	-	-
Other income	-	-	-	-	1,997	-	-	-
Total revenues	684,388	160,750	(57,274)	139,922	982,737	57,413	20,032	14,095
EXPENDITURES								
General government	7,651	-	34,274	-	-	53,069	17,045	35,000
Public safety	-	-	-	-	-	-	-	-
Public works	-	263,493	-	-	-	-	-	-
Environment and leisure	-	-	-	-	257,292	-	-	-
Lease and subscription principal payments	-	-	-	-	-	-	-	-
Lease and subscription interest payments	-	-	-	-	-	-	-	-
Principal payments on long-term debt	590,000	-	-	-	-	-	-	-
Interest on long-term debt	109,529	-	-	-	-	-	-	-
Total expenditures	707,180	263,493	34,274	-	257,292	53,069	17,045	35,000
Excess (deficiency) of revenues over expenditures	(22,792)	(102,743)	(91,548)	139,922	725,445	4,344	2,987	(20,905)
OTHER FINANCING SOURCES (USES)								
Loan proceeds	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	100,000
Transfers out	-	-	-	(133,100)	(650,000)	-	-	-
Total other financing sources (uses)	-	-	-	(133,100)	(650,000)	-	-	100,000
Net change in fund balances	(22,792)	(102,743)	(91,548)	6,822	75,445	4,344	2,987	79,095
Fund balance (deficit) - September 30, 2024	281,937	2,222,207	193,946	147,614	98,571	(11,975)	219,604	831,921
Fund balance (deficit) - September 30, 2025	\$ 259,145	\$ 2,119,464	\$ 102,398	\$ 154,436	\$ 174,016	\$ (7,631)	\$ 222,591	\$ 911,016

CITY OF FREMONT, NEBRASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental
Funds
For the Year Ended September 30, 2025

	Special Revenue Funds					Capital Projects Funds	Total Non-Major Governmental Funds
	Airport	Enhanced & Wireless 911	Drug Task Force	American Rescue Plan	Transit Lines	Special Projects	
REVENUES							
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679,483
Payments in lieu of taxes	-	-	-	-	-	-	2,111
Business	-	91,179	-	-	-	-	91,179
Intergovernmental	503,306	1,515,425	-	3,132,206	262,571	337,418	5,826,299
Keno	-	-	-	-	-	-	978,897
Charges for services	156,398	-	-	-	15,813	-	276,652
Donations	-	-	63,222	-	1,150	-	74,972
Investment income	24,973	30,663	-	145,811	1,522	5,500	357,630
Sales proceeds on capital assets	-	192	-	-	-	-	192
Other income	-	-	-	-	-	-	1,997
Total revenues	684,677	1,637,459	63,222	3,278,017	281,056	342,918	8,289,412
EXPENDITURES							
General government	-	-	-	2,550,867	-	-	2,697,906
Public safety	-	1,551,219	-	-	-	-	1,551,219
Public works	-	-	-	-	-	-	263,493
Environment and leisure	404,808	-	-	-	308,134	197,554	1,167,788
Lease and subscription principal payments	-	22,864	-	-	-	-	22,864
Lease and subscription interest payments	-	1,253	-	-	-	-	1,253
Principal payments on long-term debt	-	-	-	-	-	-	590,000
Interest on long-term debt	-	-	-	-	-	-	109,529
Total expenditures	404,808	1,575,336	-	2,550,867	308,134	197,554	6,404,052
Excess (deficiency) of revenues over expenditures	279,869	62,123	63,222	727,150	(27,078)	145,364	1,885,360
OTHER FINANCING SOURCES (USES)							
Loan proceeds	63,739	-	-	-	-	-	63,739
Insurance recoveries	-	5,283	-	-	-	-	5,283
Transfers in	35,000	-	-	-	77,082	(10,866)	201,216
Transfers out	-	-	(22,949)	(581,789)	-	-	(1,387,838)
Total other financing sources (uses)	98,739	5,283	(22,949)	(581,789)	77,082	(10,866)	(1,117,600)
Net change in fund balances	378,608	67,406	40,273	145,361	50,004	134,498	767,760
Fund balance (deficit) - September 30, 2024	87,862	569,981	12,712	317,325	1,960	187,468	5,161,133
Fund balance (deficit) - September 30, 2025	\$ 466,470	\$ 637,387	\$ 52,985	\$ 462,686	\$ 51,964	\$ 321,966	\$ 5,928,893

CITY OF FREMONT, NEBRASKA
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

<u>Federal Grantor Pass-Through Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Commerce				
Economic Development Cluster				
Economic Adjustment Assistance	11.307	None	\$ -	\$ 3,990
Total Department of Commerce			-	3,990
Department of Transportation				
Passed through Nebraska Department of Aeronautics:				
Airport Improvement Program	20.106	3-31-0029-016	-	319,912
Airport Improvement Program	20.106	3-31-0029-017	-	177,980
Passed through Nebraska Department of Transportation:				
Highway Planning and Construction	20.205	NE_DOT_LRTP	-	1,444
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NE-2020-013-01	-	216,999
Safe Streets and Roads for All	20.939	DOT-SS4A-2024-1		78,149
Highway Safety Cluster				
National Priority Safety Programs	20.616	405-25-02-07	-	5,692
National Priority Safety Programs	20.616	402-25-05-43	-	9,000
Highway Safety Cluster Total			-	14,692
Total Department of Transportation			-	809,176
Department of Treasury				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027	None	-	3,132,208
Total Department of Treasury			-	3,132,208
Department of Housing and Urban Development				
Passed through Nebraska Department of Economic Development:				
Community Development Block Grants	14.228	23-DTR-007	-	46,011
Total Department of Housing and Urban Development			-	46,011
Department of Justice				
Equitable Sharing Program	16.922	None	-	23,366
Total Department of Justice			-	23,366
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 4,014,751</u>

The accompanying notes are an integral part of this Schedule.

CITY OF FREMONT, NEBRASKA
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2025

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Fremont, Nebraska (the City) under programs of the federal government for the year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City.

NOTE B: Summary of Significant Accounting Policies

Governmental funds and proprietary funds account for the City's federal grant activity. Expenditures reported on the Schedule are recognized on either the accrual basis of accounting or the modified accrual basis of accounting, depending on the basis of accounting used by the respective fund for which the activity is reported. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C: Subrecipients

The City had no subrecipients during the year ended September 30, 2025.

NOTE D: Indirect Cost Rate

The City has elected to not use the de minimis indirect cost rate allowed under the Uniform Guidance.

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

Independent Auditor's Report

Honorable Mayor and City Council
City of Fremont, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Fremont, Nebraska (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2026, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Omaha, Nebraska
March 31, 2026

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Honorable Mayor and City Council
City of Fremont, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Fremont, Nebraska's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended September 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance

when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Omaha, Nebraska
March 31, 2026**

CITY OF FREMONT, NEBRASKA
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards program:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor’s report issued on compliance for major federal program:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal program:

Assistance Listing Numbers

21.027

Name of Federal Program or Cluster

COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

CITY OF FREMONT, NEBRASKA
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

CITY OF FREMONT, NEBRASKA
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Reference Number	Summary of Finding	Status
2024-001	Audit adjustments	Corrected