CITY OF HASTINGS, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of and for the year ended September 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of September 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hastings, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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

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

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a result, the accompanying financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Hastings, as of September 30, 2025, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Library Foundation, Inc., as of and for the year ended December 31, 2024, and our report thereon, dated September 26, 2025, expressed an unmodified opinion on those financial statements.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Hastings Museum Foundation, Inc., as of and for the year ended December 31, 2024, and our report thereon, dated April 22, 2025, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, on our consideration of the City of Hastings, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hastings' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government*

Auditing Standards in considering the City of Hastings, Nebraska's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
February 10, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hastings, we offer readers of the City of Hastings financial statements this narrative overview and analysis of the financial activities of the City of Hastings for the fiscal year ended September 30, 2025.

Financial Highlights

- The assets of the City of Hastings exceeded its liabilities at the close of the most recent fiscal year by $406,723,524 (*net position*). Of this amount, $80,604,646 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Hastings' governmental funds reported combined ending net position of $129,079,735. Approximately 21.0 percent of this total amount, $27,114,701 is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $9,342,121, or 38.1 percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Hastings, assets exceeded liabilities by $406,723,524 at the close of the most recent fiscal year.

Summary Statements 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	$ 53,198,575	$ 73,548,947	$ 126,747,522	$ 58,531,427	$ 67,130,597	$ 125,662,024
Capital Assets	86,175,786	231,495,771	317,671,557	78,303,390	219,837,842	298,141,232
Total Assets	139,374,361	305,044,718	444,419,079	136,834,817	286,968,439	423,803,256
Long-term Liabilities	6,079,807	17,358,593	23,438,400	5,814,185	17,240,462	23,054,647
Other Liabilities	4,214,819	10,042,336	14,257,155	4,899,228	6,235,706	11,134,934
Total Liabilities	10,294,626	27,400,929	37,695,555	10,713,413	23,476,168	34,189,581
Net Position:						
Net Investment in Capital Assets	82,646,765	223,167,735	305,814,500	74,324,013	210,755,234	285,079,247
Restricted	19,318,269	986,109	20,304,378	18,519,432	919,551	19,438,983
Unrestricted	27,114,701	53,489,945	80,604,646	33,277,959	51,817,486	85,095,445
Total Net Position	$ 129,079,735	$ 277,643,789	$ 406,723,524	$ 126,121,404	$ 263,492,271	$ 389,613,675

By far, the largest portion of the City of Hastings' net position (75.2 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Hastings uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Hastings' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hastings' net position (5.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($80,604,646) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Expenses and Program Revenues - Governmental Activities

Function	Year Ended September 30, 2025 Program Revenues	Year Ended September 30, 2025 Program Expenses	Year Ended September 30, 2024 Program Revenues	Year Ended September 30, 2024 Program Expenses
General Government	$ 4,077,855	$ 9,420,891	$ 4,147,337	$ 10,056,061
Public Safety	1,519,749	13,196,225	1,284,920	12,020,626
Public Works	1,603,472	6,266,450	1,597,152	5,095,641
Environment & Leisure	4,428,551	7,101,721	2,333,038	7,469,658
Interest and Bond Fees	-	52,105	-	68,864
Depreciation	-	5,732,243	-	4,794,984
Total	$ 11,629,627	$ 41,769,635	$ 9,362,447	$ 39,505,834

Revenues by Source - Governmental Activities

	Year Ended September 30, 2025		Year Ended September 30, 2024	
Charges for Services	$ 7,097,536	15.87 %	$ 6,803,185	16.50 %
Operating Grants & Contributions	895,531	2.00	868,324	2.10
Capital Grants & Contributions	3,636,560	8.13	1,690,938	4.10
Property Taxes	8,259,518	18.47	8,099,820	19.64
Motor Vehicle Taxes	655,356	1.46	625,810	1.52
Wheel Tax	390,584	0.87	391,724	0.95
Payments in Lieu of Taxes	3,703,166	8.28	3,781,541	9.17
Occupation Taxes	324,948	0.73	348,812	0.85
Sales Tax	9,732,613	21.76	9,687,672	23.49
Franchise Taxes	332,160	0.74	374,760	0.91
State Allocation	5,241,841	11.72	4,918,886	11.93
Keno	211,069	0.47	224,774	0.54
Special Assessments	1,054,959	2.36	1,105,901	2.68
Miscellaneous	76,072	0.17	38,674	0.09
Interest	1,734,326	3.88	2,280,464	5.53
Gain on Sale of Assets	167,912	0.38	-	-
Exess Pension Funding	1,213,815	2.71	-	-
Total	$ 44,727,966	100.00 %	$ 41,241,285	100.00 %

Net position increased $2,958,331 in the governmental funds during the year ended September 30, 2025.

Business-type activities. Business-type activities increased the City of Hastings' net position by $14,151,518, accounting for 82.7 percent of the total growth in the government's net position for the year ended September 30, 2025. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

	Year Ended September 30, 2025		Year Ended September 30, 2024	
Function	Program Revenues	Program Expenses	Program Revenues	Program Expenses
Landfill	$ 2,725,088	$ 2,468,828	$ 2,719,100	$ 2,193,204
Electric	64,950,452	60,732,315	55,339,155	58,406,765
Combined System Utilities	28,697,317	22,561,835	26,150,591	22,336,215
Total	$ 96,372,857	$ 85,762,978	$ 84,208,846	$ 82,936,184

Revenues by Source - Business-type Activities

	Year Ended September 30, 2025		Year Ended September 30, 2024	
Charges for Services	$ 92,331,097	92.41 %	$ 82,760,167	94.39 %
Operating Grants & Contributions	130,605	0.13	329,051	0.38
Capital Grants & Contributions	3,911,155	3.92	1,119,628	1.28
Miscellaneous	1,922,206	1.92	1,331,399	1.52
Interest	1,807,929	1.81	2,504,535	2.86
Loss on Disposal of Assets	(188,496)	(0.19)	(363,909)	(0.42)
Total	$ 99,914,496	100.00 %	$ 87,680,871	100.00 %

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Hastings' governmental funds reported combined ending fund balances of $40,296,260. Approximately 21.1 percent of this total amount ($8,498,863) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) placed in a nonspendable endowment for cemetery perpetual care ($96,732), 2) restricted for street improvements ($12,400,760), 3) restricted for federal programs ($32,454), 4) restricted for capital projects ($2,844,666), 5) restricted for debt service ($1,881,746), 6) restricted for the Aquatic Center ($269,363), 7) restricted for museum projects ($1,273,644), 8) restricted for community betterment

($402,545), 9) restricted for other purposes ($116,359), 10) assigned for budgetary stabilization ($7,770,152), 11) assigned for equipment replacement ($410,931), or 12) assigned for a variety of other purposes ($4,298,045).

The General Fund is the chief operating fund of the City of Hastings. At the end of the current fiscal year, unassigned fund balance of the General Fund was $9,342,121, while total fund balance reached $17,112,273. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.1 percent of total General Fund expenditures, while total fund balance represents 69.8 percent of that same amount.

The fund balance of the City of Hastings' General Fund decreased by $4,203,057 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year was as follows: Landfill Fund - $7,413,381, Electric Fund - $23,655,335, and Combined System Utilities Fund – $22,421,229. The change in net position for the proprietary funds was as follows: Landfill Fund – increase of $709,317, Electric Fund – increase of $5,413,223, and Combined System Utilities Fund – increase of $8,028,978. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Hastings' business-type activities.

Budgetary Highlights

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

Capital Assets. The City of Hastings' investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $317,671,557 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Major capital asset projects during the year ended September 30, 2025, included:

- Construction in progress on city office remodeling project - $4,253,117
- Construction in progress on Elm Meadows paving project - $764,953
- Construction in progress on Hastings Southeast project donated by NDOT - $2,855,913
- Construction in progress on Kool Aid display - $743,305
- Construction costs on park storage building - $450,905
- Construction costs on police department windows - $349,316
- Museum fire alarm suppression system - $524,411
- Fuel delivery system for street department - $393,785
- Donated academic lift station - $2,446,915
- Primary anaerobic digester structure upgrade - $3,833,563
- Building modifications at 3505 Yost Avenue – 645,588
- Upgrade to 8" water main on Boston (A to E Streets) - $554,827

- Electric meters - $450,395
- Electric distribution poles, conductor, and underground improvements - $2,555,812
- WEC1 bottom ash conveyor system - $3,479,857
- Electric line transformers - $550,567
- Construction in progress on electric projects - $2,052,021
- Construction in progress on gas projects - $843,223
- Construction in progress on water projects - $640,397

City of Hastings' Capital Assets
(net of depreciation)

	Year Ended September 30, 2025			Year Ended September 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	$ 210,164	$ 7,234,360	$ 7,444,524	$ 210,164	$ 7,234,360	$ 7,444,524
Construction in Progress	12,653,729	49,187,847	61,841,576	4,496,922	45,810,489	50,307,411
Infrastructure	42,183,815	-	42,183,815	44,006,155	-	44,006,155
Buildings & Equipment	31,128,078	-	31,128,078	29,590,149	-	29,590,149
Landfill	-	7,362,655	7,362,655	-	7,831,881	7,831,881
Electric	-	68,526,743	68,526,743	-	65,130,352	65,130,352
Electric Non-Utility Plant	-	5,958,674	5,958,674	-	6,568,610	6,568,610
Gas	-	3,208,818	3,208,818	-	3,040,528	3,040,528
Water	-	50,462,458	50,462,458	-	49,877,843	49,877,843
Pollution Control	-	33,643,351	33,643,351	-	29,266,100	29,266,100
Administrative	-	5,910,865	5,910,865	-	5,077,679	5,077,679
Total	$ 86,175,786	$ 231,495,771	$ 317,671,557	$ 78,303,390	$ 219,837,842	$ 298,141,232

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

Long-term debt. At the end of the current fiscal year, the City of Hastings had total long-term debt outstanding of $11,857,057. Of this amount, $3,428,541 comprises debt backed by the full faith and credit of the government. The remainder of the City of Hastings' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and notes payable and financing agreements.

City of Hastings' 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	$ 3,428,541	$ -	$ 3,428,541	$ 3,841,217	$ -	$ 3,841,217
Revenue Bonds	-	6,220,000	6,220,000	-	6,910,000	6,910,000
Note Payable	100,480	2,108,036	2,208,516	138,160	2,172,608	2,310,768
Total	$ 3,529,021	$ 8,328,036	$ 11,857,057	$ 3,979,377	$ 9,082,608	$ 13,061,985

The City of Hastings' total debt decreased by $1,204,928 (9.2 percent) during the current fiscal year due to scheduled principal payments. Also, the City issued $73,810 of NDWEE water notes payable.

Additional information on the City of Hastings' long-term debt can be found in Note C6 on pages 54-61 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Property tax asking for the year ending September 30, 2026 of $8,695,075 is $249,154 (3.0 percent) higher than the prior year. The property valuation increased 7.2 percent over the prior year.

- At September 30, 2025, the City had contractual commitments totaling $6,247,627 on 16 different capital projects, 14 of which are expected to be completed during the next fiscal year.

All of these factors were considered in preparing the City of Hastings' budget for the 2026 fiscal year.

Request for Information

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

CITY OF HASTINGS, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	$ 15,559,987	$ 29,243,593	$ 44,803,580	$ 1,485,531
Certificates of deposit	12,020,460	14,570,781	26,591,241	-
Investments	1,213,815	-	1,213,815	-
County treasurer cash	352,747	-	352,747	101,855
Receivables:				
Accounts, net of allowance for doubtful accounts	950,819	10,758,828	11,709,647	143,655
Special assessments	1,185,627	-	1,185,627	-
Current portion of note receivable	-	-	-	213,500
Current portion of TIF receivables	-	-	-	1,429,480
Interest	203,953	228,449	432,402	-
Property tax	299,561	-	299,561	19,719
Due from (to) other funds	236,453	(278,632)	(42,179)	42,179
Due from other governments	2,095,879	-	2,095,879	202,532
Inventory	44,654	12,082,335	12,126,989	-
Total current assets	34,163,955	66,605,354	100,769,309	3,638,451
Noncurrent assets:				
Restricted cash and cash equivalents	10,915,558	2,306,683	13,222,241	261,747
Restricted certificates of deposit	8,119,062	4,636,910	12,755,972	-
Noncurrent portion of note receivable	-	-	-	2,067,318
Noncurrent portion of TIF receivables	-	-	-	10,429,718
Property held for resale	-	-	-	931,310
Capital assets:				
Land	210,164	7,234,360	7,444,524	-
Construction in progress	12,653,729	49,187,847	61,841,576	-
Other capital assets, net of depreciation	73,311,893	175,073,564	248,385,457	183,550
Net capital assets	86,175,786	231,495,771	317,671,557	183,550
Total noncurrent assets	105,210,406	238,439,364	343,649,770	13,873,643
Total assets	139,374,361	305,044,718	444,419,079	17,512,094
LIABILITIES				
Current liabilities:				
Accounts payable	1,388,717	7,623,420	9,012,137	361,348
Accrued wages	447,999	715,489	1,163,488	-
Accrued interest	13,472	39,752	53,224	2,381
Sales tax payable	-	231,190	231,190	-
Customer deposits	5,577	555,252	560,829	-
Claims incurred not paid	501,065	-	501,065	-
Unavailable property tax and assessments	1,405,903	-	1,405,903	14,498
Current portion of TIF payables	-	-	-	1,393,762
Current portion of long-term obligations	452,086	877,233	1,329,319	7,244
Total current liabilities	4,214,819	10,042,336	14,257,155	1,779,233
Noncurrent liabilities:				
Compensated absences - noncurrent	3,002,872	4,489,018	7,491,890	-
Closure/post-closure liability	-	5,418,772	5,418,772	-
Noncurrent portion of TIF payables	-	-	-	10,326,719
Noncurrent portion of long-term obligations	3,076,935	7,450,803	10,527,738	85,449
Total noncurrent liabilities	6,079,807	17,358,593	23,438,400	10,412,168
Total liabilities	10,294,626	27,400,929	37,695,555	12,191,401
NET POSITION				
Net investment in capital assets	82,646,765	223,167,735	305,814,500	183,550
Restricted for:				
Debt service	1,881,746	160,600	2,042,346	-
Landfill closure/post-closure costs	-	825,509	825,509	-
Perpetual care - permanent	96,732	-	96,732	-
Street improvements	12,400,760	-	12,400,760	-
Federal programs	32,454	-	32,454	-
Capital projects	2,844,666	-	2,844,666	-
Economic development	-	-	-	261,747
Downtown projects	-	-	-	-
Aquatic Center	269,363	-	269,363	-
Museum projects	1,273,644	-	1,273,644	-
Community betterment	402,545	-	402,545	-
Other purposes	116,359	-	116,359	-
Unrestricted	27,114,701	53,489,945	80,604,646	4,875,396
Total net position	$ 129,079,735	$ 277,643,789	$ 406,723,524	$ 5,320,693

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 9,420,891	$ 3,956,671	$ 119,726
Public safety	13,196,225	990,679	421,782
Public works	6,266,450	1,016,019	-
Environment and leisure	7,101,721	1,134,167	354,023
Interest and fees on long-term debt	52,105	-	-
Depreciation	5,732,243	-	-
Total governmental activities	41,769,635	7,097,536	895,531
Business-type activities:			
Landfill	2,468,828	2,714,910	10,178
Electric	60,732,315	63,979,430	-
Combined System Utilities	22,561,835	25,636,757	120,427
Total business-type activities	85,762,978	92,331,097	130,605
Total primary government	$ 127,532,613	$ 99,428,633	$ 1,026,136
Component unit:			
Community Redevelopment Authority	$ 916,777	$ 37,860	$ 374,866

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
$ 1,458	$ (5,343,036)		$ (5,343,036)	
107,288	(11,676,476)		(11,676,476)	
587,453	(4,662,978)		(4,662,978)	
2,940,361	(2,673,170)		(2,673,170)	
-	(52,105)		(52,105)	
-	(5,732,243)		(5,732,243)	
3,636,560	(30,140,008)	$ -	(30,140,008)	
-	-	256,260	256,260	
971,022	-	4,218,137	4,218,137	
2,940,133	-	6,135,482	6,135,482	
3,911,155	-	10,609,879	10,609,879	
$ 7,547,715	(30,140,008)	10,609,879	(19,530,129)	
$ -				$ (504,051)
General revenues:				
Taxes:				
Property	8,259,518	-	8,259,518	538,137
Motor vehicle	655,356	-	655,356	-
Wheel tax	390,584	-	390,584	-
Payments in lieu of taxes	3,703,166	-	3,703,166	-
Occupation	324,948	-	324,948	-
Sales tax	9,732,613	-	9,732,613	-
Franchise	332,160	-	332,160	-
State allocation	5,241,841	-	5,241,841	-
Keno	211,069	-	211,069	-
Special assessments	1,054,959	-	1,054,959	-
Excess pension funding	1,213,815	-	1,213,815	-
Miscellaneous	76,072	1,922,206	1,998,278	-
Interest income	1,734,326	1,807,929	3,542,255	62,121
Gain (loss) on disposal of assets	167,912	(188,496)	(20,584)	59,037
Total general revenues	33,098,339	3,541,639	36,639,978	659,295
Change in net position	2,958,331	14,151,518	17,109,849	155,244
Net position - September 30, 2024				
As originally reported	129,902,945	259,710,730	389,613,675	5,165,449
Restatement	(3,781,541)	3,781,541	-	-
As restated	126,121,404	263,492,271	389,613,675	5,165,449
Net position - September 30, 2025	$ 129,079,735	$ 277,643,789	$ 406,723,524	$ 5,320,693

CITY OF HASTINGS, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2025

	General Fund	Street Fund	Museum Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 7,730,972	$ 2,391,329	$ 867,782	$ 1,182,187	$ 10,775,282	$ 22,947,552
Certificates of deposit	6,420,460	4,200,000	-	691,373	3,227,689	14,539,522
Investments	1,213,815	-	-	-	-	1,213,815
County treasurer cash	255,972	32,197	46,752	17,826	-	352,747
Receivables:						
Accounts, net of allowance for doubtful accounts	357,081	17,058	27,329	-	16,737	418,205
Special assessments	-	-	-	1,185,627	-	1,185,627
Interest	93,619	50,915	-	-	16,025	160,559
Property tax	241,635	-	41,260	16,666	-	299,561
Due from other funds	278,632	-	-	-	-	278,632
Due from other governments	1,454,946	-	-	-	640,933	2,095,879
Inventory	-	-	44,654	-	-	44,654
Total assets	$ 18,047,132	$ 6,691,499	$ 1,027,777	$ 3,093,679	$ 14,676,666	$ 43,536,753
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 386,818	$ 224,756	$ 64,119	$ -	$ 679,005	$ 1,354,698
Accrued wages	365,104	31,780	20,238	-	-	417,122
Accrued interest	-	-	-	13,472	-	13,472
Sales tax payable	257	-	1,285	-	-	1,542
Due to CRA	-	-	-	-	42,179	42,179
Customer deposits	5,000	-	-	577	-	5,577
Unavailable receivables	177,680	-	30,339	1,197,884	-	1,405,903
Total liabilities	934,859	256,536	115,981	1,211,933	721,184	3,240,493
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	96,732	96,732
Restricted for:						
Street improvements	-	6,434,963	-	-	5,965,797	12,400,760
Federal programs	-	-	-	-	32,454	32,454
Capital projects	-	-	-	-	2,844,666	2,844,666
Debt service	-	-	-	1,881,746	-	1,881,746
Aquatic Center	-	-	-	-	269,363	269,363
Museum projects	-	-	-	-	1,273,644	1,273,644
Community betterment	-	-	-	-	402,545	402,545
Other purposes	-	-	-	-	116,359	116,359
Assigned for:						
Budgetary stabilization	7,770,152	-	-	-	-	7,770,152
Equipment replacement	-	-	-	-	410,931	410,931
Other purposes	-	-	911,796	-	3,386,249	4,298,045
Unassigned	9,342,121	-	-	-	(843,258)	8,498,863
Total fund balances	17,112,273	6,434,963	911,796	1,881,746	13,955,482	40,296,260
Total liabilities and fund balances	$ 18,047,132	$ 6,691,499	$ 1,027,777	$ 3,093,679	$ 14,676,666	$ 43,536,753

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

September 30, 2025

Total fund balances - governmental funds		$ 40,296,260
Amounts reported for *governmental activities* in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $176,576,893 and the accumulated depreciation is $90,401,107.		86,175,786
Internal service funds are used by management to charge the costs of certain activities, such as information technology, fleet services, and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		8,979,581
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Noncurrent compensated absences	$ (2,842,871)	
Note payable	(100,480)	
General obligation bonds payable	(3,428,541)	(6,371,892)
Total net position - governmental activities		$ 129,079,735

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

	General Fund	Street Fund	Museum Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 6,674,866	$ 4,273	$ 1,144,243	$ 436,136	$ -	$ 8,259,518
Motor vehicle	523,329	-	95,583	36,444	-	655,356
Wheel tax	-	390,584	-	-	-	390,584
Occupation	60,710	-	264,238	-	-	324,948
Sales tax	6,488,412	-	-	-	3,244,201	9,732,613
Franchise	332,160	-	-	-	-	332,160
In lieu of tax	3,703,166	-	-	-	-	3,703,166
Intergovernmental	2,015,412	3,742,296	-	-	-	5,757,708
Keno	-	-	-	-	211,069	211,069
Special assessments	-	-	-	978,538	76,421	1,054,959
Charges for services	4,594,789	169,167	392,780	-	55,788	5,212,524
Grants	45,614	587,453	9,000	-	353,275	995,342
Contributions	25,000	-	13,624	-	108,849	147,473
Interest income	622,073	146,770	-	128,184	455,758	1,352,785
Sale of assets	163,840	-	-	-	-	163,840
Insurance proceeds	38,130	-	-	-	-	38,130
Excess pension funding	1,213,815	-	-	-	-	1,213,815
Other revenue	41,992	32,560	1,520	-	-	76,072
Total revenues	26,543,308	5,073,103	1,920,988	1,579,302	4,505,361	39,622,062
EXPENDITURES						
General government	5,132,661	-	-	-	314,089	5,446,750
Public safety	11,810,004	-	-	-	125,227	11,935,231
Public works	568,331	3,633,178	-	-	1,840,293	6,041,802
Environment and leisure	4,928,462	-	1,656,925	-	153,263	6,738,650
Capital outlay	2,045,986	888,284	222,036	-	7,608,978	10,765,284
Principal payments on debt	37,680	-	-	412,676	-	450,356
Interest on long-term debt	-	-	-	51,305	-	51,305
Bond/loan fees	-	-	-	800	-	800
Total expenditures	24,523,124	4,521,462	1,878,961	464,781	10,041,850	41,430,178
Excess (deficiency) of revenues over expenditures	2,020,184	551,641	42,027	1,114,521	(5,536,489)	(1,808,116)
OTHER FINANCING SOURCES (USES)						
Transfers in	63,000	-	-	98,871	5,818,000	5,979,871
Transfers out	(6,286,241)	-	(50,000)	(1,000,000)	(111,871)	(7,448,112)
Net transfers	(6,223,241)	-	(50,000)	(901,129)	5,706,129	(1,468,241)
Net change in fund balances	(4,203,057)	551,641	(7,973)	213,392	169,640	(3,276,357)
Fund balances - September 30, 2024						
As previously reported	25,096,871	5,883,322	919,769	1,668,354	13,785,842	47,354,158
Restatement	(3,781,541)	-	-	-	-	(3,781,541)
As restated	21,315,330	5,883,322	919,769	1,668,354	13,785,842	43,572,617
Fund balances - September 30, 2025	$ 17,112,273	$ 6,434,963	$ 911,796	$ 1,881,746	$ 13,955,482	$ 40,296,260

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

Total net change in fund balances - governmental funds	$ (3,276,357)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay ($13,638,697) exceeded depreciation expense ($5,732,243). (Capital assets of $2,873,413 were funded directly by grants and contributions.)	7,906,454
Losses on disposal of capital assets are not shown in the governmental fund financial statements. However, in the statement of activities, the loss is reported as a reduction to asset sales proceeds.	(34,058)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities in the statement of activities.	(1,431,701)
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	(656,363)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	450,356
Change in net position of governmental activities	$ 2,958,331

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2025

	Enterprise Funds				Internal
	Landfill Fund	Electric Fund	Combined System Utilities Fund	Total	Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,913,888	$ 8,960,056	$ 16,369,649	$ 29,243,593	$ 3,527,993
Certificates of deposit	3,300,000	6,720,000	4,550,781	14,570,781	5,600,000
Receivables:					
Accounts receivable	225,935	7,231,634	3,301,259	10,758,828	532,614
Interest	140,931	67,653	19,865	228,449	43,394
Intercompany	-	57,914	(57,914)	-	-
Inventory	-	9,661,212	2,421,123	12,082,335	-
Total current assets	7,580,754	32,698,469	26,604,763	66,883,986	9,704,001
Noncurrent assets:					
Restricted cash and cash equivalents	-	1,590,831	715,852	2,306,683	-
Restricted certificates of deposit	4,636,910	-	-	4,636,910	-
Capital assets:					
Construction in progress	-	34,040,874	15,146,973	49,187,847	-
Electric distribution system	-	219,091,088	-	219,091,088	-
Gas distribution system	-	-	37,801,315	37,801,315	-
Water distribution system	-	-	64,160,856	64,160,856	-
Pollution control distribution system	-	-	76,524,895	76,524,895	-
Administrative equipment	-	-	16,087,292	16,087,292	-
Buildings and equipment	14,235,040	-	-	14,235,040	-
Less accumulated depreciation	(6,872,385)	(147,443,604)	(97,235,247)	(251,551,236)	-
Non-utility plant	-	15,866,333	-	15,866,333	-
Less non-utility accumulated depreciation	-	(9,907,659)	-	(9,907,659)	-
Net capital assets	7,362,655	111,647,032	112,486,084	231,495,771	-
Total noncurrent assets	11,999,565	113,237,863	113,201,936	238,439,364	-
Total assets	19,580,319	145,936,332	139,806,699	305,323,350	9,704,001
LIABILITIES					
Current liabilities:					
Accounts payable	53,252	6,131,877	1,438,291	7,623,420	32,477
In lieu of tax payable to City	-	162,611	116,021	278,632	-
Accrued wages	16,362	383,635	315,492	715,489	30,877
Accrued interest	-	-	39,752	39,752	-
Sales tax payable	-	14,778	216,412	231,190	-
Customer deposits	-	-	555,252	555,252	-
Claims incurred not paid	-	-	-	-	501,065
Current portion of long-term debt	-	-	877,233	877,233	-
Total current liabilities	69,614	6,692,901	3,558,453	10,320,968	564,419
Noncurrent liabilities:					
Compensated absences - noncurrent	97,759	2,333,693	2,057,566	4,489,018	160,001
Closure/post closure liability	3,811,401	1,607,371	-	5,418,772	-
Noncurrent portion of long-term debt	-	-	7,450,803	7,450,803	-
Total noncurrent liabilities	3,909,160	3,941,064	9,508,369	17,358,593	160,001
Total liabilities	3,978,774	10,633,965	13,066,822	27,679,561	724,420
NET POSITION					
Net investment in capital assets	7,362,655	111,647,032	104,158,048	223,167,735	-
Restricted for:					
Debt service	-	-	160,600	160,600	-
Closure/post-closure costs	825,509	-	-	825,509	-
Unrestricted	7,413,381	23,655,335	22,421,229	53,489,945	8,979,581
Total net position	$ 15,601,545	$ 135,302,367	$ 126,739,877	$ 277,643,789	$ 8,979,581

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

	Enterprise Funds				Internal Service Funds
	Landfill Fund	Electric Fund	Combined System Utilities Fund	Total	
Operating revenues:					
Sales	$ 2,704,865	$ 60,605,463	$ 25,636,757	$ 88,947,085	$ -
Health insurance revenue	-	-	-	-	8,339,908
I T charges	-	-	-	-	1,885,013
Other revenue	10,045	-	-	10,045	-
Total operating revenues	2,714,910	60,605,463	25,636,757	88,957,130	10,224,921
Operating expenses:					
Cost of power	-	25,555,997	-	25,555,997	-
Production	-	16,521,764	6,923,170	23,444,934	-
Water and sewer treatment	-	-	2,390,912	2,390,912	-
Transmission and distribution	-	2,994,606	2,301,357	5,295,963	-
Sewer line expenses	-	-	767,110	767,110	-
General and administrative	-	8,079,734	5,741,505	13,821,239	-
Personnel costs	901,490	-	-	901,490	1,527,455
Utilities	14,844	-	-	14,844	960
Repairs and maintenance	119,438	-	-	119,438	-
Contractual services	147,560	-	-	147,560	-
Supplies	8,225	-	-	8,225	4,607
Professional fees	181,079	-	-	181,079	29,024
Fuel	89,930	-	-	89,930	-
Dues and training	1,340	-	-	1,340	2,924
Insurance	53,062	-	-	53,062	10,044,577
Computer software and equipment	-	-	-	-	1,896,855
Miscellaneous	9,955	-	-	9,955	-
Closure costs	229,099	-	-	229,099	-
Depreciation	712,806	4,300,703	2,934,592	7,948,101	-
Total operating expenses	2,468,828	57,452,804	21,058,646	80,980,278	13,506,402
Operating income (loss)	246,082	3,152,659	4,578,111	7,976,852	(3,281,481)
Nonoperating revenues (expenses):					
Interest income	453,057	602,086	752,786	1,807,929	381,539
Participation and capacity agreements	-	2,156,529	-	2,156,529	-
Interest expense	-	-	(90,869)	(90,869)	-
Non-utility plan depreciation	-	(609,936)	-	(609,936)	-
Payments in lieu of taxes	-	(2,392,307)	(1,310,859)	(3,703,166)	-
Net coal sales	-	1,217,438	-	1,217,438	-
Grant revenue	10,178	-	120,427	130,605	-
Loss on disposal of capital assets	-	(53,698)	(134,798)	(188,496)	-
Miscellaneous income	-	646,698	1,275,508	1,922,206	-
Miscellaneous expense	-	(277,268)	(101,461)	(378,729)	-
Contributions in aid of construction	-	971,022	2,940,133	3,911,155	-
Total nonoperating revenues (expenses)	463,235	2,260,564	3,450,867	6,174,666	381,539
Excess (deficiency) of revenues over expenditures	709,317	5,413,223	8,028,978	14,151,518	(2,899,942)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	1,468,241
Change in net position	709,317	5,413,223	8,028,978	14,151,518	(1,431,701)
Net position - September 30, 2024					
As previously reported	14,892,228	127,659,448	117,159,054	259,710,730	10,411,282
Restatement	-	2,229,696	1,551,845	3,781,541	-
As restated	14,892,228	129,889,144	118,710,899	263,492,271	10,411,282
Net position - September 30, 2025	$ 15,601,545	$ 135,302,367	$ 126,739,877	$ 277,643,789	$ 8,979,581

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2025

	Enterprise Funds	
	Landfill Fund	Electric Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 2,836,003	$ 72,936,210
Receipts from other funds	-	-
Payments to suppliers	(828,417)	(48,856,217)
Payments to employees	(865,743)	(11,717,472)
Net cash provided (used) by operating activities	1,141,843	12,362,521
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Decrease in interfund loans	-	(201,547)
Payments in lieu of taxes	-	(2,392,307)
Transfer from General Fund	-	-
Net cash provided (used) by noncapital financing activities	-	(2,593,854)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(227,146)	(9,802,813)
Contributions in aid of construction	-	971,022
Sales proceeds on capital assets	-	-
Grant proceeds	10,178	-
DWEE loan proceeds (including loan forgiveness)	-	-
Principal payments on capital debt	-	-
Interest paid on capital debt	-	-
Increase in closure/post-closure liability	229,099	-
Net cash provided (used) by capital and related financing activities	12,131	(8,831,791)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in certificates of deposit	(3,300,000)	-
Increase in restricted certificates of deposit	(135,056)	-
Interest received	439,722	611,648
Net cash provided (used) by investing activities	(2,995,334)	611,648
Increase (decrease) in cash and cash equivalents	(1,841,360)	1,548,524
Cash and cash equivalents - beginning of the year	5,755,248	9,002,363
Cash and cash equivalents - end of the year	$ 3,913,888	$ 10,550,887
Composition of cash and cash equivalents:		
Cash and cash equivalents	$ 3,913,888	$ 8,960,056
Restricted cash and cash equivalents	-	1,590,831
Total cash and cash equivalents	$ 3,913,888	$ 10,550,887

See notes to financial statements.

Combined System Utilities Fund	Total	Internal Service Funds
$ 26,308,997	$ 102,081,210	$ -
-	-	10,188,418
(9,833,887)	(59,518,521)	(11,847,424)
(8,555,597)	(21,138,812)	(1,463,947)
7,919,513	21,423,877	(3,122,953)
201,547	-	-
(1,310,859)	(3,703,166)	-
-	-	1,468,241
(1,109,312)	(3,703,166)	1,468,241
(10,726,105)	(20,756,064)	-
2,940,133	3,911,155	-
49,008	49,008	-
-	10,178	-
194,237	194,237	-
(828,382)	(828,382)	-
(95,180)	(95,180)	-
-	229,099	-
(8,466,289)	(17,285,949)	-
1,677,657	(1,622,343)	(5,600,000)
-	(135,056)	-
794,910	1,846,280	354,359
2,472,567	88,881	(5,245,641)
816,479	523,643	(6,900,353)
16,269,022	31,026,633	10,428,346
$ 17,085,501	$ 31,550,276	$ 3,527,993
$ 16,369,649	$ 29,243,593	$ 3,527,993
715,852	2,306,683	-
$ 17,085,501	$ 31,550,276	$ 3,527,993

CITY OF HASTINGS, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS, Continued

For the year ended September 30, 2025

	Enterprise Funds	
	Landfill Fund	Electric Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 246,082	$ 3,152,659
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	712,806	4,910,639
Participation and capacity agreements	-	2,156,529
Miscellaneous income, net of expenses	-	976,932
Change in assets and liabilities:		
Accounts receivable	121,093	(173,836)
Inventories	-	32,551
Accounts payable	26,115	799,383
Claims incurred not paid	-	-
Accrued expenses	35,747	507,664
Customer deposits	-	-
Net cash provided (used) by operating activities	$ 1,141,843	$ 12,362,521

See notes to financial statements.

Combined System Utilities Fund	Total	Internal Service Funds
$ 4,578,111	$ 7,976,852	$ (3,281,481)
3,237,185	8,860,630	-
-	2,156,529	-
1,174,047	2,150,979	-
(501,807)	(554,550)	(36,503)
(150,750)	(118,199)	-
(502,242)	323,256	(13,044)
-	-	144,567
79,427	622,838	63,508
5,542	5,542	-
$ 7,919,513	$ 21,423,877	$ (3,122,953)

CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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CITY OF HASTINGS, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

The City's financial reporting entity comprises the following:

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Discretely Presented Component Units, continued

	Brief Description of Activities and Relationship To The City:
Hastings Library Foundation, Inc.	Created for the exclusive purpose to raise funds to support the City's library. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2024 can be obtained by contacting the Foundation treasurer.
Hastings Museum Foundation, Inc.	Created for the exclusive purpose to raise funds to support the City's museum. The entity has a December 31 year end, so its financial results have not been included in the accompanying audited financial statements. The Foundation's audited financial statements for the year ended December 31, 2024 can be obtained by contacting the Foundation treasurer.

2. Basis of Presentation

Government-wide Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Capital Project Funds

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

Debt Service Fund

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

Permanent Fund

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

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

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

3. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

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

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

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

Basis of Accounting

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity

Estimates

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

Cash and Investments

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

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

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

Receivables

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

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and special assessments compose the majority of proprietary fund receivables. The General Fund has recognized a $313,000 allowance for uncollectible accounts and the Electric Fund has recognized a $60,000 allowance for uncollectible accounts.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Due from Other Governments

The total due from other governments includes the following amounts:

Fund	Amount	Type
General	$ 1,121,720	Sales Tax
General	51,947	School Resource Officer
General	77,154	Federal Grant
General	11,115	Emergency management-county
General	13,671	Adams County library interlocal
General	11,959	Drug Task Force-county
General	167,380	Sale of property to state
Community Development	53,612	CDBG Grants
Parks-Rec Sales Tax	140,214	Sales Tax
Museum Sales Tax	56,085	Sales Tax
Library Grant	299	State Grant
Public Safety Grant	26,164	Federal Grant
Street Sales Tax	364,559	Sales Tax
Total governmental funds	$ 2,095,879	

Inventory

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

Restricted Assets

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets

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

Government-wide Statements

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Electric and Combined System Utilities

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

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

Effective October 1, 2022, the Utilities System changed depreciation methods and now use the straight line method over the estimated lives of the capital assets (ranging from 5 to 50 years). The provision for depreciation is computed at an overall straight-line composite rate of approximately 3.0 percent for the non-utility plant assets in the Electric Fund. Depreciation expense taken by the Utilities System (Electric and Combined System Utilities) during the year ended September 30, 2025 was $8,147,824.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Fund Financial Statements

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

Unavailable Property Tax

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

Compensated Absences

During the year ended September 30, 2025, the City adopted GASB No. 101, *Compensated Absences.* The City's policies regarding vacation time permit employees to accumulate earned but unused vacation and sick leave. A portion of the liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the current compensated absence liability payable from expendable available financial resources, while the proprietary funds report the total liability.

Long-term Debt

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

Government-wide Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt, continued

Fund Financial Statements

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

Equity Classifications

Government-wide Statements

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

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

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

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

See Note C8 for additional disclosures.

Fund Financial Statements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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

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

Restricted−Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed−Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

Assigned−Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

Unassigned−All amounts not included in other spendable classifications.

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

Equity Restatement

During the year ended September 30, 2025, Council approved a change to the calculation methodology for payments in-lieu of tax. Prior to this change, the in-lieu of tax had been accrued at year end based on annual revenue and paid over the subsequent 12 months. The payment in-lieu of tax is paid monthly based on prior month revenue effective September 30, 2025. As a result of this change, governmental activities net position and General fund balance were both decreased $3,781,541. Business-type activities net position was increased $3,781,541, Electric Fund net position was increased $2,229,696, and Combined System net position was increased $1,551,845.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

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

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

Property Taxes

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

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

Property taxes levied for 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 deferred revenue on the fund balance sheets.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

In Lieu of Tax Payment

The transfer to the General Fund is calculated as 5.7 percent of the retail revenues of the Electric System for the year ended September 30, 2025. This amount is calculated to be $2,392,307.

The transfer to the General Fund from the Combined System is calculated as 7.64 percent of water operating revenue and 6.5 percent of gas operating revenue. For the year ended September 30, 2025 the total amount of in lieu of tax payments are calculated to be $1,310,859 based on the operating revenues for the year ended September 30, 2025.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Contributions in Aid of Construction

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

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Deposit Laws and Regulations, continued

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

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

Bonds Payable

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

5. Budgetary Data

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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

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

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

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

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

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

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

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

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

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

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Certificates of Deposit

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2025. The categories of collateral are defined as follows:

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

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

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

Types of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Cash and investments	$ 101,135,252	$ 12,244,758	$ 88,615,521	$ 274,973	$ 99,120,312

Reconciliation to Government-wide Statement of Net Position:	
Primary Government –	
Unrestricted cash and cash equivalents	$ 44,803,580
Unrestricted certificates of deposit	26,591,241
Restricted cash and cash equivalents	13,222,241
Restricted certificates of deposit	12,755,972
Component Units –	
Unrestricted cash and cash equivalents	1,485,531
Restricted cash and cash equivalents	261,747
	$ 99,120,312

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

2. Restricted Assets

The restricted assets as of September 30, 2025, are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Type of Restricted Assets:				
Cash and cash equivalents	$ 10,915,558	$ 2,306,683	$ 13,222,241	$ 261,747
Certificates of deposit	8,119,062	4,636,910	12,755,972	-
	$ 19,034,620	$ 6,943,593	$ 25,978,213	$ 261,747

Governmental restricted cash and certificates of deposit consist of the following at September 30, 2025:

Street Fund - restricted for street improvements	$ 6,591,329
Debt Service Fund - restricted for debt service	1,873,560
Cemetery Perpetual Care Fund - restricted for perpetual care	95,573
BID Fund - restricted for downtown projects	50,632
Museum Sales Tax Fund - restricted for capital projects	1,233,847
Creative District Fund - restricted for art projects	4,217
Library Grant Fund - restricted for library expenses	42,553
Parks Grant Fund - restricted for capital projects	64,165
Duncan Park Sales Tax Fund - restricted for capital projects	102,536
Aquatics Center Fund - restricted for aquatics	264,518
ARPA Fund - restricted for federal programs	52,454
Street Sales Tax Fund - restricted for street improvements	5,687,295
Parks-Rec Sales Tax Fund - restricted for capital projects	2,529,941
Keno Betterment Fund - restricted for community betterment	442,000
Total governmental activities restricted cash and CD's	$ 19,034,620

Business-type activities restricted cash and certificates of deposit consist of the following at September 30, 2025:

Landfill Fund - restricted for closure/post-closure costs	$ 4,636,910
Electric Fund - restricted for ash disposal closure/post closure costs	1,590,831
Combined System - restricted for debt service	160,600
Combined System - restricted for customer deposits	555,252
Total business-type activities restricted cash and CD's	$ 6,943,593

Component unit restricted cash consists of $261,747 restricted for economic development at September 30, 2025.

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

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivables. Accounts receivable of the governmental activities consist of telephone and cable franchise tax (6.9 percent), ambulance (11.5 percent), utility reimbursements (16.0 percent), reinsurance on health insurance claims (56.0 percent) and other (9.6 percent) receivables. Receivables detail at September 30, 2025, is as follows:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Accounts receivable	$ 1,263,819	$ 10,818,828	$ 12,082,647	$ 143,655
Allowance for doubtful accounts	(313,000)	(60,000)	(373,000)	-
Net accounts receivable	$ 950,819	$ 10,758,828	$ 11,709,647	$ 143,655

Notes receivable for the CRA consist of the following at September 30, 2025:

Note Held By:	Due From	Note Balance at September 30, 2025	Terms
CRA:			
Revolving Loan	Brandt Rentals, LLC	$ 6,500	Matures 10/5/26
Revolving Loan	Shabri, LLC	266,438	Matures 5/9/26
Revolving Loan	The Listening Room	268,605	Maturres 12/1/43
Revolving Loan	Uptown Experience	61,250	Matures 9/30/29
Revolving Loan	1st Street Brewing	266,743	Matures 4/15/32
Revolving Loan	THOAR, LLC	32,000	Matures 10/1/31
Revolving Loan	ABBC Restorations, LLC	21,766	Matures 3/19/26
Revolving Loan	Luckee, LLC	50,497	Matures 8/12/26
Revolving Loan	LincHome, LLC	45,342	Matures 3/10/26
Revolving Loan	Spitz	96,998	Matures 5/25/27
Revolving Loan	Corner Building LLC	91,133	Matures 10/1/43
Revolving Loan	Ridgeline	100,000	Matures 4/17/29
Revolving Loan	Bryant Books & Music	20,000	Matures 6/1/33
Revolving Loan	Bad Sportz Inc	119,350	Matures 1/1/35
Revolving Loan	Garage Flats	84,000	Matures 3/1/44
Revolving Loan	Finish Line Rentals	13,341	Matures 12/10/28

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

3. Accounts and Notes Receivable, continued

Note Held By:	Due From	Note Balance at September 30, 2025	Terms
Revolving Loan	Cheese Shop LLC	31,254	Matures 7/1/29
Revolving Loan	Sky Bar LLC	141,250	Matures 1/11/30
		1,716,467	
NMPF Loan	Tim Maul	35,000	Matures 7/1/28
NMPF Loan	LeNoir Dimbaya Coffee	4,853	Matures 2/28/28
		39,853	
Real Estate Loan	Dally's Deli	108,356	Matures 6/1/35
Real Estate Loan	ABBC Restoration, LLC	40,000	Matures 5/15/35
Real Estate Loan	Garage Flats	56,000	Matures 3/1/44
Real Estate Loan	Bad Sportz Inc	198,275	Matures 1/1/35
Real Estate Loan	THOAR, LLC	134,167	Matures 5/1/36
		536,798	
		2,293,118	
Less Allowance for Uncollectible Notes		(12,300)	
		$ 2,280,818	
Current portion		$ 213,500	
Long-term portion		2,067,318	
Total CRA notes receivable		$ 2,280,818	

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

4. Capital Assets

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

	Balance at October 1, 2024	Additions	Disposals	Reclass	Balance at September 30, 2025
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 210,164	$ -	$ -	$ -	$ 210,164
Construction in progress	4,496,922	9,891,076	-	(1,734,269)	12,653,729
Total capital assets not being depreciated	4,707,086	9,891,076	-	(1,734,269)	12,863,893
Other capital assets being depreciated:					
Infrastructure	95,527,457	707,115	-	354,639	96,589,211
Buildings, machinery & equipment	63,152,140	3,040,506	(448,487)	1,379,630	67,123,789
Total other capital assets at historical cost	158,679,597	3,747,621	(448,487)	1,734,269	163,713,000
Less accumulated depreciation for:					
Infrastructure	(51,521,302)	(2,884,094)	-	-	(54,405,396)
Buildings, machinery & equipment	(33,561,991)	(2,848,149)	414,429	-	(35,995,711)
Total accumulated depreciation	(85,083,293)	(5,732,243) *	414,429	-	(90,401,107)
Other capital assets, net	73,596,304	(1,984,622)	(34,058)	1,734,269	73,311,893
Governmental activities capital assets, net	$ 78,303,390	$ 7,906,454	$ (34,058)	$ -	$ 86,175,786

* Depreciation expense was charged to governmental activities as follows:

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

4. Capital Assets, continued

Governmental Activities, continued:

General Fund:	
General government:	
General	$ 944,416
Public safety:	
Police	205,967
Public safety	15,620
Total public safety	221,587
Public works:	
Cemetery	2,200
Environment and leisure:	
Library	133,552
Parks	235,219
Duncan Park	134,595
Aquatics	72,375
Pioneer Trail	9,232
Airport	59,014
Total environment and leisure	643,987
Total General Fund	1,812,190
IT Internal Service Fund	75,971
Special Revenue Funds:	
Street	3,245,973
Museum	162,701
Wireless E911	23,596
ARPA	256,882
Community Development	51,977
Natural Disaster	20,739
Business Improvement District	574
Keno	81,640
Total Special Revenue Funds	3,844,082
Total governmental activities depreciation expense	$ 5,732,243

Construction in progress at September 30, 2025, consists of the following costs incurred: $4,938,888 on the City office remodel; $764,953 on the Elm Meadows paving project; $24,726 on the Lochland Meadows paving project; $35,858 on the library greenspace project; $25,822 on the Hastings Cultural Arts and Civic Center project; $4,639,017 on state project Hastings Southeast; $804,770 on the Kool-Aid display; $58,500 on the museum HVAC project; $1,161,547 on the Quiet Zone project; $153,737 on the airport apron project; and $45,911 on the airport box hangar project. See note D3 for additional details on commitments on these projects.

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

4. Capital Assets, continued

	October 1, 2024	Additions	Disposals	Reclass	September 30, 2025
Business-type Activities:					
Capital assets not being depreciated:					
Land	$ 7,234,360	$ -	$ -	$ -	$ 7,234,360
Construction in progress	45,810,489	3,818,725	-	(441,367)	49,187,847
Total capital assets not being depreciated	53,044,849	3,818,725	-	(441,367)	56,422,207
Other capital assets being depreciated:					
Landfill	13,991,460	227,145	-	16,435	14,235,040
Electric	208,462,095	7,750,792	(242,540)	-	215,970,347
Electric non-utility plant	15,866,333	-	-	-	15,866,333
Gas	37,203,365	331,748	(104,961)	-	37,430,152
Water	61,367,646	1,573,447	(91,100)	-	62,849,993
Pollution control	68,022,539	6,341,844	(271,081)	-	74,093,302
Administrative	14,996,801	712,362	(46,803)	424,932	16,087,292
Total other capital assets at historical cost	419,910,239	16,937,338	(756,485)	441,367	436,532,459
Less accumulated depreciation for:					
Landfill	(6,159,579)	(712,806)	-	-	(6,872,385)
Electric	(143,331,743)	(4,300,703)	188,842	-	(147,443,604)
Electric non-utility plant	(9,297,723)	(609,936)	-	-	(9,907,659)
Gas	(34,162,837)	(162,809)	104,312	-	(34,221,334)
Water	(11,489,803)	(909,573)	11,841	-	(12,387,535)
Pollution control	(38,756,439)	(1,862,210)	168,698	-	(40,449,951)
Administrative	(9,919,122)	(302,593)	45,288	-	(10,176,427)
Total accumulated depreciation	(253,117,246)	(8,860,630) *	518,981	-	(261,458,895)
Other capital assets, net	166,792,993	8,076,708	(237,504)	441,367	175,073,564
Business-type capital assets, net	$ 219,837,842	$ 11,895,433	$ (237,504)	$ -	$ 231,495,771

* Depreciation expense was charged to functions as follows:

Landfill	$ 712,806
Electric	4,910,639
Combined System Utilities	3,237,185
Total business-type activities depreciation expense	$ 8,860,630

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

4. Capital Assets, continued

Construction in progress at September 30, 2025 consists of $34,040,874 on electric projects; $1,039,740 on gas projects; $2,568,326 on water projects; $6,489,902 on sewer projects; and $5,049,005 on utility admin projects. See note D3 for additional details on commitments on these projects.

	Balance at October 1, 2024	Additions	Disposals	Balance at September 30, 2025
Community Redevelopment Authority:				
Capital assets being depreciated:				
Land improvements	$ 414,851	$ -	$ -	$ 414,851
Less accumulated depreciation:				
Land improvements	(210,152)	(21,149)	-	(231,301)
Community Redevelopment Authority, net	$ 204,699	$ (21,149)	$ -	$ 183,550
Community Redevelopment Authority:				
Capital assets not being depreciated:				
Land held for redevelopment	$ 1,058,627	$ 69,083	$ (196,400)	$ 931,310

5. Accounts Payable

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

6. Long-term Debt

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

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

6. Long-term Debt, continued

Changes in Long-term Debt

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

Type of Debt	Balance October 1, 2024	Additions	Deductions	Balance September 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	$ 3,841,217	$ -	$ (412,676)	$ 3,428,541	$ 414,406
Note payable	138,160	-	(37,680)	100,480	37,680
	$ 3,979,377	$ -	$ (450,356)	$ 3,529,021	$ 452,086
Business-type Activities:					
Bonds payable	$ 6,910,000	$ -	$ (690,000)	$ 6,220,000	$ 730,000
Note payable	2,172,608	73,810	(138,382)	2,108,036	147,233
	$ 9,082,608	$ 73,810	$ (828,382)	$ 8,328,036	$ 877,233
Community Redevelopment Authority:					
Notes payable	$ 99,244	$ -	$ (6,551)	$ 92,693	$ 7,244

Governmental Activities

As of September 30, 2025, the governmental long-term liabilities consisted of the following:

Bonds payable:

General obligation bonds dated September 24, 2020, with original issue amount of $4,020,000. Interest ranges from 0.50 to 1.85 percent with final maturity December 15, 2036.	$ 3,005,000

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

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:	
Limited tax general obligation public safety bonds dated May 21, 2020, with original issue amount of $734,343, bearing interest of 1.85 percent. Final maturity is December 15, 2027.	288,541
General obligation various purpose bonds dated May 30, 2017, with original issue amount of $625,000. Interest ranges from 1.25 to 2.60 percent with final maturity September 15, 2027.	135,000
Total bonds payable	3,428,541
Note payable:	
Note payable to the Nebraska Department of Aeronautics dated March 23, 2017 with an original issue amount of $376,424 to finance the 6-place T hangar project. The note is non-interest bearing and will be repaid over 120 monthly installments of $3,140, with final maturity May 2028.	100,480
Total governmental activities long-term obligations	$ 3,529,021
Current portion	$ 452,086
Noncurrent portion	3,076,935
Total	$ 3,529,021

The Debt Service Fund is making the principal and interest payments on the bonds and the General Fund is paying the note payable.

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

6. Long-term Debt, continued

Business-type Activities

As of September 30, 2025, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds and notes payable:	
Note payable to Nebraska Department of Water, Energy, and Environment with original issue amount of $2,781,130 issued to finance the aquifer storage and restoration project. The note bears interest of 0.5 percent and is due over 20 years with semi-annual principal and interest payments of $74,109 due December 15, 2018 through June 15, 2038. Annual administrative fees of 0.5 percent are also due on this note.	$ 1,863,290
Note payable to Nebraska Department of Water, Energy, and Environment was issued to finance the lead service line replacement project. The note in non-interest bearing and is due over 30 years with semi-annual principal payments of $4,079 due December 15, 2025 through June 15, 2055.	244,746
Combined system revenue bonds dated August 5, 2021, with original issue amount of $8,320,000. Interest is 1.46 percent with final maturity on October 15, 2032.	6,220,000
Total business-type activity long-term debt	$ 8,328,036
Current portion	$ 877,233
Noncurrent portion	7,450,803
Total	$ 8,328,036

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

6. Long-term Debt, continued

Component Units

CRA notes payable:

On October 5, 2021, the CRA borrowed $120,150 from Five Points Bank to finance downtown parking lot improvements. The loan bears interest of 4.0 percent and is due in semi-annual principal and interest payments of $5,430 through June 15, 2035.	$ 92,693
Current portion	$ 7,244
Noncurrent portion	85,449
Total	$ 92,693

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

	Governmental Activities			
Year Ending	Other Debt Issues		Direct Placement	
September 30,	Principal	Interest	Principal	Interest
2026	$ 414,406	$ 47,371	$ 37,680	$ -
2027	426,170	41,857	37,680	-
2028	357,965	35,836	25,120	-
2029	265,000	32,106	-	-
2030	270,000	28,895	-	-
2031-2035	1,400,000	85,238	-	-
2036	295,000	2,729	-	-
	$ 3,428,541	$ 274,032	$ 100,480	$ -

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

6. Long-term Debt, continued

Year Ending September 30,	Business-type Activities				
	Other Debt Issues		Direct Placement		
	Principal	Interest	Principal	Interest	Fees
2026	$ 730,000	$ 76,115	$ 147,233	$ 9,143	$ 9,143
2027	740,000	66,560	147,929	8,447	8,447
2028	750,000	56,875	148,629	7,747	7,747
2029	770,000	46,995	149,332	7,043	7,043
2030	785,000	36,888	150,039	6,337	6,337
2031-2035	2,445,000	47,937	760,921	20,958	20,958
2036-2040	-	-	481,580	3,865	3,865
2041-2045	-	-	40,791	-	-
2046-2050	-	-	40,791	-	-
2051-2055	-	-	40,791	-	-
	$ 6,220,000	$ 331,370	$ 2,108,036	$ 63,540	$ 63,540

Year Ending September 30,	Component Units	
	Direct Placement	
	Principal	Interest
2026	$ 7,244	$ 3,617
2027	7,536	3,324
2028	7,841	3,020
2029	8,157	2,703
2030	8,487	2,373
2031-2035	53,428	6,437
	$ 92,693	$ 21,474

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs

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

The City entered into an agreement with the Nebraska Department of Environment and Energy to establish a Closure/Post-Closure Care Account. The purpose of this account is to accumulate sufficient monies to fund all related costs of a clean closure, removal of all coal combustion residuals (CCR) and decontamination of the ash disposal area at the Whelan Energy Center. Monies are deposited into this account at a rate $3.00 per ton of ash put into the disposal area. The calculated amount of the Closure/Post-Closure liability was $1,590,831 at September 30, 2025, which is based on 34,445 tons of undisposed pond ash in the ash disposal area. It is estimated that an additional $135,762 will be recognized as post-closure expenses between the date of the balance sheet and the date Whelan Energy Center is expected to be closed. The estimated total current cost of the ash disposal closure and post-closure care, $1,726,593, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the ash disposal area were acquired as of September 30, 2025. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2025, funds of $1,590,831 are restricted to finance closure and post-closure of the City's ash disposal area. These funds are presented on the City's statement of net position as "restricted for ash disposal closure costs." It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future users, taxpayers, or both.

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

6. Long-term Debt, continued

Closure and Post-closure Care Costs, continued

State and federal laws and regulations require that the City of Hastings place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of $3,811,401 as of September 30, 2025, which is based on 49.8 percent usage (filled) of the landfill. It is estimated that an additional $3,785,953 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care, $7,597,354, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2025. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2025, funds of $4,636,910 are restricted to finance closure and post-closure of the City's landfill. These funds are presented on the City's statement of net position as "restricted for landfill closure costs." It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

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

7. Accrued Compensated Absences

Accrued compensated absences consisted of the following as of September 30, 2025:

	Balance 9/30/2024	Increase	Decrease	Balance 9/30/2025
Governmental activities:				
Accrued compensated absences	$ 2,285,164	$ 717,708	$ -	$ 3,002,872
Business-type activities				
Accrued compensated absences	$ 3,865,607	$ 623,411	$ -	$ 4,489,018

8. Interfund Transactions and Balances

Operating transfers for the year ended September 30, 2025:

	Transfers In	Transfers Out
General Fund:		
Museum	$ 50,000	$ -
Keno	13,000	-
Bookmobile Replacement	-	6,000
IT Fund	-	1,468,241
Fire Equipment Sinking	-	292,000
Duncan Sales Tax	-	20,000
Capital Project	-	4,500,000
Total General Fund	63,000	6,286,241
Museum Fund:		
General	-	50,000

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

8. Interfund Transactions and Balances, continued

	Transfers In	Transfers Out
Debt Service Fund:		
Fire Equipment Sinking	98,871	-
Capital Projects	-	1,000,000
Total Debt Service Fund	98,871	1,000,000
Nonmajor Funds:		
General	4,818,000	13,000
Debt Service	1,000,000	98,871
Total Nonmajor Funds	5,818,000	111,871
Internal Service Fund:		
General	1,468,241	-
Total Operating Transfers	$ 7,448,112	$ 7,448,112

At September 30, 2025, the Combined System Utilities Fund owed $116,021 to the General Fund for in-lieu of tax. The Electric Fund owed $162,611 to the General Fund for in-lieu of tax. Also, the Combined Utilities Fund owed $57,914 to the Electric Fund, and the Community Development Fund owed $42,179 to the Community Redevelopment Authority. These balances are expected to be transferred during the year ending September 30, 2026.

9. Fund Equity

Restricted net position for other purposes totaling $116,359 consists of $48,774 in the BID Fund, $4,217 in the Creative District Fund, $41,695 in the Library Grant Fund and $21,673 in the Public Safety Grant Fund.

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

10. TIF Receivables and Payables

		9/30/2025	
TIF #	Description	TIF Receivable	TIF Payable
24	Uptown Experience LLC	$ 32,423	$ -
33	801 Building Condominiums	76,326	-
34	Emerson Estates LLC	60,512	60,512
37	Thoar LLC	59,935	29,967
38	On Top LLC	31,065	31,065
40	Dietrich/Stein Brothers Building LLC	109,479	109,479
43	Eastside Estates LLC	146,599	146,599
48	DJ&R Investments LLC	349,335	349,335
49	Thoar LLC - 723 W 11th St	23,894	23,894
50	Hastings Lodging 2	459,060	459,060
51	NPC - Phast 1	1,083,384	1,083,384
52	Faris Redevelopment Project	40,436	40,436
54	Thoar LLC - 737 W 1st St	38,212	38,212
55 & 60	Mesner North	1,123,959	1,123,959
56	Southern Bell Heartland LLC	240,267	240,267
58/76/90	HEDC West Laux Dr - Phase I	577,416	577,416
59 & 64	Brant Rentals LLC	280,397	280,397
61	Shabri LLC	11,812	11,812
62	Boys 3 MCP Inc	131,543	131,543
63	Abegglen & Hirshfeld	330,428	330,428
66	Thoar LLC - Cameron Building	209,795	209,795
67/78/80/88	HEDC Trail Ridge Addition - Phase I	1,752,948	1,752,948
68	West 2nd Investments LLC	35,413	35,413
69	Luckee LLC	37,900	37,900
70	ABBC Restorations	32,699	32,699
71	Theatre Building	332,679	332,679
73/81/89	HEDC Trail Ridge 2.0	1,628,244	1,628,244
74	Theatre District LLC - Lot 3 Blk 1	1,716,991	1,716,991
75	Theatre District LLC - Lot 8 Blk 1	243,272	243,272
77	DAVALWAT Properties LLC	73,291	73,291

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

10. TIF Receivables and Payables, continued

		9/30/2025	
TIF #	Description	TIF Receivable	TIF Payable
83	Garage Flats	132,388	132,388
84	Corner Building LLC	88,847	88,847
87	Bad Sportz Inc	45,894	45,894
91	Fairview Villas LLC	160,000	160,000
92	Theatre District LLC - Lot 1 Blk 1	104,624	104,624
93	Theatre District LLC - Lot 4 Blk 1	57,731	57,731
		$ 11,859,198	$ 11,720,481
	Current portion	1,429,480	1,393,762
	Long-term portion	10,429,718	10,326,719
		$ 11,859,198	$ 11,720,481

11. Investments

Investments at September 30, 2025 consisted of $1,213,815 of mutual funds held by Principal Custody Solutions for the General Fund. The investments are carried at market value on the financial statements.

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

The City participates in five employee pension plans as follows:

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

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

Police and Firefighters Plan (Pre-1984)

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

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

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

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police and Firefighters Plan (Pre-1984), continued

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

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

Police Plan

Plan Description

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

For the year ended September 30, 2025, the City's payroll total and covered under the Plan was $3,937,653 and $3,937,653, respectively.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police Plan, continued

Plan Description, continued

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

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

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

Funding Status of Defined Benefit Plan

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

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

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

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Police Plan, continued

Funding Status of Defined Benefit Plan, continued

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

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was $0, and contributions of $0 were made for the year ended September 30, 2025, as the City calculates they now have excess funding on their remaining benefit obligations.

Contributions made under the defined contribution portion of the Police Plan for the year ended September 30, 2025, were as follows:

		Amount as a Percentage of Covered Payroll
Employer	$ 275,636	7.0%
Employee	275,636	7.0%
Total	$ 551,272	

Firefighters Plan

Plan Description

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

For the year ended September 30, 2025, the City's payroll total and covered under the Plan was $2,589,063 and $2,589,063, respectively.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Plan Description, continued

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

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

Under the Firefighters Plan, normal retirees employed prior to January 1, 1984, would not receive an annuity benefit of less than 50 percent of regular pay. All current employees will receive a benefit based on their defined contribution account. An employee is 100 percent vested in his or her contributions, 8.7 percent of monthly compensation, and vests 40 percent after four years of service plus 10 percent for each year thereafter, up to 100 percent, in the City's contributions, 13 percent of monthly compensation.

Funding Status of Defined Benefit Plan

The projected retirement benefits at September 30, 2025, were determined through a valuation calculation. The valuation was performed using a present value calculation, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

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

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

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

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Firefighters Plan, continued

Contribution Required and Made

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2025.

Contributions made under the defined contribution portion of the Firefighters Plan for the year ended September 30, 2025, were as follows:

		Amount as a Percentage of Covered Payroll
Employer	$ 336,578	13.0%
Employee	225,248	8.7%
Total	$ 561,826	

Excess Pension Funding

During the year ended September 30, 2025, the General Fund recognized an investment asset of $1,213,815, representing the estimated excess funding of the police ($668,335) and fire ($545,480) defined benefit pension plans.

All Other City and Utilities System Employees

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

Benefit terms, including contribution requirements for the Plan are established and may be amended by the City of Hastings Retirement Board. All employees not in the Police and Fire Department are required to contribute to the Plan after they have been employed six months and are at least 21 years of age. The Plan has a six month vesting period. Any non-vested money in an account is sent back to the employer as a forfeiture once the terminated employee takes a distribution out of the account. At that time, the City uses the forfeitures to offset the employer's contributions. Total forfeitures used during the year ended September 30, 2025 was $11,769.

Each participating employee is required to contribute 4.0% of the first $25,000 of compensation to the Plan, and 8.0% of any compensation over and above $25,000. The City and Utilities System then matches the employee's contribution. The City's annual contribution for the year ended September 30, 2025 was $591,773. The Utilities System total pension expense was $1,424,797 for the year ended September 30, 2025.

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

Deferred Compensation Plan

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

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

2. Risk Management

Insurance

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

The City's Self-Insurance Fund does not assume the full risk of loss related to claims filed under the insurance provided. The City has purchased insurance to cover individual claims in excess of $100,000 per claimant, as well as an aggregate stop loss of $7,962,409. The City pays the claims first up to the $125,000 per individual, and at the end of the policy year, the insurance company computes the amount due, if any, to the City in excess of the insured aggregate. At September 30, 2025 the City had not exceeded its aggregate stop loss for the year. Claims incurred prior to year-end but not paid are covered by the fiscal year aggregate and will be paid by the City, but later reimbursed. Claims incurred but not paid until subsequent to year-end totaled $501,065, are recorded as a liability in the Self-Insured Health Fund at September 30, 2025. The Self-Insurance Health Fund had $386,680 of reinsurance receivable at September 30, 2025.

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2025, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

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

	CERTIFICATE OF DEPOSIT MATURITIES (IN YEARS)				
	<1	1-5	5-10	10+	Total
City:					
CDs	$20,139,522	$ -	$ -	$ -	$20,139,522
Utilities:					
CDs	$11,446,910	$ -	$ -	$ -	$11,446,910
Money Market	7,760,781	-	-	-	7,760,781
	$19,207,691	$ -	$ -	$ -	$19,207,691

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

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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

Financial Institution	Amount
Five Points Bank	$ 3,284,460
Heritage Bank	5,000,000
Pinnacle Bank	7,165,062
Heartland Bank	6,000,000
Home Federal	10,136,910
	$ 31,586,432

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.

3. Commitments

Construction/Capital Assets

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

Project	Contract Amount	Paid Through 9/30/2025	Obligation Pending	Estimated Completion
City office remodel-contractor	$ 7,453,020	$ 4,046,309	$ 3,406,711	3/31/2026
City office remodel-architecht	563,814	539,820	23,994	3/31/2026
Elm Meadows paving	804,331	734,873	69,458	2/28/2026
Lochland Meadows paving	584,440	247,226	337,214	2/28/2026
Kool Aid display	70,000	69,250	750	1/31/2026
Quiet Zone	957,205	788,230	168,975	12/31/2026
Airport apron project	49,950	45,911	4,039	10/31/2026
Pawnee Creed flood mitigation	62,500	31,739	30,761	9/30/2026
12th and Crane Street drainage evaluation	25,285	19,832	5,453	10/31/2025
Parks dump truck	188,413	-	188,413	1/31/2026
Sewer aeration basin equipment	3,177,000	2,752,591	424,409	1/31/2026
Environmental office upgrade	30,780	-	30,780	10/31/2025
North Elm First Subdivision	248,838	213,161	35,677	10/31/2025
Lochland Meadows 17th Subdivision	327,246	307,558	19,688	10/31/2025
Sixth Street main replacement	729,381	223,165	506,216	3/31/2026
Highway 6 water improvements	1,280,594	285,505	995,089	3/31/2026
CRA Cedar Park project	269,564	185,754	83,810	10/31/2025
Total commitments	$ 16,822,361	$ 10,490,924	$ 6,331,437	

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Other Commitments

Lessor	Leased Property	Term	Amount
Quadient	Postage Machine	11/8/23 – 2/8/29	$275/month
	Postage Machine	5/12/23 – 5/12/28	$164/month
Eakes	Printer Management	8/24/22 – 8/24/29	$7,096/month
Hastings Building Co	Office	4/6/23 – 4/6/25	$4,070/month

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

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

Letter of Credit

The City has a $1,690,305 standby letter of credit available through Five Points Bank, with the Environmental Protection Agency as the beneficiary to satisfy the Performance Guarantee obligations related to the Hastings Groundwater Contamination Site. As of September 30, 2025, nothing had been drawn on this letter of credit, which expires September 24, 2026.

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts

MEAN Participation Agreement

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

Coal Supply Agreements

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Coal Contracts

Peabody COALSALES, LLC

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

The Burlington Northern and Santa Fe Railway Company

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

Natural Gas Contracts

Central Plains Energy Project

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

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

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

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

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

Trailblazer Pipeline Company LLC

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

Tall Grass Interstate Gas Transmission LLC

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

Power Purchase Agreement

CCC-Hastings Renewable Energy, LLC

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

NOTE D – OTHER NOTES, continued

4. Additional Utility Contracts, continued

Wind Power Purchase Agreement

Central Community College

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

Public Power Generation Agency Financial Commitment

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

At September 30, 2025, PPGA had $496,135,000 of revenue bonds outstanding. Under terms of the agreement with PPGA referred to in the preceding paragraph, Hastings Utilities is responsible for 15.91 percent of the outstanding debt ($78,930,568 at September 30, 2025). It is expected that PPGA will continue to make the scheduled principal and interest payments as part of its normal operations. However, Hastings Utilities would be responsible for its 15.91 percent share of debt payments should PPGA be unable to service the debt.

NOTE D – OTHER NOTES, continued

5. Environmental Remediation

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

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

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

NOTE D – OTHER NOTES, continued

6. Interlocal Agreements

The City is a party to 23 interlocal agreements in effect as of September 30, 2025. The City Clerk maintains a complete list of the interlocal agreements in effect.

7. Tax Increment Financing

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

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

Information relevant to the CRA's TIF agreements for the year ended September 30, 2025 is as follows:

TIF Project:	Years Remaining on TIF Agreements	2025 TIF Valuation	2025 TIF Excess Tax Levied
Southwood Estates Redevelopment	2	$ 523,193	$ 10,256
Uptown Experience, LLC	3	663,469	13,006
Listening Room	4	509,644	9,990
801 Building Condominiums	6	648,941	12,721
Emerson Estates, LLC	6	514,488	10,085
Thoar, LLC (Old Market Firearms)	7	436,787	8,562
On Top, LLC	7	348,747	6,837
Dietrich/Stein Brothers Building, LLC	7	1,544,634	30,279
Eastside Estates, LLC	8	934,812	18,325
DJ&R Investments, LLC	9	2,903,626	56,936
Thoar, LLC-723 W 11th St	9	534,938	10,486
Hastings Lodging 2	10	6,473,681	126,939
NPC - Phase 1	10	11,607,631	227,608
Faris Redevelopment Project	10	301,227	5,905

NOTE D – OTHER NOTES, continued

7. Tax Increment Financing, continued

TIF Project:	Years Remaining on TIF Agreements	2025 TIF Valuation	2025 TIF Excess Tax Levied
Thoar, LLC (737 W 1st St)	10	898,806	17,619
Mesner North Redevelopment Project	10	1,152,232	16,332
Southern Bell Heartland, LLC	10	1,972,130	38,659
HEDC West Laux Dr - Phase I	11	606,004	11,883
Brant Rentals, LLC	11	1,331,822	26,107
Mesner North	11	4,538,830	64,332
Shabri, LLC	11	721,281	14,139
Boys 3 MCP, Inc.	11	1,371,890	26,901
Abegglen & Hirschfeld	12	1,816,843	35,626
Brandt Rentals, LLC	12	375,336	7,358
Thoar, LLC - Cameron building	12	891,860	17,483
HEDC Trail Ridge Addition - Phase 1	12	3,343,909	47,396
West 2nd Investments, LLC	12	579,687	11,364
Luckee, LLC	12	242,058	4,745
ABBC Restorations	12	430,435	8,438
Theatre District	12	1,414,253	27,723
HEDC Trail Ridge 2.0	13	494,662	7,011
Theatre District LLC-Lot 3 Blk 1	13	6,737,645	132,076
Theatre District LLC-Lot 8 Blk 1	13	954,623	18,713
HEDC West Laux Dr - Phase 2	13	584,142	11,454
DAVALWAT Properties LLC	13	287,601	5,638
HEDC Trail Ridge Addition - Phase 2	13	5,145,587	72,932
HEDC Trail Ridge Addition - Phase 3	14	3,758,531	53,272
HEDC Trail Ridge 2.0 - Phase 2	14	4,357,694	61,765
Mesner North Redevelopment - Phase 2	14	1,274,958	18,071
Garage Flats	14	482,397	9,456
Corner Building, LLC	14	323,742	6,346
Bad Sports Inc	15	156,080	3,060
HEDC Trail Ridge Addition - Phast 4	15	682,053	9,667
HEDC Trail Ridge Addition 2.0 - Phase 3	15	3,162,634	44,826
HEDC West Laux Dr - Phase 3	15	1,012,486	19,853
Fairview Villas LLC	15	1,044,563	20,476
Theatre District LLC Lot 1 Blk 1	15	355,813	6,975
Theatre District LLC Lot 4 Blk 1	15	196,336	3,849
			$ 1,429,480

NOTE D – OTHER NOTES, continued

8. Subsequent Events

Management has evaluated subsequent events through February 10, 2026, the date on which the financial statements were available for issue.

On November 11, 2025, Council approved an agreement with Diamond Engineering Company for the K & K and Nebraskan mobile parks fire mains for $274,222.

On November 24, 2025, Council approved a $445,000 forgivable CDBG loan to Queen City Development for a façade renovation project at 714 W 5th Street.

On December 8, 2025, Council approved work order #2 with Garver LLC for the Hastings Municipal Airport runway 14-32 lighting rehabilitation project for $198,700.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	$ 6,702,646	$ 6,690,820	$ (11,826)
Motor vehicle	460,000	523,329	63,329
Occupation	60,000	60,710	710
Sales tax	6,200,000	6,302,460	102,460
Franchise	300,000	332,160	32,160
In lieu of tax	3,700,000	3,703,166	3,166
Intergovernmental	1,515,353	2,015,412	500,059
Charges for services	4,650,000	4,674,611	24,611
Grants	1,393,483	45,614	(1,347,869)
Interest income	600,000	604,309	4,309
Contributions	25,000	25,000	-
Sale of property	-	163,840	163,840
Insurance proceeds	-	38,130	38,130
Excess pension funding	-	1,213,815	1,213,815
Other revenue	198,409	41,992	(156,417)
Total resources	25,804,891	26,435,368	630,477
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government:			
City Administrator's office	936,317	643,146	(293,171)
Human resources	680,930	619,914	(61,016)
City attorney	305,217	267,668	(37,549)
Finance	1,172,437	1,085,987	(86,450)
Mayor and Council	125,372	103,663	(21,709)
City clerk	306,429	259,608	(46,821)
Other governmental	1,936,040	1,811,781	(124,259)
Development services	1,187,658	941,100	(246,558)
Total general government	6,650,400	5,732,867	(917,533)
Public safety:			
911 Center	1,464,353	1,056,242	(408,111)
Fire and rescue	5,113,491	4,284,102	(829,389)
Ambulance service	-	176,018	176,018
Police	7,113,766	6,619,754	(494,012)
Total public safety	13,691,610	12,136,116	(1,555,494)

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND, Continued

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
CHARGES TO APPROPRIATIONS (OUTFLOWS), continued			
Public works:			
Cemetery	1,059,929	960,614	(99,315)
EPA mandates	204,000	60,806	(143,194)
Stormwater management	-	33,144	33,144
Total public works	1,263,929	1,054,564	(209,365)
Environment and leisure:			
Auditorium	288,148	243,304	(44,844)
Parks	3,425,075	3,134,790	(290,285)
Water park	594,158	545,498	(48,660)
Recreation programming	203,037	155,661	(47,376)
Library	1,675,206	1,345,545	(329,661)
Airport	1,203,001	467,266	(735,735)
Total environment and leisure	7,388,625	5,892,064	(1,496,561)
Total charges to appropriations	28,994,564	24,815,611	(4,178,953)
Resources over (under) charges to appropriations	(3,189,673)	1,619,757	4,809,430
OTHER FINANCING SOURCES (USES)			
Transfers in	103,000	63,000	(40,000)
Transfers out	(1,863,833)	(6,286,241)	(4,422,408)
Net transfers	(1,760,833)	(6,223,241)	(4,462,408)
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	$ (4,950,506)	$ (4,603,484)	$ 347,022

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - STREET FUND

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ -	$ 4,273	$ 4,273
Wheel tax	350,000	390,584	40,584
Intergovernmental	3,888,536	3,742,296	(146,240)
Charges for services	228,000	163,047	(64,953)
Grants	589,068	587,453	(1,615)
Interest income	60,000	139,092	79,092
Other revenue	-	32,560	32,560
Total resources	5,115,604	5,059,305	(56,299)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	4,147,565	3,425,174	(722,391)
Capital outlay	1,391,000	888,284	(502,716)
Total charges to appropriations	5,538,565	4,313,458	(1,225,107)
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	$ (422,961)	$ 745,847	$ 1,168,808

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MUSEUM FUND

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ 1,219,628	$ 1,148,040	$ (71,588)
Motor vehicle tax	90,000	95,583	5,583
Occupation tax	240,000	264,238	24,238
Charges for services	378,000	394,915	16,915
Grants	12,000	9,000	(3,000)
Contributions	10,000	13,624	3,624
Other income	1,360	1,520	160
Total resources	1,950,988	1,926,920	(24,068)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Environment and leisure	1,967,014	1,668,667	(298,347)
Capital outlay	105,000	222,036	117,036
Total charges to appropriations	2,072,014	1,890,703	(181,311)
Resources over (under) charges to appropriations	(121,026)	36,217	157,243
OTHER FINANCING USES			
Transfers out	(50,000)	(50,000)	-
RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	$ (171,026)	$ (13,783)	$ 157,243

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Property tax	$ 465,025	$ 431,231	$ (33,794)
Motor vehicle tax	38,000	36,444	(1,556)
Special assessments	350,000	984,902	634,902
Interest income	10,000	128,184	118,184
Total resources	863,025	1,580,761	717,736
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	904,675	412,676	(491,999)
Interest expense	52,350	52,350	-
Other expenses	20,000	800	(19,200)
Total charges to appropriations	977,025	465,826	(511,199)
Resources over (under) charges to appropriations	(114,000)	1,114,935	1,228,935
OTHER FINANCING SOURCES (USES)			
Transfers in	98,871	98,871	-
Transfers out	(750,000)	(1,000,000)	(250,000)
Net transfers	(651,129)	(901,129)	(250,000)
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	$ (765,129)	$ 213,806	$ 978,935

CITY OF HASTINGS, NEBRASKA

BUDGETARY COMPARISON SCHEDULES - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year ended September 30, 2025

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

	General Fund	Street Fund	Museum Fund	Debt Service Fund
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis from the budgetary comparison schedules	$ 26,435,368	$ 5,059,305	$ 1,926,920	$ 1,580,761
Differences - budget to GAAP:				
Cash to accrual adjustments	107,940	13,798	(5,932)	(1,459)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 26,543,308	$ 5,073,103	$ 1,920,988	$ 1,579,302
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the bugetary comparison schedules	$ 24,815,611	$ 4,313,458	$ 1,890,703	$ 465,826
Differences - budget to GAAP:				
Cash to accrual adjustments	(292,487)	208,004	(11,742)	(1,045)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 24,523,124	$ 4,521,462	$ 1,878,961	$ 464,781
Net transfers:				
Actual amounts (budgetary basis) from the budgetary comparison schedules	$ (6,223,241)	$ -	$ (50,000)	$ (901,129)
Differences - budget to GAAP:				
Cash to accrual adjustments	-	-	-	-
Total net transfers as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ (6,223,241)	$ -	$ (50,000)	$ (901,129)

CITY OF HASTINGS, NEBRASKA

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

Year ended September 30, 2025

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

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

SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Permanent	Special Revenue Funds			
	Cemetery Perpetual Care	BID Fund	Community Development	Museum Sales Tax Fund	S Landfill Cap Fund
ASSETS					
Cash and cash equivalents	$ 40,511	$ 50,632	$ 39,788	$ 1,233,847	$ 24,602
Certificates of deposit	55,062	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	-
Interest	1,159	-	-	-	-
Due from other governments	-	-	53,612	56,085	-
Total assets	$ 96,732	$ 50,632	$ 93,400	$ 1,289,932	$ 24,602
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 1,858	$ 11,433	$ 16,288	$ -
Due to CRA	-	-	42,179	-	-
Total liabilities	-	1,858	53,612	16,288	-
Fund balances:					
Nonspendable:					
Cemetery perpetual care	96,732	-	-	-	-
Restricted for:					
Street improvements	-	-	-	-	-
Federal programs	-	-	-	-	-
Capital projects	-	-	-	-	-
Aquatic Center	-	-	-	-	-
Museum projects	-	-	-	1,273,644	-
Community betterment	-	-	-	-	-
Other purposes	-	48,774	-	-	-
Assigned for:					
Equipment replacement	-	-	-	-	-
Other purposes	-	-	39,788	-	24,602
Unassigned	-	-	-	-	-
Total fund balances	96,732	48,774	39,788	1,273,644	24,602
Total liabilities and fund balances	$ 96,732	$ 50,632	$ 93,400	$ 1,289,932	$ 24,602

Creative District Fund	Library Grant Fund	Fire Equipment Sinking Fund	Bookmobile Replacement	Parks Grant Fund	Duncan Park Sales Tax	Aquatics Center Fund
$ 4,217	$ 42,553	$ 410,931	$ 155,245	$ 64,165	$ 102,536	$ 518
-	-	-	-	-	-	264,000
-	-	-	-	-	-	-
-	-	-	-	-	-	4,845
-	299	-	-	-	-	-
$ 4,217	$ 42,852	$ 410,931	$ 155,245	$ 64,165	$ 102,536	$ 269,363
$ -	$ 1,157	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	1,157	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	64,165	102,536	-
-	-	-	-	-	-	269,363
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,217	41,695	-	-	-	-	-
-	-	410,931	-	-	-	-
-	-	-	155,245	-	-	-
-	-	-	-	-	-	-
4,217	41,695	410,931	155,245	64,165	102,536	269,363
$ 4,217	$ 42,852	$ 410,931	$ 155,245	$ 64,165	$ 102,536	$ 269,363

CITY OF HASTINGS, NEBRASKA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS, Continued

September 30, 2025

	Special Revenue Funds				
	CANDO Fund	Public Safety Grant Fund	ARPA Fund	Wireless E911 Fund	Landline E911 Fund
ASSETS					
Cash and cash equivalents	$ 127,963	$ (3,646)	$ 52,454	$ 480,266	$ 415,600
Certificates of deposit	-	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	7,132
Interest	-	-	-	-	-
Due from other governments	-	26,164	-	-	-
Total assets	$ 127,963	$ 22,518	$ 52,454	$ 480,266	$ 422,732
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 8,805	$ 845	$ 20,000	$ -	$ -
Due to CRA	-	-	-	-	-
Total liabilities	8,805	845	20,000	-	-
Fund balances:					
Nonspendable:					
Cemetery perpetual care	-	-	-	-	-
Restricted for:					
Street improvements	-	-	-	-	-
Federal programs	-	-	32,454	-	-
Capital projects	-	-	-	-	-
Aquatic Center	-	-	-	-	-
Museum projects	-	-	-	-	-
Community betterment	-	-	-	-	-
Other purposes	-	21,673	-	-	-
Assigned for:					
Equipment replacement	-	-	-	-	-
Other purposes	119,158	-	-	480,266	422,732
Unassigned	-	-	-	-	-
Total fund balances	119,158	21,673	32,454	480,266	422,732
Total liabilities and fund balances	$ 127,963	$ 22,518	$ 52,454	$ 480,266	$ 422,732

Special Revenue Funds						Capital	Total Nonmajor
Street Sales Tax Fund	Natural Disaster Fund	Scales Fund	Diversion Program	Parks-Rec Sales Tax Fund	Keno Betterment	Projects Fund	Governmental Funds
$ 5,687,295	$ 2,073,457	$ 53,065	$ 17,936	$ 63,314	$ (37,524)	$ (324,443)	$ 10,775,282
-	-	-	-	2,466,627	442,000	-	3,227,689
-	-	-	-	-	9,605	-	16,737
-	-	-	-	10,021	-	-	16,025
364,559	-	-	-	140,214	-	-	640,933
$ 6,051,854	$ 2,073,457	$ 53,065	$ 17,936	$ 2,680,176	$ 414,081	$ (324,443)	$ 14,676,666
$ 86,057	$ -	$ -	$ -	$ 2,211	$ 11,536	$ 518,815	$ 679,005
-	-	-	-	-	-	-	42,179
86,057	-	-	-	2,211	11,536	518,815	721,184
-	-	-	-	-	-	-	96,732
5,965,797	-	-	-	-	-	-	5,965,797
-	-	-	-	-	-	-	32,454
-	-	-	-	2,677,965	-	-	2,844,666
-	-	-	-	-	-	-	269,363
-	-	-	-	-	-	-	1,273,644
-	-	-	-	-	402,545	-	402,545
-	-	-	-	-	-	-	116,359
-	-	-	-	-	-	-	410,931
-	2,073,457	53,065	17,936	-	-	-	3,386,249
-	-	-	-	-	-	(843,258)	(843,258)
5,965,797	2,073,457	53,065	17,936	2,677,965	402,545	(843,258)	13,955,482
$ 6,051,854	$ 2,073,457	$ 53,065	$ 17,936	$ 2,680,176	$ 414,081	$ (324,443)	$ 14,676,666

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

	Permanent	Special Revenue Funds			
	Cemetery Perpetual Care	BID Fund	Community Development	Museum Sales Tax Fund	S Landfill Cap Fund
REVENUES					
Sales tax	$ -	$ -	$ -	$ 324,417	$ -
Keno	-	-	-	-	-
Special assessments	-	76,421	-	-	-
Charges for services	-	-	-	-	-
Grants	-	-	74,226	-	-
Interest income	3,949	3,167	-	56,612	929
Contributions	-	1,458	-	-	-
Total revenues	3,949	81,046	74,226	381,029	929
EXPENDITURES					
General government	-	63,325	74,226	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Environment and leisure	-	-	-	9,155	-
Capital outlay	-	-	-	801,805	-
Total expenditures	-	63,325	74,226	810,960	-
Excess (deficiency) of revenues over expenditures	3,949	17,721	-	(429,931)	929
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net transfers	-	-	-	-	-
Net change in fund balances	3,949	17,721	-	(429,931)	929
Fund balances - September 30, 2024	92,783	31,053	39,788	1,703,575	23,673
Fund balances - September 30, 2025	$ 96,732	$ 48,774	$ 39,788	$ 1,273,644	$ 24,602

Creative District Fund	Library Grant Fund	Fire Equipment Sinking Fund	Bookmobile Replacement	Parks Grant Fund	Duncan Park Sales Tax	Aquatic Center Fund
-	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,000	77,270	-	-	-	-	-
-	572	10,541	5,841	2,974	3,417	11,856
-	-	-	-	33,042	709	-
10,000	77,842	10,541	5,841	36,016	4,126	11,856
-	-	-	-	-	-	-
-	-	28,315	-	-	-	-
-	-	-	-	-	-	-
5,783	39,377	-	-	42,428	-	-
-	35,858	77,612	-	-	-	-
5,783	75,235	105,927	-	42,428	-	-
4,217	2,607	(95,386)	5,841	(6,412)	4,126	11,856
-	-	292,000	6,000	-	20,000	-
-	-	(98,871)	-	-	-	-
-	-	193,129	6,000	-	20,000	-
4,217	2,607	97,743	11,841	(6,412)	24,126	11,856
-	39,088	313,188	143,404	70,577	78,410	257,507
$ 4,217	$ 41,695	$ 410,931	$ 155,245	$ 64,165	$ 102,536	$ 269,363

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

	Special Revenue Funds					
	CANDO Fund	Public Safety Grant Fund	ARPA Fund	Wireless E911 Fund	Landline E911 Fund	Street Sales Tax Fund
REVENUES						
Sales tax	$ -	$ -	$ -	$ -	$ -	$ 2,108,736
Keno	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Charges for services	-	-	-	-	54,569	-
Grants	-	103,349	-	88,430	-	-
Interest income	1,285	-	-	12,264	11,263	187,871
Contributions	45,500	3,940	-	-	-	-
Total revenues	46,785	107,289	-	100,694	65,832	2,296,607
EXPENDITURES						
General government	42,637	-	-	-	-	-
Public safety	-	46,433	-	44,478	4,672	-
Public works	-	-	-	-	-	1,549,791
Environment and leisure	-	-	30,378	-	-	-
Capital outlay	-	47,985	853,456	-	55,328	343,548
Total expenditures	42,637	94,418	883,834	44,478	60,000	1,893,339
Excess (deficiency) of revenues over expenditures	4,148	12,871	(883,834)	56,216	5,832	403,268
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net transfers	-	-	-	-	-	-
Net change in fund balances	4,148	12,871	(883,834)	56,216	5,832	403,268
Fund balances - September 30, 2024	115,010	8,802	916,288	424,050	416,900	5,562,529
Fund balances - September 30, 2025	$ 119,158	$ 21,673	$ 32,454	$ 480,266	$ 422,732	$ 5,965,797

Special Revenue Funds					Capital	Total Nonmajor
Natural Disaster Fund	Scales Fund	Diversion Program	Parks-Rec Sales Tax Fund	Keno Betterment	Projects Fund	Governmental Funds
$ -	$ -	$ -	$ 811,048	$ -	$ -	$ 3,244,201
-	-	-	-	211,069	-	211,069
-	-	-	-	-	-	76,421
-	-	1,219	-	-	-	55,788
-	-	-	-	-	-	353,275
36,593	347	404	92,379	13,494	-	455,758
-	17,000	-	-	7,200	-	108,849
36,593	17,347	1,623	903,427	231,763	-	4,505,361
61,219	-	-	-	72,682	-	314,089
-	1,329	-	-	-	-	125,227
-	-	-	-	-	290,502	1,840,293
-	-	-	26,142	-	-	153,263
200,589	-	-	-	150,000	5,042,797	7,608,978
261,808	1,329	-	26,142	222,682	5,333,299	10,041,850
(225,215)	16,018	1,623	877,285	9,081	(5,333,299)	(5,536,489)
-	-	-	-	-	5,500,000	5,818,000
-	-	-	-	(13,000)	-	(111,871)
-	-	-	-	(13,000)	5,500,000	5,706,129
(225,215)	16,018	1,623	877,285	(3,919)	166,701	169,640
2,298,672	37,047	16,313	1,800,680	406,464	(1,009,959)	13,785,842
$ 2,073,457	$ 53,065	$ 17,936	$ 2,677,965	$ 402,545	$ (843,258)	$ 13,955,482

CITY OF HASTINGS, NEBRASKA

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2025

	Health Insurance Fund	I T Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,504,089	$ 23,904	$ 3,527,993
Certificates of deposit	5,600,000	-	5,600,000
Accounts receivable	-	145,934	145,934
Reinsurance receivable	386,680	-	386,680
Interest receivable	43,394	-	43,394
Total current assets	9,534,163	169,838	9,704,001
LIABILITIES			
Current liabilities:			
Accounts payable	338	32,139	32,477
Claims incurred not paid	501,065	-	501,065
Accrued wages	-	30,877	30,877
Total current liabilities	501,403	63,016	564,419
Noncurrent liabilities:			
Compensated absences - noncurrent	-	160,001	160,001
Total liabilities	501,403	223,017	724,420
NET POSITION			
Unrestricted	$ 9,032,760	$ (53,179)	$ 8,979,581

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

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

For the year ended September 30, 2025

	Health Insurance Fund	I T Fund	Total
Operating revenues:			
Interdepartmental charges	$ -	$ 1,885,013	$ 1,885,013
Health insurance funding-interdepartmental	5,424,696	-	5,424,696
Employee premiums	1,913,421	-	1,913,421
Reinsurance receipts	1,001,791	-	1,001,791
Total operating revenues	8,339,908	1,885,013	10,224,921
Operating expenses:			
Personnel costs	-	1,527,455	1,527,455
Utilities	-	960	960
Supplies	-	4,607	4,607
Professional fees	-	29,024	29,024
Dues and training	-	2,924	2,924
Software	-	1,489,153	1,489,153
Computer equipment	-	407,702	407,702
Insurance claims and health premiums	10,044,577	-	10,044,577
Total operating expenses	10,044,577	3,461,825	13,506,402
Operating loss	(1,704,669)	(1,576,812)	(3,281,481)
Nonoperating revenues (expenses):			
Interest income	381,539	-	381,539
Deficiency of revenues over expenditures	(1,323,130)	(1,576,812)	(2,899,942)
OTHER FINANCING SOURCES			
Transfers in	-	1,468,241	1,468,241
Change in net position	(1,323,130)	(108,571)	(1,431,701)
Net position - September 30, 2024	10,355,890	55,392	10,411,282
Net position - September 30, 2025	$ 9,032,760	$ (53,179)	$ 8,979,581

See notes to financial statements.

CITY OF HASTINGS, NEBRASKA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the year ended September 30, 2025

	Health Insurance Fund	I T Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds	$ 8,224,804	$ 1,963,614	$ 10,188,418
Payments to suppliers	(9,900,010)	(1,947,414)	(11,847,424)
Payments to employees	-	(1,463,947)	(1,463,947)
Net cash used by operating activities	(1,675,206)	(1,447,747)	(3,122,953)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from General Fund	-	1,468,241	1,468,241
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in certificates of deposit	(5,600,000)	-	(5,600,000)
Interest received	354,359	-	354,359
Net cash used by investing activities	(5,245,641)	-	(5,245,641)
Increase (decrease) in cash and cash equivalents	(6,920,847)	20,494	(6,900,353)
Cash and cash equivalents - beginning of the year	10,424,936	3,410	10,428,346
Cash and cash equivalents - end of the year	$ 3,504,089	$ 23,904	$ 3,527,993
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	$ (1,704,669)	$ (1,576,812)	$ (3,281,481)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Change in assets and liabilities:			
Accounts receivable	-	78,601	78,601
Reinsurance receivable	(115,104)	-	(115,104)
Accounts payable	-	(13,044)	(13,044)
Claims incurred not paid	144,567	-	144,567
Accrued expenses	-	63,508	63,508
Net cash used by operating activities	$ (1,675,206)	$ (1,447,747)	$ (3,122,953)

See notes to financial statements.

ADDITIONAL INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

AMGL
CPAs & Advisors

SHAREHOLDERS:
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon
Jamie L. Clemans
Travis L. Arnold

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hastings, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 10, 2026.

Report on Internal Control Over Financial Reporting

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

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

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Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.
and offers wealth management and investment advisory services.

A PROFESSIONAL CORPORATION

Our consideration of internal control over financial reporting 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. We identified a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

Segregation of Duties

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

Report on Compliance and Other Matters

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

Bank balances at one financial institution exceeded FDIC coverage and pledged securities by $274,973 at September 30, 2025.

City of Hastings' Response to Findings

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

Purpose of this Report

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

AMGL, P.C.

Grand Island, Nebraska
February 10, 2026