

CITY OF TERRYTOWN, NEBRASKA
FINANCIAL STATEMENTS with
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2024

CITY OF TERRYTOWN, NEBRASKA
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Statement of Net Position - Proprietary Funds	8
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds	10 - 11
NOTES TO FINANCIAL STATEMENTS	12 - 25
SUPPLEMENTAL INFORMATION	
Statement of Revenues and Expenditures - Budgetary Basis Budget and Actual - All Funds	26
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION	27
REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	28 - 29
SCHEDULE OF FINDINGS AND RESPONSES	30 - 31



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Terrytown
Terrytown, Nebraska

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities – modified cash basis, the business-type activities – accrual basis, each major fund – modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified cash basis for the governmental funds of the City of Terrytown, Nebraska, as of September 30, 2024, and respective changes in financial position, and cashflows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash and accrual basis of accounting described in Note 1. This includes determining that the modified cash and accrual basis of accounting are acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Terrytown, 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 Terrytown, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collective comprise the City of Terrytown, Nebraska's basic financial statements. The budgetary comparison schedules and related notes are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for the pacing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025, on our consideration of the City of Terrytown, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Terrytown, Nebraska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Terrytown, Nebraska's internal control over financial reporting and compliance.

RJ Meyer & Associates, LLC

North Platte, Nebraska
October 10, 2025

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

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Equity in pooled cash	(249,925)	1,238,748	988,823
Cash on deposit - County Treasurer	14,756	-	14,756
Certificates of deposit	729,150	736,684	1,465,833
Accounts receivable	-	61,646	61,646
Total Current Assets	<u>493,980</u>	<u>2,037,078</u>	<u>2,531,059</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	120,161	56,505	176,667
Capital assets			
Land	-	5,500	5,500
Buildings and improvements	-	5,393,534	5,393,534
Equipment	-	388,051	388,051
Less accumulated depreciation	-	<u>(2,317,170)</u>	<u>(2,317,170)</u>
Net capital assets	-	<u>3,469,915</u>	<u>3,469,915</u>
Total Noncurrent Assets	<u>120,161</u>	<u>3,526,420</u>	<u>3,646,581</u>
TOTAL ASSETS	<u>614,142</u>	<u>5,563,498</u>	<u>6,177,640</u>
LIABILITIES			
Accounts payable	-	44,914	44,913.70
Accrued expenses	-	22,865	22,864.64
Customer deposits	-	1,800	1,800.00
Noncurrent liabilities-long-term obligations			
Due within one year	-	46,482	46,482.16
Due in more than one year	-	<u>1,335,479</u>	<u>1,335,479</u>
TOTAL LIABILITIES	<u>-</u>	<u>1,451,539</u>	<u>1,451,539</u>
NET POSITION			
Net investment in capital assets	-	2,087,954	2,087,954
Restricted for:			
Street improvements	317,194	-	317,194
Customer deposits	-	1,800.00	1,800.00
Infrastructure improvements	120,161	-	120,161
Community betterment	423,204	-	423,204
Debt services	-	56,505	56,505
Unrestricted	<u>(246,417)</u>	<u>1,965,701</u>	<u>1,719,284</u>
TOTAL NET POSITION	<u>614,142</u>	<u>4,111,960</u>	<u>4,726,102</u>
TOTAL LIABILITIES AND NET POSITION	<u>614,142</u>	<u>5,563,498</u>	<u>6,177,640</u>

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

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

Functions/programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities						
General Government	514,572	750	-	(513,822)	-	(513,822)
Public Safety	137,540	-	-	(137,540.00)	-	(137,540.00)
Streets and Highways	282,328	-	-	(282,328)	-	(282,328)
Culture and Recreation	16,970	-	-	(16,970)	-	(16,970)
Total governmental activities	<u>951,410</u>	<u>750</u>	<u>-</u>	<u>(950,660)</u>	<u>-</u>	<u>(950,660)</u>
Business-type activities						
Electric	2,918	-	-	-	(2,918)	(2,918)
Water	311,055	246,534	-	-	(64,500)	(64,500)
Sewer	324,462	433,237	-	-	108,774	108,774
Total business-type activities	<u>638,414.75</u>	<u>679,771</u>	<u>-</u>	<u>-</u>	<u>41,356</u>	<u>41,356</u>
Total primary government	<u>1,589,824.33</u>	<u>680,521</u>	<u>-</u>	<u>(950,660)</u>	<u>41,356</u>	<u>(909,303)</u>
General revenues						
Property taxes, levied for general purposes				130,425	-	130,425
Sales taxes, levied for general purposes				39,337	-	39,337
Motor vehicle taxes				7,589	-	7,589
Intergovernmental				355,068	-	355,068
Unrestricted investment earnings				38,450	15,362	53,812
Keno lottery				14,846	-	14,846
Insurance proceeds				42,321	-	42,321
Other receipts				40,547	42,057	82,605
Total general revenues				<u>668,583</u>	<u>57,420</u>	<u>726,003</u>
Internal transfers				(4,575)	4,575	-
CHANGE IN NET POSITION				(286,651)	103,351	(183,301)
NET POSITION, beginning of year				900,794	4,004,568	4,905,362
RESTATED, Cash balances				-	4,040	4,040
NET POSITION, beginning of year, as restated				900,794	4,008,608	4,909,402
NET POSITION, end of year				<u>614,142</u>	<u>4,111,960</u>	<u>4,726,101</u>

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

CITY OF TERRYTOWN, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Street Fund	Keno Fund	Total Governmental Funds
ASSETS				
Equity in pooled cash	(559,363)	316,875	(7,437)	(249,925)
Cash held by County Treasurer	14,437	319	-	14,756
Restricted cash for improvements	89,521	-	30,641	120,161
Certificates of deposit	329,150	-	400,000	729,150
TOTAL ASSETS	(126,256)	317,194	423,204	614,142
 FUND BALANCES				
Restricted for:				
Street improvements	-	317,194	-	317,194
Infrastructure improvements	89,521	-	-	89,521
Community betterment	-	-	423,204	423,204
Unassigned	(215,776)	-	-	(215,776)
TOTAL FUND BALANCES	(126,256)	317,194	423,204	614,142

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

CITY OF TERRYTOWN, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Street Fund	Keno Fund	Total Governmental Funds
REVENUES				
Taxes:				
Property	130,425	-	-	130,425
Motor vehicle	-	7,589	-	7,589
City sales tax	39,337	-	-	39,337
Intergovernmental	274,754	80,314	-	355,068
Charges for services	750	-	-	750
Keno proceeds	-	-	14,846	14,846
Interest income	26,949	-	11,501	38,450
Insurance proceeds	42,321	-	-	42,321
Other revenues	27,285	13,262	-	40,547
Total revenues	541,820	101,165	26,348	669,333
EXPENDITURES				
Current				
General government	652,112	-	16,970	669,082
Public works	-	282,328	-	282,328
Total expenditures	652,112	282,328	16,970	951,410
Excess (deficit) of revenues over expenditures	(110,293)	(181,162)	9,378	(282,076)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(4,575)	-	-	(4,575)
Total other financing sources (uses)	(4,575)	-	-	(4,575)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	(114,868)	(181,162)	9,378	(286,651)
FUND BALANCE, beginning of year	(11,388)	498,356	413,826	900,794
FUND BALANCE, end of year	(126,256)	317,194	423,204	614,142

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

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

	Business-Type Activities Enterprise Funds			Total
	Electric	Water	Sewer and Sanitation	
ASSETS				
Current Assets				
Equity in pooled cash	283,266	-	1,087,185	1,370,451
Certificates of deposit	-	552,825	183,859	736,684
Restricted cash	-	55,559	946	56,505
Accounts receivable	-	30,736	30,910	61,646
Total current assets	<u>283,266</u>	<u>639,120</u>	<u>1,302,900</u>	<u>2,225,286</u>
Capital Assets				
Buildings and equipment	48,775	3,996,298	1,742,012	5,787,085
Less accumulated depreciation	<u>(29,024)</u>	<u>(1,078,687)</u>	<u>(1,209,460)</u>	<u>(2,317,170)</u>
Net capital assets	<u>19,751</u>	<u>2,917,611</u>	<u>532,552</u>	<u>3,469,915</u>
TOTAL ASSETS	<u>303,017</u>	<u>3,556,731</u>	<u>1,835,452</u>	<u>5,695,201</u>
LIABILITIES				
Current Liabilities				
Cash deficit - equity in pooled cash	-	131,703	-	131,703
Accounts payable	246	24,305	20,364	44,914
Accrued payroll expenses	-	9,320	6,867	16,188
Accrued interest payable	-	6,677	-	6,677
Current portion of long-term debt	-	46,482	-	46,482
Total current liabilities	<u>246</u>	<u>218,487</u>	<u>27,231</u>	<u>245,964</u>
Current Liabilities Payable from Restricted Assets				
Consumer deposits	-	1,800	-	1,800
Noncurrent liabilities				
Bonds payable (net of current)	-	1,335,479	-	1,335,479
Total noncurrent liabilities	<u>-</u>	<u>1,335,479</u>	<u>-</u>	<u>1,335,479</u>
TOTAL LIABILITIES	<u>246</u>	<u>1,555,766</u>	<u>27,231</u>	<u>1,583,242</u>
NET POSITION				
Invested in capital assets, net of related debt	19,751	1,535,651	532,552	2,087,954
Restricted for debt service	-	55,559	946	56,505
Restricted for customer deposits	-	1,800	-	1,800
Unrestricted	<u>283,020</u>	<u>407,956</u>	<u>1,274,724</u>	<u>1,965,701</u>
TOTAL NET POSITION	<u>302,772</u>	<u>2,000,966</u>	<u>1,808,222</u>	<u>4,111,960</u>
TOTAL LIABILITIES AND NET POSITION	<u>303,017</u>	<u>3,556,731</u>	<u>1,835,452</u>	<u>5,695,201</u>

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

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

	Business-Type Activities Enterprise Funds			Total
	Electric	Water	Sewer and Sanitation	
OPERATING REVENUES				
Charge for services	-	246,534	433,237	679,771
Other	6,365	914	34,779	42,057
Total operating revenues	<u>6,365</u>	<u>247,448</u>	<u>468,016</u>	<u>721,828</u>
OPERATING EXPENSES				
Personal services	-	49,730	40,939	90,668
Contractual services	-	68,991	211,545	280,536
Materials and repairs	-	39,910	11,935	51,846
Heat, light and power	1,403	4,034	2,663	8,100
Depreciation	1,463	107,917	48,420	157,800
Miscellaneous	51.40	14,493	8,960	23,505
Total operating expenses	<u>2,918</u>	<u>285,075</u>	<u>324,462</u>	<u>612,455</u>
OPERATING INCOME (LOSS)	<u>3,447</u>	<u>(37,627)</u>	<u>143,553</u>	<u>109,373</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income - investments	-	10,997	4,366	15,362
Interest expense	-	(25,959)	-	(25,959)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(14,963)</u>	<u>4,366</u>	<u>(10,597)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,575	4,575
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,575</u>	<u>4,575</u>
INCREASE (DECREASE) IN NET POSITION	3,447	(52,590)	152,494	103,351
NET POSITION, beginning of year	<u>299,325</u>	<u>2,050,766</u>	<u>1,654,477</u>	<u>4,004,568</u>
Prior Period Adjustment: Cash Balances	-	2,789	1,250	4,040
NET POSITION, beginning of year, as adjusted	<u>299,325</u>	<u>2,053,555</u>	<u>1,655,727</u>	<u>4,008,608</u>
NET POSITION, end of year	<u>302,772</u>	<u>2,000,966</u>	<u>1,808,222</u>	<u>4,111,960</u>

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

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

	Business-Type Activities Enterprise Funds			Total
	Electric	Water	Sewer and Sanitation	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	-	237,337	443,607	680,944
Other operating cash receipts	6,365	914	34,779	42,057
Cash payments to suppliers	(1,280)	(135,414)	(346,659)	(483,353)
Cash payments to employees	-	(46,488)	(38,603)	(85,091)
Net cash provided by (used in) operating activities	<u>5,085</u>	<u>56,350</u>	<u>93,123</u>	<u>154,558</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash paid for property and equipment	-	-	(34,310)	(34,310)
(Payments) Proceeds from long term debt	-	(45,667)	-	(45,667)
Cash paid for interest	-	(25,959)	-	(25,959)
Net cash used in capital and related financing activities	<u>-</u>	<u>(71,626)</u>	<u>(34,310)</u>	<u>(105,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase (Decrease) in consumer dep.	-	600	-	600
Proceeds from investment accounts	-	568	311	880
Net cash provided by (used in) investing activities	<u>-</u>	<u>1,168</u>	<u>311</u>	<u>1,480</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Prior period adjustment	-	2,789	1,249	4,039
Increase in due to (due from) water	-	-	69,663	69,663
Increase (Decr.) equity in pooled cash	-	62,038	-	62,038
Transfers in (out)	-	-	4,575	4,575
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>64,827</u>	<u>75,487</u>	<u>140,314.86</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,085	50,719	134,612	190,416
CASH AND CASH EQUIVALENTS, beginning of year	<u>278,181</u>	<u>4,840</u>	<u>953,519</u>	<u>1,236,540</u>
CASH AND CASH EQUIVALENTS, end of year	<u>283,266</u>	<u>55,559</u>	<u>1,088,131</u>	<u>1,426,956</u>

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

OTHER SUPPLEMENTAL INFORMATION

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating income (loss)	<u>3,447</u>	<u>(37,627)</u>	<u>143,553</u>	<u>109,373</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	1,463	107,917	48,420	157,800
(Increase) Decrease in accounts receivable	-	(9,197)	10,370	1,173
Increase (Decrease) in accrued compensation	-	3,242	2,335	5,578
Increase (Decrease) in accounts payable and accrued expenses	<u>175</u>	<u>(7,985)</u>	<u>(111,555)</u>	<u>(119,366)</u>
Total adjustments	<u>1,638</u>	<u>93,977</u>	<u>(50,430)</u>	<u>45,185</u>
Net cash provided by (used in) operating activities	<u><u>5,085</u></u>	<u><u>56,350</u></u>	<u><u>93,123</u></u>	<u><u>154,558</u></u>

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

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL STATEMENT

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary Funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The City uses the modified cash basis of accounting, as allowed by Nebraska State Statute, in preparing the financial statements for the governmental activities, as presented in the government-wide financial statements and the governmental funds financial statements. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The financial statements for business-type activities, as presented in the government-wide financial statements and the proprietary funds' financial statements, are prepared in accordance with US GAAP.

B. REPORTING ENTITY

The City of Terrytown operates under a Mayor-Council form of government, which has oversight responsibility and control over all activities related to general government, public works, public service, public safety, culture, and recreation in the City. The City receives funding from local and state government sources and must comply with the requirements of these funding source entities.

The City consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their inclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financial accountable if its City Council appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or if there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the city. The City does not report any component units.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF PRESENTATION

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental or enterprise funds are aggregated and reported as other governmental or enterprise funds.

D. FUND TYPES AND MAJOR FUNDS

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND TYPES AND MAJOR FUNDS (Continued)

- c. Management has elected to classify one or more governmental or proprietary funds as major for consistency in reporting from year to year, or because the public interest in the fund's operations.

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

Governmental Funds

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specific purposes.

Street Fund- A special revenue fund used to account for highway allocation funds received, other receipts and expenditures related to the construction and maintenance of the City streets. This is a major fund.

Keno Fund – This fund is used to account for the proceeds and costs associated with conducting a lottery pursuant to the Nebraska County and City Lottery Act. This gross proceeds of which are required to be spent for community betterment purposes, awarding of prizes, taxes, and expenses. This fund is a major fund.

Proprietary Funds

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

The City reports the following major proprietary funds:

Electric Fund – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal electric systems and related facilities. This fund is a major fund.

Water Fund – Financed primarily by user charges, this fund accounts for pumps, transmits, stores and distributes water to the residents of the City. This fund is a major fund.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. FUND TYPES AND MAJOR FUNDS (Continued)

Sewer/Sanitation Fund – Financed primarily by user charges, this fund account for pumps, transmits, and processes the liquid waste of the residents of the City. This fund is a major fund.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at carrying value, which reasonably estimates fair market value. For purposes of the Statement of Cash Flows, the enterprise funds consider all restricted cash and highly liquid investments with a maturity of three months or less to be

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND CASH EQUIVALENTS (continued)

cash equivalents. The City follows the practice of aggregating cash assets of various funds to maximize cash management efficiency and returns in a cash pool available for use by all funds. Each fund has access to the cash in this fund as needed.

G. BUDGET AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing its budget:

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

Public hearings are conducted to obtain taxpayer comments.

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

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

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

H. INVESTMENTS

Investments consist of certificates of deposit with maturity dates of more than three months from the purchase date at local depositories. They are valued at cost plus interest added, which approximates fair value.

I. RECEIVABLES

Receivables are stated net of an allowance for uncollectible accounts. Taxes receivables are offset by the deferral of the related revenues until payment is received except amounts received within sixty days of the balance sheet date. There was no allowance for doubtful accounts at September 30, 2024.

J. CAPITAL ASSETS

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. The accounting treatment for capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. CAPITAL ASSETS (continued)

Capital assets used in governmental fund operations are accounted for as capital outlay expenditure of the appropriate governmental fund when they result from cash transactions and are not recorded as assets in the government-wide or fund financial statements.

Capital assets used in proprietary fund operations are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, capital assets are recorded at historical cost, or estimated costs, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant, and which extend the useful life of a capital asset are also capitalized.

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

Buildings and improvements	5 - 50 years
Equipment	5 - 15 years

K. COMPENSATED ABSENCES

Vacation and sick leave are accumulated on the basis of position and length of service. All full-time and permanent part-time employees and earn vacation based on the number of years of employment. Unused vacation of 15 days can be carried over to the following year. The City maintains a sick leave policy allowing employees with at least 15 years are entitled to receive 50% of their accumulated sick leave and at least 20 years are entitled to receive 75% of their accumulated sick leave. Vacation pay vests upon accrual and is payable upon termination of employment. As the governmental funds are accounted for on the modified cash basis of accounting, these amounts have not been accrued in the accompanying governmental financial statements. The financial statements of the enterprise funds reflect the accumulated unpaid vacation benefits in accrued expenses.

N. LONG-TERM LIABILITIES

Accounting treatment for long-term liabilities depending on whether the assets are used in government fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

All long-term liabilities to be repaid from business-type activities resources are reported as liabilities in the government-wide financial statements. The accounting for proprietary fund long-term debt is on the accrual basis. The long-term liabilities primarily consist of direct financing obligations and utility bonds.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. LONG-TERM LIABILITIES (Continued)

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances are recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program which benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated but are reported as a separate program cost category.

Long-term debts from cash transactions of governmental funds are not reported as liabilities in the fund financial statements or the government-wide financial statements. Instead, the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Fund Financial Statements

In the governmental fund financial statements, debt proceeds are reported as cash receipts (other financing sources), while payments of principal and interest are reported as disbursements when cash payments are made.

The accounting for proprietary fund long-term liabilities is on the accrual basis, the same as in the business-type activities reported in the government-wide financial statements.

O. LEASES

Lessee:

The City may be a lessee for noncancelable leases of equipment, though as of September 30, 2024, the City was not a lessee. The City recognizes lease liabilities and an intangible right-to-use lease assets within the proprietary fund financial statements. The City recognizes right-to-use lease assets and lease liabilities with an initial, individual value of \$5,000 or more. The City does not have any leases at September 30, 2024 that would be required to be considered as a right-to-use asset.

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

Lessor:

The City may be a lessor for a noncancellable lease of property, though as of September 30, 2024, the City was not a lessor. The City recognizes a lease receivable and deferred inflow of resources in the proprietary fund financial statements.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. LEASES (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. As of September 30, 2024 the City did not have any leases meeting this criteria.

P. NET POSITION AND FUND BALANCES

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – Consists of business-type capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of bond payable or capital lease obligations that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted – Represents all other net positions that do not meet the definition or “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements

The City classifies governmental fund balances as follows:

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources by either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by resolutions of the City Council.

Assigned – Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted or committed. Amounts can be assigned by committees of the City Council or management of the City.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. NET POSITION AND FUND BALANCES (continued)

Unassigned – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned.

The City uses restricted amounts first when both restricted and unrestricted fund balance are available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar-for-dollar spending. Additionally, the City would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

Q. PROPERTY TAXES

The City receives real estate, personal property, and vehicle taxes from Scotts Bluff County. Real estate taxes are attached as an enforceable lien on the property as of January 1. Real estate and personal property taxes are levied December 1 and are payable in two installments the following May 1 and September 1. Vehicle taxes are levied and are payable at the time of licensing. The City recognizes revenue at the time the taxes are collected by the County Treasurer in accordance with the modified cash basis of accounting.

R. PROGRAM REVENUES

The Statement of Net Position – Governmental Activities – Modified Cash Basis; Business-type Activities – Accrual Basis includes cash receipts that are derived directly from each activity or from parties outside the City’s taxpayers and are reported as program cash receipts. Program revenues are classified into three categories as follows:

1. Charges for services – these arise from charges to customers, applicants, or others who purchase, use, or directly benefit from goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – these arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – these arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. ESTIMATES

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

NOTE 2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The City follows the practice of aggregating cash assets of various funds to maximize cash management efficiency and returns in a cash pool available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position as "equity in pooled cash." Various restrictions on deposits and investments are imposed by statutes. Additionally, Nebraska State Statute 17-607 requires banks either to give bonds or pledge government securities (types of which are specifically identified in the Statute) to the City Treasurer in the amount of the City's deposits. The Statute allows pledged securities to be reduced by the amount of the deposit which is insured by the Federal Deposit Insurance Corporation (FDIC).

The carrying value of cash at September 30, 2024, consists of the following amounts held by the City Treasurer:

Cash in Bank	988,823
Restricted Cash	176,667
Cash held by County treasurer	14,756
Certificates of Deposit	<u>1,465,833</u>
	<u>2,646,079</u>

Cash is allocated to the following funds:

General Fund	614,141
Proprietary	<u>2,031,938</u>
	<u>2,646,079</u>

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to them. The City does not have a policy for custodial credit risk. For reporting purposes, the amount of total City bank deposits is classified in the following categories of custodial credit risk.

1. Insured by the FDIC or collateralized with securities held by the City or by its agent in the City's name.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK (Continued)

1. Uninsured, but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
2. 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 properly collateralized with no written and approved collateral agreement.

Type of Deposits	Total Bank Balance	Credit Risk Category			Total Carrying Value
		1	2	3	
Insured Deposits	250,000	250,000	-	-	-
Uninsured Deposits:					
Collateralized	2,391,259	-	2,391,259	-	-
Uncollateralized	-	-	-	-	-
	<u>2,641,259</u>	<u>250,000</u>	<u>2,391,259</u>	<u>-</u>	<u>2,631,323</u>

Concentration of Credit Risk – The City has a concentration of credit risk for its utility as substantially all balances are from individuals or businesses located within the same geographic region.

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows for business-type activities for the year ended September 30, 2024:

	Balance October 1, <u>2023</u>	Addi- tions	Dele- tions	Balance September 30, <u>2024</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated				
Land	5,500			5,500
Construction in Progress	<u>101,213</u>		<u>(101,213)</u>	<u>0</u>
	<u>106,713</u>		<u>(101,213)</u>	<u>5,500</u>
Capital assets being depreciated				
Buildings and improvements	5,272,443	121,091		5,393,534
Equipment	<u>373,709</u>	<u>14,342</u>		<u>388,051</u>
Total	5,646,152	135,433		5,781,585

CITY OF TERRYTOWN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CHANGES IN CAPITAL ASSETS (continued)

Less: accumulated depreciation	(2,159,462)	(157,708)	_____	(2,317,170)
Total capital assets being depreciated	3,486,690	(22,275)	_____	3,464,415
Net Capital Assets	<u>3,593,403</u>	<u>(22,275)</u>	<u>(101,213)</u>	<u>3,469,915</u>

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

Business-type activities	
Electric	1,463
Water	107,917
Sewer and Sanitation	<u>48,420</u>
Total depreciation expense - business-type activities	<u>157,800</u>

NOTE 4. LONG-TERM DEBT

Business-Type Activities

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

General Obligation Water Bonds, Series 2020 – On June 12, 2020, the City issued \$689,000 in general obligation water bonds to aid in the cost of constructing additions and improvements to the City’s existing water system. Annual installments in the amount of \$22,510, including interest at a rate of 1.375%, are due on June 12 each year. Final maturity of the bonds is June 12, 2060.

General Obligation Water Bonds, Series 2020 – On June 12, 2020, the City issued \$134,000 in general obligation water bonds to aid in the cost of constructing additions and improvements to the City’s existing water system. Final maturity of the bonds is June 12, 2060.

Nebraska Department of Environment and Energy – Safe Drinking Water SRF – On March 2, 2012 (Amended May 14, 2019), the City entered into a direct financing agreement with the Nebraska Department of Environment and Energy under the departments Nebraska Drinking Water Facilities Loan Fund to aid in the cost of constructing additions and improvements to the City’s existing water system. The loan, in the amount of \$709,148 has an interest rate of 2.00% and an administrative fee of 1.00%. Semi-annual payments of varying amounts began on December 15, 2019, with the final payment due on December 15, 2041.

CITY OF TERRYTOWN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (continued)

	Balance October 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Amount September 30, <u>2024</u>	Balance Due in <u>2025</u>
Water Fund					
NE Dept of Environmental Drinking Water	651,989	0	(29,445)	622,544	30,036
GO Bonds (Series 2020)	649,351	0	(13,581)	635,770	2,678
GO Bonds (Series 2020)	<u>126,288</u>	<u>0</u>	<u>(2,642)</u>	<u>123,647</u>	<u>13,768</u>
	<u>1,427,628</u>	<u>0</u>	<u>(45,668)</u>	<u>1,381,961</u>	<u>46,482</u>

Annual Requirements of Long-Term Debt

The annual requirements to service the preceding outstanding debt as of September 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	46,482	22,744	69,226
2026	47,312	21,914	69,226
2027	48,157	21,069	69,226
2028	49,018	20,208	69,226
2029	49,894	19,332	69,226
2030 - 2034	263,193	82,935	346,128
2035 - 2039	287,746	58,482	346,128
2040 - 2044	224,413	33,805	298,756
2045 - 2049	92,984	23,371	116,355
2050 - 2054	118,917	15,523	134,440
2055 - 2059	127,321	7,119	134,440
2060	<u>26,524</u>	<u>364</u>	<u>26,888</u>
	<u>1,381,961</u>	<u>367,304</u>	<u>1,749,265</u>

CITY OF TERRYTOWN, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. RETIREMENT PLAN

The City participates in a SIMPLE IRA Pension Plan. The plan is available to all employees who have earnings in excess of \$5,000 per calendar year and who have had earnings of at least \$5,000 in the preceding two calendar years. Eligible employees are allowed to contribute a percentage of their wages up to the annual limits established by the Internal Revenue Service. Employees who will reach the age of 50 by the end of the calendar year are allowed an additional catch-up contribution. The City matches 3% match of the employee contribution and the employer contributions are 100% at all times. The City's contribution for the year ended September 30, 2024 was \$3,970.

NOTE 6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City is covered by commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

NOTE 7. GOVERNMENTAL FUND BALANCES

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

- a. The City has fund balances classified as restricted for debt service.
- b. The City has no fund balances classified as assigned.
- c. The City has no fund balances classified as committed.

The City considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available. The City Clerk is authorized to make assignments pursuant to resolution by the City Council.

NOTE 8. CONTINGENT LIABILITIES

Enterprise Fund Bonded Debt

Certain general obligation bonds are being retired with funds from utility fund revenues. These bonds are issued by the full faith and credit of the City. Management does not foresee any circumstances that would change the source of funding for these obligations.

NOTE 9. SUBSEQUENT EVENTS

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

SUPPLEMENTARY INFORMATION

CITY OF TERRYTOWN, NEBRASKA
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - ALL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes and special assessments	175,650	177,351	1,701
Intergovernmental	326,066	355,068	29,002
Charges for services	1,325,000	682,294	(642,706)
Interest	27,700	53,812	26,112
Other	1,318,269	84,845	(1,233,424)
Federal receipts	750,000	-	(750,000)
Insurance proceeds	-	42,321	42,321
Transfers in - other than surplus fees	164,000	4,575	(159,425)
Total revenues	<u>4,086,685</u>	<u>1,400,266</u>	<u>(2,686,419)</u>
EXPENDITURES			
Current			
General Government	1,953,794	514,572	1,439,222
Public Safety	167,832	137,540	30,292
Streets	1,961,959	282,328	1,679,631
Culture and Recreation	-	16,970	(16,970)
Electric	-	1,280	(1,280)
Water	480,672	181,902	298,770
Sewer and sanitation	966,775	419,572	547,203
Miscellaneous	991,050	-	991,050
Principal	453,000	45,668	407,332
Interest and charges	-	25,959	(25,959)
Transfers out	164,000	4,575	159,425
Total expenditures	<u>7,139,082.00</u>	<u>1,630,366</u>	<u>5,508,716</u>
REVENUES OVER (UNDER) EXPENDITURES		<u>(230,100)</u>	

CITY OF TERRYTOWN, NEBRASKA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

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

Basis of Accounting

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

Budget Law

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

Reconciliation of Budgetary Basis

A reconciliation of expenditures under revenue on the budgetary basis to net change for all funds is as follows:

Revenues over (under) expenditures - budgetary basis	<u>(230,100)</u>
Adjustments	
Accounts receivable	(1,173)
Purchase of capital assets	34,310
Accounts payable	127,117
Customer deposits	(600)
Accrued expenses	3,278
Repayments of debt	45,667
Prior period adjustments	(3,999)
Depreciation and amortization	<u>(157,800)</u>
Total adjustments	46,799
Total	<u>(183,301)</u>
Net change in fund balance - governmental funds	(286,651)
Change in net position - proprietary funds	<u>103,351</u>
	<u>(183,301)</u>



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

Honorable Mayor and City Council
City of Terrytown
Terrytown, Nebraska

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

Report on Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses Items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City of Terrytown, Nebraska's Response to Findings

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

Purpose of this Report

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

RJ Meyer & Associates, LLC

North Platte, Nebraska
October 10, 2025

CITY OF TERRYTOWN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2024

Finding 2024-001 Segregation of duties

- Criteria: Sound Business practices include separation of duties in the handling of accounting information and generation of accounting related reports.
- Condition: City of Terrytown has a lack of segregation of duties in the accounting department.
- Cause: Due to the size of the City's accounting department, there is limited segregation of duties over bookkeeping, billing, and accounting functions. One individual routinely performs most of these functions.
- Possible effect: Increased opportunities for wrongful acts including fraud may exist because of this condition.
- Response: The Council believes the cost involved would greatly outweigh the possible benefits to be derived from developing a more complex internal control system. However, the present system seems to be operating as understood by all parties involved.

Finding 2024-002 Preparation of Financial Statements

- Criteria: Management is responsible for establishing and maintaining internal controls, including monitoring and for the fair presentation of financial statements, including notes to the financial statements in conformity with the accrual basis of accounting.
- Condition: Financial statements prepared by the City did not have disclosures included.
- Cause: Management does not demonstrate the ability to prepare financial statements in accordance with the accrual basis of accounting. The preparation of financial statements under this basis of accounting requires management to possess the ability to prepare the financial statements and related disclosures without assistance from the auditors.
- Possible effect: The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control.

CITY OF TERRYTOWN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2024

Finding 2024-002 Preparation of Financial Statements (Continued)

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

Response: The City relies on the auditors to propose adjustments necessary to prepare the financial statements including related note disclosures. The City reviews the financial statements and approves all adjustments.