CITY OF KIMBALL, NEBRASKA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

September 30, 2024

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Modified Cash Basis - Governmental Funds	16
Reconciliation of the Balance Sheet - Modified Cash Basis - Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds to the Statement of Activities	19
Statement of Fund Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Notes to Financial Statements	23
SUPPLEMENTARY AND OTHER INFORMATION	
Budgetary Comparison Schedules - Modified Cash Basis	
General Fund	55
Street Fund	56
Golf Fund	57
Economic Development Fund	58
Combining Balance Sheet - Modified Cash Basis - Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds	60
Combining Statement of Revenues and Expenditures - Modified Cash Basis - General Fund Departments	61
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*	62

AMGL
CPAs & Advisors

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities – modified cash basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Kimball, Nebraska as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities – modified cash basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Kimball, Nebraska, as of September 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

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 Kimball, Nebraska and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

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

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

A PROFESSIONAL CORPORATION

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash and accrual basis of accounting described in Note A, and for determining that the modified cash and accrual basis of accounting are acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Kimball, 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 Kimball, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kimball, Nebraska's financial statements. The nonmajor governmental funds combining statements, and the general fund departmental revenue and expenditures are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds combining statements and the general fund departmental revenue and expenditures are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2025, on our consideration of the City of Kimball, 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 Kimball'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 Kimball, Nebraska's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
April 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Kimball, we offer readers of the City of Kimball financial statements this narrative overview and analysis of the financial activities of the City of Kimball for the fiscal year ended September 30, 2024.

Financial Highlights

- The assets of the City of Kimball exceeded its liabilities at the close of the most recent fiscal year by $15,058,482 (*net position*). Of this amount, $5,842,650 (*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 Kimball governmental activities reported combined ending net position of $4,205,376. Approximately 8.7 percent of this total amount, $364,681, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a deficit of $(3,516).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Kimball's financial statements. The City of Kimball's 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 supplementary and other information in addition to the 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 Kimball's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Kimball'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 Kimball 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.

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

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

The government-wide financial statements can be found on pages 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 Kimball, 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 Kimball 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 Kimball maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the Golf Fund, the Economic Development Fund, and the Bond Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City of Kimball adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, Golf, and Economic Development Funds to demonstrate compliance with this budget.

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

Proprietary funds. The City of Kimball maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Kimball uses enterprise funds to account for its Electric, Water, Sewer, Trash and Landfill Funds. *Internal service funds* are an accounting device used to accumulate costs internally among the City of Kimball's various functions. The City of Kimball uses an internal service fund to account for its employee benefits. Because this fund predominantly benefits from governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 20-22 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 23-54 of this report.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain *supplementary and other information* concerning the City of Kimball's budgetary comparison schedules, nonmajor combining statements, and revenues and expenditures by General Fund department, which can be found on pages 55-61 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Kimball, assets exceeded liabilities by $15,058,482 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2024			September 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	$ 2,245,506	$ 11,061,245	$ 13,306,751	$ 3,107,010	$ 8,768,635	$ 11,875,645
Capital Assets	2,367,427	6,869,973	9,237,400	1,661,753	5,956,682	7,618,435
Total Assets	4,612,933	17,931,218	22,544,151	4,768,763	14,725,317	19,494,080
Long-term Liabilities	361,433	6,246,000	6,607,433	29,409	3,978,000	4,007,409
Other Liabilities	46,124	832,112	878,236	26,192	830,233	856,425
Total Liabilities	407,557	7,078,112	7,485,669	55,601	4,808,233	4,863,834
Net Position:						
Net Investment in Capital Assets	1,959,870	4,856,673	6,816,543	1,606,152	4,527,040	6,133,192
Restricted	1,880,825	518,464	2,399,289	2,105,986	698,861	2,804,847
Unrestricted	364,681	5,477,969	5,842,650	1,001,024	4,691,183	5,692,207
Total Net Position	$ 4,205,376	$ 10,853,106	$ 15,058,482	$ 4,713,162	$ 9,917,084	$ 14,630,246

A portion of the City of Kimball's net position (45.3 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 Kimball uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Kimball'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 Kimball's net position (15.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($5,842,650) 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 Kimball is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

Expenses and Program Revenues - Governmental Activities

Function	Year Ended September 30, 2024 Program Revenues	Year Ended September 30, 2024 Program Expenses	Year Ended September 30, 2023 Program Revenues	Year Ended September 30, 2023 Program Expenses
General Government	$ 9,975	$ 205,284	$ -	$ 342,221
Public Safety	5,700	852,287	-	705,710
Public Works	24,468	753,963	21,388	692,629
Environment and Leisure	510,875	1,195,802	528,643	1,007,561
Economic Development	-	308,528	-	466,115
Community Betterment	-	45,024	-	11,050
Interest	-	3,539	-	-
Depreciation	-	235,181	-	184,716
Total	$ 551,018	$ 3,599,608	$ 550,031	$ 3,410,002

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	Year Ended September 30, 2024		Year Ended September 30, 2023	
Charges for Services	$ 414,316	13.40 %	$ 409,318	13.69 %
Operating Grants and Contributions	136,702	4.42	140,713	4.70
Property Taxes	530,446	17.16	513,694	17.18
Motor Vehicle Taxes	46,000	1.49	46,518	1.56
Sales Tax	707,025	22.87	736,390	24.63
Occupation Taxes	162,288	5.25	151,816	5.08
Franchise Taxes	29,338	0.95	30,664	1.02
State Allocation	656,459	21.23	634,060	21.20
Keno Proceeds	29,231	0.94	40,974	1.37
Other	176,561	5.71	212,279	7.10
Insurance Proceeds	103,237	3.34	-	-
Interest	74,213	2.40	73,981	2.47
Gain on Disposal of Equipment	26,006	0.84	-	-
Total	$ 3,091,822	100.00 %	$ 2,990,407	100.00 %

Net position decreased $(507,786) in the governmental activities during the year ended September 30, 2024.

Business-type activities. Business-type activities increased the City of Kimball's net position by $936,022. Key elements of this increase are as follows:

Expenses and Program Revenues - Business-type Activities

Function	Year Ended September 30, 2024 Program Revenues	Year Ended September 30, 2024 Program Expenses	Year Ended September 30, 2023 Program Revenues	Year Ended September 30, 2023 Program Expenses
Electric	$ 3,602,577	$ 3,258,997	$ 3,168,160	$ 3,363,161
Water	916,040	779,707	747,813	909,520
Sewer	604,040	450,796	482,323	650,702
Trash	243,871	204,854	201,025	179,152
Landfill	694,428	755,804	567,335	1,024,798
Total	$ 6,060,956	$ 5,450,158	$ 5,166,656	$ 6,127,333

Revenues by Source - Business-type Activities

SOURCES OF REVENUE	Year Ended September 30, 2024		Year Ended September 30, 2023	
Charges for Services	$ 6,060,956	94.91 %	$ 5,118,512	96.89 %
Operating Grants and Contributions	-	-	48,144	0.91
Interest	324,040	5.07	140,888	2.67
Gain (Loss) on Disposal of Equipment	1,184	0.02	(24,623)	(0.47)
Total	$ 6,386,180	100.00 %	$ 5,282,921	100.00 %

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Kimball'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 Kimball'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 Kimball's governmental funds reported combined ending fund balances of $1,733,110. The *unassigned fund balance*, which is available for spending at the government's discretion, was a deficit of $(148,658). The remainder of fund balances is not available for new spending because it has already been 1) restricted for street projects ($465,705), 2) restricted for fire equipment ($115,888), 3) restricted for community betterment ($118,028), 4) restricted for economic development ($311,048), 5) restricted for debt

service ($650,377), 6) assigned for handyman program ($943), 7) restricted for community development ($9,783), or 8) restricted for federal programs ($209,996).

The General Fund is the chief operating fund of the City of Kimball. At the end of the current fiscal year, unassigned fund balance of the General Fund was a deficit of $(3,516), while total fund balance was $206,480. 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 0.0 percent of total General Fund expenditures, while total fund balance represents 9.2 percent of that same amount.

The fund balance of the City of Kimball's General Fund decreased by $(483,935), the Street Fund decreased $(50,263), the Golf Fund decreased $(104,509), and the Economic Development Fund decreased $(64,753) during the current fiscal year.

Proprietary funds. The City of Kimball'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: Electric Fund – $5,803,477, Water Fund – $246,058, Sewer Fund – deficit of $(85,609), Trash Fund – $408,688, and Landfill Fund – deficit of $(894,645). The change in net position for the proprietary funds was as follows: Electric Fund – increase of $578,993, Water Fund – increase of $136,333, Sewer Fund – increase of $152,543, Trash Fund – increase of $39,017, and Landfill Fund – increase of $29,136. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City of Kimball's business-type activities.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget.

Capital Asset and Debt Administration

Capital Assets. The City of Kimball's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to $9,237,400 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events (greater than $25,000) during the current fiscal year included the following:

- Bobcat E35 excavator - $50,135
- Golf course sprinklers - $92,172
- Golf course irrigation well - $172,500
- Gotte Park playground equipment - $159,698

- Kubota F2690E park mower - $25,000
- 2021 Dodge Charger - $32,105
- 2019 Dodge Charger - $39,991
- 2023 K-9 Dodge Charger - $60,110
- Half of 20 harness assemblies, cylinders and face pieces - $91,404
- Library roof - $110,579
- Electric generation construction in progress - $840,087
- North well generator - $48,874
- Clean Harbors water and sewer - $45,381
- Water system improvements - $62,111
- Flygt 4410 mixer - $42,989
- Wastewater treatment plant construction in progress - $243,377
- Refurbish recycling center exterior - $57,812

City of Kimball's Capital Assets
(net of depreciation)

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	$ 4,000	$ 104,260	$ 108,260	$ 4,000	$ 104,260	$ 108,260
Construction in progress	-	1,813,853	1,813,853	-	685,008	685,008
Infrastructure	1,281,398	-	1,281,398	1,239,340	-	1,239,340
Buildings and improvements	-	1,259,496	1,259,496	-	1,246,469	1,246,469
Equipment and vehicles	1,082,029	698,457	1,780,486	418,413	677,366	1,095,779
Distribution systems	-	2,993,907	2,993,907	-	3,243,579	3,243,579
Total	$ 2,367,427	$ 6,869,973	$ 9,237,400	$ 1,661,753	$ 5,956,682	$ 7,618,435

Additional information on the City of Kimball's capital assets can be found in Note C3 on pages 42-45 of this report.

Long-term debt. At the end of the current fiscal year, the City of Kimball had a total long-term debt outstanding of $5,922,557.

City of Kimball's Outstanding Debt

	Year Ended September 30, 2024			Year Ended September 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes payable	$ 407,557	$ -	$ 407,557	$ 55,601	$ -	$ 55,601
Bonds payable	-	5,515,000	5,515,000	-	3,355,000	3,355,000
Total	$ 407,557	$ 5,515,000	$ 5,922,557	$ 55,601	$ 3,355,000	$ 3,410,601

The City of Kimball's total debt increased by $2,511,956 (73.7 percent) during the current fiscal year, due to issuing bonds for the electric generation project and loans for golf course improvements and police equipment.

Additional information on the City of Kimball's long-term debt can be found in Note C4 on pages 45-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property tax asking for the year ending September 30, 2025, is $743,114, an increase of $210,012 (39.4 percent) from the prior year.
- The City is considering increasing utility rates.
- At September 30, 2024, the City had commitments of $149,495 on the wastewater treatment plant and $4,513,850 on the generation implementation project.

All of these factors were considered in preparing the City of Kimball's budget for the year ending September 30, 2025.

Request for Information

This financial report is designed to provide a general overview of the City of Kimball'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 Treasurer, City of Kimball, 223 S. Chestnut St., Kimball, NE 69145.

CITY OF KIMBALL, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	(Accrual Basis)
ASSETS				
Current assets:				
Cash and cash equivalents	$ 226,796	$ 2,176,255	$ 2,403,051	$ 187,427
Certificates of deposit	100,601	2,291,160	2,391,761	-
County treasurer cash	37,284	-	37,284	4,161
Accounts receivable	-	588,050	588,050	10,220
Unbilled revenue	-	256,510	256,510	-
Inventory	-	587,120	587,120	64,853
Prepaid expenses	-	60,986	60,986	1,520
Total current assets	364,681	5,960,081	6,324,762	268,181
Noncurrent assets:				
Restricted cash and cash equivalents	1,880,825	-	1,880,825	-
Restricted certificates of deposit	-	5,101,164	5,101,164	-
Capital assets:				
Land	4,000	104,260	108,260	-
Construction in progress	-	1,813,853	1,813,853	-
Other capital assets, net of depreciation	2,363,427	4,951,860	7,315,287	5,935,865
Net capital assets	2,367,427	6,869,973	9,237,400	5,935,865
Total noncurrent assets	4,248,252	11,971,137	16,219,389	5,935,865
Total assets	4,612,933	17,931,218	22,544,151	6,204,046
LIABILITIES				
Current liabilities:				
Accounts payable	-	173,546	173,546	2,102
Accrued wages and vacation	-	143,783	143,783	-
Sales tax payable	-	34,354	34,354	-
Accrued interest	-	67,782	67,782	3,197
Customer deposits	-	62,647	62,647	-
Current portion of long-term obligations	46,124	350,000	396,124	30,000
Total current liabilities	46,124	832,112	878,236	35,299
Noncurrent liabilities:				
Landfill closure liability	-	1,081,000	1,081,000	-
Noncurrent portion of long-term obligations	361,433	5,165,000	5,526,433	565,000
Total noncurrent liabilities	361,433	6,246,000	6,607,433	565,000
Total liabilities	407,557	7,078,112	7,485,669	600,299
NET POSITION				
Net investment in capital assets	1,959,870	4,856,673	6,816,543	5,340,865
Restricted for:				
Debt service	650,377	-	650,377	-
Street projects	465,705	-	465,705	-
Capital projects	115,888	-	115,888	-
Community betterment	118,028	-	118,028	-
Economic development	311,048	-	311,048	-
Community development	9,783	-	9,783	-
Federal programs	209,996	-	209,996	-
Landfill closure and post-closure	-	518,464	518,464	-
Unrestricted	364,681	5,477,969	5,842,650	262,882
Total net position	$ 4,205,376	$ 10,853,106	$ 15,058,482	$ 5,603,747

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 205,284	$ 9,975	$ -
Public safety	852,287	700	5,000
Public works	753,963	24,468	-
Environment and leisure	1,195,802	379,173	131,702
Economic development	308,528	-	-
Community betterment	45,024	-	-
Interest and related expenses	3,539	-	-
Depreciation - unallocated	235,181	-	-
Total governmental activities	3,599,608	414,316	136,702
Business-type activities:			
Electric	3,258,997	3,602,577	-
Water	779,707	916,040	-
Sewer	450,796	604,040	-
Trash	204,854	243,871	-
Landfill	755,804	694,428	-
Total business-type activities	5,450,158	6,060,956	-
Total primary government	$ 9,049,766	$ 6,475,272	$ 136,702
Component unit:			
Airport Authority	$ 601,269	$ 106,435	$ 98,181

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	Component Unit (Accrual Basis)
$ -	$ (195,309)		$ (195,309)	
-	(846,587)		(846,587)	
-	(729,495)		(729,495)	
-	(684,927)		(684,927)	
-	(308,528)		(308,528)	
-	(45,024)		(45,024)	
-	(3,539)		(3,539)	
-	(235,181)		(235,181)	
-	(3,048,590)	$ -	(3,048,590)	
-	-	343,580	343,580	
-	-	136,333	136,333	
-	-	153,244	153,244	
-	-	39,017	39,017	
-	-	(61,376)	(61,376)	
-	-	610,798	610,798	
$ -	(3,048,590)	610,798	(2,437,792)	
$ 110				$ (396,543)
General revenues:				
Taxes:				
Property	530,446	-	530,446	65,007
Motor vehicle	46,000	-	46,000	-
Sales tax	707,025	-	707,025	-
Occupation	162,288	-	162,288	-
Franchise fees	29,338	-	29,338	-
State allocation	656,459	-	656,459	-
Keno proceeds	29,231	-	29,231	-
Miscellaneous	176,561	-	176,561	5,870
Insurance proceeds	103,237	-	103,237	-
Interest income	74,213	324,040	398,253	1,129
Gain on disposal of equipment	26,006	1,184	27,190	-
Total general revenues	2,540,804	325,224	2,866,028	72,006
Change in net position	(507,786)	936,022	428,236	(324,537)
Net position - September 30, 2023	4,713,162	9,917,084	14,630,246	5,928,284
Net position - September 30, 2024	$ 4,205,376	$ 10,853,106	$ 15,058,482	$ 5,603,747

CITY OF KIMBALL, NEBRASKA

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

September 30, 2024

	General Fund	Street Fund	Golf Fund
ASSETS			
Cash and cash equivalents	$ 68,595	$ 465,705	$ (145,142)
Certificates of deposit	100,601	-	-
County treasurer cash	37,284	-	-
Total assets	$ 206,480	$ 465,705	$ (145,142)
LIABILITIES AND FUND BALANCES			
Liabilities:	$ -	$ -	$ -
Fund balances:			
Restricted for:			
Street projects	-	465,705	-
Fire equipment	-	-	-
Community betterment	-	-	-
Economic development	-	-	-
Debt service	-	-	-
Community development	-	-	-
Federal programs	209,996	-	-
Assigned for:			
Handyman program	-	-	-
Unassigned	(3,516)	-	(145,142)
Total fund balances	206,480	465,705	(145,142)
Total liabilities and fund balances	$ 206,480	$ 465,705	$ (145,142)

See notes to financial statements.

Economic Development Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ 311,048	$ 650,377	$ 244,642	$ 1,595,225
-	-	-	100,601
-	-	-	37,284
$ 311,048	$ 650,377	$ 244,642	$ 1,733,110
$ -	$ -	$ -	$ -
-	-	-	465,705
-	-	115,888	115,888
-	-	118,028	118,028
311,048	-	-	311,048
-	650,377	-	650,377
-	-	9,783	9,783
-	-	-	209,996
-	-	943	943
-	-	-	(148,658)
311,048	650,377	244,642	1,733,110
$ 311,048	$ 650,377	$ 244,642	$ 1,733,110

CITY OF KIMBALL, NEBRASKA

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

September 30, 2024

Total fund balances - governmental funds	$ 1,733,110
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $3,990,571 and the accumulated depreciation is $1,623,144.	2,367,427
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	512,396
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Notes payable	(407,557)
Total net position - governmental activities	$ 4,205,376

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

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

For the year ended September 30, 2024

	General Fund	Street Fund	Golf Fund
REVENUES			
Taxes:			
Property	$ 520,404	$ -	$ -
Motor vehicle	46,000	-	-
Sales	507,520	73,824	-
Occupation	162,288	-	-
Franchise fees	29,338	-	-
Intergovernmental	200,126	456,333	-
Keno proceeds	-	-	-
Charges for services	36,202	-	361,389
Grants and contributions	36,400	-	100,302
Licenses and permits	10,675	-	-
Interest income	39,624	-	-
Lease and rent	-	-	6,050
Loan collections	-	-	-
Loan proceeds	87,781	-	292,700
Sale of equipment	47,395	-	-
Insurance proceeds	102,113	1,124	-
Other income	70,035	23,788	38,601
Total revenues	1,895,901	555,069	799,042
EXPENDITURES			
General government	202,674	-	-
Public safety	852,287	-	-
Public works	187,680	566,283	-
Environment and leisure	499,230	-	696,572
Economic development	-	-	-
Community betterment	-	-	-
Capital outlay	499,408	59,135	284,572
Principal payments on debt	2,357	-	26,168
Interest on long-term debt	640	-	2,899
Total expenditures	2,244,276	625,418	1,010,211
Deficiency of revenues over expenditures	(348,375)	(70,349)	(211,169)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	20,086	106,660
Transfers out	(135,560)	-	-
Net transfers	(135,560)	20,086	106,660
Net change in fund balances	(483,935)	(50,263)	(104,509)
Fund balances - September 30, 2023	690,415	515,968	(40,633)
Fund balances - September 30, 2024	$ 206,480	$ 465,705	$ (145,142)

See notes to financial statements.

Economic Development Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 10,042	$ 530,446
-	-	-	46,000
125,681	-	-	707,025
-	-	-	162,288
-	-	-	29,338
-	-	-	656,459
-	-	29,231	29,231
-	-	-	397,591
-	-	-	136,702
-	-	-	10,675
25,200	-	2,895	67,719
-	-	-	6,050
98,312	-	-	98,312
-	-	-	380,481
-	-	-	47,395
-	-	-	103,237
218	-	-	132,642
249,411	-	42,168	3,541,591
-	-	2,610	205,284
-	-	-	852,287
-	-	-	753,963
-	-	-	1,195,802
308,528	-	-	308,528
-	-	45,024	45,024
-	-	119,129	962,244
-	-	-	28,525
-	-	-	3,539
308,528	-	166,763	4,355,196
(59,117)	-	(124,595)	(813,605)
-	-	14,450	141,196
(5,636)	-	-	(141,196)
(5,636)	-	14,450	-
(64,753)	-	(110,145)	(813,605)
375,801	650,377	354,787	2,546,715
$ 311,048	$ 650,377	$ 244,642	$ 1,733,110

CITY OF KIMBALL, NEBRASKA

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

For the year ended September 30, 2024

Total net change in fund balances - governmental funds	$ (813,605)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay ($962,244) exceeds depreciation expense ($235,181) during the period.	727,063
Remaining basis on capital asset disposals does not impact the governmental funds. However, in the statement of activities, the remaining basis decreases sales proceeds.	(21,389)
Loan proceeds are reported as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(380,481)
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	28,525
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues of internal service funds are reported with governmental activities.	(47,899)
Change in net position of governmental activities	$ (507,786)

See notes to financial statements.

CITY OF KIMBALL, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2024

	Enterprise Funds		
	Electric Fund	Water Fund	Sewer Fund
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,905,456	$ 19,918	$ (181,457)
Certificates of deposit	2,291,160	-	-
Accounts receivable	323,377	113,555	61,716
Unbilled revenue	136,230	53,517	31,946
Inventory	492,487	94,633	-
Prepaid insurance	33,050	9,381	16,119
Total current assets	6,181,760	291,004	(71,676)
Noncurrent assets:			
Restricted certificates of deposit	3,501,700	-	-
Capital assets:			
Land	23,762	23,812	8,810
Construction in progress	1,478,067	31,101	304,685
Distribution systems	5,644,687	4,024,712	2,429,426
Buildings and improvements	102,468	-	-
Equipment	483,010	461,385	416,169
Less accumulated depreciation	(4,093,602)	(3,466,840)	(2,401,398)
Net capital assets	3,638,392	1,074,170	757,692
Total noncurrent assets	7,140,092	1,074,170	757,692
Total assets	13,321,852	1,365,174	686,016
LIABILITIES			
Current liabilities:			
Accounts payable	140,085	25,595	3,419
Accrued wages and vacation	84,624	18,668	10,395
Sales tax payable	34,354	-	-
Accrued interest	56,573	683	119
Customer deposits	62,647	-	-
Current portion of long-term obligations	250,724	45,000	12,048
Total current liabilities	629,007	89,946	25,981
Noncurrent liabilities:			
Landfill closure liability	-	-	-
Noncurrent portion of long-term obligations	4,320,000	45,000	-
Total noncurrent liabilities	4,320,000	45,000	-
Total liabilities	4,949,007	134,946	25,981
NET POSITION			
Net investment in capital assets	2,569,368	984,170	745,644
Restricted	-	-	-
Unrestricted	5,803,477	246,058	(85,609)
Total net position	$ 8,372,845	$ 1,230,228	$ 660,035

See notes to financial statements.

Enterprise Funds			Governmental Activities -
Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 287,931	$ (855,593)	$ 2,176,255	$ 512,396
-	-	2,291,160	-
89,402	-	588,050	-
34,817	-	256,510	-
-	-	587,120	-
643	1,793	60,986	-
412,793	(853,800)	5,960,081	512,396
-	1,599,464	5,101,164	-
-	47,876	104,260	-
-	-	1,813,853	-
-	-	12,098,825	-
25,255	2,243,505	2,371,228	-
761,905	515,643	2,638,112	-
(731,970)	(1,462,495)	(12,156,305)	-
55,190	1,344,529	6,869,973	-
55,190	2,943,993	11,971,137	-
467,983	2,090,193	17,931,218	512,396
715	3,732	173,546	-
3,390	26,706	143,783	-
-	-	34,354	-
-	10,407	67,782	-
-	-	62,647	-
-	42,228	350,000	-
4,105	83,073	832,112	-
-	1,081,000	1,081,000	-
-	800,000	5,165,000	-
-	1,881,000	6,246,000	-
4,105	1,964,073	7,078,112	-
55,190	502,301	4,856,673	-
-	518,464	518,464	-
408,688	(894,645)	5,477,969	512,396
$ 463,878	$ 126,120	$ 10,853,106	$ 512,396

CITY OF KIMBALL, NEBRASKA

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

For the year ended September 30, 2024

	Enterprise Funds		
	Electric Fund	Water Fund	Sewer Fund
Operating revenues:			
Sales	$ 3,242,743	$ 857,956	$ 586,709
Interdepartmental charges	-	-	-
Occupation taxes	128,984	35,467	-
Other revenue	230,850	22,617	17,331
Total operating revenues	3,602,577	916,040	604,040
Operating expenses:			
Cost of power	1,530,818	-	-
Personnel costs	727,460	419,248	221,170
Utilities and telephone	9,059	80,028	32,647
Repairs and maintenance	79,776	16,332	41,550
Contract services	24,500	10,413	13,284
Supplies	46,830	15,389	5,818
Professional fees	32,828	21,657	25,029
Insurance	114,083	33,412	33,772
Fuel and transportation	18,907	6,991	3,140
Dues, memberships, and training	5,217	2,690	1,517
Other expenses	20,238	4,050	11,588
Occupation taxes	129,507	34,895	-
Landfill closure costs	-	-	-
Depreciation	239,554	132,032	60,420
Benefits paid	-	-	-
Total operating expenses	2,978,777	777,137	449,935
Operating income (loss)	623,800	138,903	154,105
Nonoperating revenues (expenses):			
Interest income	233,528	-	-
Gain (loss) on disposal of equipment	1,885	-	(701)
Interest expense	(196,649)	(2,570)	(861)
Bond fees	(83,571)	-	-
Total nonoperating revenues (expenses)	(44,807)	(2,570)	(1,562)
Change in net position	578,993	136,333	152,543
Net position - September 30, 2023	7,793,852	1,093,895	507,492
Net position - September 30, 2024	$ 8,372,845	$ 1,230,228	$ 660,035

See notes to financial statements.

Enterprise Funds			Governmental Activities -
Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 241,028	$ 671,043	$ 5,599,479	$ -
-	-	-	525,932
-	-	164,451	-
2,843	23,385	297,026	-
243,871	694,428	6,060,956	525,932
-	-	1,530,818	-
97,872	295,694	1,761,444	-
348	28,202	150,284	-
60,776	23,236	221,670	-
-	84,576	132,773	-
7,565	28,158	103,760	-
5,112	16,656	101,282	-
8,893	27,287	217,447	-
10,694	10,977	50,709	-
117	10,505	20,046	-
2,089	2,095	40,060	-
-	-	164,402	-
-	118,000	118,000	-
11,388	84,740	528,134	-
-	-	-	580,325
204,854	730,126	5,140,829	580,325
39,017	(35,698)	920,127	(54,393)
-	90,512	324,040	6,494
-	-	1,184	-
-	(25,678)	(225,758)	-
-	-	(83,571)	-
-	64,834	15,895	6,494
39,017	29,136	936,022	(47,899)
424,861	96,984	9,917,084	560,295
$ 463,878	$ 126,120	$ 10,853,106	$ 512,396

CITY OF KIMBALL, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2024

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 3,554,377	$ 881,253
Interdepartmental charges	-	-
Payments to suppliers	(2,147,437)	(272,108)
Payments to employees	(729,106)	(416,630)
Net cash provided (used) by operating activities	677,834	192,515
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(893,129)	(142,086)
Proceeds from sale of equipment	1,885	-
Proceeds from issuance of long-term debt	2,500,000	-
Principal payments on long-term debt	(243,997)	(45,000)
Bond issuance costs paid	(83,571)	-
Interest paid on long-term debt	(161,449)	(2,891)
Net cash provided (used) by capital and related financing activities	1,119,739	(189,977)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in certificates of deposit	1,185,590	-
Decrease in restricted cash and cash equivalents	1,925,358	-
Increase in restricted certificates of deposit	(3,501,700)	-
Interest received	233,528	-
Net cash provided (used) by investing activities	(157,224)	-
Increase (decrease) in cash and cash equivalents	1,640,349	2,538
Cash and cash equivalents - beginning of the year	1,265,107	17,380
Cash and cash equivalents - end of the year	$ 2,905,456	$ 19,918
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 623,800	$ 138,903
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	239,554	132,032
Landfill closure costs	-	-
Change in assets and liabilities:		
Accounts receivable and unbilled revenue	(48,200)	(34,787)
Inventories	(129,313)	(19,647)
Prepaid insurance	(15,537)	(3,960)
Accounts payable	(7,545)	(22,644)
Accrued wages and vacation	(1,646)	2,618
Sales tax payable	13,559	-
Customer deposits	3,162	-
Net cash provided (used) by operating activities	$ 677,834	$ 192,515

See notes to financial statements.

Enterprise Funds				Governmental Activities -
Sewer Fund	Trash Fund	Landfill Fund	Total	Internal Service Fund
$ 584,755	$ 200,447	$ 694,428	$ 5,915,260	$ -
-	-	-	-	525,932
(200,596)	(96,968)	(236,934)	(2,954,043)	(580,325)
(223,596)	(97,215)	(303,134)	(1,769,681)	-
160,563	6,264	154,360	1,191,536	(54,393)
(326,646)	-	(80,265)	(1,442,126)	-
-	-	-	1,885	-
-	-	-	2,500,000	-
(11,044)	-	(39,959)	(340,000)	-
-	-	-	(83,571)	-
(963)	-	(15,770)	(181,073)	-
(338,653)	-	(135,994)	455,115	-
-	-	-	1,185,590	-
209,996	-	-	2,135,354	-
-	-	(147,599)	(3,649,299)	-
-	-	90,512	324,040	6,494
209,996	-	(57,087)	(4,315)	6,494
31,906	6,264	(38,721)	1,642,336	(47,899)
(213,363)	281,667	(816,872)	533,919	560,295
$ (181,457)	$ 287,931	$ (855,593)	$ 2,176,255	$ 512,396
$ 154,105	$ 39,017	$ (35,698)	$ 920,127	$ (54,393)
60,420	11,388	84,740	528,134	-
-	-	118,000	118,000	-
(19,285)	(43,424)	-	(145,696)	-
-	-	-	(148,960)	-
(11,739)	1,745	2,228	(27,263)	-
(20,512)	(3,119)	(7,470)	(61,290)	-
(2,426)	657	(7,440)	(8,237)	-
-	-	-	13,559	-
-	-	-	3,162	-
$ 160,563	$ 6,264	$ 154,360	$ 1,191,536	$ (54,393)

CITY OF KIMBALL, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

INDEX

Page

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity 24
2. Basis of Presentation 25
3. Measurement Focus and Basis of Accounting 29
4. Assets, Liabilities, and Equity 31
5. Revenues, Expenditures, and Expenses 36

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Fund Accounting Requirements 38
2. Deposit Laws and Regulations 38
3. Revenue Restrictions 38
4. Debt Restrictions and Covenants 38
5. Budgetary Data 39

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

1. Cash and Certificates of Deposit 40
2. Restricted Assets 41
3. Capital Assets 42
4. Long-term Debt 45
5. Interfund Transactions 49
6. Closure and Postclosure Costs 50
7. Fund Equity 51

NOTE D – OTHER NOTES

1. Employee Pension Plans 51
2. Risk Management 51
3. Commitments 53
4. Notes Receivable 54
5. Subsequent Events 54

CITY OF KIMBALL, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kimball, Nebraska (City) are prepared in accordance with the modified cash basis of accounting for the governmental funds and the accrual basis for the proprietary funds. 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 Kimball, Nebraska, was incorporated in 1921. The City operates under a Mayor-Council form of government with an elected 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, health and social services, culture and recreation, electric, water, sanitary sewer systems, sanitation, landfill, and general administrative services.

The City's financial reporting entity comprises the following:

Primary Government:	City of Kimball
Discretely Presented Component Unit:	Airport Authority

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

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

	Brief Description of Activities and Relationship to the City:
Airport Authority	Established to provide for the operation of the airport. The board is elected by the general public.

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. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Debt Service Fund

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

Internal Service Funds

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

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:

Major:

Governmental:	
General	See page 26 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

Major, continued:

Governmental, continued:	
Golf	The Golf Fund is a special revenue fund that accounts for revenues and expenditures for the golf course.
Economic Development	The Economic Development Fund is a special revenue fund that accounts for various economic development programs to include Community Development Block Grant loans.
Bond	See page 27 for description.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, Trash and and Landfill	See page 27 for description.

Nonmajor:

Special Revenue:	
Fire Equipment	Accounts for the collection of taxes for the acquisition of fire equipment.
Keno	Accounts for the Keno receipts and expenditures.
Community Development	The Community Development Fund is a capital project fund that accounts for revenues and expenditures for various capital projects in the City.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

Nonmajor, continued:

Special Revenue, continued:

Handyman	Accounts for the Handyman program receipts and expenditures.
Fines	Accounts for local fines and fees collected.

Internal Service:

Employee Benefits	Accounts for the City's self-insurance for health insurance and other employee benefits.

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.

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 activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Under the modified cash basis of accounting, proceeds from the issuance of long-term debt increase liabilities and payment of long-term debt reduces liabilities. Capital assets are capitalized and depreciation is recognized over the estimated lives of the related assets. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

Business-type 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 are presented on the modified cash basis of accounting using a flow of current financial resources measurement focus. Proceeds from issuance of long-term debt are recognized as revenue when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

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.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the modified cash basis of accounting 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 Certificates of Deposit

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 but not yet remitted to the City.

Certificates of deposit are carried at cost, which approximates fair market value. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Business-type activities report utility billings as their major receivables.

In the fund financial statements, 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.

Inventory

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

Restricted Assets

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

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 that are purchased or acquired with an original cost of $1,000 or more are capitalized and reported on the Statement of Net Position. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Government-wide Statements, continued

Depreciation of governmental capital assets is recorded as an unallocated expense in the Statement of Activities. Depreciation for 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:

Buildings	10-50 years
Improvements	5-25 years
Machinery and Equipment	5-20 years
Utility Systems	5-99 years
Infrastructure	25-50 years

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

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.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. In the event of termination, an employee is paid for all unused accumulated vacation time. Accumulated vacation time is accrued in the accompanying proprietary funds financial statement but not in the governmental funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt

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

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable.

Fund Financial Statements

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

Equity Classifications

Government-wide Statements

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Government-wide Statements, continued

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:

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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 1 1/2-cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. Two-thirds of the sales tax is recorded in the General Fund and one-third is recorded in the Economic Development Fund. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

The tax levies for all political subdivisions in Kimball 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 2023-2024 are recorded as revenue when received by the County.

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.

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the 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 and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

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 finance-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.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data

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

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

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

a. On or before August 1, the City prepares a 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.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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 Kimball adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash and Certificates of Deposit

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2024. The categories of collateral are defined as follows:

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

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

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

Types of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Demand deposits	$ 12,175,037	$ 1,189,158	$ 10,985,879	$ -	$ 11,964,228

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

1. Cash and Certificates of Deposit, continued

Deposits, continued

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	$ 2,403,051
Unrestricted certificates of deposit	2,391,761
Restricted cash and cash equivalents	1,880,825
Restricted certificates of deposit	5,101,164
Total primary government	11,776,801
Component Units –	
Unrestricted cash and cash equivalents	187,427
Total	$ 11,964,228

2. Restricted Assets

The restricted assets as of September 30, 2024, are as follows:

	Governmental Activities	Business-type Activities	Total
Type of Restricted Assets:			
Cash and cash equivalents	$ 1,880,825	$ -	$ 1,880,825
Certificates of deposit	-	5,101,164	5,101,164
	$ 1,880,825	$ 5,101,164	$ 6,981,989

The governmental activities restricted assets are restricted for the following purposes:

Street projects	$ 465,705
Economic development	311,048
Debt service	650,377
Federal programs	209,996
Community development	9,783
Fire equipment	115,888
Community betterment	118,028
	$ 1,880,825

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

2. Restricted Assets, continued

The business-type activities' restricted assets at September 30, 2024, consisted of $3,501,700 unspent bond proceeds for a project in the Electric Fund and $1,599,464 in the Landfill Fund that is restricted for landfill closure and post-closure costs.

3. Capital Assets

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

	Balance at October 1, 2023	Additions	Disposals	Balance at September 30, 2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 4,000	$ -	$ -	$ 4,000
Other capital assets being depreciated:				
Buildings and improvements	1,727,115	110,579	-	1,837,694
Equipment and vehicles	1,378,950	851,665	(81,738)	2,148,877
Total other capital assets at historical cost	3,106,065	962,244	(81,738)	3,986,571
Less accumulated depreciation for:				
Buildings and improvements	(487,775)	(68,521)	-	(556,296)
Equipment and vehicles	(960,537)	(166,660)	60,349	(1,066,848)
Total accumulated depreciation	(1,448,312)	(235,181) *	60,349	(1,623,144)
Other capital assets, net	1,657,753	727,063	(21,389)	2,363,427
Governmental activities capital assets, net	$ 1,661,753	$ 727,063	$ (21,389)	$ 2,367,427

* Depreciation expense was charged to governmental activities as follows:

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

3. Capital Assets, continued

Governmental Activities, continued:

General Fund:

Public safety:	
Fire	$ 18,377
Police	58,925
Total public safety	77,302
Cemetery	14,361
Library	3,339
Park and recreation:	
Park and Pool	12,878
Total General Fund	107,880
Special Revenue Funds:	
Golf	33,622
Street	93,679
Total governmental activities' depreciation expense	$ 235,181

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

3. Capital Assets, continued

	Balance at October 1, 2023	Additions	Disposals	Balance at September 30, 2024
Business-type Activities:				
Capital assets not being depreciated:				
Land	$ 104,260	$ -	$ -	$ 104,260
Construction in progress	685,008	1,128,845	-	1,813,853
Total capital assets not being depreciated	789,268	1,128,845	-	1,918,113
Other capital assets being depreciated:				
Buildings and improvements	2,297,762	73,466	-	2,371,228
Distribution systems	12,013,253	86,903	(1,331)	12,098,825
Equipment	2,553,472	152,912	(68,272)	2,638,112
Total other capital assets at historical cost	16,864,487	313,281	(69,603)	17,108,165
Less accumulated depreciation for:				
Buildings and improvements	(1,051,293)	(60,439)	-	(1,111,732)
Distribution systems	(8,769,674)	(336,575)	1,331	(9,104,918)
Equipment	(1,876,106)	(131,120)	67,571	(1,939,655)
Total accumulated depreciation	(11,697,073)	(528,134) *	68,902	(12,156,305)
Other capital assets, net	5,167,414	(214,853)	(701)	4,951,860
Business-type capital assets, net	$ 5,956,682	$ 913,992	$ (701)	$ 6,869,973

* Depreciation expense was charged to functions as follows:

Electric	$ 239,554
Water	132,032
Sewer	60,420
Trash	11,388
Landfill	84,740
Total business-type activities depreciation expense	$ 528,134

Construction in progress at September 30, 2024, consists of costs of $1,478,067 for the electric generation project, $290,405 for the wastewater treatment plant project, and $45,381 for the Clean Harbors water and sewer project. See Note D3 for additional details on these projects.

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

3. Capital Assets, continued

	Balance at October 1, 2023	Additions	Disposals	Balance at September 30, 2024
Component Unit:				
Airport Authority:				
Other capital assets being depreciated:				
Improvements	$ 8,498,826	$ -	$ -	$ 8,498,826
Machinery and equipment	170,582	-	-	170,582
Total other capital assets at historical cost	8,669,408	-	-	8,669,408
Less accumulated depreciation for:				
Improvements	(2,144,391)	(441,466)	-	(2,585,857)
Machinery and equipment	(140,707)	(6,979)	-	(147,686)
Total accumulated depreciation	(2,285,098)	(448,445)	-	(2,733,543)
Other capital assets, net	6,384,310	(448,445)	-	5,935,865
Component Unit capital assets, net	$ 6,384,310	$ (448,445)	$ -	$ 5,935,865

4. 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, 2024:

Type of Debt	Balance October 1, 2023	Additions	Deductions	Balance September 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Notes payable	$ 55,601	$ 380,481	$ (28,525)	$ 407,557	$ 46,124
Business-type Activities:					
Bonds payable	$ 3,355,000	$ 2,500,000	$ (340,000)	$ 5,515,000	$ 350,000

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

4. Long-term Debt, continued

Changes in Long-term Debt, continued

Type of Debt	Balance October 1, 2023	Additions	Deductions	Balance September 30, 2024	Amounts Due Within One Year
Component Unit:					
Bonds payable	$ 625,000	$ -	$ (30,000)	$ 595,000	$ 30,000

Governmental Activities

As of September 30, 2024, the governmental long-term liabilities consisted of the following:

The City entered into a loan agreement with Points West Community Bank on March 21, 2022, in the amount of $155,921 for payoff of an existing loan and purchasing equipment. The loan bears interest at 3.25 percent. The loan is due in annual installments of $29,067 through March 21, 2028. Paid by the Golf Fund. The City has been making payments early on this loan.	$ 29,433
The City entered into a loan agreement with Firstier Bank on June 10, 2024, in the amount of $182,700 for golf course improvements. The loan bears interest at 3.95 percent. The loan is due in annual installments of $31,070 through October 1, 2031. Paid by the Golf Fund.	182,700
The City entered into a loan agreement with Firstier Bank on July 25, 2024, in the amount of $110,000 for golf course sprinklers. The loan bears interest at 4.49 percent. The loan is due in annual installments of $17,626 through October 1, 2031. Paid by the Golf Fund.	110,000
The City entered into a loan agreement with Kimball State Bank on January 5, 2024, in the amount of $19,657 for body cameras for the Police Department. The loan bears interest at 5.35 percent. The loan is due in monthly installments of $375 through January 15, 2029. Paid by the General Fund.	17,300

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

4. Long-term Debt, continued

Governmental Activities, continued

The City entered into a loan agreement with Kimball State Bank on July 11, 2024, in the amount of $7,000 for a police dog. The loan bears interest at 5.30 percent. The loan is due in annual installments of $1,570 through October 15, 2028. Paid by the General Fund.	7,000
The City entered into a loan agreement with Kimball State Bank on July 11, 2024, in the amount of $7,000 for a police vehicle. The loan bears interest at 5.30 percent. The loan is due in annual installments of $1,570 through October 15, 2028. Paid by the General Fund.	61,124
	$ 407,557

Current portion	$ 46,124
Noncurrent portion	361,433
Total	$ 407,557

Business-type Activities

As of September 30, 2024, the long-term debt payable from proprietary fund resources consisted of the following:

The City issued combined utility revenue bonds in the amount of $875,000 on April 30, 2018, to fund the landfill expansion. Interest ranges from 2.05 percent to 3.60 percent. Interest is due in semi-annual installments and principal is due in annual installments through May 15, 2033. Paid by the Landfill Fund.	$ 815,000

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

4. Long-term Debt, continued

Business-type Activities, continued

The City issued combined utility revenue bonds in the amount of $2,500,000 on July 1, 2022, to fund improvements. Interest ranges from 2.05 percent to 4.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2032. Paid by the Electric Fund.	2,050,000
The City issued combined utility revenue bonds in the amount of $2,500,000 on October 5, 2023, to fund improvements. Interest ranges from 4.60 percent to 5.25 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2043. Paid by the Electric Fund.	2,500,000
The City issued combined utilities revenue bonds in the amount of $1,245,000 on November 5, 2013, to refund existing bonds and to finance a landfill project. Interest ranges from 0.50 percent to 3.40 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2024. The Electric Fund pays 34.5 percent, the Sewer Fund pays 20.1 percent and the Landfill Fund pays 45.4 percent of these bonds.	60,000
The City issued general obligation refunding bonds in the amount of $595,000 on November 11, 2014, to refund water bonds and refinance an NDEE loan. Interest ranges from 0.45 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2025. Paid by the Water Fund.	90,000
	$ 5,515,000
Current portion	$ 350,000
Noncurrent portion	5,165,000
Total	$ 5,515,000

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

4. Long-term Debt, continued

Component Unit

The Airport Authority issued bonds in the amount of $655,000 on January 12, 2022, to fund airport improvements. Interest ranges from 0.70 percent to 2.60 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2042.	$ 595,000
Current portion	$ 30,000
Noncurrent portion	565,000
Total	$ 595,000

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities Direct Placement Debt Principal	Governmental Activities Direct Placement Debt Interest	Business-type Activities Other Debt Issues Principal	Business-type Activities Other Debt Issues Interest	Component Unit Other Debt Issues Principal	Component Unit Other Debt Issues Interest
2025	$ 46,124	$ 5,871	$ 350,000	$ 223,078	$ 30,000	$ 10,858
2026	54,118	15,688	355,000	214,855	30,000	10,647
2027	55,206	13,264	320,000	206,024	30,000	10,355
2028	57,696	10,641	330,000	197,159	30,000	9,980
2029	57,199	8,200	340,000	187,429	30,000	9,605
2030-2034	137,214	11,751	1,685,000	744,154	155,000	41,399
2035-2039	-	-	1,075,000	445,563	175,000	25,205
2040-2043	-	-	1,060,000	142,231	115,000	4,615
	$ 407,557	$ 65,415	$ 5,515,000	$ 2,360,493	$ 595,000	$ 122,664

5. Interfund Transactions

The General Fund transferred $106,660 to the Golf Fund, $14,450 to the Street and $14,450 to the Fire Equipment Fund and the Economic Development Fund transferred $5,636 to the Street Fund during the year ended September 30, 2024.

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

6. Closure and Postclosure Costs

Landfill

The City has a license to operate a Landfill, which is accounted for in the Landfill Fund of the City, an enterprise fund.

State and federal laws and regulations require the City of Kimball to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $950,000 reported as landfill closure and postclosure care liability at September 30, 2024, represents the cumulative amount reported to date based on the use of approximately 44.1 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $1,206,227 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care at September 30, 2024. The City expects to close the landfill in the year 2041. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

In accordance with the State of Nebraska Title 132 Solid Waste Regulations, the City of Kimball must satisfy the requirements for a financial assurance mechanism (FAM). The City is in compliance with these requirements, and, at September 30, 2024, the City had a certificate of deposit of $1,509,999 at Firstier Bank. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

C&D Site

The City has a license to operate a Construction and Demolition Landfill Site (C&D Site), which is accounted for in the Landfill Fund of the City, an enterprise fund.

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

6. Closure and Postclosure Costs, continued

C&D Site, continued

State and Federal laws and regulations require the City to place a final cover on the site when it stops accepting waste and maintain the site after closure. Estimated closure costs are estimated by engineers and approved by the Nebraska Department of Environmental Quality (NDEQ) at $179,024. Postclosure costs are estimated at $41,873. In accordance with state law, the City has established a separate account for deposits of monies necessary to fund the estimated costs. As of September 30, 2024, the account balance was $89,465. The City estimates that the site is approximately 59.2 percent full as of September 30, 2024. The City has recorded a liability of $131,000 at September 30, 2024 for the closure and postclosure costs.

7. Fund Equity

The Golf Fund had a deficit fund balance of $145,142 as of September 30, 2024. The City plans to increase fund balance in future years by transferring excess funds from other funds.

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City has a 457(b) deferred compensation plan. The City made monthly contributions on behalf of each full-time employee with a minimum of one year of service based on 6.00 percent of the employee's regular earnings. The total contributions for September 30, 2024 were $59,329.

2. Risk Management

Insurance

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases 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.

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2024, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S.

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

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:

Maturities by Month	Amount
March 2025	$ 7,492,925

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, 2024, the City's certificates of deposit consisted of the following:

Financial Institution	Amount
Firstier Bank	$ 7,492,925

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, 2024.

NOTE D – OTHER NOTES, continued

3. Commitments

Leases

On May 17, 2021, the City entered into a 63-month lease for a postage machine from Quadrient Leasing. Monthly payments of $205 are due through August 2026.

On November 22, 2016, the City entered into a 60-month lease for a copier from Great America Leasing Corporation. Monthly payments of $299 are due through December 2025.

On October 22, 2019, the City entered into a 60-month lease for a copier from Great America Leasing Corporation. Monthly payments of $118 are due through October 2024.

On August 23, 2022, the City entered into a 60-month lease for a copier from Great America Leasing Corporation. Monthly payments of $82 are due through August 2027.

Rent expense was $8,451 during the year ended September 30, 2024. The following payments are due under the leases:

Year Ending September 30,	
2025	$ 4,462
2026	3,242
2027	823
	$ 8,527

Construction Commitments

At September 30, 2024, the City had a $439,900 contractual commitment to Olsson for engineering on the wastewater treatment plant project. The City had paid $290,405 on this contract as of September 30, 2024, leaving $149,495 to be paid under the contractual obligation. This project is expected to be completed in the Summer 2026.

At September 30, 2024, the City had a $201,500 contractual commitment to Olsson for engineering on the generation implementation project. The City had paid $109,915 on this contract as of September 30, 2024, leaving $91,585 to be paid under the contractual obligation. This project is expected to be completed in June 2025.

NOTE D – OTHER NOTES, continued

3. Commitments, continued

Construction Commitments, continued

At September 30, 2024, the City had a $4,968,837 contractual commitment to Nebraska Machinery Company, LLC for construction on the generation implementation project. The City had paid $546,572 on this contract as of September 30, 2024, leaving $4,422,265 to be paid under the contractual obligation. This project is expected to be completed in May 2025.

4. Notes Receivable

The City has ten LB840 loans that had balances totaling $785,669 at September 30, 2024. Principal and interest are due in monthly installments. Since the Economic Development fund is accounted for on the modified cash basis, notes receivable are not presented in the financial statements.

5. Subsequent Events

Management has evaluated subsequent events through April 17, 2025, the date on which the financial statements were available for issue.

On February 18, 2025, the City approved a USDA loan for the wastewater treatment plant project.

On February 18, 2025, the City approved a $79,852 bid for a landfill scale.

On March 18, 2025 the City approved a $66,050 bid for the wastewater pipelining project in the Sunnyview addition.

On March 18, 2025 the City approved a $3,775,000 bid for the wastewater treatment plant project.

SUPPLEMENTARY AND OTHER INFORMATION

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	$ 517,748	$ 520,404	$ 2,656
Motor vehicle	50,000	46,000	(4,000)
Sales	410,033	507,520	97,487
Occupation	149,350	162,288	12,938
Franchise fees	35,000	29,338	(5,662)
Intergovernmental	194,019	200,126	6,107
Charges for services	33,800	36,202	2,402
Grants and contributions	34,757	36,400	1,643
Licenses and permits	10,900	10,675	(225)
Interest income	28,300	39,624	11,324
Loan proceeds	-	87,781	87,781
Sale of equipment	-	47,395	47,395
Insurance proceeds	-	102,113	102,113
Other	16,450	70,035	53,585
Total resources	1,480,357	1,895,901	415,544
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	239,218	202,674	(36,544)
Public safety	767,540	852,287	84,747
Public works	179,369	187,680	8,311
Environment and leisure	445,860	499,230	53,370
Capital outlay	299,250	499,408	200,158
Principal payments on debt	-	2,357	2,357
Interest and fees on long-term debt	-	640	640
Total charges to appropriations	1,931,237	2,244,276	313,039
Resources under charges to appropriations	(450,880)	(348,375)	102,505
OTHER FINANCING SOURCES (USES)			
Transfers in	178,000	-	(178,000)
Transfers out	(142,210)	(135,560)	6,650
Net transfers	35,790	(135,560)	(171,350)
RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS	$ (415,090)	$ (483,935)	$ (68,845)

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STREET FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	$ 89,461	$ 73,824	$ (15,637)
Intergovernmental	458,791	456,333	(2,458)
Insurance proceeds	-	1,124	1,124
Other	7,500	23,788	16,288
Total resources	555,752	555,069	(683)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	458,466	566,283	107,817
Capital outlay	175,300	59,135	(116,165)
Total charges to appropriations	633,766	625,418	(8,348)
Resources under charges to appropriations	(78,014)	(70,349)	7,665
OTHER FINANCING SOURCES			
Transfers in	-	20,086	20,086
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	$ (78,014)	$ (50,263)	$ 27,751

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GOLF FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Charges for services	$ 341,800	$ 361,389	$ 19,589
Grants and contributions	123,635	100,302	(23,333)
Lease and rent	6,600	6,050	(550)
Loan proceeds	-	292,700	292,700
Other	3,750	38,601	34,851
Total resources	475,785	799,042	323,257
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Environment and leisure	565,995	696,572	130,577
Capital outlay	-	284,572	284,572
Principal payments on debt	29,067	26,168	(2,899)
Interest and fees on long-term debt	2,000	2,899	899
Total charges to appropriations	597,062	1,010,211	413,149
Resources under charges to appropriations	(121,277)	(211,169)	(89,892)
OTHER FINANCING SOURCES			
Transfers in	92,210	106,660	14,450
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	$ (29,067)	$ (104,509)	$ (75,442)

CITY OF KIMBALL, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ECONOMIC DEVELOPMENT FUND

Year ended September 30, 2024

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Sales tax	$ 46,540	$ 125,681	$ 79,141
Grants and contributions	-	-	-
Interest income	24,000	25,200	1,200
Loan collections	89,000	98,312	9,312
Other	-	218	218
Total resources	159,540	249,411	89,871
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	265,365	308,528	43,163
RESOURCES UNDER CHARGES TO APPROPRIATIONS	$ (105,825)	$ (59,117)	$ 46,708

CITY OF KIMBALL, NEBRASKA

COMBINING BALANCE SHEET - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Fire Equipment Fund	Keno Fund	Handyman Fund	Community Development Fund	Fines Fund	
ASSETS						
Cash and cash equivalents	$ 115,888	$ 115,800	$ 943	$ 9,783	$ 2,228	$ 244,642
LIABILITIES AND FUND BALANCES						
Liabilities:	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances:						
Restricted for:						
Fire equipment	115,888	-	-	-	-	115,888
Community betterment	-	115,800	-	-	2,228	118,028
Community development	-	-	-	9,783	-	9,783
Assigned for:						
Handyman program	-	-	943	-	-	943
Total fund balances	115,888	115,800	943	9,783	2,228	244,642
Total liabilities and fund balances	$ 115,888	$ 115,800	$ 943	$ 9,783	$ 2,228	$ 244,642

CITY OF KIMBALL, NEBRASKA

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

For the year ended September 30, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Fire Equipment Fund	Keno Fund	Handyman Fund	Community Development Fund	Fines Fund	
REVENUES						
Property taxes	$ 10,042	$ -	$ -	$ -	$ -	$ 10,042
Keno proceeds	-	29,231	-	-	-	29,231
Interest income	-	2,895	-	-	-	2,895
Total revenues	10,042	32,126	-	-	-	42,168
EXPENDITURES						
General government	-	-	-	-	2,610	2,610
Community betterment	-	45,024	-	-	-	45,024
Capital outlay	-	119,129	-	-	-	119,129
Total expenditures	-	164,153	-	-	2,610	166,763
Excess (deficiency) of revenues over expenditures	10,042	(132,027)	-	-	(2,610)	(124,595)
OTHER FINANCING SOURCES						
Transfers in	14,450	-	-	-	-	14,450
Net change in fund balances	24,492	(132,027)	-	-	(2,610)	(110,145)
Fund balances - September 30, 2023	91,396	247,827	943	9,783	4,838	354,787
Fund balances - September 30, 2024	$ 115,888	$ 115,800	$ 943	$ 9,783	$ 2,228	$ 244,642

CITY OF KIMBALL, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS - GENERAL FUND DEPARTMENTS

Year ended September 30, 2024

	Administrative	Police	Fire
REVENUES			
Taxes:			
General property tax	$ 4,377	$ 509,332	$ 6,695
Motor vehicle tax	-	46,000	-
Sales tax	61,983	-	-
Occupation tax	16,896	-	27,474
Franchise fees	29,338	-	-
Intergovernmental receipts	186,162	-	12,710
Charges for services	-	-	-
Grants and contributions	-	5,000	-
Licenses and permits	9,975	700	-
Interest income	33,866	-	-
Loan proceeds	-	87,781	-
Sale of equipment	1,395	46,000	-
Inurance proceeds	-	-	-
Other receipts	30,613	16,493	1,390
Total revenues	374,605	711,306	48,269
EXPENDITURES			
Personnel services:			
Salaries and benefits	60,995	543,349	3,500
Operating expenses:			
Insurance	35,581	35,384	13,072
Contracted services	17,488	68,154	-
Professional fees	34,411	19,141	-
Meetings, seminars, and dues	10,097	15,425	1,395
Transportation	6,623	22,597	1,329
Repairs and maintenance	2,371	51,934	18,309
Printing, postage, and publications	4,143	712	-
Utilities and telephone	11,143	8,532	9,076
Total operating expenses	121,857	221,879	43,181
Supplies	12,626	19,305	207
Other expenses	7,196	20,103	763
Capital outlay	-	179,462	91,404
Principal payments on debt	-	2,357	-
Interest on long-term debt	-	640	-
Total expenditures	202,674	987,095	139,055
Excess (deficiency) of revenues over expenditures before transfers	171,931	(275,789)	(90,786)
OTHER FINANCING USES			
Transfers in	7,854	14,450	-
Transfers out	(232,810)	(7,854)	-
Net transfers	(224,956)	6,596	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	$ (53,025)	$ (269,193)	$ (90,786)

Park	Pool	Library	Cemetery	Total
$ -	$ -	$ -	$ -	$ 520,404
-	-	-	-	46,000
79,953	85,191	172,501	107,892	507,520
33,792	20,275	28,369	35,482	162,288
-	-	-	-	29,338
-	-	1,254	-	200,126
-	8,434	3,300	24,468	36,202
6,420	1,555	23,425	-	36,400
-	-	-	-	10,675
-	-	1,446	4,312	39,624
-	-	-	-	87,781
-	-	-	-	47,395
-	710	101,403	-	102,113
-	2,243	16,240	3,056	70,035
120,165	118,408	347,938	175,210	1,895,901
54,430	65,523	159,069	137,767	1,024,633
2,572	7,816	19,003	8,880	122,308
-	-	-	-	85,642
4,063	6,002	15,809	3,972	83,398
-	200	3,727	2,300	33,144
1,049	-	121	3,106	34,825
3,339	44,101	6,224	5,256	131,534
-	14	14	37	4,920
31,802	15,039	10,487	18,286	104,365
42,825	73,172	55,385	41,837	600,136
1,394	8,058	23,891	7,585	73,066
6,166	2,644	6,673	491	44,036
76,827	19,941	123,574	8,200	499,408
-	-	-	-	2,357
-	-	-	-	640
181,642	169,338	368,592	195,880	2,244,276
(61,477)	(50,930)	(20,654)	(20,670)	(348,375)
39,450	14,450	14,450	14,450	105,104
-	-	-	-	(240,664)
39,450	14,450	14,450	14,450	(135,560)
$ (22,027)	$ (36,480)	$ (6,204)	$ (6,220)	$ (483,935)

AMGL
CPAs & Advisors

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

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

To the Honorable Mayor and Members of the City Council
City of Kimball, 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 - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified cash basis for the governmental funds of the City of Kimball, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated April 17, 2025. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of Kimball, Nebraska, prepares its financial statements for the governmental funds on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Kimball'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.

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

A PROFESSIONAL CORPORATION

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

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 have not been 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 controls, described below, that we consider to be a significant deficiency.

Segregation of Duties

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Kimball'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 Kimball's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Kimball's response to the findings identified in our audit and above. The City of Kimball 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
April 17, 2025