

CITY OF ALMA, 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 Alma, 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 Alma, 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, based on our audit 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 Alma, 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 Alma, 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.

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 Alma, 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.

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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 Alma, 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 Alma, 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 Alma, Nebraska's basic financial statements. The nonmajor fund combining statements and the statement of revenue and expenditures by General Fund department 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, based on our audit 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 March 20, 2026, on our consideration of the City of Alma, 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 Alma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alma, Nebraska's internal control over financial reporting and compliance.

AMCL, P.C.

Grand Island, Nebraska
March 20, 2026

**CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2025**

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

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

Financial Highlights

- The assets of the City of Alma exceeded its liabilities at the close of the most recent fiscal year by \$12,141,420 (*net position*). Of this amount, \$2,809,192 (*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 Alma governmental activities reported combined ending net position of \$8,455,109. Approximately 14.0 percent of this total amount, \$1,182,562, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$437,473, or 27.4 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 Alma’s basic financial statements. The City of Alma’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and 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 Alma’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Alma’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Alma 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 Alma that are principally supported by taxes and intergovernmental revenues (*governmental activities*)

CITY OF ALMA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

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 Alma include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the City of Alma include the Gas, Water, Sewer, Trash, Electric, Golf and RV Park Enterprise Funds.

The government-wide financial statements can be found on pages 14 and 15 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 Alma, 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 Alma 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 Alma maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, and the Airport Fund, all of which are considered to be major funds. Data from the other two 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 Alma adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, and Airport Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds. The City of Alma maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Alma uses enterprise funds to account for its Gas, Water, Sewer, Trash, Electric, Golf and RV Park Funds.

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

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 Gas, Water, Sewer, Trash, Electric, Golf and RV Park Funds, all of which are considered to be major funds of the City of Alma.

The basic proprietary fund financial statements can be found on pages 20-23 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 24-54 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 Alma’s budgetary comparison schedules. Required supplementary information can be found on pages 55-58 of this report.

The nonmajor governmental funds combining statements and the statement of General Fund revenue and expenditures by department can be found on pages 59-61.

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 Alma, assets exceeded liabilities by \$12,141,420 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	\$ 2,388,067	\$ 1,835,132	\$ 4,223,199	\$ 2,295,497	\$ 1,763,261	\$ 4,058,758
Capital Assets	7,859,475	2,750,603	10,610,078	7,444,771	2,732,263	10,177,034
Total Assets	10,247,542	4,585,735	14,833,277	9,740,268	4,495,524	14,235,792
Long-term Liabilities	1,188,500	613,995	1,802,495	1,408,436	690,935	2,099,371
Other Liabilities	603,933	285,429	889,362	270,572	257,558	528,130
Total Liabilities	1,792,433	899,424	2,691,857	1,679,008	948,493	2,627,501
Net Position:						
Net Investment in						
Capital Assets	6,451,039	2,059,681	8,510,720	5,832,720	1,959,632	7,792,352
Restricted	821,508	-	821,508	740,586	-	740,586
Unrestricted	1,182,562	1,626,630	2,809,192	1,487,954	1,587,399	3,075,353
Total Net Position	\$ 8,455,109	\$ 3,686,311	\$ 12,141,420	\$ 8,061,260	\$ 3,547,031	\$ 11,608,291

By far the largest portion of the City of Alma’s net position (70.1 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Alma uses these capital assets to provide services to citizens; consequently, these assets are *not* available for

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

future spending. Although the City of Alma’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Alma’s net position (6.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,809,192) 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 Alma is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities.

Expenses and Program Revenues – Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 352,964	\$ 320,316	\$ 8,629	\$ 196,899
Public Safety	-	43,690	-	45,961
Public Works	-	207,363	-	210,718
Recreation	76,321	344,544	57,656	305,118
Airport	134,728	67,011	45,052	38,239
Economic Development	-	37,809	-	47,361
Interest	-	36,904	-	40,914
Depreciation	-	450,036	-	455,528
Total	<u>\$ 564,013</u>	<u>\$ 1,507,673</u>	<u>\$ 111,337</u>	<u>\$ 1,340,738</u>

CITY OF ALMA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Revenues by Source – Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for Services	\$ 73,159	3.85 %	\$ 66,189	4.43 %
Operating Grants and Contributions	39,092	2.06	30,080	2.01
Capital Grants and Contributions	451,762	23.76	15,068	1.01
Property Taxes	348,626	18.33	319,679	21.40
Motor Vehicle Taxes	29,727	1.56	27,930	1.87
Sales Tax	455,761	23.97	502,506	33.64
Franchise Taxes	3,173	0.17	2,627	0.18
TIF Proceeds	46,393	2.44	39,667	2.65
State Allocation	218,206	11.47	229,679	15.37
Miscellaneous	28,540	1.50	57,468	3.85
Gain on Disposal of Property	-	-	9,748	0.65
Interest	70,308	3.70	70,643	4.73
Transfers	136,775	7.19	122,710	8.21
Total	<u>\$ 1,901,522</u>	<u>100.00 %</u>	<u>\$ 1,493,994</u>	<u>100.00 %</u>

Net position increased \$393,849 in the governmental activities during the year ended September 30, 2025.

Business-type activities. Business-type activities increased the City of Alma's net position by \$139,280. Key elements of this increase are as follows:

Expenses and Program Revenues – Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Gas	\$ 592,168	\$ 687,077	\$ 503,511	\$ 613,496
Water	442,782	372,222	379,925	282,938
Sewer	142,184	130,698	122,153	122,821
Trash	206,534	205,921	215,002	177,386
Electric	4,516	11,923	2,832	12,063
Golf	413,503	334,374	324,297	321,800
RV Park	65,368	33,043	62,554	36,162
Total	<u>1,867,055</u>	<u>1,775,258</u>	<u>1,610,274</u>	<u>1,566,666</u>
Interfund transfers	-	136,775	-	122,710
	<u>\$ 1,867,055</u>	<u>\$ 1,912,033</u>	<u>\$ 1,610,274</u>	<u>\$ 1,689,376</u>

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for Services	\$ 1,814,061	88.43 %	\$ 1,610,274	90.00 %
Grants and Contributions	52,994	2.58	-	-
Franchise Fees	184,135	8.98	178,721	9.99
Interest	123	0.01	127	0.01
Total	<u>\$ 2,051,313</u>	<u>100.00 %</u>	<u>\$ 1,789,122</u>	<u>100.00 %</u>

Financial Analysis of the Government’s Funds

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

Governmental Funds. The focus of the City of Alma’s *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Alma’s 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 Alma governmental funds reported combined ending fund balances of \$1,951,670. Approximately 22.4 percent of this total amount (\$437,473) 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) restricted for hospital bond debt service (\$291,838), 2) restricted for street improvements (\$480,875), 3) restricted for Federal programs (\$48,795), 4) assigned for airport (\$60,543), 5) nonspendable for inventory and prepaids (\$30,253), or 6) assigned for budgetary stabilization (\$601,893).

The General Fund is the chief operating fund of the City of Alma. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$437,473, while total fund balance was \$1,052,777. 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 27.4 percent of total General Fund expenditures, while total fund balance represents 65.9 percent of that same amount.

The fund balance of the City of Alma’s General Fund decreased by \$(284,384) during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year was as follows: Gas Fund – \$570,149, Water Fund – \$443,573, Sewer Fund – \$133,823, Trash Fund – \$126,956, Electric Fund – \$16,547, Golf Fund – \$67,336, and RV Park Fund – \$268,246. The change in net position for the proprietary funds was as follows: Gas Fund – decrease of \$(94,909), Water Fund

**CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025**

– increase of \$72,498, Sewer Fund – increase of \$61,261, Trash Fund – increase of \$613, Electric Fund – decrease of \$(4,272), Golf Fund – increase of \$71,764, and RV Park Fund – increase of \$32,325. Other factors concerning the finances of these seven funds have already been addressed in the discussion of the City of Alma’s business-type activities.

Budgetary Highlights

There were no differences between the original and final budget for the City of Alma for the year ended September 30, 2025.

Capital Asset and Debt Administration

Capital Assets. The City of Alma’s investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$10,610,078 (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 events (individually greater than \$10,000) during the current fiscal year included the following:

- EV charging station - \$89,979
- Auditorium renovation construction in progress - \$621,683
- Snow plow - \$10,835
- Airport hangar construction in progress - \$122,599
- Water SCADA system - \$73,369
- South Street lift station rehabilitation construction in progress - \$21,713
- 2024 GMC Sierra 3500HD - \$49,754
- Greenmaster 3300 mower - \$50,564

**City of Alma's Capital Assets
(net of depreciation)**

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 163,751	\$ 242,856	\$ 406,607	\$ 163,751	\$ 242,856	\$ 406,607
Construction in Progress	744,282	21,713	765,995	-	-	-
Buildings and Improvements	4,237,758	331,046	4,568,804	4,481,652	362,064	4,843,716
Machinery and Equipment	340,957	389,884	730,841	311,057	357,406	668,463
Infrastructure	2,372,727	-	2,372,727	2,488,311	-	2,488,311
Distribution Systems	-	1,765,104	1,765,104	-	1,769,937	1,769,937
Total	<u>\$ 7,859,475</u>	<u>\$ 2,750,603</u>	<u>\$ 10,610,078</u>	<u>\$ 7,444,771</u>	<u>\$ 2,732,263</u>	<u>\$ 10,177,034</u>

**CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025**

Additional information on the City of Alma’s capital assets can be found in Note C5 on pages 43-45 of this report.

Long-term debt. At the end of the current fiscal year, the City of Alma had total bonded debt and notes payable outstanding of \$2,099,358.

City of Alma's Outstanding Debt

	Year Ended September 30, 2025			Year Ended September 30, 2024		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
Bonds Payable	\$ 1,363,100	\$ 575,900	\$ 1,939,000	\$ 1,522,700	\$ 615,300	\$ 2,138,000
Notes Payable	-	115,022	115,022	-	157,331	157,331
Financing Agreement	45,336	-	45,336	89,351	-	89,351
Total	\$ 1,408,436	\$ 690,922	\$ 2,099,358	\$ 1,612,051	\$ 772,631	\$ 2,384,682

The City of Alma’s total debt decreased by \$285,324 (12.0 percent) during the current fiscal year, due to scheduled payments.

The City of Alma does not have a bond rating.

Additional information on the City of Alma’s long-term debt can be found in Note C7 on pages 46-49 of this report.

Economic Factors and Next Year’s Budgets and Rates

- Property tax asking for the year ending September 30, 2026, is \$342,764, an increase of \$5,824 (1.7 percent) from the prior year. The general tax asking was \$262,974, an increase of \$5,824 (2.3 percent) and the pool bond debt service tax asking was \$79,790, the same as the prior year.
- The City’s taxable valuation for 2025-2026 was \$112,707,033, an increase of \$1,914,854 (1.7 percent) from the prior year.
- The City’s property tax levy for 2025-2026 was \$0.304119, the same as the prior year.
- The City is considering increasing gas and trash rates.
- At September 30, 2025, the City had commitments of \$228,841 on the airport hangar, \$46,696 on the auditorium renovation and \$14,475 on the South Street lift station rehabilitation.

All of these factors were considered in preparing the City of Alma’s budget for the 2026 fiscal year.

CITY OF ALMA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Request for Information

This financial report is designed to provide a general overview of the City of Alma's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Alma, P.O. Box 468, Alma, NE 68920.

CITY OF ALMA, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 820,340	\$ 1,101,522	\$ 1,921,862	\$ 629
Certificates of deposit	535,636	507,000	1,042,636	-
County treasurer cash	22,695	-	22,695	3,333
Receivables:				
Accounts, net of allowance for doubtful accounts	-	84,564	84,564	-
Unbilled revenue	-	15,454	15,454	-
Current portion of notes receivable	7,009	-	7,009	-
Lease	-	15,823	15,823	-
Property tax	12,875	-	12,875	-
Sales tax	82,601	-	82,601	-
Inventory	11,402	81,667	93,069	-
Prepaid expenses	18,851	8,426	27,277	-
Total current assets	<u>1,511,409</u>	<u>1,814,456</u>	<u>3,325,865</u>	<u>3,962</u>
Noncurrent assets:				
Restricted cash and cash equivalents	272,772	20,676	293,448	-
Restricted certificates of deposit	558,495	-	558,495	-
Noncurrent portion of notes receivable	45,391	-	45,391	-
Capital assets:				
Land	163,751	242,856	406,607	-
Construction in progress	744,282	21,713	765,995	-
Depreciable capital assets, net of depreciation	6,951,442	2,486,034	9,437,476	-
Net capital assets	<u>7,859,475</u>	<u>2,750,603</u>	<u>10,610,078</u>	<u>-</u>
Total noncurrent assets	<u>8,736,133</u>	<u>2,771,279</u>	<u>11,507,412</u>	<u>-</u>
Total assets	<u>10,247,542</u>	<u>4,585,735</u>	<u>14,833,277</u>	<u>3,962</u>
LIABILITIES				
Current liabilities:				
Accounts payable	356,900	124,422	481,322	-
Advance utility collections	-	12,154	12,154	-
Accrued expenses	26,997	51,230	78,227	-
Customer deposits	100	20,696	20,796	-
Current portion of long-term obligations	219,936	76,927	296,863	-
Total current liabilities	<u>603,933</u>	<u>285,429</u>	<u>889,362</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	1,188,500	613,995	1,802,495	-
Total liabilities	<u>1,792,433</u>	<u>899,424</u>	<u>2,691,857</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	6,451,039	2,059,681	8,510,720	-
Restricted for:				
Street improvements	480,875	-	480,875	-
Federal programs	48,795	-	48,795	-
Hospital bond debt service	291,838	-	291,838	-
Unrestricted	1,182,562	1,626,630	2,809,192	3,962
Total net position	<u>\$ 8,455,109</u>	<u>\$ 3,686,311</u>	<u>\$ 12,141,420</u>	<u>\$ 3,962</u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 320,316	\$ 5,900	\$ -
Public safety	43,690	-	-
Public works	207,363	-	-
Environment and leisure	344,544	37,229	39,092
Airport	67,011	30,030	-
Economic development	37,809	-	-
Interest and fees on long-term debt	36,904	-	-
Depreciation - unallocated	450,036	-	-
Total governmental activities	1,507,673	73,159	39,092
Business-type activities:			
Gas	687,077	592,168	-
Water	372,222	442,782	-
Sewer	130,698	142,184	-
Trash	205,921	206,534	-
Electric	11,923	4,516	-
Golf	334,374	360,509	52,994
RV Park	33,043	65,368	-
Total business-type activities	1,775,258	1,814,061	52,994
Total primary government	\$ 3,282,931	\$ 1,887,220	\$ 92,086
Component unit:			
Community Redevelopment Authority	\$ 51,554	\$ -	\$ -

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Governmental Activities	Business-type Activities	Total	
\$ 347,064	\$ 32,648		\$ 32,648	
-	(43,690)		(43,690)	
-	(207,363)		(207,363)	
-	(268,223)		(268,223)	
104,698	67,717		67,717	
-	(37,809)		(37,809)	
-	(36,904)		(36,904)	
-	(450,036)		(450,036)	
<u>451,762</u>	<u>(943,660)</u>	<u>\$ -</u>	<u>(943,660)</u>	
-	-	(94,909)	(94,909)	
-	-	70,560	70,560	
-	-	11,486	11,486	
-	-	613	613	
-	-	(7,407)	(7,407)	
-	-	79,129	79,129	
-	-	32,325	32,325	
<u>-</u>	<u>-</u>	<u>91,797</u>	<u>91,797</u>	
<u>\$ 451,762</u>	<u>(943,660)</u>	<u>91,797</u>	<u>(851,863)</u>	
<u>\$ -</u>				\$ (51,554)
General revenues:				
Taxes:				
Property	348,626	-	348,626	-
Motor vehicle	29,727	-	29,727	-
Sales tax	455,761	-	455,761	-
Franchise	3,173	184,135	187,308	-
TIF proceeds	46,393	-	46,393	43,323
State allocation	218,206	-	218,206	-
Miscellaneous	28,540	-	28,540	-
Interest income	70,308	123	70,431	43
Interfund transfers	136,775	(136,775)	-	-
Total general revenues	<u>1,337,509</u>	<u>47,483</u>	<u>1,384,992</u>	<u>43,366</u>
Change in net position	393,849	139,280	533,129	(8,188)
Net position - September 30, 2024	<u>8,061,260</u>	<u>3,547,031</u>	<u>11,608,291</u>	<u>12,150</u>
Net position - September 30, 2025	<u>\$ 8,455,109</u>	<u>\$ 3,686,311</u>	<u>\$ 12,141,420</u>	<u>\$ 3,962</u>

CITY OF ALMA, NEBRASKA

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

September 30, 2025

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 751,864	\$ 220,634	\$ 68,476	\$ 52,138	\$ 1,093,112
Certificates of deposit	530,636	270,000	5,000	288,495	1,094,131
County treasurer cash	22,695	-	-	-	22,695
Receivables:					
Property tax	12,875	-	-	-	12,875
Sales tax	56,985	25,616	-	-	82,601
Inventory	-	-	11,402	-	11,402
Prepaid expenses	13,411	2,963	2,477	-	18,851
	<u>13,411</u>	<u>2,963</u>	<u>2,477</u>	<u>-</u>	<u>18,851</u>
Total assets	<u>\$ 1,388,466</u>	<u>\$ 519,213</u>	<u>\$ 87,355</u>	<u>\$ 340,633</u>	<u>\$ 2,335,667</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 319,399	\$ 24,568	\$ 12,933	\$ -	\$ 356,900
Payroll withholdings	(526)	-	-	-	(526)
Accrued payroll	4,244	1,913	-	-	6,157
Accrued compensated absences	5,797	4,715	-	-	10,512
Accrued interest payable	6,675	4,179	-	-	10,854
Customer deposits	100	-	-	-	100
	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total liabilities	<u>335,689</u>	<u>35,375</u>	<u>12,933</u>	<u>-</u>	<u>383,997</u>
Fund balances:					
Nonspendable:					
Inventory and prepaids	13,411	2,963	13,879	-	30,253
Restricted for:					
Street improvements	-	480,875	-	-	480,875
Federal programs	-	-	-	48,795	48,795
Hospital bond debt service	-	-	-	291,838	291,838
Assigned for:					
Airport	-	-	60,543	-	60,543
Budgetary stabilization	601,893	-	-	-	601,893
Unassigned	437,473	-	-	-	437,473
	<u>437,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,473</u>
Total fund balances	<u>1,052,777</u>	<u>483,838</u>	<u>74,422</u>	<u>340,633</u>	<u>1,951,670</u>
Total liabilities and fund balances	<u>\$ 1,388,466</u>	<u>\$ 519,213</u>	<u>\$ 87,355</u>	<u>\$ 340,633</u>	<u>\$ 2,335,667</u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

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

September 30, 2025

Total fund balances - governmental funds		\$ 1,951,670
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Notes receivable are not recorded as an asset in the fund financial statements.		52,400
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 \$13,563,744 and the accumulated depreciation is \$5,704,269.		7,859,475
Long-term liabilities, including bonds and financing agreement payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements. Long-term liabilities at year end consist of:		
Bonds payable	\$ (1,363,100)	
Financing agreement payable	<u>(45,336)</u>	<u>(1,408,436)</u>
Total net position - governmental activities		<u><u>\$ 8,455,109</u></u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2025

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 348,626	\$ -	\$ -	\$ -	\$ 348,626
Motor vehicle	29,727	-	-	-	29,727
Sales tax	349,021	106,740	-	-	455,761
Franchise	3,173	-	-	-	3,173
TIF proceeds	46,393	-	-	-	46,393
Intergovernmental	21,315	196,891	-	-	218,206
Licenses and permits	7,081	-	-	-	7,081
Charges for services	33,547	-	14,550	-	48,097
Rent	2,501	-	15,480	-	17,981
Grants and donations	386,156	-	104,698	-	490,854
Loan collections	-	-	-	26,850	26,850
Interest income	60,697	-	-	9,611	70,308
Other income	6,079	19,603	1,500	-	27,182
Total revenues	<u>1,294,316</u>	<u>323,234</u>	<u>136,228</u>	<u>36,461</u>	<u>1,790,239</u>
EXPENDITURES					
General government	311,163	-	-	160	311,323
Public safety	43,690	-	-	-	43,690
Public works	10,896	196,467	-	-	207,363
Environment and leisure	344,544	-	-	-	344,544
Airport	-	-	67,011	-	67,011
Economic development	37,809	-	-	-	37,809
Capital outlay	731,306	10,835	122,599	-	864,740
Principal payments on debt	95,000	108,615	-	-	203,615
Interest on long-term debt	24,063	12,841	-	-	36,904
Total expenditures	<u>1,598,471</u>	<u>328,758</u>	<u>189,610</u>	<u>160</u>	<u>2,116,999</u>
Excess (deficiency) of revenues over expenditures	(304,155)	(5,524)	(53,382)	36,301	(326,760)
OTHER FINANCING SOURCES					
Transfers from other funds	19,771	30,000	67,000	20,004	136,775
Net change in fund balances	(284,384)	24,476	13,618	56,305	(189,985)
Fund balances - September 30, 2024	<u>1,337,161</u>	<u>459,362</u>	<u>60,804</u>	<u>284,328</u>	<u>2,141,655</u>
Fund balances - September 30, 2025	<u>\$ 1,052,777</u>	<u>\$ 483,838</u>	<u>\$ 74,422</u>	<u>\$ 340,633</u>	<u>\$ 1,951,670</u>

See notes to financial statements.

CITY OF ALMA, 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	\$ (189,985)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Payments on notes receivable are reported in the governmental funds as revenue, but the payments decrease notes receivable in the statement of net position.	(25,492)
The forgiveness of notes receivable is reported as an expense in the statement of activities. Notes receivable are not reported in the governmental funds.	(8,993)
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 (\$864,740) exceeds depreciation expense (\$450,036) during the period.	414,704
Repayment of bond, note and financing agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>203,615</u>
Change in net position of governmental activities	<u><u>\$ 393,849</u></u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2025

	Enterprise Funds			
	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Trash Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 240,808	\$ 299,463	\$ 129,024	\$ 108,143
Certificates of deposit	410,000	90,000	7,000	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	41,579	16,925	26,060
Lease	-	-	-	-
Unbilled revenue	4,538	8,271	2,645	-
Inventory	27,105	27,930	-	-
Prepaid expenses	538	2,548	133	2,585
Total current assets	<u>682,989</u>	<u>469,791</u>	<u>155,727</u>	<u>136,788</u>
Noncurrent assets:				
Restricted cash and cash equivalents	9,063	5,857	5,756	-
Capital assets:				
Land	1,000	77,068	135,588	7,200
Construction in progress	-	-	21,713	-
Distribution systems	222,693	2,390,528	623,258	-
Buildings and improvements	4,882	5,785	415,546	70,073
Equipment	171,445	255,912	207,020	661,326
Less accumulated depreciation	<u>(270,698)</u>	<u>(1,615,723)</u>	<u>(729,311)</u>	<u>(503,666)</u>
Net capital assets	<u>129,322</u>	<u>1,113,570</u>	<u>673,814</u>	<u>234,933</u>
Total noncurrent assets	<u>138,385</u>	<u>1,119,427</u>	<u>679,570</u>	<u>234,933</u>
Total assets	<u>821,374</u>	<u>1,589,218</u>	<u>835,297</u>	<u>371,721</u>
LIABILITIES				
Current liabilities:				
Accounts payable	82,017	9,936	14,992	6,218
Advance utility collections	12,154	-	-	-
Accrued payroll	5,728	1,331	-	1,200
Accrued compensated absences	11,969	11,468	4,715	2,304
Accrued interest payable	-	3,205	1,478	90
Sales tax payable	972	278	719	-
Customer deposits	9,063	5,857	5,756	20
Current portion of long-term obligations	-	19,600	21,432	31,095
Total current liabilities	<u>121,903</u>	<u>51,675</u>	<u>49,092</u>	<u>40,927</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	-	318,500	217,495	-
Total liabilities	<u>121,903</u>	<u>370,175</u>	<u>266,587</u>	<u>40,927</u>
NET POSITION				
Net investment in capital assets	129,322	775,470	434,887	203,838
Unrestricted	570,149	443,573	133,823	126,956
Total net position	<u>\$ 699,471</u>	<u>\$ 1,219,043</u>	<u>\$ 568,710</u>	<u>\$ 330,794</u>

See notes to financial statements.

Enterprise Funds			
Electric Fund	Golf Fund	RV Park Fund	Total
\$ 1,509	\$ 53,692	\$ 268,883	\$ 1,101,522
-	-	-	507,000
-	-	-	84,564
15,823	-	-	15,823
-	-	-	15,454
-	26,632	-	81,667
-	1,973	649	8,426
<u>17,332</u>	<u>82,297</u>	<u>269,532</u>	<u>1,814,456</u>
-	-	-	20,676
-	22,000	-	242,856
-	-	-	21,713
364,798	-	-	3,601,277
-	470,969	131,091	1,098,346
-	345,372	21,047	1,662,122
(121,740)	(556,294)	(78,279)	(3,875,711)
<u>243,058</u>	<u>282,047</u>	<u>73,859</u>	<u>2,750,603</u>
<u>243,058</u>	<u>282,047</u>	<u>73,859</u>	<u>2,771,279</u>
<u>260,390</u>	<u>364,344</u>	<u>343,391</u>	<u>4,585,735</u>
-	10,035	1,224	124,422
-	-	-	12,154
-	3,309	-	11,568
-	-	-	30,456
785	-	-	5,558
-	1,617	62	3,648
-	-	-	20,696
<u>4,800</u>	<u>-</u>	<u>-</u>	<u>76,927</u>
<u>5,585</u>	<u>14,961</u>	<u>1,286</u>	<u>285,429</u>
<u>78,000</u>	<u>-</u>	<u>-</u>	<u>613,995</u>
<u>83,585</u>	<u>14,961</u>	<u>1,286</u>	<u>899,424</u>
160,258	282,047	73,859	2,059,681
16,547	67,336	268,246	1,626,630
<u>\$ 176,805</u>	<u>\$ 349,383</u>	<u>\$ 342,105</u>	<u>\$ 3,686,311</u>

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2025

	Enterprise Funds			
	Gas Fund	Water Fund	Sewer Fund	Trash Fund
Operating revenues:				
Charges for services	\$ 589,340	\$ 415,610	\$ 126,774	\$ 206,357
Franchise fees	-	-	-	-
Other revenue	2,828	27,172	15,410	177
Total operating revenues	<u>592,168</u>	<u>442,782</u>	<u>142,184</u>	<u>206,534</u>
Operating expenses:				
Purchased energy	330,293	-	-	-
Personnel services	289,305	119,839	48,524	73,374
Utilities and telephone	1,599	23,665	8,613	2,399
Repairs and maintenance	7,584	104,438	14,441	15,178
Supplies	1,984	7,505	32	621
Professional fees	9,300	9,952	8,015	7,455
Insurance and bonds	9,443	19,332	4,877	16,223
Fuel and transportation	1,290	1,695	-	8,620
Dues and fees	5,155	2,659	1,050	1,116
Contractual obligations	-	-	-	32,512
Miscellaneous	15,766	12,568	7,238	6,054
Depreciation	15,358	59,130	31,683	41,273
Total operating expenses	<u>687,077</u>	<u>360,783</u>	<u>124,473</u>	<u>204,825</u>
Operating income (loss)	(94,909)	81,999	17,711	1,709
Nonoperating revenues (expenses):				
Interest income	-	-	-	-
Contributions	-	-	-	-
Interest expense	-	(11,439)	(5,338)	(1,096)
Loan administration fees	-	-	(887)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(11,439)</u>	<u>(6,225)</u>	<u>(1,096)</u>
Income (loss) before interfund transfers	(94,909)	70,560	11,486	613
Interfund transfers:				
Transfers from (to) other funds	<u>-</u>	<u>1,938</u>	<u>49,775</u>	<u>-</u>
Change in net position	(94,909)	72,498	61,261	613
Net position - September 30, 2024	<u>794,380</u>	<u>1,146,545</u>	<u>507,449</u>	<u>330,181</u>
Net position - September 30, 2025	<u>\$ 699,471</u>	<u>\$ 1,219,043</u>	<u>\$ 568,710</u>	<u>\$ 330,794</u>

See notes to financial statements.

Enterprise Funds			
Electric Fund	Golf Fund	RV Park Fund	Total
\$ -	\$ 355,542	\$ 65,121	\$ 1,758,744
184,135	-	-	184,135
4,516	4,967	247	55,317
<u>188,651</u>	<u>360,509</u>	<u>65,368</u>	<u>1,998,196</u>
-	-	-	330,293
-	147,469	-	678,511
-	22,451	10,618	69,345
-	19,185	2,109	162,935
-	90,969	192	101,303
-	-	-	34,722
-	11,668	2,285	63,828
-	5,757	-	17,362
-	563	-	10,543
-	-	12,656	45,168
-	20,406	417	62,449
9,121	15,729	4,766	177,060
<u>9,121</u>	<u>334,197</u>	<u>33,043</u>	<u>1,753,519</u>
179,530	26,312	32,325	244,677
-	123	-	123
-	52,994	-	52,994
(2,802)	(177)	-	(20,852)
-	-	-	(887)
<u>(2,802)</u>	<u>52,940</u>	<u>-</u>	<u>31,378</u>
176,728	79,252	32,325	276,055
<u>(181,000)</u>	<u>(7,488)</u>	<u>-</u>	<u>(136,775)</u>
(4,272)	71,764	32,325	139,280
<u>181,077</u>	<u>277,619</u>	<u>309,780</u>	<u>3,547,031</u>
<u>\$ 176,805</u>	<u>\$ 349,383</u>	<u>\$ 342,105</u>	<u>\$ 3,686,311</u>

CITY OF ALMA, NEBRASKA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Enterprise Funds	
	Gas Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 585,012	\$ 451,620
Payments to suppliers	(370,804)	(181,950)
Payments to employees	(283,748)	(115,515)
Net cash provided (used) by operating activities	(69,540)	154,155
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	-	1,938
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	-	(73,369)
Grants and contributions received	-	-
Principal payments on capital debt	-	(19,600)
Interest paid on capital debt	-	(11,625)
Loan administration fees on capital debt	-	-
Net cash used by capital and related financing activities	-	(104,594)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in restricted cash	350	75
Interest received	-	-
Net cash provided by investing activities	350	75
Increase (decrease) in cash and cash equivalents	(69,190)	51,574
Cash and cash equivalents - beginning of the year	309,998	247,889
Cash and cash equivalents - end of the year	\$ 240,808	\$ 299,463

See notes to financial statements.

Enterprise Funds

<u>Sewer Fund</u>	<u>Trash Fund</u>	<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 140,192	\$ 207,116	\$ 190,156	\$ 360,509	\$ 65,368	\$ 1,999,973
(30,862)	(91,021)	-	(183,052)	(27,542)	(885,231)
(46,736)	(71,633)	-	(146,419)	-	(664,051)
<u>62,594</u>	<u>44,462</u>	<u>190,156</u>	<u>31,038</u>	<u>37,826</u>	<u>450,691</u>
49,775	-	(181,000)	(7,488)	-	(136,775)
(21,713)	(49,754)	-	(50,564)	-	(195,400)
-	-	-	52,994	-	52,994
(21,337)	(30,579)	(4,800)	(5,393)	-	(81,709)
(5,459)	(1,153)	(2,847)	(224)	-	(21,308)
(887)	-	-	-	-	(887)
(49,396)	(81,486)	(7,647)	(3,187)	-	(246,310)
75	-	-	-	-	500
-	-	-	123	-	123
<u>75</u>	<u>-</u>	<u>-</u>	<u>123</u>	<u>-</u>	<u>623</u>
63,048	(37,024)	1,509	20,486	37,826	68,229
<u>65,976</u>	<u>145,167</u>	<u>-</u>	<u>33,206</u>	<u>231,057</u>	<u>1,033,293</u>
<u>\$ 129,024</u>	<u>\$ 108,143</u>	<u>\$ 1,509</u>	<u>\$ 53,692</u>	<u>\$ 268,883</u>	<u>\$ 1,101,522</u>

CITY OF ALMA, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS, Continued**

For the Year Ended September 30, 2025

	Enterprise Funds	
	Gas Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (94,909)	\$ 81,999
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	15,358	59,130
Change in assets and liabilities:		
Accounts receivable and unbilled revenue	(1,832)	8,913
Inventories	1,742	(2,405)
Prepaid expenses	677	1,496
Accounts payable	9,110	810
Advance utility collections	(4,974)	-
Accrued payroll and compensated absences	5,557	4,324
Sales tax payable	81	(37)
Customer deposits	(350)	(75)
Net cash provided (used) by operating activities	\$ (69,540)	\$ 154,155

See notes to financial statements.

Enterprise Funds

<u>Sewer Fund</u>	<u>Trash Fund</u>	<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 17,711	\$ 1,709	\$ 179,530	\$ 26,312	\$ 32,325	\$ 244,677
31,683	41,273	9,121	15,729	4,766	177,060
(1,917)	582	1,505	-	-	7,251
-	-	-	(12,725)	-	(13,388)
319	(607)	-	265	(155)	1,995
12,975	(236)	-	223	880	23,762
-	-	-	-	-	(4,974)
1,788	1,741	-	1,050	-	14,460
110	-	-	184	10	348
(75)	-	-	-	-	(500)
<u>\$ 62,594</u>	<u>\$ 44,462</u>	<u>\$ 190,156</u>	<u>\$ 31,038</u>	<u>\$ 37,826</u>	<u>\$ 450,691</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City’s financial reporting entity comprises the following:

Primary Government:	City of Alma
Discretely Presented Component Unit:	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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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 is the discretely presented component unit:

Brief Description of Activities and Relationship
to the City:

Community Redevelopment Authority

Established to assist the City in redevelopment activities. The board members are appointed by the City and the City approves the budget.

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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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 ten 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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

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.

Major and Nonmajor Funds

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

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
Governmental:	
General	See page 27 for description.
Street	The Street Fund is a Special Revenue Fund that accounts for the City's share of highway allocation from the State of Nebraska.
Airport	The Airport Fund is a Special Revenue Fund that accounts for airport operations.
Proprietary:	
Enterprise:	
Gas, Water, Sewer, Trash, Electric, Golf and RV Park	See above for description.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. **Basis of Presentation, continued**

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor:</i>	
Special Revenue:	
CDBG	Accounts for the City’s share of Community Development Block Grant Program.
Hospital Bond Sinking	Accounts for funds collected by the City for the hospital’s bonds debt service.

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:

- 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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

- 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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities 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 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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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.

Restricted Assets

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

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 as their major receivables.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables, continued

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 compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The City has recorded an allowance for uncollectible accounts of \$10,000 in the business-type activities.

Inventory

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

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 in the Statement of Net Position. The City has a \$5,000 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. The City has elected the depreciation approach for reporting infrastructure.

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:

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Buildings	20-50 years
Improvements	10-50 years
Machinery and Equipment	3-20 years
Utility System	25-50 years

The governmental funds infrastructure assets are capitalized under the prospective method, valued at 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.

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.

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 bonds and notes payable.

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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Compensated Absences

During the year ended September 30, 2025, the City adopted GASB No. 101, Compensated Absences. The City’s policies regarding vacation time, sick leave and comp time permit employees to accumulate earned but unused leave. In the event of termination, an employee is paid for all unused accumulated vacation and comp time but is not paid for unused accumulated sick leave. Accumulated vacation time, comp time and sick leave estimated to be used during employment are accrued and recorded as a current liability in the government-wide and the fund financial statements for the governmental funds and proprietary funds.

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 net position” or “net investment in capital assets.”

Fund Financial Statements

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

Effective October 1, 2010, the City has 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:

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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 16). 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.

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a two-cent sales tax on taxable sales within the City. The sales tax is to be used for the following purposes:

- 1 cent – General operating costs
- 1/2 cent – Pool debt service
- 1/2 cent – Street and civic improvement and renovations

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Sales and Use Tax, continued

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. Eighty-two percent of the sales tax is recorded in the General Fund and used for budgeted operating expenses and pool debt service. The remaining eighteen percent is recorded in the Street Fund and used for budgeted expenses.

Sales taxes collected by the State in August and September and received by the City in October and November have been accrued and are included in receivables. As of October 1, 2006, sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

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 Harlan 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.

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. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Funds – by Operating and Nonoperating

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

Interfund Transfers

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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 bank deposits 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.

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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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 Alma adopts a budget by 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 the City's various assets, liabilities, equity, revenues, and expenditures/expenses.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

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.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 3,873,280	\$ 869,881	\$ 3,003,399	\$ -	\$ <u>3,817,070</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 1,921,862
Restricted cash and cash equivalents	293,448
Unrestricted certificates of deposit	1,042,636
Restricted certificates of deposit	<u>558,495</u>
Total Primary Government	3,816,441

Component Unit –

Unrestricted cash and cash equivalents	<u>629</u>
	\$ <u>3,817,070</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

2. Restricted Assets

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	\$ 272,772	\$ 20,676	\$ 293,448
Certificates of deposit	558,495	-	558,495
	<u>\$ 831,267</u>	<u>\$ 20,676</u>	<u>\$ 851,943</u>

The governmental activities' restricted assets as of September 30, 2025, consisted of \$490,634 in the Street Fund restricted for street improvements, \$48,795 in the CDBG Fund restricted for federal programs and \$291,838 in the Hospital Bond Sinking Fund restricted for hospital bond debt service.

The business-type activities restricted assets as of September 30, 2025, consisted of \$9,063 in the Gas Fund, \$5,857 in the Water Fund and \$5,756 in the Sewer Fund restricted for customer deposits.

3. Accounts Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Receivables detail at September 30, 2025, is as follows:

	<u>Business-type Activities</u>
Accounts receivable	\$ 94,564
Allowance for doubtful accounts	<u>(10,000)</u>
Net accounts receivable	<u>\$ 84,564</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

4. Notes Receivable

The CDBG Fund has made four rehab loans. Notes receivable at September 30, 2025, consisted of the following:

Note for \$22,063 dated May 27, 2021; due in 240 monthly payments of \$111.42 through June 1, 2041. The note bears interest at 2.0 percent. \$ 18,320

Note for \$18,641 dated June 24, 2021; due in 240 monthly payments of \$93.98 through July 1, 2041. The note bears interest at 2.0 percent. 15,316

Note for \$25,000 dated July 1, 2021; forgivable over five years through December 16, 2025. The note is non-interest bearing. 1,250

Note for \$24,999 dated December 24, 2018; due in 240 monthly payments of \$126.25 through January 1, 2039. The note bears interest at 2.0 percent. 17,514

Total governmental activities' notes receivable \$ 52,400

Current portion \$ 7,009

Noncurrent portion 45,391

Total \$ 52,400

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

5. Capital Assets

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

	<u>Balance at</u> <u>October 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2025</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 163,751	\$ -	\$ -	\$ 163,751
Construction in progress	-	744,282	-	744,282
Total capital assets not being depreciated	<u>163,751</u>	<u>744,282</u>	<u>-</u>	<u>908,033</u>
Other capital assets being depreciated:				
Infrastructure	3,179,278	-	-	3,179,278
Building and improvements	8,217,098	19,644	-	8,236,742
Equipment	1,138,877	100,814	-	1,239,691
Total other capital assets at historical cost	<u>12,535,253</u>	<u>120,458</u>	<u>-</u>	<u>12,655,711</u>
Less accumulated depreciation for:				
Infrastructure	(690,967)	(115,584)	-	(806,551)
Building and improvements	(3,735,446)	(263,538)	-	(3,998,984)
Equipment	(827,820)	(70,914)	-	(898,734)
Total accumulated depreciation	<u>(5,254,233)</u>	<u>(450,036) *</u>	<u>-</u>	<u>(5,704,269)</u>
Other capital assets, net	<u>7,281,020</u>	<u>(329,578)</u>	<u>-</u>	<u>6,951,442</u>
Governmental activities capital assets, net	<u>\$ 7,444,771</u>	<u>\$ 414,704</u>	<u>\$ -</u>	<u>\$ 7,859,475</u>

* Depreciation expense was incurred by the following governmental activities:

General Fund:

General government	\$ 15,403
Public safety	
Fire	2,128

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

5. Capital Assets, continued

Governmental Activities, continued

General Fund, continued:

Environment and leisure:

Community buildings	20,487
Library	2,215
Park	277
Pheasant Ridge trail	35,772
Pool	80,079
Recreation	<u>8,654</u>
Total environment and leisure	<u>147,484</u>

Total General Fund 165,015

Street Fund 88,054

Airport Fund 196,967

Total governmental activities depreciation expense \$ 450,036

Construction in progress at September 30, 2025, consists of costs of \$621,683 for the auditorium renovation and \$122,599 for the 1st Street storm sewer improvements. See note D4 for more information on construction commitments.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

5. Capital Assets, continued

	<u>October 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>September 30, 2025</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 242,856	\$ -	\$ -	\$ 242,856
Construction in progress	-	21,713	-	21,713
Total capital assets not being depreciated	242,856	21,713	-	264,569
Other capital assets being depreciated:				
Distribution systems	3,527,908	73,369	-	3,601,277
Buildings and improvements	1,098,346	-	-	1,098,346
Equipment	1,561,804	100,318	-	1,662,122
Total other capital assets at historical cost	6,188,058	173,687	-	6,361,745
Less accumulated depreciation for:				
Distribution systems	(1,757,971)	(78,202)	-	(1,836,173)
Buildings and improvements	(736,282)	(31,018)	-	(767,300)
Equipment	(1,204,398)	(67,840)	-	(1,272,238)
Total accumulated depreciation	(3,698,651)	(177,060) *	-	(3,875,711)
Other capital assets, net	2,489,407	(3,373)	-	2,486,034
Business-type activities capital assets, net	\$ 2,732,263	\$ 18,340	\$ -	\$ 2,750,603

* Depreciation expense was charged to functions as follows:

Gas	\$ 15,358
Water	59,130
Sewer	31,683
Trash	41,273
Electric	9,121
Golf	15,729
RV Park	4,766
Total business-type activities depreciation expense	\$ 177,060

Construction in progress at September 30, 2025, consists of costs of \$21,713 on the South Street lift station rehabilitation. See note D4 for more information on construction commitments.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

6. Accounts Payable

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

7. 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.

Changes in Long-term Debt

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

<u>Type of Debt</u>	<u>Balance at October 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2025</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 1,522,700	\$ -	\$ (159,600)	\$ 1,363,100	\$ 174,600
Financing agreement	89,351	-	(44,015)	45,336	45,336
	<u>\$ 1,612,051</u>	<u>\$ -</u>	<u>\$ (203,615)</u>	<u>\$ 1,408,436</u>	<u>\$ 219,936</u>
Business-type Activities:					
Bonds payable	\$ 615,300	\$ -	\$ (39,400)	\$ 575,900	\$ 39,400
Note payable	157,331	-	(42,309)	115,022	37,527
	<u>\$ 772,631</u>	<u>\$ -</u>	<u>\$ (81,709)</u>	<u>\$ 690,922</u>	<u>\$ 76,927</u>

Governmental Activities

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

General obligation swimming pool bonds, Series 2019, with an original issue amount of \$1,500,000. Interest rates range from 1.55 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2034. Paid by the General Fund. \$ 955,000

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

7. Long-term Debt, continued

Governmental Activities, continued

General obligation various purpose bonds, Series 2021, with an original issue amount of \$270,000. Interest rates range from 0.45 percent to 0.85 percent. Interest is due in semi-annual installments and principal is due in annual installments through April 15, 2028. Paid by the Street Fund. 120,000

Various purpose bonds, Series 2019, with an original issue amount of \$351,000. Interest at 3.25 percent is due in semi-annual installments and principal is due in annual installments through June 15, 2039. Paid by the Street Fund. 269,100

Various purpose refunding bonds, Series 2016, with an original issue amount of \$160,000. Interest rates range from 1.10 percent to 1.70 percent. Interest is due in semi-annual installments and principal is due in annual installments through September 1, 2026. Paid by the Street Fund. 19,000

On November 23, 2021, the City entered into a financing agreement with Kinetic Leasing for the purpose of financing a street sweeper. The original financed amount was \$219,996. Principal and interest at 3.00 percent are due in annual payments of \$46,695 through December 1, 2025. Paid by the Street Fund. 45,336

\$ 1,408,436

Current portion \$ 219,936

Noncurrent portion 1,188,500

Total \$ 1,408,436

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

7. 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:

Various purpose bonds, Series 2019, with an original issue amount of \$351,000. Interest at 3.25 percent is due in semi-annual installments and principal is due in annual installments through June 15, 2039. Paid by the Water and Electric Funds. \$ 420,900

On May 3, 2017, the City entered into an agreement with the Nebraska Department of Water, Energy, and Environment for the sewer force main project. The original loan was \$132,056. The loan bears interest at 1.50 percent and has a fee of 1.00 percent. The loan is due in semi-annual payments with final maturity on June 15, 2037. Paid by the Sewer Fund. 83,927

General obligation bonds, Series 2019, with an original issue amount of \$245,000. Interest rates range from 1.70 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2034. Paid by the Sewer Fund. 155,000

On June 22, 2021, the City entered into an agreement with Community Bank for a trash truck. The original loan was \$149,507. Principal and interest at 1.89 percent are due in annual payments of \$31,731 through August 15, 2026. Paid by the Trash Fund. 31,095

\$ 690,922

Current portion \$ 76,927
Noncurrent portion 613,995
Total \$ 690,922

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

7. Long-term Debt, continued

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

Year Ending September 30,	Governmental Activities			
	Direct Placement Debt		Other Debt Issues	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 45,336	\$ 1,360	\$ 174,600	\$ 32,974
2027	-	-	150,600	29,704
2028	-	-	155,600	26,862
2029	-	-	122,550	23,915
2030	-	-	122,550	20,824
3031-2035	-	-	547,500	54,138
2036-2039	-	-	89,700	7,415
	<u>\$ 45,336</u>	<u>\$ 1,360</u>	<u>\$ 1,363,100</u>	<u>\$ 195,832</u>

Year Ending September 30,	Business-type Activities				
	Direct Placement Debt			Other Debt Issues	
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 37,527	\$ 1,871	\$ 823	\$ 39,400	\$ 17,487
2027	6,529	1,138	759	39,400	16,371
2028	6,628	1,040	693	39,400	15,256
2029	6,727	940	627	42,450	14,140
2030	6,829	839	559	42,450	14,926
3031-2035	35,717	2,620	1,746	232,500	43,364
2036-2039	15,065	284	189	140,300	11,598
	<u>\$ 115,022</u>	<u>\$ 8,732</u>	<u>\$ 5,396</u>	<u>\$ 575,900</u>	<u>\$ 133,142</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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

8. Compensated Absences

Accrued compensated absences consisted of the following:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Governmental activities:				
Accrued vacation, comp time and sick leave	\$ 5,306	\$ 5,206	\$ -	\$ 10,512
Business-type activities:				
Accrued vacation, comp time and sick leave	\$ 20,562	\$ 9,894	\$ -	\$ 30,456

9. Interfund Transactions

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 679,320	\$ 659,549
Street Fund	30,000	-
Airport Fund	67,000	-
Nonmajor Funds	20,004	-
Water Fund	1,938	-
Sewer Fund	51,713	1,938
Electric Fund	-	181,000
Golf Fund	15,000	22,488
Total operating transfers	<u>\$ 864,975</u>	<u>\$ 864,975</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City of Alma has a contributory defined contribution employees' pension plan in which the employees of the City participate. Eligible employees may contribute up to the maximum allowed by law and the City matches up to five percent. Employees are eligible to participate after they have attained the age of 21 and are considered full-time employees.

All employees are fully vested in their own contributions and become vested in the City's contribution after five years' participation in the plan.

For the year ended September 30, 2025, the City's total payroll and covered payroll under the plan was \$766,307 and \$594,560, respectively. Both the City's contribution of \$29,728 and the covered employees' contribution of \$50,444 were made for the year ended September 30, 2025.

2. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

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, certificates of deposit, and insured money market funds.

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 and money market funds, minimizing credit risk associated with the City's investment portfolio.

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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:

<u>Maturities by Month</u>	<u>Amount</u>
October 2025	\$ 325,644
November 2025	85,250
January 2026	641,771
April 2026	440,890
June 2026	107,576
	<u>\$ 1,601,131</u>

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 and certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
First State Bank	\$ 1,016,939
Banner Capital Bank	498,942
Community Bank	85,250
Totals	<u>\$ 1,601,131</u>

3. Tax Abatements

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

3. Tax Abatements, continued

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

Information relevant to the abatements granted by the CRA for the year ended September 30, 2025 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2025 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2025</u>
Western Sky Phase 5	14	\$ 196,755	\$ 2,885
Western Sky Phase 4	13	1,130,617	16,577
Bosselman's	12	821,947	12,051
Western Sky Phase 3	12	1,465,983	21,494
Western Sky Phase 2	11	431,827	6,331
Western Sky Phase 1	10	427,084	6,262
Tripe Motor	8	1,191,090	17,463
Alma Auto Parts	4	520,572	<u>7,632</u>
			<u>\$ 90,695</u>

4. Commitments

Lease

On November 20 2023, the City entered into a sixty month lease for a copier from Hometown Leasing. Rent of \$228.54 is due monthly through October 2028.

Rent expense was \$2,742 for the year ended September 30, 2025. The following payments are due under the lease:

<u>Year Ending September 30,</u>	
2026	\$ 2,742
2027	2,742
2028	2,742
2029	229
	<u>\$ 8,455</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

4. Commitments

Construction

The City’s governmental activities had the following commitments as of September 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Airport hangar	\$ 339,190	\$ 110,349	\$ 228,841	Fall 2027
Auditorium renovation	66,000	28,556	37,444	December 2025
Auditorium renovation	55,500	46,248	9,252	December 2025
	<u>\$ 460,690</u>	<u>\$ 185,153</u>	<u>\$ 275,537</u>	

The City’s business-type activities had the following commitment as of September 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
South Street lift station	<u>\$ 28,950</u>	<u>\$ 14,475</u>	<u>\$ 14,475</u>	October 2025

5. Subsequent Events

Management has evaluated subsequent events through March 20, 2026, the date on which the financial statements were available for issue.

On November 19, 2025, the City Council approved a bid of \$473,384 from Philip Carkoski Construction for the South Street lift station rehabilitation.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALMA, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

Year Ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 333,604	\$ 343,929	\$ 10,325
Motor vehicle	27,000	29,727	2,727
Sales	375,000	358,399	(16,601)
Franchise	3,500	3,173	(327)
TIF proceeds	35,000	46,393	11,393
Intergovernmental	27,207	21,315	(5,892)
Licenses and permits	6,460	7,081	621
Charges for services	17,200	33,647	16,447
Rent	5,404	2,501	(2,903)
Grants and contributions	1,417,300	386,156	(1,031,144)
Interest income	20,000	60,697	40,697
Other	2,500	6,079	3,579
	<hr/>	<hr/>	<hr/>
Total resources	2,270,175	1,299,097	(971,078)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	338,026	308,093	(29,933)
Public safety	43,991	43,598	(393)
Public works	13,281	10,922	(2,359)
Environment and leisure	327,167	311,109	(16,058)
Economic development	51,500	37,809	(13,691)
Capital outlay	1,497,000	465,961	(1,031,039)
Principal payments on debt	95,000	95,000	-
Interest payments on debt	24,548	24,548	-
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,390,513	1,297,040	(1,093,473)
Resources over (under) charges to appropriations	(120,338)	2,057	122,395
OTHER FINANCING SOURCES (USES)			
Net transfers	(8,000)	19,771	27,771
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (128,338)</u>	<u>\$ 21,828</u>	<u>\$ 150,166</u>

CITY OF ALMA, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
STREET FUND

Year Ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 90,000	\$ 101,600	\$ 11,600
Intergovernmental	203,346	196,891	(6,455)
Other income	<u>12,400</u>	<u>19,603</u>	<u>7,203</u>
Total resources	305,746	318,094	12,348
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	270,061	191,748	(78,313)
Capital outlay	10,825	10,835	10
Principal payments on debt	108,614	108,615	1
Interest payments on debt	<u>13,672</u>	<u>14,182</u>	<u>510</u>
Total charges to appropriations	<u>403,172</u>	<u>325,380</u>	<u>(77,792)</u>
Resources under charges to appropriations	(97,426)	(7,286)	90,140
OTHER FINANCING SOURCES			
Net transfers	<u>30,000</u>	<u>30,000</u>	<u>-</u>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (67,426)</u>	<u>\$ 22,714</u>	<u>\$ 90,140</u>

CITY OF ALMA, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
AIRPORT FUND

Year Ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Charges for services	\$ 14,000	\$ 14,550	\$ 550
Rent	14,031	15,480	1,449
Grant income	450,000	104,698	(345,302)
Other income	1,500	1,500	-
	479,531	136,228	(343,303)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Operating expenditures	81,037	66,151	(14,886)
Capital outlay	500,000	110,349	(389,651)
	581,037	176,500	(404,537)
Resources under charges to appropriations	(101,506)	(40,272)	61,234
OTHER FINANCING SOURCES			
Net transfers	67,000	67,000	-
	67,000	67,000	-
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ (34,506)	\$ 26,728	\$ 61,234

CITY OF ALMA, 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**

	<u>General Fund</u>	<u>Street Fund</u>	<u>Airport Fund</u>
Sources/inflows of resources:			
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 1,299,097	\$ 318,094	\$ 136,228
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>(4,781)</u>	<u>5,140</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,294,316</u>	<u>\$ 323,234</u>	<u>\$ 136,228</u>
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 1,297,040	\$ 325,380	\$ 176,500
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>301,431</u>	<u>3,378</u>	<u>13,110</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,598,471</u>	<u>\$ 328,758</u>	<u>\$ 189,610</u>

SUPPLEMENTARY INFORMATION

CITY OF ALMA, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Special Revenue Funds		
	<u>CDBG</u>	<u>Hospital Bond Sinking</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 48,795	\$ 3,343	\$ 52,138
Certificates of deposit	-	288,495	288,495
	-	288,495	288,495
Total assets	\$ 48,795	\$ 291,838	\$ 340,633
 LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Federal programs	48,795	-	48,795
Hospital bond debt service	-	291,838	291,838
	48,795	291,838	340,633
Total liabilities and fund balances	\$ 48,795	\$ 291,838	\$ 340,633

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2025

	Special Revenue Funds		
	<u>CDBG</u>	Hospital Bond <u>Sinking</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES			
Interest income	\$ 53	\$ 9,558	\$ 9,611
Loan collections	26,850	-	26,850
Total revenues	26,903	9,558	36,461
EXPENDITURES			
General government	160	-	160
Excess of revenues over expenditures	26,743	9,558	36,301
OTHER FINANCING SOURCES			
Transfers from other funds	4	20,000	20,004
Net change in fund balances	26,747	29,558	56,305
Fund balances - September 30, 2024	22,048	262,280	284,328
Fund balances - September 30, 2025	\$ 48,795	\$ 291,838	\$ 340,633

CITY OF ALMA, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES -

GENERAL FUND DEPARTMENTS

Year Ended September 30, 2025

	<u>Administrative</u>	<u>Fire</u>	<u>Police</u>	<u>Shop</u>
REVENUES				
Taxes:				
General property tax	\$ 265,963	\$ -	\$ -	\$ -
Motor vehicle tax	29,727	-	-	-
Sales tax	253,382	-	-	-
Franchise	3,173	-	-	-
TIF proceeds	46,393	-	-	-
Intergovernmental revenue:				
State assistance	17,029	-	-	-
Charges for services	-	-	-	-
Grants and donations	347,064	-	-	-
Licenses and permits	5,662	-	-	-
Rent	238	-	-	-
Interest income	60,697	-	-	-
Other receipts	3,621	1,785	-	-
Total revenues	<u>1,032,949</u>	<u>1,785</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Personnel services:				
Salaries and benefits	173,010	-	-	-
Operating expenses:				
Contracted services	-	-	41,616	-
Insurance	21,374	-	-	2,846
Professional fees	48,885	-	-	-
Meetings, seminars, and dues	17,980	-	-	-
Repairs and maintenance	13,913	-	-	648
Printing, postage, and publications	2,502	-	-	-
Utilities and telephone	2,928	2,074	-	7,221
Total operating expenses	<u>107,582</u>	<u>2,074</u>	<u>41,616</u>	<u>10,715</u>
Supplies	5,852	-	-	181
Other expenses	24,719	-	-	-
Economic development	37,809	-	-	-
Capital outlay	89,979	-	-	-
Principal payments on debt	-	-	-	-
Interest payments	-	-	-	-
Total expenditures	<u>438,951</u>	<u>2,074</u>	<u>41,616</u>	<u>10,896</u>
Excess (deficiency) of revenues over expenditures before transfers	593,998	(289)	(41,616)	(10,896)
TRANSFERS FROM (TO) OTHER FUNDS	<u>(509,267)</u>	<u>196</u>	<u>41,616</u>	<u>10,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 84,731</u>	<u>\$ (93)</u>	<u>\$ -</u>	<u>\$ 26</u>

<u>Community Building</u>	<u>Park</u>	<u>Pool</u>	<u>Recreation</u>	<u>Library</u>	<u>Pheasant Ridge Trail</u>	<u>Total</u>
\$ -	\$ -	\$ 82,663	\$ -	\$ -	\$ -	\$ 348,626
-	-	-	-	-	-	29,727
-	-	95,639	-	-	-	349,021
-	-	-	-	-	-	3,173
-	-	-	-	-	-	46,393
-	-	4,286	-	-	-	21,315
-	-	32,371	-	1,176	-	33,547
-	-	9,897	-	29,195	-	386,156
-	-	1,419	-	-	-	7,081
2,263	-	-	-	-	-	2,501
-	-	-	-	-	-	60,697
-	-	228	-	445	-	6,079
<u>2,263</u>	<u>-</u>	<u>226,503</u>	<u>-</u>	<u>30,816</u>	<u>-</u>	<u>1,294,316</u>
-	-	64,101	-	48,257	-	285,368
-	14,325	-	20,750	-	-	76,691
8,209	2,904	16,828	1,667	4,707	-	58,535
-	-	-	-	-	-	48,885
22	-	3,798	-	2,139	-	23,939
13,525	6,596	38,360	22,129	1,599	455	97,225
-	-	18	-	321	-	2,841
<u>9,723</u>	<u>2,439</u>	<u>13,894</u>	<u>5,824</u>	<u>4,137</u>	<u>2,872</u>	<u>51,112</u>
<u>31,479</u>	<u>26,264</u>	<u>72,898</u>	<u>50,370</u>	<u>12,903</u>	<u>3,327</u>	<u>359,228</u>
1,231	1,596	15,578	1,434	9,045	-	34,917
101	-	3,040	299	2,621	-	30,780
-	-	-	-	-	-	37,809
641,327	-	-	-	-	-	731,306
-	-	95,000	-	-	-	95,000
-	-	24,063	-	-	-	24,063
<u>674,138</u>	<u>27,860</u>	<u>274,680</u>	<u>52,103</u>	<u>72,826</u>	<u>3,327</u>	<u>1,598,471</u>
(671,875)	(27,860)	(48,177)	(52,103)	(42,010)	(3,327)	(304,155)
<u>347,064</u>	<u>26,385</u>	<u>(6,795)</u>	<u>51,795</u>	<u>54,743</u>	<u>3,112</u>	<u>19,771</u>
<u>\$ (324,811)</u>	<u>\$ (1,475)</u>	<u>\$ (54,972)</u>	<u>\$ (308)</u>	<u>\$ 12,733</u>	<u>\$ (215)</u>	<u>\$ (284,384)</u>

**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 Alma, 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 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 Alma, 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 financial statements, and have issued our report thereon dated March 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Alma’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.

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
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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 a 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 Alma'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Alma's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Alma's response to the findings identified in our audit and described above. The City of Alma'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. 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
March 20, 2026