

**City of Columbus, Nebraska**

**Basic Financial Statements**

**September 30, 2025**



PRELIMINARY

**City of Columbus, Nebraska  
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PRELIMINARY



## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Columbus  
Columbus, Nebraska

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information accompanying the financial statements has not been subjected to the auditing procedures applied in our audit, and accordingly, we do not express an opinion or provide any assurance on such information.

**Other Reporting Required by Government Auditing Standards**

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

Omaha, Nebraska  
**March \_\_, 2026**

PRELIMINARY





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## Management's Discussion and Analysis September 30, 2025

### Unaudited

This discussion and analysis is intended to be an easily readable analysis of the City of Columbus' (City) financial activities based on currently known facts, decisions and conditions. This analysis focuses on current year activities and how it compares to prior years and should be read in conjunction with the financial statements that follow.

### Financial Highlights

- As of September 30, 2025, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$268,416,483.
- Total net position is comprised of the following:
  - Net invested in capital assets of \$194,551,836. This represents the property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of the City's capital assets.
  - Restricted net position of \$8,481,554.
  - Unrestricted net position of \$65,383,093.
- The total net position increased by \$11,181,696 during the year ending September 30, 2025.
- The City's governmental funds reported a net increase in fund balance of \$1,062,287 and a total ending fund balance of \$22,074,705.
- The City's proprietary funds reported a net increase in net position of \$6,308,455 and total ending net position of \$96,775,360.
- At the end of the current fiscal year, fund balance for the General Fund was \$10,899,050, an increase of \$1,938,123 from the prior year.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

**Management's Discussion and Analysis**  
**September 30, 2025**

**Government-Wide Financial Statements (Continued)**

The first of these government-wide statements is the *Statement of Net Position*. This is the city-wide statement of position presenting information that includes the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, recreation, streets, planning, and public works. Business-type activities include water, sanitary sewer, electric, storm water, and solid waste services.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's funds rather than the City as a whole.

The City has two types of funds:

***Governmental Funds***

These are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

**Management's Discussion and Analysis**  
**September 30, 2025**

**Fund Financial Statements (Continued)**

Budgetary schedules for the general fund and special revenue funds are included in the required supplementary information. Budgetary schedule for the debt service fund can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget.

***Proprietary Funds***

These are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal services funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as the water and sanitary sewer systems. Internal service funds provide services and charge fees to customers within the City organization such as equipment services.

***Notes to Basic Financial Statements***

These are the accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also includes other supplementary information. This section includes detailed comparative information for the general fund and enterprise fund.

**Management's Discussion and Analysis**  
**September 30, 2025**

**Financial Analysis of the City as a Whole**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The City's net position at fiscal year-end is \$268,416,483. The following table provides a summary of the City's net position:

|  | Government<br>Activities | Business-type<br>Activities | 2025<br>Total         | 2024<br>Total         |
|--|--------------------------|-----------------------------|-----------------------|-----------------------|
| Current and other assets               | \$ 32,052,608            | \$ 49,561,927               | \$ 81,614,535         | \$ 74,408,826         |
| Capital assets                         | 174,740,104              | 82,666,598                  | 257,406,702           | 258,397,632           |
| Total assets                           | <u>206,792,712</u>       | <u>132,228,525</u>          | <u>339,021,237</u>    | <u>332,806,458</u>    |
| Current liabilities                    | 6,244,258                | 3,851,475                   | 10,095,733            | 6,223,150             |
| Long-term liabilities                  | 28,353,727               | 31,601,690                  | 59,955,417            | 67,233,035            |
| Deferred inflows of resources          | 527,545                  | -                           | 527,545               | 530,324               |
| Total liabilities and deferred inflows | <u>35,125,530</u>        | <u>35,453,165</u>           | <u>70,578,695</u>     | <u>73,986,509</u>     |
| Net position                           |                          |                             |                       |                       |
| Net invested in capital assets         | 145,582,019              | 48,969,817                  | 194,551,836           | 191,164,597           |
| Restricted                             | -                        | 8,481,554                   | 8,481,554             | 8,455,596             |
| Unrestricted                           | <u>26,085,163</u>        | <u>39,323,989</u>           | <u>65,409,152</u>     | <u>59,199,756</u>     |
| Total net position                     | <u>\$ 171,667,182</u>    | <u>\$ 96,775,360</u>        | <u>\$ 268,442,542</u> | <u>\$ 258,819,949</u> |

This reflects an increase in net position of \$11,181,696 or 4.4% for the City from the prior year restated balance of \$257,234,787, an indication that the City's overall financial position improved during fiscal year 2025. The governmental activities had an increase in net position of \$4,873,241 and the business-type activities had an increase of \$6,308,455.

**Governmental Activities**

Governmental activities included in the government-wide financial statements are shown comparing expenses to general and program revenues.

|                         | 2025                | 2024                |
|-------------------------|---------------------|---------------------|
| General revenues        | \$ 35,542,097       | \$ 33,459,775       |
| Program revenues        | 6,554,287           | 9,934,090           |
| Total revenues          | <u>42,096,384</u>   | <u>43,393,865</u>   |
| Expenses                | <u>(37,197,084)</u> | <u>(35,350,289)</u> |
| Changes in net position | <u>\$ 4,899,300</u> | <u>\$ 8,043,576</u> |

**Management's Discussion and Analysis  
September 30, 2025**

**Business-Type Activities**

Business-type activities are shown comparing costs to revenues generated by related services. These funds are designed to be self-supporting with user charges and other revenues designed to recover costs. For the year ended September 30, 2025, the systems generated income from operations, including depreciation and amortization expense, of \$10,717,402. For the year ended September 30, 2024, the systems generated income from operations, including depreciation and amortization expense, of \$8,803,675. Depreciation and amortization expense recognized for the years ended September 30, 2025, and 2024, was \$4,072,504 and \$4,009,840, respectively.

|                          | 2025          | 2024          |
|--------------------------|---------------|---------------|
| Operating revenues       | \$ 22,758,639 | \$ 20,529,683 |
| Operating expenses       | (12,041,237)  | (11,726,008)  |
| Operating income         | 10,717,402    | 8,803,675     |
| Non-operating revenues   | 1,786,188     | 1,655,533     |
| Interest expense         | (876,480)     | (903,495)     |
| Transfers                | (5,318,655)   | (4,052,027)   |
| Increase in net position | \$ 6,308,455  | \$ 5,503,686  |

**Financial Analysis of the City's Funds**

*Governmental funds*

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an increase in fund balance of \$1,062,287 and an ending fund balance of \$22,074,705.

**Management's Discussion and Analysis**  
**September 30, 2025**

**Governmental Revenues**

Revenues from governmental funds totaled \$36,934,460 in 2025, a decrease of \$3,674,972 or 9.0% from 2024, primarily from decrease in grants. The amount of revenue by source and increase or decrease from the prior year is summarized below:

|                                   | 2025                 | 2024                 | Increase<br>(Decrease) |
|-----------------------------------|----------------------|----------------------|------------------------|
| Property taxes                    | \$ 7,372,842         | \$ 6,963,585         | \$ 409,257             |
| Fees, taxes, permits and licenses | 2,489,713            | 2,047,273            | 442,440                |
| Sales tax                         | 15,862,150           | 15,385,990           | 476,160                |
| Gaming tax                        | 621,186              | 253,999              | 367,187                |
| Charges for services              | 4,105,578            | 3,971,175            | 134,403                |
| Donations                         | 48,080               | 84,678               | (36,598)               |
| Grants                            | 2,957,956            | 7,627,472            | (4,669,516)            |
| Investment earnings               | 1,086,342            | 1,294,876            | (208,534)              |
| Miscellaneous                     | 2,656,495            | 2,980,384            | (323,889)              |
| <b>Total</b>                      | <b>\$ 37,200,342</b> | <b>\$ 40,609,432</b> | <b>\$ (3,409,090)</b>  |

As depicted in the above summary, the City relies heavily on local taxes to support its governmental operations. General tax revenue provided approximately 64.1% of the City's total governmental revenues. In the prior year taxes accounted for approximately 55.7% of the total governmental revenue.

**Governmental Expenditures**

Expenditures of governmental funds totaled \$40,745,214 for 2025, a decrease of \$8,077,554 from 2024 expenditures of \$49,544,295. This decrease is due to decreases in capital outlay expenditures of \$330,910 due to large construction projects in the prior year completed or nearing completion in the current year and a decrease in debt service expenses of \$10,313,715 due to the final pay off of a bond in the prior year. Also, public safety expenses increased due to increases in wages and benefits and community development increased \$1,040,252 due to more expenditures in the progress and jobs growth fund. These expenditures, by function, are summarized below:

|                         | 2025                 | 2024                 | Increase<br>(Decrease) |
|-------------------------|----------------------|----------------------|------------------------|
| General government      | \$ 2,733,629         | \$ 2,710,694         | \$ 22,935              |
| Public safety           | 12,656,903           | 11,105,063           | 1,551,840              |
| Public works            | 3,309,015            | 3,511,983            | (202,968)              |
| Cultural and recreation | 6,410,848            | 6,255,836            | 155,012                |
| Community development   | 2,048,566            | 1,008,314            | 1,040,252              |
| Capital outlay          | 11,754,259           | 12,085,169           | (330,910)              |
| Debt service            | 2,553,521            | 12,867,236           | (10,313,715)           |
| <b>Total</b>            | <b>\$ 41,466,741</b> | <b>\$ 49,544,295</b> | <b>\$ (8,077,554)</b>  |



**Management's Discussion and Analysis  
September 30, 2025**

**Governmental Expenditures (Continued)**

*Proprietary funds*

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. We have summarized the operating results of these funds above.

**General Fund Budgetary Highlights**

The General Fund budgeted revenues for fiscal year 2025 was \$15,806,659. This was an increase of \$3,461,536 from the previous year budget of \$12,345,123. The expenditures budget was \$27,692,353, which was an increase of \$2,686,773 from \$25,005,580 in the previous year.

**Assessed Valuation and Property Taxes**

Assessed valuation of \$2,425,351,485 represented a 5.9% increase over the preceding year's valuation of \$2,290,193,749. The tax rates are applied to each \$100 of actual valuation. The breakdown of tax rates for fiscal year 2025 and the preceding two years are as follows:

|                   | 2025     | 2024     | 2023    |
|-------------------|----------|----------|---------|
| General Fund      | 0.291203 | 0.292622 | 0.28829 |
| Debt Service Fund | -        | -        | 0.02689 |
| Total             | 0.291203 | 0.292622 | 0.31518 |

**Capital Assets**

As of September 30, 2025, the City had \$257,406,702 invested in capital assets, including streets and highways; buildings; equipment, parks, water and wastewater facilities and lines; automobiles and recreation facilities; and construction in progress. At September 30, 2024, the total invested in capital assets was \$258,397,632. The net book value of these assets is summarized below:

|                              |                |
|------------------------------|----------------|
| Land                         | \$ 4,511,679   |
| Construction in progress     | 10,323,103     |
| Buildings and infrastructure | 232,374,552    |
| Equipment and furniture      | 9,599,656      |
| Leased assets and SBITAs     | 597,712        |
| Net capital assets           | \$ 257,406,702 |

The annual depreciation for the City was \$14,037,183 for 2025 and \$13,598,478 for 2024.

**Management's Discussion and Analysis  
September 30, 2025**

**Debt Administration**

At the end of the fiscal year, the City had total debt outstanding of \$59,493,133. The City's total future debt service requirements are presented below:

|              | Principal            | Interest             | Total                |
|--------------|----------------------|----------------------|----------------------|
| 2026         | 3,968,718            | 2,278,685            | 6,247,403            |
| 2027         | 3,973,756            | 2,116,196            | 6,089,952            |
| 2028         | 4,004,946            | 1,948,188            | 5,953,134            |
| 2029         | 4,138,321            | 1,774,642            | 5,912,963            |
| 2030         | 4,368,862            | 1,601,596            | 5,970,458            |
| 2031-2035    | 25,588,530           | 5,212,322            | 30,800,852           |
| 2036-2040    | 13,450,000           | 880,706              | 14,330,706           |
| <b>Total</b> | <b>\$ 59,493,133</b> | <b>\$ 15,812,335</b> | <b>\$ 75,305,468</b> |

**Economic Environment and Next Year's Budgets**

Several factors were considered and affected the preparation of the City's 2026 budget as follows:

- The revenue and rate lids imposed on property taxes by the State of Nebraska. The sales tax trend.
- The unemployment rate for Columbus.
- The amount of building permits issued.
- The state of the local economy.
- The ability to borrow at historically low interest rates.

The City has to deal with swings in the economy and plans for future capital expansions. The City will be looking very closely at the services it provides and what changes can be made to best serve the community and also stay within the City's financial resources for future budget years.

**Financial Contact**

This financial report is designed to provide an overview for all (citizens, taxpayers, customers, investors, and creditors) with an interest in the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the Finance Director, City of Columbus, P.O. Box 1677, Columbus, NE 68602-1677.



PRELIMINARY

**BASIC FINANCIAL STATEMENTS**

**City of Columbus**  
**Statement of Net Position**  
**September 30, 2025**

|  | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|--|----------------------------|-----------------------------|-----------------------|
| <b>Assets</b>  |                            |                             |                       |
| Cash and cash equivalents                                | \$ 5,094,976               | \$ 18,941,018               | \$ 24,035,994         |
| Cash at county treasurer                                 | 510,105                    | -                           | 510,105               |
| Investments  | 19,342,732                 | 16,732,468                  | 36,075,200            |
| Accounts receivable                                      | 2,949,597                  | 1,729,739                   | 4,679,336             |
| Special assessments receivable                           |                            |                             |                       |
| Receivable within one year                               | 173,881                    | -                           | 173,881               |
| Receivable after one year                                | 1,880,782                  | 718,671                     | 2,599,453             |
| Notes receivable   |                            |                             |                       |
| Receivable within one year                               | 362,075                    | -                           | 362,075               |
| Receivable after one year                                | 1,738,460                  | -                           | 1,738,460             |
| Unbilled receivables                                     | -                          | 2,710,590                   | 2,710,590             |
| Inventory  | -                          | 247,887                     | 247,887               |
| Land   | 3,802,621                  | 709,058                     | 4,511,679             |
| Equipment  | 32,146,340                 | 10,906,667                  | 43,053,007            |
| Buildings  | 220,556,260                | 135,971,370                 | 356,527,630           |
| Leased assets - buildings                                | 698,980                    | -                           | 698,980               |
| SBITA  | 742,862                    | -                           | 742,862               |
| Construction in progress                                 | 9,075,899                  | 1,247,204                   | 10,323,103            |
| Less accumulated depreciation and amortization           | (92,282,858)               | (66,167,701)                | (158,450,559)         |
| Restricted cash, cash equivalents, and investments       | -                          | 8,481,554                   | 8,481,554             |
| <b>Total assets</b>                                      | <b>\$ 206,792,712</b>      | <b>\$ 132,228,525</b>       | <b>\$ 339,021,237</b> |
| <b>Liabilities</b>                                       |                            |                             |                       |
| Accounts payable   | \$ 2,352,126               | \$ 837,355                  | \$ 3,189,481          |
| Accrued expenses   | 518,129                    | 87,759                      | 605,888               |
| Compensated absences                                     |                            |                             |                       |
| Payable within one year                                  | 1,669,005                  | 352,295                     | 2,021,300             |
| Payable after one year                                   | 726,925                    | 154,910                     | 881,835               |
| Interest payable   | 173,715                    | 324,065                     | 497,780               |
| Long-term debt, net                                      |                            |                             |                       |
| Unamortized bond premium                                 | 869,952                    | 2,491,781                   | 3,361,733             |
| Payable within one year                                  | 1,531,283                  | 2,250,001                   | 3,781,284             |
| Payable after one year                                   | 26,756,850                 | 28,954,999                  | 55,711,849            |
| <b>Total liabilities</b>                                 | <b>34,597,985</b>          | <b>35,453,165</b>           | <b>70,051,150</b>     |
| <b>Deferred Inflows of Resources</b>                     |                            |                             |                       |
| Deferred inflows related to leases                       | 527,545                    | -                           | 527,545               |
| <b>Net Position</b>                                      |                            |                             |                       |
| Net investment in capital assets                         | 145,582,019                | 48,969,817                  | 194,551,836           |
| Restricted for debt service                              | -                          | 8,481,554                   | 8,481,554             |
| Unrestricted   | 26,085,163                 | 39,323,989                  | 65,409,152            |
| <b>Total net position</b>                                | <b>171,667,182</b>         | <b>96,775,360</b>           | <b>268,442,542</b>    |
| <b>Total liabilities, deferred inflows of resources,</b> | <b>\$ 206,792,712</b>      | <b>\$ 132,228,525</b>       | <b>\$ 339,021,237</b> |

City of Columbus  
Statement of Activities  
Year Ended September 30, 2025

| Functions/Programs                            | Expenses             | Program Revenues     |                                    |                                  | Net Revenues (Expenses) and Changes in Net Position |                          |                       |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
|   |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                             | Business-type Activities | Net Total             |
| <b>Governmental activities</b>                |                      |                      |                                    |                                  |   |                          |                       |
| General services                              | \$ 8,232,095         | \$ -                 | \$ 99,509                          | \$ 25,000                        | \$ (8,107,586)                                      | \$ -                     | \$ (8,107,586)        |
| Public safety                                 | 16,218,988           | 1,565,128            | 157,918                            | -                                | (14,495,942)  | -                        | (14,495,942)          |
| Public works                                  | 3,736,626            | 224,483              | -                                  | 997,116                          | (2,515,027)   | -                        | (2,515,027)           |
| Cultural and recreation                       | 6,650,472            | 1,724,865            | 947,985                            | -                                | (3,977,622)   | -                        | (3,977,622)           |
| Community development                         | 1,407,808            | 597,233              | 215,050                            | -                                | (595,525)   | -                        | (595,525)             |
| Interest                                      | 951,095              | -                    | -                                  | -                                | (951,095)   | -                        | (951,095)             |
| <b>Total governmental activities</b>          | <b>37,197,084</b>    | <b>4,111,709</b>     | <b>1,420,462</b>                   | <b>1,022,116</b>                 | <b>(30,642,797)</b>                                 | <b>-</b>                 | <b>(30,642,797)</b>   |
| <b>Business-type activities</b>               |                      |                      |                                    |                                  |   |                          |                       |
| Water   | 3,699,656            | 5,233,636            | -                                  | -                                | -   | 1,533,980                | 1,533,980             |
| Sewer   | 6,306,111            | 9,470,830            | -                                  | -                                | -   | 3,164,719                | 3,164,719             |
| Electric                                      | 160,135              | 4,789,801            | -                                  | -                                | -   | 4,629,666                | 4,629,666             |
| Storm water                                   | 519,624              | 395,373              | -                                  | -                                | -   | (124,251)                | (124,251)             |
| Solid waste                                   | 2,232,191            | 2,868,999            | -                                  | -                                | -   | 636,808                  | 636,808               |
| <b>Total business-type activities</b>         | <b>12,917,717</b>    | <b>22,758,639</b>    | <b>-</b>                           | <b>-</b>                         | <b>-</b>  | <b>9,840,922</b>         | <b>9,840,922</b>      |
| <b>Total primary government</b>               | <b>\$ 50,114,801</b> | <b>\$ 26,870,348</b> | <b>\$ 1,420,462</b>                | <b>\$ 1,022,116</b>              | <b>(30,642,797)</b>                                 | <b>9,840,922</b>         | <b>(20,801,875)</b>   |
| <b>General revenues</b>                       |                      |                      |                                    |                                  |   |                          |                       |
| Property taxes                                |                      |                      |                                    |                                  | 7,372,842   | -                        | 7,372,842             |
| Sales taxes                                   |                      |                      |                                    |                                  | 15,862,150  | -                        | 15,862,150            |
| Other taxes and fees                          |                      |                      |                                    |                                  | 4,458,288   | -                        | 4,458,288             |
| Miscellaneous                                 |                      |                      |                                    |                                  | 1,305,214   | -                        | 1,305,214             |
| Investment earnings                           |                      |                      |                                    |                                  | 1,198,889   | 1,786,188                | 2,985,077             |
| Transfers                                     |                      |                      |                                    |                                  | 5,344,714   | (5,318,655)              | 26,059                |
| <b>Total general revenues</b>                 |                      |                      |                                    |                                  | <b>35,542,097</b>                                   | <b>(3,532,467)</b>       | <b>32,009,630</b>     |
| Change in net position                        |                      |                      |                                    |                                  | 4,899,300   | 6,308,455                | 11,207,755            |
| Net position - beginning of year              |                      |                      |                                    |                                  | 168,076,611   | 90,743,338               | 258,819,949           |
| Restatement for GASB 101, see note 19         |                      |                      |                                    |                                  | (1,308,729)   | (276,433)                | (1,585,162)           |
| Net position - beginning of year, as restated |                      |                      |                                    |                                  | 166,767,882   | 90,466,905               | 257,234,787           |
| Net position - end of year                    |                      |                      |                                    |                                  | <b>\$ 171,667,182</b>                               | <b>\$ 96,775,360</b>     | <b>\$ 268,442,542</b> |

City of Columbus  
Balance Sheet - Governmental Funds  
September 30, 2025

|  | <u>General Fund</u>  | <u>Streets<br/>Engineering<br/>Fund</u> | <u>Sales Tax Fund</u> |
|--|----------------------|---|-----------------------|
| <b>Assets</b>  |                      |   |                       |
| Cash and cash equivalents  | \$ 1,971,665         | \$ -                                    | \$ -                  |
| Cash at county treasurer   | 405,380              | -                                       | -                     |
| Due from other funds   | 3,313,804            | -                                       | -                     |
| Investments  | 5,795,516            | 694,985                                 | 3,018,170             |
| Receivables  |                      |   |                       |
| Accounts   | 111,530              | 31,451                                  | -                     |
| Due from other governments   | -                    | -                                       | 1,158,257             |
| Property taxes   | 57,433               | 356,157                                 | -                     |
| Special assessments  | -                    | 1,948,219                               | -                     |
| Notes  | -                    | 63,635                                  | -                     |
| Leases   | 269,781              | -                                       | -                     |
| <b>Total assets</b>  | <b>\$ 11,925,109</b> | <b>\$ 3,094,447</b>                     | <b>\$ 4,176,427</b>   |
| <b>Liabilities</b>   |                      |   |                       |
| Accounts payable   | \$ 353,645           | \$ 1,202,749                            | \$ -                  |
| Accrued expenses   | 427,067              | 47,359                                  | -                     |
| Due to other funds   | -                    | 2,143,638                               | -                     |
| <b>Total liabilities</b>   | <b>780,712</b>       | <b>3,393,746</b>                        | <b>-</b>              |
| <b>Deferred Inflows of Resources</b>   |                      |   |                       |
| Unavailable revenues   | 731                  | 1,959,719                               | -                     |
| Leases receivable  | 235,745              | -                                       | -                     |
| <b>Total deferred inflows of resources</b>                                     | <b>236,476</b>       | <b>1,959,719</b>                        | <b>-</b>              |
| <b>Fund Balances</b>   |                      |   |                       |
| Nonspendable   | -                    | -                                       | -                     |
| Restricted   | -                    | (2,259,018)                             | 4,176,427             |
| Committed  | -                    | -                                       | -                     |
| Assigned   | 70,580               | -                                       | -                     |
| Unassigned   | 10,837,341           | -                                       | -                     |
| <b>Total fund balances</b>   | <b>10,907,921</b>    | <b>(2,259,018)</b>                      | <b>4,176,427</b>      |
| <b>Total liabilities, deferred inflows of resources,<br/>and fund balances</b> | <b>\$ 11,925,109</b> | <b>\$ 3,094,447</b>                     | <b>\$ 4,176,427</b>   |

| <u>1/2 Cent Sales<br/>Tax Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|------------------------------------|---|---|
| \$ -                               | \$ 2,465,608                            | \$ 4,437,273                            |
| -                                  | 104,725                                 | 510,105                                 |
| -                                  | -                                       | 3,313,804                               |
| 1,894,765                          | 5,621,610                               | 17,025,046                              |
| -                                  | 3,024                                   | 146,005                                 |
| 537,741                            | 424,223                                 | 2,120,221                               |
| -                                  | -                                       | 413,590                                 |
| -                                  | 106,444                                 | 2,054,663                               |
| -                                  | 2,036,900                               | 2,100,535                               |
| -                                  | -                                       | 269,781                                 |
| <u>\$ 2,432,506</u>                | <u>\$ 10,762,534</u>                    | <u>\$ 32,391,023</u>                    |
| \$ -                               | \$ 270,593                              | \$ 1,826,987                            |
| -                                  | 43,703                                  | 518,129                                 |
| 99,314                             | 1,070,852                               | 3,313,804                               |
| <u>99,314</u>                      | <u>1,385,148</u>                        | <u>5,658,920</u>                        |
| -                                  | 2,143,344                               | 4,103,794                               |
| -                                  | 291,800                                 | 527,545                                 |
| -                                  | <u>2,435,144</u>                        | <u>4,631,339</u>                        |
| -                                  | 161,644                                 | 161,644                                 |
| 2,333,192                          | 5,374,355                               | 9,624,956                               |
| -                                  | 1,857,430                               | 1,857,430                               |
| -                                  | -                                       | 70,580                                  |
| -                                  | (451,187)                               | 10,386,154                              |
| <u>2,333,192</u>                   | <u>6,942,242</u>                        | <u>22,100,764</u>                       |
| <u>\$ 2,432,506</u>                | <u>\$ 10,762,534</u>                    | <u>\$ 32,391,023</u>                    |

PRELIMINARY



City of Columbus  
 Reconciliation of the Balance Sheet to  
 the Statement of Net Position - Governmental Funds  
 September 30, 2025

Total fund balances - governmental funds \$ 22,100,764

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

|                               |              |
|-------------------------------|--------------|
| Capital assets                | 267,022,962  |
| Less accumulated depreciation | (92,282,858) |

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

|                                    |              |
|------------------------------------|--------------|
| Bond principal payable             | (22,545,000) |
| Leases payable                     | (272,764)    |
| SBITA payable                      | (370,369)    |
| Compensated absences payable       | (2,395,930)  |
| Certificate of participation notes | (5,100,000)  |
| Bond premium                       | (869,952)    |

|  |           |
|--|-----------|
| Governmental funds do not report a liability for accrued interest until due and payable. | (173,715) |
|--|-----------|

|   |           |
|---|-----------|
| Certain receivables will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. | 4,103,794 |
|---|-----------|

|  |           |
|--|-----------|
| The Internal Service Fund is used by management to charge the costs of self-insurance and employee benefits; the assets and liabilities of the Internal Service Fund are reported in the governmental activities in the statement of net position. | 2,450,250 |
|--|-----------|

|  |                |
|--|----------------|
| Total net position - governmental activities | \$ 171,667,182 |
|--|----------------|

**City of Columbus**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended September 30, 2025**

|  | General Fund         | Streets<br>Engineering<br>Fund | Sales Tax Fund      |
|--|----------------------|--------------------------------|---------------------|
| <b>Revenues</b>                              |                      |                                |                     |
| Property taxes                               | \$ 7,321,589         | \$ -                           | \$ -                |
| Fees, taxes, permits and licenses            | 1,538,786            | 729,735                        | -                   |
| Sales tax                                    | 1,795,121            | 3,440,668                      | 7,019,093           |
| Gaming tax                                   | -                    | -                              | -                   |
| Charges for services                         | 3,212,851            | 216,737                        | -                   |
| Donations                                    | 42,197               | -                              | -                   |
| Grants                                       | 1,060,073            | 661,603                        | -                   |
| Investment earnings                          | 353,308              | 1,042                          | 135,240             |
| Miscellaneous                                | 831,755              | 34,389                         | -                   |
| Total revenues                               | <u>16,155,680</u>    | <u>5,084,174</u>               | <u>7,154,333</u>    |
| <b>Expenditures</b>                          |                      |                                |                     |
| <b>Current</b>                               |                      |                                |                     |
| General government                           | 2,693,029            | -                              | -                   |
| Public safety                                | 10,935,565           | -                              | -                   |
| Public works                                 | -                    | 3,027,514                      | -                   |
| Cultural and recreation                      | 6,405,557            | -                              | -                   |
| Community development                        | 706,968              | -                              | -                   |
| Capital outlay                               | 6,384,581            | 3,811,945                      | -                   |
| <b>Debt service</b>                          |                      |                                |                     |
| Principal on leases and SBITAs               | 163,187              | -                              | -                   |
| Interest on leases and SBITAs                | 18,539               | -                              | -                   |
| Principal                                    | -                    | -                              | -                   |
| Interest and fiscal charges                  | -                    | -                              | -                   |
| Total expenditures                           | <u>27,307,426</u>    | <u>6,839,459</u>               | <u>-</u>            |
| Excess of revenues over (under) expenditures | (11,151,746)         | (1,755,285)                    | 7,154,333           |
| <b>Other Financing Sources (Uses)</b>        |                      |                                |                     |
| SBITA proceeds                               | 10,031               | -                              | -                   |
| Transfers in                                 | 13,568,597           | 1,040,524                      | -                   |
| Transfers out                                | (462,700)            | (900,000)                      | (8,304,692)         |
| Total other financing sources (uses)         | <u>13,115,928</u>    | <u>140,524</u>                 | <u>(8,304,692)</u>  |
| Net change in fund balances                  | 1,964,182            | (1,614,761)                    | (1,150,359)         |
| <b>Fund Balances</b>                         |                      |                                |                     |
| Beginning of year                            | <u>8,943,739</u>     | <u>(644,257)</u>               | <u>5,326,786</u>    |
| End of year                                  | <u>\$ 10,907,921</u> | <u>\$ (2,259,018)</u>          | <u>\$ 4,176,427</u> |

| 1/2 Cent Sales<br>Tax Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------|--------------------------------|--------------------------------|
| \$ -                       | \$ 51,253                      | \$ 7,372,842                   |
| -                          | 221,192                        | 2,489,713                      |
| 3,175,346                  | 431,922                        | 15,862,150                     |
| -                          | 621,186                        | 621,186                        |
| -                          | 675,990                        | 4,105,578                      |
| -                          | 5,883                          | 48,080                         |
| 25,000                     | 1,211,280                      | 2,957,956                      |
| 112,613                    | 484,139                        | 1,086,342                      |
| -                          | 1,790,351                      | 2,656,495                      |
| <u>3,312,959</u>           | <u>5,493,196</u>               | <u>37,200,342</u>              |

|   |           |            |
|---|-----------|------------|
| - | 40,600    | 2,733,629  |
| - | 1,721,338 | 12,656,903 |
| - | 281,501   | 3,309,015  |
| - | 5,291     | 6,410,848  |
| - | 1,341,598 | 2,048,566  |
| - | 1,557,733 | 11,754,259 |

|                  |                  |                   |
|------------------|------------------|-------------------|
| -                | -                | 163,187           |
| -                | -                | 18,539            |
| 890,000          | 455,000          | 1,345,000         |
| 669,970          | 356,825          | 1,026,795         |
| <u>1,559,970</u> | <u>5,759,886</u> | <u>41,466,741</u> |

|           |           |             |
|-----------|-----------|-------------|
| 1,752,989 | (266,690) | (4,266,399) |
|-----------|-----------|-------------|

|   |             |              |
|---|-------------|--------------|
| - | -           | 10,031       |
| - | 1,675,580   | 16,284,701   |
| - | (1,272,595) | (10,939,987) |
| - | 402,985     | 5,354,745    |

|           |         |           |
|-----------|---------|-----------|
| 1,752,989 | 136,295 | 1,088,346 |
|-----------|---------|-----------|

|                     |                     |                      |
|---------------------|---------------------|----------------------|
| <u>580,203</u>      | <u>6,805,947</u>    | <u>21,012,418</u>    |
| <u>\$ 2,333,192</u> | <u>\$ 6,942,242</u> | <u>\$ 22,100,764</u> |

PRELIMINARY



City of Columbus  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances to the  
 Statement of Activities - Governmental Funds  
 Year Ended September 30, 2025

Net change in fund balances - governmental funds \$ 1,088,346

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

|   |             |
|---|-------------|
| Capital outlay                          | 11,754,259  |
| Depreciation and amortization expense   | (9,964,679) |
| Remaining book value of disposed assets | (815,876)   |

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. 233,849

Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities. 1,626,339

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 9,480

Bonds were refunded during the year. The amount paid with the new funding is reported in the governmental funds as a use of funds. However, the payments are not expenditures in the Statement of Activities, but rather a reduction on long-term liabilities in the Statement Net Position. -

SBITAs provide current financial resources to governmental funds and has no effect on net position. These amounts are reported in the governmental funds as a source of funds. These amounts are not shown as revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (10,031)

The governmental funds report the effect of bond premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 84,759

Certain receivables will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds. 945,982

The Internal Service Fund is used by management to charge the costs of self-insurance and employee benefits. The change in net position of the Internal Service Fund is reported with the governmental activities. (53,128)

Change in net position - governmental activities \$ 4,899,300

**City of Columbus**  
**Statement of Net Position - Proprietary Funds**  
**September 30, 2025**

|  | Water Fund           | Sewer Fund           | Electric Fund       |
|--|----------------------|----------------------|---------------------|
| <b>Assets</b>  |                      |                      |                     |
| <b>Current assets</b>  |                      |                      |                     |
| Cash and cash equivalents  | \$ 4,824,687         | \$ 10,371,201        | \$ -                |
| Investments  | 9,741,268            | 3,698,039            | 734,472             |
| Receivables  |                      |                      |                     |
| Interfund  | 187,132              | -                    | 2,362,040           |
| Accounts and leases (net of allowance)                             | 624,887              | 853,400              | -                   |
| Unbilled receivables   | 479,276              | 806,109              | 1,371,022           |
| Inventory  | 216,349              | 31,538               | -                   |
| Total current assets   | <u>16,073,599</u>    | <u>15,760,287</u>    | <u>4,467,534</u>    |
| <b>Noncurrent assets</b>   |                      |                      |                     |
| <b>Capital assets</b>  |                      |                      |                     |
| Land   | 243,714              | 356,806              | -                   |
| Buildings  | 34,184,011           | 70,157,701           | 6,191,214           |
| Equipment  | 5,456,787            | 3,339,624            | -                   |
| Construction in progress   | 641,218              | 605,986              | -                   |
| Accumulated depreciation   | (20,871,227)         | (25,784,728)         | (5,974,540)         |
| Total capital assets, net  | <u>19,654,503</u>    | <u>48,675,389</u>    | <u>216,674</u>      |
| Special assessments, noncurrent                                    | 76,664               | 519,687              | -                   |
| <b>Restricted Assets</b>   |                      |                      |                     |
| Investments  | 840,933              | 7,640,621            | -                   |
| Total assets   | <u>36,645,699</u>    | <u>72,595,984</u>    | <u>4,684,208</u>    |
| <b>Liabilities</b>   |                      |                      |                     |
| <b>Current liabilities</b>   |                      |                      |                     |
| Accounts payable   | \$ 146,917           | \$ 514,463           | \$ -                |
| Accrued expenses   | 13,276               | 56,277               | -                   |
| Compensated absences   | 46,672               | 246,214              | -                   |
| Interfund payable  | -                    | -                    | 187,132             |
| Interest payable   | 24,661               | 299,170              | -                   |
| Current portion of long-term obligations                           | 269,705              | 1,750,296            | -                   |
| Total current liabilities  | <u>501,231</u>       | <u>2,866,420</u>     | <u>187,132</u>      |
| <b>Noncurrent liabilities</b>                                      |                      |                      |                     |
| Compensated absences   | 18,288               | 100,947              | -                   |
| Unamortized bond premiums  | 422,538              | 2,069,243            | -                   |
| Noncurrent portion of long-term obligations                        | 807,074              | 28,147,925           | -                   |
| Total noncurrent liabilities                                       | <u>1,247,900</u>     | <u>30,318,115</u>    | <u>-</u>            |
| Total liabilities  | <u>1,749,131</u>     | <u>33,184,535</u>    | <u>187,132</u>      |
| <b>Net Position</b>  |                      |                      |                     |
| Net investment in capital assets                                   | 18,155,186           | 16,707,925           | 216,674             |
| Restricted for debt service  | 840,933              | 7,640,621            | -                   |
| Unrestricted   | 15,900,449           | 15,062,903           | 4,280,402           |
| Total net position   | <u>34,896,568</u>    | <u>39,411,449</u>    | <u>4,497,076</u>    |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 36,645,699</u> | <u>\$ 72,595,984</u> | <u>\$ 4,684,208</u> |

| Storm Water Fund     | Solid Waste Fund    | Total Enterprise Funds | Governmental Activities Internal Service Fund |
|----------------------|---------------------|------------------------|---|
| \$ 1,181,888         | \$ 2,563,242        | \$ 18,941,018          | \$ 657,703                                    |
| 506,992              | 2,051,697           | 16,732,468             | 2,317,686                                     |
| -                    | -                   | 2,549,172              | -   |
| 32,938               | 218,514             | 1,729,739              | -   |
| 30,401               | 23,782              | 2,710,590              | -   |
| -                    | -                   | 247,887                | -   |
| <u>1,752,219</u>     | <u>4,857,235</u>    | <u>42,910,874</u>      | <u>2,975,389</u>                              |
| 3,000                | 105,538             | 709,058                | -   |
| 19,880,467           | 5,557,977           | 135,971,370            | -   |
| 70,153               | 2,040,103           | 10,906,667             | -   |
| -                    | -                   | 1,247,204              | -   |
| (10,478,634)         | (3,058,572)         | (66,167,701)           | -   |
| 9,474,986            | 4,645,046           | 82,666,598             | -   |
| 122,320              | -                   | 718,671                | -   |
| -                    | -                   | 8,481,554              | -   |
| <u>11,349,525</u>    | <u>9,502,281</u>    | <u>134,777,697</u>     | <u>2,975,389</u>                              |
| \$ 32,945            | \$ 143,030          | \$ 837,355             | \$ 525,139                                    |
| -                    | 18,206              | 87,759                 | -   |
| -                    | 59,409              | 352,295                | -   |
| -                    | 2,362,040           | 2,549,172              | -   |
| -                    | 234                 | 324,065                | -   |
| -                    | 230,000             | 2,250,001              | -   |
| <u>32,945</u>        | <u>2,812,919</u>    | <u>6,400,647</u>       | <u>525,139</u>                                |
| -                    | 35,675              | 154,910                | -   |
| -                    | -                   | 2,491,781              | -   |
| -                    | -                   | 28,954,999             | -   |
| -                    | 35,675              | 31,601,690             | -   |
| <u>32,945</u>        | <u>2,848,594</u>    | <u>38,002,337</u>      | <u>525,139</u>                                |
| 9,474,986            | 4,415,046           | 48,969,817             | -   |
| -                    | -                   | 8,481,554              | -   |
| 1,841,594            | 2,238,641           | 39,323,989             | 2,450,250                                     |
| <u>11,316,580</u>    | <u>6,653,687</u>    | <u>96,775,360</u>      | <u>2,450,250</u>                              |
| <u>\$ 11,349,525</u> | <u>\$ 9,502,281</u> | <u>\$ 134,777,697</u>  | <u>\$ 2,975,389</u>                           |

**City of Columbus**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended September 30, 2025**

|   | Water Fund           | Sewer Fund           | Electric Fund       |
|---|----------------------|----------------------|---------------------|
| <b>Operating Revenues</b>               |                      |                      |                     |
| Charges for services                    | \$ 4,999,031         | \$ 8,795,345         | \$ -                |
| Franchise fees                          | -                    | -                    | 4,789,801           |
| Fees, taxes, permits, and licenses      | 116,273              | 80,151               | -                   |
| Sales tax                               | 39,360               | 524,061              | -                   |
| Misc operating revenues                 | 78,972               | 71,273               | -                   |
| Total operating revenues                | <u>5,233,636</u>     | <u>9,470,830</u>     | <u>4,789,801</u>    |
| <b>Operating Expenses</b>               |                      |                      |                     |
| Personnel services                      | 1,140,749            | 1,676,977            | -                   |
| Insurance                               | 61,970               | 158,932              | -                   |
| Supplies                                | 403,656              | 338,397              | -                   |
| Professional services                   | 1,783                | 1,783                | -                   |
| Repairs and maintenance                 | 357,699              | 234,148              | -                   |
| Heat, light and power, phone            | 261,450              | 332,432              | -                   |
| Landfill disposal                       | -                    | -                    | -                   |
| Sales tax remitted                      | 82,377               | 522,472              | -                   |
| Other operating                         | 320,796              | 39,615               | -                   |
| Depreciation                            | 1,072,318            | 2,127,555            | 160,135             |
| Advertising and promotion               | 11                   | -                    | -                   |
| Total operating expenses                | <u>3,702,809</u>     | <u>5,432,311</u>     | <u>160,135</u>      |
| Operating income (loss)                 | 1,530,827            | 4,038,519            | 4,629,666           |
| <b>Nonoperating Revenues (Expenses)</b> |                      |                      |                     |
| Interest expense, net                   | 3,153                | (873,800)            | -                   |
| Investment earnings                     | 580,908              | 889,684              | 80,825              |
| Total nonoperating revenues (expenses)  | <u>584,061</u>       | <u>15,884</u>        | <u>80,825</u>       |
| Change in net position before transfers | 2,114,888            | 4,054,403            | 4,710,491           |
| <b>Operating Transfers</b>              |                      |                      |                     |
| Transfers out                           | <u>(168,150)</u>     | <u>(329,630)</u>     | <u>(4,697,495)</u>  |
| Change in net position                  | 1,946,738            | 3,724,773            | 12,996              |
| <b>Net Position</b>                     |                      |                      |                     |
| Beginning of year                       | 32,986,087           | 35,876,235           | 4,484,080           |
| Restatement, See Note 19                | <u>(36,257)</u>      | <u>(189,559)</u>     | <u>-</u>            |
| Beginning of year, as restated          | <u>32,949,830</u>    | <u>35,686,676</u>    | <u>4,484,080</u>    |
| End of year                             | <u>\$ 34,896,568</u> | <u>\$ 39,411,449</u> | <u>\$ 4,497,076</u> |

| Storm Water Fund     | Solid Waste Fund    | Total Enterprise Funds | Governmental Activities Internal Service Fund |
|----------------------|---------------------|------------------------|---|
| \$ -                 | \$ 2,848,521        | \$ 16,642,897          | \$ 102,391                                    |
| -                    | -                   | 4,789,801              | -   |
| 370,084              | 2,006               | 568,514                | 38,187  |
| 25,289               | -                   | 588,710                | -   |
| -                    | 18,472              | 168,717                | -   |
| <u>395,373</u>       | <u>2,868,999</u>    | <u>22,758,639</u>      | <u>140,578</u>                                |
| 43,710               | 684,486             | 3,545,922              | -   |
| -                    | 28,094              | 248,996                | -   |
| 922                  | 147,596             | 890,571                | -   |
| 5,043                | 1,943               | 10,552                 | 306,253                                       |
| 3,881                | 130,887             | 726,615                | -   |
| 92                   | 16,293              | 610,267                | -   |
| -                    | 906,131             | 906,131                | -   |
| 25,210               | -                   | 630,059                | -   |
| 1,001                | 37,097              | 398,509                | -   |
| 438,665              | 273,831             | 4,072,504              | -   |
| 1,100                | -                   | 1,111                  | -   |
| <u>519,624</u>       | <u>2,226,358</u>    | <u>12,041,237</u>      | <u>306,253</u>                                |
| (124,251)            | 642,641             | 10,717,402             | (165,675)                                     |
| -                    | (5,833)             | (876,480)              | -   |
| 63,599               | 171,172             | 1,786,188              | 112,547                                       |
| <u>63,599</u>        | <u>165,339</u>      | <u>909,708</u>         | <u>112,547</u>                                |
| (60,652)             | 807,980             | 11,627,110             | (53,128)                                      |
| (7,840)              | (115,540)           | (5,318,655)            | -   |
| (68,492)             | 692,440             | 6,308,455              | (53,128)                                      |
| 11,385,072           | 6,011,864           | 90,743,338             | 2,503,378                                     |
| -                    | (50,617)            | (276,433)              | -   |
| <u>11,385,072</u>    | <u>5,961,247</u>    | <u>90,466,905</u>      | <u>2,503,378</u>                              |
| <u>\$ 11,316,580</u> | <u>\$ 6,653,687</u> | <u>\$ 96,775,360</u>   | <u>\$ 2,450,250</u>                           |

18,236,372

**City of Columbus**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended September 30, 2025**

|   | Water Fund          | Sewer Fund           | Electric Fund       | Storm Water Fund    |
|---|---------------------|----------------------|---------------------|---------------------|
| <b>Cash Flows - Operating Activities</b>  |                     |                      |                     |                     |
| Receipts from customers and users   | \$ 5,075,245        | \$ 9,289,933         | \$ 4,641,080        | \$ 394,849          |
| Payments to suppliers   | (1,443,408)         | (1,228,283)          | (196,726)           | (10,015)            |
| Payments to employees   | (1,134,773)         | (1,754,532)          | -                   | (43,710)            |
| Other receipts  | 78,972              | 71,273               | -                   | -                   |
| Net cash flows - operating activities   | <u>2,576,036</u>    | <u>6,378,391</u>     | <u>4,444,354</u>    | <u>341,124</u>      |
| <b>Cash Flows - Noncapital Financing Activities</b>                                       |                     |                      |                     |                     |
| Interfund loan payments received  | (187,132)           | 6,177,620            | 187,132             | -                   |
| Transfer to other funds   | (168,150)           | (329,630)            | (4,697,495)         | (7,840)             |
| Net cash flows - noncapital financing activities  | <u>(355,282)</u>    | <u>5,847,990</u>     | <u>(4,510,363)</u>  | <u>(7,840)</u>      |
| <b>Cash Flows - Capital and Related Financing Activities</b>                              |                     |                      |                     |                     |
| Principal paid on debt  | (325,265)           | (1,639,735)          | -                   | -                   |
| Interest paid on debt   | (133,146)           | (1,242,578)          | -                   | -                   |
| Acquisition of capital assets   | (330,147)           | (1,459,064)          | -                   | (150,758)           |
| Net cash flows - capital and related financing activities                                 | <u>(788,558)</u>    | <u>(4,341,377)</u>   | <u>-</u>            | <u>(150,758)</u>    |
| <b>Cash Flows - Investing Activities</b>  |                     |                      |                     |                     |
| Net (purchase) sales of investments   | (99,280)            | (165,160)            | (14,816)            | (10,863)            |
| Interest and dividends  | 580,908             | 889,684              | 80,825              | 63,599              |
| Net cash flows - investing activities   | <u>481,628</u>      | <u>724,524</u>       | <u>66,009</u>       | <u>52,736</u>       |
| Net change in cash and cash equivalents   | 1,913,824           | 8,609,528            | -                   | 235,262             |
| <b>Cash and Cash Equivalents</b>  |                     |                      |                     |                     |
| Beginning of year   | <u>2,910,863</u>    | <u>1,761,673</u>     | <u>-</u>            | <u>946,626</u>      |
| End of year   | <u>\$ 4,824,687</u> | <u>\$ 10,371,201</u> | <u>\$ -</u>         | <u>\$ 1,181,888</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b> |                     |                      |                     |                     |
| Operating income (loss)   | \$ 1,530,827        | \$ 4,038,519         | \$ 4,629,666        | \$ (124,251)        |
| Adjustments to reconcile operating income (loss) to net cash flows - operating activities |                     |                      |                     |                     |
| Depreciation expense  | 1,072,318           | 2,127,555            | 160,135             | 438,665             |
| Accounts receivable   | (45,444)            | (109,624)            | (148,721)           | (524)               |
| Inventory   | (4,396)             | 28,242               | -                   | -                   |
| Accounts payable  | 50,730              | 371,254              | (196,726)           | 27,234              |
| Salaries payable  | (22,727)            | (235,157)            | -                   | -                   |
| Unearned revenues   | (33,975)            | -                    | -                   | -                   |
| Compensated absences payable  | 28,703              | 157,602              | -                   | -                   |
| Total adjustments   | <u>1,045,209</u>    | <u>2,339,872</u>     | <u>(185,312)</u>    | <u>465,375</u>      |
| Net cash flows - operating activities   | <u>\$ 2,576,036</u> | <u>\$ 6,378,391</u>  | <u>\$ 4,444,354</u> | <u>\$ 341,124</u>   |
| <b>Noncash Investing, Capital, and Related Financing Activities</b>                       |                     |                      |                     |                     |
| Amortization of bond premiums and discounts   | \$ 127,115          | \$ 354,987           | \$ -                | \$ -                |

See notes to the basic financial statements.

| Solid Waste Fund    | Total Enterprise Funds | Governmental Activities Internal Service Fund |
|---------------------|------------------------|---|
| \$ 2,819,582        | \$ 22,220,689          | \$ 140,578                                    |
| (1,225,717)         | (4,104,149)            | (76,570)                                      |
| (679,757)           | (3,612,772)            | -   |
| 18,472              | 168,717                | -   |
| <u>932,580</u>      | <u>14,672,485</u>      | <u>64,008</u>                                 |
| -                   | 6,177,620              | -   |
| (115,540)           | (5,318,655)            | -   |
| <u>(115,540)</u>    | <u>858,965</u>         | <u>-</u>                                      |
| (230,000)           | (2,195,000)            | -   |
| (6,040)             | (1,381,764)            | -   |
| (167,901)           | (2,107,870)            | -   |
| <u>(403,941)</u>    | <u>(5,684,634)</u>     | <u>-</u>                                      |
| (29,149)            | (319,268)              | (19,239)                                      |
| 171,172             | 1,786,188              | 112,547                                       |
| <u>142,023</u>      | <u>1,466,920</u>       | <u>93,308</u>                                 |
| 555,122             | 11,313,736             | 157,316                                       |
| <u>2,008,120</u>    | <u>7,627,282</u>       | <u>500,387</u>                                |
| <u>\$ 2,563,242</u> | <u>\$ 18,941,018</u>   | <u>\$ 657,703</u>                             |
| \$ 642,641          | \$ 10,717,402          | \$ (165,675)                                  |
| 273,831             | 4,072,504              | -   |
| (30,945)            | (335,258)              | -   |
| -                   | 23,846                 | -   |
| 42,324              | 294,816                | 229,683                                       |
| (39,738)            | (297,622)              | -   |
| -                   | (33,975)               | -   |
| 44,467              | 230,772                | -   |
| <u>289,939</u>      | <u>3,955,083</u>       | <u>229,683</u>                                |
| <u>\$ 932,580</u>   | <u>\$ 14,672,485</u>   | <u>\$ 64,008</u>                              |
| <u>\$ -</u>         | <u>\$ 482,102</u>      | <u>\$ -</u>                                   |

City of Columbus  
Statement of Fiduciary Net Position - Fiduciary Funds  
September 30, 2025

|  | Custodial<br>Funds |
|--|--------------------|
| <b>Assets</b>                              |                    |
| Cash                                       | \$ 162,801         |
| Receivables                                | 8,700              |
| Total assets                               | \$ 171,501         |
| <b>Liabilities</b>                         |                    |
| Accounts payable and amounts due to others | \$ 171,501         |
| Total liabilities                          | 171,501            |
| <b>Net Position</b>                        | \$ -               |

City of Columbus  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended September 30, 2025

|   | Custodial<br>Funds |
|---|--------------------|
| <b>Additions</b>                        |                    |
| Collections for schools                 | \$ 19,827          |
| Collections for tax increment financing | 2,501,177          |
| Total additions                         | 2,521,004          |
| <b>Deductions</b>                       |                    |
| Payments to schools                     | 19,827             |
| Payments for tax increment financing    | 2,084,547          |
| Payments to other governments           | 416,630            |
| Total deductions                        | 2,521,004          |
| Change in net assets                    | -                  |
| <b>Net Assets</b>                       |                    |
| Beginning of year                       | -                  |
| Ending of year                          | \$ -               |

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The City of Columbus, Nebraska, (the "City") is a tax-exempt political subdivision and operates under a Mayor and an eight-member City Council form of government.

**A. Reporting Entity**

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board pronouncements. These criteria state that the financial reporting entity consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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 or incomplete. Based on these criteria, the Gerrard Park Trust, the Library Endowment Fund, and the Library Foundation should be included in the basic financial statements of the City. These entities are considered blended component units of the City and are reported as if they were a part of the primary government.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the government. For the most part the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of Activities demonstrates the degree to which the direct expenses of a given function, or a segment are 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*. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Fund Financial Statements - 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 individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises, (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide Financial Statements (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 are recorded only when payment is due.

**Description of Funds:**

**Major Governmental Funds:**

The General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Streets/Engineering Fund - This fund accounts for funds required to be used for streets, public works and other infrastructure projects.

The Sales Tax Fund and ½ Cent Sales Tax Funds - These funds account for City-enacted sales tax, as further described in Note 16, and expenditures for transportation purposes, which include construction and maintenance of streets, roads, and bridges to the extent of tax revenues.

Additionally, the City reports the following non-major fund types:

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. These nonmajor funds consist of the Airport, Downtown, Gaming, E911, Wireless E911, E911 Equipment Share, Housing Rehabilitation and Loans, Progress and Jobs Growth, Keno, and Library Foundation funds.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds:(Continued)**

**Non-Major Governmental Funds:**

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

Permanent Funds - These funds account for assets held by the City pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. These nonmajor funds consist of the Library Trust and Gerrard Park Trust funds.

**Major Proprietary Funds:**

The Water, Sewer, Stormwater, and Solid Waste Fund - These are used to account for all activities necessary for the provision of water, sewer, and waste disposal services to City residents.

The Electric Fund - This accounts for franchise fees received from Loup Power District. Revenues are used to maintain distribution lines to City customers.

**Additionally, the City reports the following fund types:**

The Internal Service Fund- -This accounts for self-insurance reserves and employee benefits for covered employees provided to other departments or agencies of the City on a cost reimbursement basis.

The Custodial Fund - This accounts for the receipts and disbursements of funds on behalf of other organizations.

**D. Use of Estimates**

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

**E. Cash and Investments**

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

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Investments (Continued)**

Nonnegotiable certificates of deposit and money market funds are carried at amortized cost, which approximates fair value. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is assigned to the funds with which the related investment asset is associated.

**F. Receivables**

Accounts receivable represents the amounts due from customers for services provided. An allowance for uncollectible accounts is recorded based on historical collection information. Property taxes are recorded as a receivable when levied. Historically, the uncollectible portion of taxes receivable has been negligible and no allowance for uncollectible taxes has been recorded. Property taxes levied for the 2024-2025 tax year are recorded as revenue in the governmental fund financial statements when levied and collected within 60 days after September 30, 2025. The portion not collected within 60 days after year-end is recorded as a deferred inflow of resources - unavailable revenue in the governmental funds.

The City considers sales and use tax and highway allocation funds receivable and available when collected by the State of Nebraska. Amounts recorded as due from other governments include the portion of sales and use taxes and highway allocations due to the City from the State of Nebraska. The proprietary funds use the reserve method of accounting for bad debts. Allowance for uncollectible accounts, in the amount of \$1,200 and \$1,800 in the Sewer Fund and Water Fund, respectively, as of September 30, 2025, are shown netted against the respective accounts receivable balances for the proprietary funds. The City records an estimated amount of unbilled revenue for services rendered but not yet billed as of the close of the year.

**G. Lease Receivables**

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

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

**H. Inventories**

In the governmental funds, disbursements for inventory type items, which consist of expendable supplies held for consumption, are considered expenditures at the time of purchase and not at the time the items are used.

For the proprietary funds, inventory consists of plumbing supplies and replacement parts. Inventory is valued at the lower of cost or market, using a first-in, first-out (FIFO) method. Inventory is recorded as an expenditure when consumed, rather than when purchased.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary funds balance sheet. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                                 |              |
|---------------------------------|--------------|
| Land Improvements and Buildings | 5 - 50 Years |
| Equipment                       | 3 - 20 Years |
| Vehicles                        | 5 - 30 Years |

**J. Leased Assets**

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

**K. Subscription-Based Information Technology Arrangements**

The City recorded right-to-use lease assets as a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The SBITA assets are initially measured at an amount equal to the initial measurement of the SBITA liability plus any payments made prior to the SBITA term, less SBITA incentives, and plus ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related lease.

**L. Restricted Assets**

Certain resources are classified as restricted assets because their use is limited by applicable covenants, contracts, agreements, and statutes.

**M. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category. The unavailable revenues reported in the governmental funds balance sheet are from property taxes, special assessments, grants receivable and certain other receivables that are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow for lease receivables are future lease revenues to be collected for lease agreements entered into with third parties. It is recognized as an inflow of resources in a systematic and rational manner over the lease term.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Inflows of Resources**

Net position is classified as net investment in capital and lease assets, unrestricted net position and restricted net position.

**N. Fund Balance**

Fund balances for the City's governmental funds are classified as follows:

- **Nonspendable Fund Balances** - These are resources which cannot be spent because they are either (a) not in spendable form (such as inventory); or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balances** - These are resources with constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balances** - These are resources which are subject to limitations the government imposes upon itself at its highest level of decision-making authority and that remain binding unless removed in the same manner.
- **Assigned Fund Balances** - These are resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes.
- **Unassigned Fund Balances** - These are resources which cannot be properly classified as one of the other four categories. The General fund should be the only fund that reports a positive unassigned fund balance amount.

The City's policy is to spend restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal restrictions that prohibit doing so. Additionally, the City is to first spend committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

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

**O. 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.

**P. Compensated Absences**

City employees earn sick, vacation and comp leave throughout each month and leave is fully vested when earned. All accumulated sick, vacation and comp leave, subject to limitations, is paid at separation. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Compensated Absences (Continued)**

The liability for compensated absences reported in the Statement of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. See note 19 for the affect on implementation on beginning balance net position.

**NOTE 2 - BUDGET PROCESS AND PROPERTY TAXES**

For the fiscal year ended September 30, 2025, the City followed these procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 1, the City submitted to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget included proposed expenditures and the means of financing them.

The budget is published with subsequent public hearings to obtain taxpayer comments. Prior to September 30, the budget was legally adopted by the City Council and was then filed with the appropriate state and county officials.

Property taxes were levied in October of 2024 on the assessed value of listed property. The County Assessor of Platte County, Nebraska, determined the City of Columbus's valuation to be \$2,425,351,485 in August of 2024.

The City, through the budget process, requested a total of \$7,062,704 in property taxes. Based on the August of 2024 valuation previously mentioned, the tax levy for the City of Columbus was established at \$0.291203 per \$100 of property value.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Nebraska Statutes provide that the City may, by and with the consent of the City Council, invest the funds of the City in securities, including repurchase agreements. Appropriate securities include those that would normally be acquired by individuals of prudence, discretion and intelligence when dealing with the property of another.

**A. Deposits**

The City's deposits consist of cash, certificates of deposit and securities. Some balances held at a financial institution were covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. A portion of the cash balances are held in an investment account and not at a financial institution.

**Custodial Credit Risk - Deposits:** This is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy regarding custodial credit risk is determined by state statute as described above.

For reporting purposes, the collateral on the City's bank deposits is classified in these categories:

1. Insured or collateralized with securities held by the City or by its agent in the City's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
3. 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.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

None of the City's deposits in excess of the amount insured by the Federal Deposit Insurance Corporation shall be allowed to accumulate in any financial institution unless (a) the financial institution gives a surety bond, (b) the financial institution provides the City with securities as collateral on the excess funds or (c) the financial institution issues a joint custody receipt to the benefit of the City where a third party financial institution actually holds the security.

**Interest Rate Risk:** As a means of limiting its exposure to changes in interest rates, the City's policy for certificates of deposit is to limit maturities to less than two years. All of the City's certificates of deposit are classified as investments on the statements of net position/balance sheets and mature within one year of September 30, 2025.

**B. Investments**

The City's investments consist of investments in nonnegotiable certificates of deposits, equity securities, fixed income funds, mutual funds, and money markets.

The City attempts to mitigate the following types of deposit and investment risks through compliance with the state statutes. The types of deposit and investment risks are the following:

**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 maturities of investments are as follows:

| Investment Type          | Investment Maturities |                      |             |             |
|--------------------------|-----------------------|----------------------|-------------|-------------|
|                          | Fair Value            | Less than One Year   | 1-5 Years   | 6-10 Years  |
| Certificates of deposit  | \$ 27,398,394         | \$ 27,398,394        | \$ -        | \$ -        |
| Equities                 | 122,141               | 122,141              | -           | -           |
| Fixed income funds       | 3,017                 | 3,017                | -           | -           |
| Mutual funds             | 1,758,695             | 1,758,695            | -           | -           |
| Money markets            | 6,792,953             | 6,792,953            | -           | -           |
| <b>Total Investments</b> | <b>\$ 36,075,200</b>  | <b>\$ 36,075,200</b> | <b>\$ -</b> | <b>\$ -</b> |

**Credit Risk:** The City's investment policies regarding credit risk are governed by state statutes as described above.

**Concentration of Credit Risk:** The City's investment policy places no limits on the amounts that may be invested in any one issuer.

**Custodial Credit Risk - Investments:** Custodial credit risk for investments 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 investments or collateral securities that are in possession of an outside party. The City's policy regarding custodial credit risk is determined by state statute as described above.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Fair Value of Investments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** - Quoted prices in active markets for identical assets or liabilities
- Level 2** - Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3** - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The City's investments in certificates of deposit and money markets are carried at cost and thus are not included within the fair value hierarchy.

**D. Recurring Measurements**

The following table presents the fair value measurements of investments recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025:

| Investment Type          | Fair Value           | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Observable Inputs (Level 3) |
|--------------------------|----------------------|--|---|---|
| Equities                 | \$ 122,141           | \$ 122,141   | \$ -  | \$ -                                    |
| Certificates of deposit  | 27,398,394           | -  | 27,398,394                                    | -                                       |
| Fixed income funds       | 3,017                | 3,017  | -   | -                                       |
| Money Market             | 6,792,953            | 6,792,953  | -   | -                                       |
| Mutual funds             | 1,758,695            | 1,758,695  | -   | -                                       |
| <b>Total Investments</b> | <b>\$ 36,075,200</b> | <b>\$ 8,676,806</b>  | <b>\$ 27,398,394</b>                          | <b>\$ -</b>                             |

**E. Summary of Carrying Values**

Deposits and investments of the City at September 30, 2025, consisted of the following:

|              |                      |
|--------------|----------------------|
| Deposits     | \$ 33,190,454        |
| Investments  | 36,075,200           |
| <b>Total</b> | <b>\$ 69,265,654</b> |

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**E. Summary of Carrying Values (Continued)**

Included in the following statement of net position captions:

|   | Government-<br>Wide      | Fiduciary<br>Funds    | Total                    |
|---|--------------------------|-----------------------|--------------------------|
| Cash and cash equivalents                             | \$ 24,699,047            | \$ 162,801            | \$ 24,861,848            |
| Cash at county treasurer                              | 510,105                  |                       | 510,105                  |
| Investments   | 35,412,147               | -                     | 35,412,147               |
| Restricted cash, cash equivalents,<br>and investments | 8,481,554                | -                     | 8,481,554                |
| <br>Total   | <br><u>\$ 69,102,853</u> | <br><u>\$ 162,801</u> | <br><u>\$ 69,265,654</u> |

**NOTE 4 - NOTES RECEIVABLE**

On April 7, 2021, the City loaned Habitat for Humanity of Columbus, Nebraska \$103,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 7, 2026. The outstanding balance at September 30, 2025, is \$103,000.

On September 19, 2022, the City loaned Columbus Area Childcare \$225,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 30, 2026. The outstanding balance at September 30, 2025 is \$225,000.

On April 15, 2024, the City loaned NeighborWorks Northeast Nebraska \$390,000. The loan carries interest at 1.00% and is payable in a onetime lump sum payment on April 15, 2028. The outstanding balance at September 30, 2025 is \$390,000.

On April 7, 2025, the City loaned NeighborWorks Northeast Nebraska \$800,000. The loan carries interest at 2.00% and is payable in a two-year payment schedule maturing on April 4, 2027. The outstanding balance at September 30, 2025 is \$800,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 4 - NOTES RECEIVABLE (CONTINUED)**

The City has issued various down-payment assistance loans to residents. The loans are second mortgages on the houses and will be repaid after the first mortgage is paid in full. The outstanding balance as of September 30, 2025, is \$518,900.

On December 5, 2017, the City loaned the East District Health Department \$286,254. The loan carries interest at 4.00% and is payable in monthly installments of \$3,000 starting on January 5, 2018, with the final payment due on August 5, 2027. The outstanding balance at September 30, 2025, is \$63,635.

The following is a summary of notes receivable outstanding as of September 30, 2025, detailed above:

|   |                                  | Original<br>Date | Due<br>Date | Original<br>Amount | Interest<br>Rate | 2025<br>Balance     |
|---|----------------------------------|------------------|-------------|--------------------|------------------|---------------------|
| 2021                                    | Habitat for Humanity of Columbus | 4/7/2021         | 4/7/2026    | 103,000            | 1.00%            | 103,000             |
| 2022                                    | Columbus Area Childcare          | 9/19/2022        | 4/30/2026   | 225,000            | 1.00%            | 225,000             |
| 2024                                    | Neighborworks - Quail Meadows    | 4/15/2024        | 4/15/2028   | 390,000            | 1.00%            | 390,000             |
| 2025                                    | Neighborworks - Quail Meadows    | 4/7/2025         | 4/4/2027    | 800,000            | 2.00%            | 800,000             |
| Total                                   |                                  |                  |             |                    |                  | 1,518,000           |
| Housing rehabilitation loans            |                                  | Various          | Various     | Various            | Various          | 518,900             |
| East Central District Health Department |                                  | 12/5/2017        | 8/5/2027    | 286,254            | 4.00%            | 63,635              |
| Total                                   |                                  |                  |             |                    |                  | <u>\$ 2,100,535</u> |

**NOTE 5 - LEASES RECEIVABLE**

The City leases land to various third parties, the terms of which expire in 2025 through 2041. Revenue recognized under lease contracts during the year ended September 30, 2025, was \$30,701 in the general fund, \$93,711 in the nonmajor governmental funds, and \$33,975 in the water fund.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL AND LEASE ASSETS**

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

|  | Beginning<br>Balance  | Increases           | Decreases           | Ending<br>Balance     |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Governmental activities                          |                       |                     |                     |                       |
| Capital assets not being depreciated             |                       |                     |                     |                       |
| Land   | \$ 3,728,689          | \$ 790,965          | \$ 717,033          | \$ 3,802,621          |
| Construction in progress                         | 9,861,063             | -                   | 785,164             | 9,075,899             |
| Total capital assets<br>not being depreciated    | <u>13,589,752</u>     | <u>790,965</u>      | <u>1,502,197</u>    | <u>12,878,520</u>     |
| Capital assets being depreciated and amortized   |                       |                     |                     |                       |
| Buildings  | 211,379,652           | 9,275,451           | 98,843              | 220,556,260           |
| Machinery, equipment and vehicles                | 29,814,151            | 2,454,011           | 121,822             | 32,146,340            |
| SBITA  | 723,866               | 18,996              | -                   | 742,862               |
| Leased assets - buildings                        | 698,980               | -                   | -                   | 698,980               |
| Total capital assets<br>being depreciated        | <u>242,616,649</u>    | <u>11,748,458</u>   | <u>220,665</u>      | <u>254,144,442</u>    |
| Less accumulated depreciation and amortization   |                       |                     |                     |                       |
| Buildings  | (59,972,920)          | (7,049,204)         | -                   | (67,022,124)          |
| Machinery, equipment and vehicles                | (21,905,561)          | (2,632,866)         | (121,822)           | (24,416,605)          |
| SBITA  | (217,645)             | (167,984)           | -                   | (385,629)             |
| Leased assets - buildings                        | (343,875)             | (114,625)           | -                   | (458,500)             |
| Total accumulated<br>depreciation                | <u>(82,440,001)</u>   | <u>(9,964,679)</u>  | <u>(121,822)</u>    | <u>(92,282,858)</u>   |
| Total capital assets being<br>depreciated, net   | <u>160,176,648</u>    | <u>1,783,779</u>    | <u>98,843</u>       | <u>161,861,584</u>    |
| Governmental activities<br>capital position, net | <u>\$ 173,766,400</u> | <u>\$ 2,574,744</u> | <u>\$ 1,601,040</u> | <u>\$ 174,740,104</u> |

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL AND LEASE ASSETS (CONTINUED)**

|  | Beginning<br>Balance | Increases             | Decreases   | Ending<br>Balance    |
|--|----------------------|-----------------------|-------------|----------------------|
| Business-type activities                     |                      |                       |             |                      |
| Capital assets not being depreciated         |                      |                       |             |                      |
| Land   | \$ 709,058           | \$ -                  | \$ -        | \$ 709,058           |
| Construction in progress                     | 1,247,204            | -                     | -           | 1,247,204            |
| Total capital assets not being depreciated   | <u>1,956,262</u>     | <u>-</u>              | <u>-</u>    | <u>1,956,262</u>     |
| Capital assets being depreciated             |                      |                       |             |                      |
| Land improvements and buildings              | 134,405,970          | 1,565,400             | -           | 135,971,370          |
| Equipment                                    | 10,364,198           | 542,469               | -           | 10,906,667           |
| Total capital assets being depreciated       | <u>144,770,168</u>   | <u>2,107,869</u>      | <u>-</u>    | <u>146,878,037</u>   |
| Total accumulated depreciation               | <u>(62,095,197)</u>  | <u>(4,072,504)</u>    | <u>-</u>    | <u>(66,167,701)</u>  |
| Total capital assets being depreciated, net  | <u>82,674,971</u>    | <u>(1,964,635)</u>    | <u>-</u>    | <u>80,710,336</u>    |
| Business-type activities capital assets, net | <u>\$ 84,631,233</u> | <u>\$ (1,964,635)</u> | <u>\$ -</u> | <u>\$ 82,666,598</u> |

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

|   |                     |
|---|---------------------|
| Governmental activities                               |                     |
| General government                                    | \$ 5,499,864        |
| Public safety   | 3,674,652           |
| Public works  | 458,826             |
| Cultural and recreation                               | 280,770             |
| Community development                                 | 50,567              |
| Total depreciation expense - governmental activities  | <u>\$ 9,964,679</u> |
| Business-type activities                              |                     |
| Water   | \$ 1,072,318        |
| Sewer   | 2,127,555           |
| Electric  | 160,135             |
| Storm water   | 438,665             |
| Solid waste   | 273,831             |
| Total depreciation expense - business-type activities | <u>\$ 4,072,504</u> |

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES**

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

|                                 | Beginning<br>Balance | Additions        | Reductions            | Ending<br>Balance    | Due within<br>One Year |
|---------------------------------|----------------------|------------------|-----------------------|----------------------|------------------------|
| <b>Governmental activities</b>  |                      |                  |                       |                      |                        |
| General obligation bonds        | \$ 6,155,000         | \$ -             | \$ (75,000)           | \$ 6,080,000         | \$ 135,000             |
| Sales tax revenue bonds         | 17,355,000           | -                | (890,000)             | 16,465,000           | 930,000                |
| Certificates of participation   | 5,480,000            | -                | (380,000)             | 5,100,000            | 215,000                |
| Leases                          | 390,916              | -                | (118,152)             | 272,764              | 118,152                |
| SBITA                           | 523,525              | 10,031           | (163,187)             | 370,369              | 133,131                |
| Unamortized bond premiums       | 954,711              | -                | (84,760)              | 869,951              | -                      |
|                                 | <u>30,859,152</u>    | <u>10,031</u>    | <u>(1,711,099)</u>    | <u>29,158,084</u>    | <u>1,531,283</u>       |
| Compensated absences            | 2,629,779            | -                | (233,849)             | 2,395,930            | 1,669,005              |
| Total governmental activities   | <u>33,488,931</u>    | <u>10,031</u>    | <u>(1,944,948)</u>    | <u>31,554,014</u>    | <u>3,200,288</u>       |
| <b>Business-type activities</b> |                      |                  |                       |                      |                        |
| Certificates of participation   | 460,000              | -                | (230,000)             | 230,000              | 230,000                |
| Bonds payable                   | 32,940,000           | -                | (1,965,000)           | 30,975,000           | 2,020,001              |
| Unamortized bond premiums       | 2,973,883            | -                | (482,102)             | 2,491,781            | -                      |
|                                 | <u>36,373,883</u>    | <u>-</u>         | <u>(2,677,102)</u>    | <u>33,696,781</u>    | <u>2,250,001</u>       |
| Compensated absences            | 580,807              | -                | (73,602)              | 507,205              | 352,295                |
| Total business-type activities  | <u>36,954,690</u>    | <u>-</u>         | <u>(2,750,704)</u>    | <u>34,203,986</u>    | <u>2,602,296</u>       |
| Total primary government        | <u>\$ 70,443,621</u> | <u>\$ 10,031</u> | <u>\$ (4,695,652)</u> | <u>\$ 65,758,000</u> | <u>\$ 5,802,584</u>    |

**A. Long Term Debt - Governmental**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital activities. General obligation bonds have been issued for governmental activities only.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year serial bonds with substantially equal debt service payments each year. General obligation bonds currently outstanding are as follows:

On September 25, 2018, the City issued Public Safety Sales Tax bonds in the amount of \$15,840,000. The issue bears interest from 3.625 to 5.00%. Final payment is due on September 30, 2038. The outstanding balance at September 30, 2025 is \$11,610,000.

On June 30, 2021, the City issued Certificates of Participation in the amount of \$6,540,000. The issue bears interest from 3.00 to 4.00%. Final payment is due on June 15, 2036. The outstanding balance at September 30, 2025 is \$5,100,000.

On September 1, 2021, the City issued Highway Allocation Fund Pledge bonds in the amount of \$6,175,000. The issue bears interest of 3.00%. Final payment is due on December 15, 2036. The outstanding balance at September 30, 2025 is \$6,080,000.

On June 14, 2024, the City issued Sales Tax Revenue bonds in the amount of \$5,055,000. The issue bears interest from 4.00 to 4.50%. Final payment is due on June 15, 2039. The outstanding balance at September 30, 2025 is \$4,855,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

**A. Long Term Debt - Governmental (Continued)**

The City has received bond premiums in governmental funds totaling \$1,312,274. The City is amortizing the bond premiums using the straight-line method over the life of the various bond issues as a reduction of interest expense. Amortization for the year ended September 30, 2025, totaled \$84,760. The unamortized premium balance at September 30, 2025, is \$869,951 and is reported as an addition to long-term debt.

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

| Year Ending<br>September 30, | Governmental Activities  |                     |                         |                     |                               |                   |
|------------------------------|--------------------------|---------------------|-------------------------|---------------------|-------------------------------|-------------------|
|                              | General Obligation Bonds |                     | Sales Tax Revenue Bonds |                     | Certificates of Participation |                   |
|                              | Principal                | Interest            | Principal               | Interest            | Principal                     | Interest          |
| 2026                         | \$ 135,000               | \$ 180,375          | \$ 930,000              | \$ 630,938          | \$ 395,000                    | \$ 156,950        |
| 2027                         | 195,000                  | 175,425             | 970,000                 | 591,588             | 410,000                       | 141,150           |
| 2028                         | 260,000                  | 168,600             | 1,010,000               | 550,538             | 425,000                       | 128,850           |
| 2029                         | 330,000                  | 159,750             | 1,055,000               | 507,788             | 435,000                       | 116,100           |
| 2030                         | 400,000                  | 148,800             | 1,090,000               | 469,125             | 450,000                       | 103,050           |
| 2031-2035                    | 3,210,000                | 498,750             | 6,090,000               | 1,710,681           | 2,450,000                     | 305,250           |
| 2036-2040                    | 1,550,000                | 43,950              | 5,320,000               | 492,856             | 535,000                       | 16,050            |
| <b>Total</b>                 | <b>\$ 6,080,000</b>      | <b>\$ 1,375,650</b> | <b>\$ 16,465,000</b>    | <b>\$ 4,953,514</b> | <b>\$ 5,100,000</b>           | <b>\$ 967,400</b> |

**B. Long Term Debt - Business-Type**

On March 21, 2014, the City issued Certificates of Participation in the amount of \$2,470,000. The issue bears interest from 0.45 to 3.40%. Final payment is due on September 15, 2026. The outstanding balance at September 30, 2025, is \$230,000.

On August 7, 2012, the City issued Combined Revenue and Refunding Bonds in the amount of \$5,785,000. The issue bears interest from 0.30 to 3.10%. Final payment was due on June 15, 2027. On July 23, 2015, the City issued Series 2015A Combined Revenue Refunding Bonds in the amount of \$4,030,000. The issue bears interest from 2.00 to 3.30%. Final payment was due on June 15, 2030. The outstanding balance at September 30, 2025, is \$2,238,580.

On August 26, 2015, the City issued Series 2015B Combined Revenue Bonds in the amount of \$9,800,000. The issue bears interest from 3.00 to 3.55%. Final payment was due on June 15, 2035. These 3 bonds were refinanced into one bond on August 19, 2020. This issue bears interest from 4.00 to 5.00% and final payment is due on June 15, 2035. The outstanding balance at September 30, 2025, is \$8,971,420.

On September 30, 2016, the City issued Series 2016 Combined Revenue Refunding Bonds in the amount of \$13,760,000. The issue bears interest from 2.00 to 4.00%. Final payment is due on December 15, 2036. The outstanding balance at September 30, 2025, is \$9,925,000.

On December 27, 2018, the City issued Series 2018 Combined Revenue Bonds in the amount of \$10,380,000. The issue bears interest from 4.00 to 5.00%. Final payment is due on June 15, 2038. The outstanding balance at September 30, 2025, is \$9,840,000.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

**B. Long Term Debt - Business-Type (Continued)**

The City has received bond premiums totaling \$5,497,235. The City is amortizing the bond premiums using the straight-line method over the life of the various bond issues as a reduction of interest expense. Amortization for the year ended September 30, 2025, totaled \$482,102. The unamortized premium balance at September 30, 2025, is \$2,491,781 and is reported as an addition to long-term debt.

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

| Year Ending<br>September 30, | Business-Type Activities      |                 |                      |                     |
|------------------------------|-------------------------------|-----------------|----------------------|---------------------|
|                              | Certificates of Participation |                 | Bonds Payable        |                     |
|                              | Principal                     | Interest        | Principal            | Interest            |
| 2026                         | \$ 230,000                    | \$ 2,806        | \$ 2,020,000         | \$ 1,282,025        |
| 2027                         | -                             | -               | 2,130,000            | 1,192,725           |
| 2028                         | -                             | -               | 2,205,000            | 1,095,575           |
| 2029                         | -                             | -               | 2,315,000            | 990,575             |
| 2030                         | -                             | -               | 2,425,000            | 880,325             |
| 2031-2035                    | -                             | -               | 13,835,000           | 2,697,488           |
| 2036-2040                    | -                             | -               | 6,045,000            | 327,850             |
| <b>Total</b>                 | <b>\$ 230,000</b>             | <b>\$ 2,806</b> | <b>\$ 30,975,000</b> | <b>\$ 8,466,563</b> |

**NOTE 8 - LEASE LIABILITIES**

The City leases building and parking lot space, the terms of which expire in various years through 2031.

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

| Year Ending<br>September 30, | Governmental Activities |                  |                   |
|------------------------------|-------------------------|------------------|-------------------|
|                              | Principal               | Interest         | Total             |
| 2026                         | \$ 125,587              | \$ 10,911        | \$ 136,498        |
| 2027                         | 133,375                 | 5,887            | 139,262           |
| 2028                         | 3,089                   | 552              | 3,641             |
| 2029                         | 3,321                   | 429              | 3,750             |
| 2030                         | 3,862                   | 296              | 4,158             |
| 2031                         | 3,530                   | 153              | 3,683             |
| <b>Total</b>                 | <b>\$ 272,764</b>       | <b>\$ 18,228</b> | <b>\$ 290,992</b> |

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 9 - SBITA LIABILITIES**

The City has subscription based information technology arrangements for call center and various other software, the terms of which expire in various years through 2028.

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

| Year Ending<br>December 31, | Governmental Activities |                  |                   |
|-----------------------------|-------------------------|------------------|-------------------|
|                             | Principal               | Interest         | Total             |
| 2026                        | \$ 133,131              | \$ 14,680        | \$ 147,811        |
| 2027                        | 135,381                 | 9,421            | 144,802           |
| 2028                        | 101,857                 | 4,074            | 105,931           |
| Total                       | <u>\$ 370,369</u>       | <u>\$ 28,175</u> | <u>\$ 398,544</u> |

**NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PLANS**

The City has multiple defined contribution plans.

**A. Employees' Pension Plan**

All regular full-time civilian employees of the City are covered by a voluntary defined contribution plan. Contributions made by the City equal 6% of the participants' compensation. Participants also contribute 6% of their earnings. Vesting of employer contributions occurs over seven years of employment. The amount of employer and employee contributions to this plan during the fiscal year was \$618,521 and \$632,668, respectively. There were no forfeitures used to offset employer contributions for the year ended September 30, 2025. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**B. Fire Retirement Plan**

All regular full-time fire fighters of the City are covered by a defined contribution plan. Certain fire fighters are also covered by a single employer defined benefit pension plan (see Note 11). Participants are required to contribute 6.50% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 13% of the participants' earnings. Vesting of employer contributions occurs between four and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$214,644 and \$320,733, respectively, to the plan during the year ended September 30, 2025. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)**

**C. Police Retirement Plan**

All regular full-time sworn officers of the City are covered by a defined contribution plan. Certain sworn officers are also covered by a single employer defined benefit pension plan (see Note 11). Participants are required to contribute 7.0% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 7.0% of the participants' earnings. Vesting of employer contributions occurs between two and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$247,470 and \$247,470, respectively, to the plan during the year ended September 30, 2025. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

**NOTE 11 - DEFINED BENEFIT PENSION PLAN**

**A. Fire Plan**

Employees who were hired prior to January 1, 1984, the date at which the Fire Plan was amended from a defined benefit plan to the current status as a defined contribution plan, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.

**Plan Description**

The City has a single employer defined benefit pension plan covering fire fighters hired on or before December 31, 1983. The plan is closed to new employees. The terms of the plan, including contribution rates and minimum pension benefits are established through State Statute. The City does not issue a separate report that includes financial statements and required supplementary information for the fire pension plan.

**Summary of Benefit Provisions**

Contribution rates are described for the defined contribution plan in Note 9. The accumulated value of the employee and employer account including contributions and investment earnings is the Retirement Account Value. In the event that a participant's retirement account value will not provide for the minimum pension benefits of the plan, the City will be required to contribute an additional amount to fund the minimum pension benefits specified in Statute. Participants must have been employed on January 1, 1984 and continuously employed by the City through retirement date after attaining age 55 and completing 25 years of service. Minimum pension benefit equals 40% of regular pay for commencement between ages 55 and 60; 50% of regular pay for commencement at age 60 or later offset by the State Statute Actuarial Equivalence of the Retirement Account Value.

**Plan Membership**

As of September 30, 2025, plan membership consists of 1 inactive member entitled to but not yet receiving benefits and 1 inactive member currently receiving benefits.

**Contributions and Funding Policy**

The City's contributions for the additional amount to fund minimum pension benefits are limited to amounts paid to retirees during the fiscal year. Contributions made by the City for the year ended September 30, 2025, were \$7,308.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Actuarial Methods and Assumptions and Pension Liability**

Actuarially determined contribution rates are calculated as the City's contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the plan. Valuations were determined using the following actuarial assumptions:

|                           |                    |
|---------------------------|--------------------|
| Valuation Date            | December 31, 2020  |
| Measurement Date          | September 30, 2021 |
| Actuarial Cost Method     | Entry Age Normal   |
| Investment Rate of Return | 1.00%              |

Mortality Table Pub-2010 Public Safety Retiree and Public Safety Contingent Annuitant Median Mortality Table (Amount- Weighted), both with fully generational projection of mortality improvements using Scale MP-2020.

The City's obligation is unfunded at September 30, 2025. The City has assigned an allocation of certificates of deposit totaling \$70,580 for pension benefits as of September 30, 2025, but these assets are not held in trust. The actuarial present value of future benefits at December 31, 2020, the most recent actuarial valuation date, was \$125,423. After deducting the actuarial value of the assets allocated by the City of \$70,580, the remaining balance of \$54,843 has been deemed immaterial by management and is not recorded in the governmental activities financial statements.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

The City participates in numerous federal- and state-assisted grant programs which are governed by various rules and regulations of the grantor agencies. These programs are subject to financial and compliance audits by the granting agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

The City has elected to be a reimbursable employer with regard to unemployment claims filed by former employees. Therefore, the City is required to reimburse to State of Nebraska for any claims paid on behalf of the City. As of September 30, 2025, the amount of liability, if any, is indeterminable.

Various lawsuits and claims against the City are presently pending involving claims for personal injury, tax appeals, and miscellaneous cases. In the opinion of management, suits or claims, either individually or in the aggregate, will not have a material effect on the financial position of the City.

During 2025 and 2024, the City entered into agreements for construction, street improvements and for certain improvement projects that have not been completed and/or fully paid for at year-end.

**NOTE 13 - MAJOR CUSTOMERS**

The City received approximately 25% of the total water and sewer revenues from one major customer in the year ended September 30, 2025.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 14 - SELF-INSURANCE PLAN**

The City's health insurance coverage is a partially self-insured plan administered by a third-party administrator. The City pays the administrator to manage the employee health plan operations and to purchase reinsurance to cover specific claims over \$80,000 and aggregate claims that are over \$3,611,298 or 100% of the expected annual claims, whichever is greater.

**NOTE 15 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the City carried commercial insurance for general liability, linebacker, property, umbrella, worker's compensation, inland marine, automobile, law enforcement and crime coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 16 - INTERFUND BALANCES AND TRANSFERS**

In 2014, the Electric fund loaned \$2,362,040 to the Solid Waste fund for the acquisition and construction of a transfer station. The loan is to be repaid in annual installments, with fixed or variable interest as determined by the Mayor and Finance Director at the time payment is issued. Interest-only payments began September 15, 2014, and principal payments begin September 15, 2027. Final payment is due September 15, 2034.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services transactions are classified as "due to and from other funds". As of September 30, 2025 the Solid Waste Fund owed the Electric Fund \$2,362,040.

Transfers between funds are to cover operational expenses for the funds and to move assets to the appropriate funds.

|                          | Transfer From |             |              |                       |            |            |              |             |             | Total         |
|--------------------------|---------------|-------------|--------------|-----------------------|------------|------------|--------------|-------------|-------------|---------------|
|                          | General       | Street Fund | Sales Tax    | Nonmajor Governmental | Water      | Sewer      | Electric     | Storm Water | Solid Waste |               |
| Transfer to              |               |             |              |                       |            |            |              |             |             |               |
| General                  | \$ -          | \$ 900,000  | \$ 8,304,692 | \$ 1,689,224          | \$ 168,150 | \$ 329,630 | \$ 2,444,091 | \$ 7,840    | \$ 115,540  | \$ 13,959,167 |
| Streets/Engineering      | -             | -           | -            | -                     | -          | -          | 1,040,524    | -           | -           | 1,040,524     |
| Sales Tax                | 462,700       | -           | -            | -                     | -          | -          | 15,915       | -           | -           | 478,615       |
| Nonmajor Governmental    | -             | -           | -            | -                     | -          | -          | 1,196,965    | -           | -           | 1,196,965     |
| Total due to other funds | \$ 462,700    | \$ 900,000  | \$ 8,304,692 | \$ 1,689,224          | \$ 168,150 | \$ 329,630 | \$ 4,697,495 | \$ 7,840    | \$ 115,540  | \$ 16,675,271 |

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 17 - SALES TAX**

The City has received voter approval ten times since 1995 for a one percent or one-half percent City sales tax. Currently, the local sales tax rate is a total of one and one-half percent (1.50%). Through March of 2027, the 1% may be used for capital improvements, including street and drainage projects and to repay debt for the same type of projects, and to fund the operation of Pawnee Plunge Water Park and Columbus Aquatic Center.

The one-half percent tax was reauthorized at the May 10, 2016, election. The one-half percent is for funding Police and Fire facilities and a Library/Cultural Arts Center. This tax will cease upon the later of the completion of such projects, voter rejection of bond elections for such projects or the date on which there are no outstanding bonds.

**NOTE 18 - TAX ABATEMENTS**

The City provides tax abatements through three programs: Tax Increment Financing (TIF) program, Employment and Investment Growth Act, and Nebraska Advantage Act.

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for financing of community redevelopment projects. The City declares the area as substandard, blighted and in need of redevelopment and is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and the resulting property taxes are used to pay off debt incurred for the redevelopment project within a 15- year period.

Total property taxes abated through TIF for the year ended September 30, 2025, were approximately \$2.5 million.

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. Businesses that qualify must be involved in research, data processing, finance or businesses transporting, wholesaling, storing, or selling products, but not retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to qualify. For the year ended September 30, 2025, the State of Nebraska on behalf of the City abated approximately \$30,000 in sales tax revenue under these two programs.

**City of Columbus, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE**

During the current fiscal year, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. GASB Statement No. 101 improves the recognition and measurement guidance for compensated absences and requires governments to recognize a liability for certain leave that was not previously reported, including leave that is attributable to past services and for which a payment is more likely than not.

As a result of implementing GASB Statement No. 101, the City restated its beginning net position and fund balances as of October 1, 2024, to recognize additional compensated absence liabilities that existed at the end of the prior fiscal year but were not previously reported. The change in net position for the impacted funds were as follows:

|   |                       |
|---|-----------------------|
| Net Position - Governmental Activities  | <u>\$ (1,308,729)</u> |
| Net Position - Water Fund               | \$ (36,257)           |
| Net Position - Sewer Fund               | (189,559)             |
| Net Position - Solid Waste              | (50,617)              |
| Net Position - Business Type Activities | <u>\$ (276,433)</u>   |

**NOTE 20 - FUND BALANCES**

As of September 30, 2025, governmental fund balances are classified as follows:

|                      | General Fund  | Streets/ Engineering Fund | Sales Tax Fund | 1/2 Cent Sales Tax Fund | Other Governmental Funds | Total         |
|----------------------|---------------|---------------------------|----------------|-------------------------|--------------------------|---------------|
| Nonspendable         |               |                           |                |                         |                          |               |
| Gerrard Park Trust   | \$ -          | \$ -                      | \$ -           | \$ -                    | \$ 161,644               | \$ 161,644    |
| Restricted for       |               |                           |                |                         |                          |               |
| Debt service         | -             | -                         | -              | 2,333,192               | -                        | 2,333,192     |
| Public safety        | -             | -                         | -              | -                       | 877,853                  | 877,853       |
| Airport              | -             | -                         | -              | -                       | 1,009,106                | 1,009,106     |
| Downtown             | -             | -                         | -              | -                       | 139,136                  | 139,136       |
| Gaming               | -             | -                         | -              | -                       | 590,492                  | 590,492       |
| Capital improvements | -             | (2,259,018)               | 4,176,427      | -                       | -                        | 1,917,409     |
| Housing              | -             | -                         | -              | -                       | 412,343                  | 412,343       |
| Economic development | -             | -                         | -              | -                       | 1,721,779                | 1,721,779     |
| Library              | -             | -                         | -              | -                       | 623,646                  | 623,646       |
| Total restricted     | -             | (2,259,018)               | 4,176,427      | 2,333,192               | 5,374,355                | 9,624,956     |
| Committed for        |               |                           |                |                         |                          |               |
| Library endowment    | -             | -                         | -              | -                       | 1,857,430                | 1,857,430     |
| Total committed      | -             | -                         | -              | -                       | 1,857,430                | 1,857,430     |
| Assigned for         |               |                           |                |                         |                          |               |
| Pension benefits     | 70,580        | -                         | -              | -                       | -                        | 70,580        |
| Total assigned       | 70,580        | -                         | -              | -                       | -                        | 70,580        |
| Unassigned           | 10,837,341    | -                         | -              | -                       | (451,187)                | 10,386,154    |
| Total fund balances  | \$ 10,907,921 | \$ (2,259,018)            | \$ 4,176,427   | \$ 2,333,192            | \$ 6,942,242             | \$ 22,100,764 |

The deficit fund balance in the Streets/Engineering Fund will be reduced as assessments are made in future years.

PRELIMINARY

REQUIRED SUPPLEMENTARY INFORMATION

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - General Fund**  
**Year Ended September 30, 2025**

|  | Original and Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|--|---|---------------------|---|
| <b>Revenues</b>                              |   |                     |   |
| Property taxes                               | \$ 7,252,776                              | \$ 7,271,852        | \$ 19,076                                       |
| Fees, taxes, permits, and licenses           | 819,850                                   | 1,122,157           | 302,307   |
| Sales tax                                    | 1,731,058                                 | 1,795,121           | 64,063  |
| Donations                                    | 65,600                                    | 42,197              | (23,403)  |
| Charges for services                         | 2,841,200                                 | 3,212,851           | 371,651   |
| Grants                                       | 2,774,825                                 | 1,125,804           | (1,649,021)                                     |
| Other local revenues                         | 50,200                                    | 749,832             | 699,632   |
| Investment income                            | 271,150                                   | 353,308             | 82,158  |
| Total revenues                               | <u>15,806,659</u>                         | <u>15,673,122</u>   | <u>(133,537)</u>                                |
| <b>Expenditures</b>                          |   |                     |   |
| General government                           | 2,800,030                                 | 3,153,058           | 353,028   |
| Public safety                                | 10,296,434                                | 10,893,424          | 596,990   |
| Parks and recreation                         | 6,190,419                                 | 7,542,605           | 1,352,186                                       |
| Community development                        | 707,770                                   | 713,775             | 6,005   |
| Capital outlay                               | 7,697,700                                 | 6,275,220           | (1,422,480)                                     |
| Principal retirement                         | -   | 141,410             | 141,410   |
| Total expenditures                           | <u>27,692,353</u>                         | <u>28,719,492</u>   | <u>1,027,139</u>                                |
| Excess of revenues over (under) expenditures | <u>(11,885,694)</u>                       | <u>(13,046,370)</u> | <u>(1,160,676)</u>                              |
| <b>Other Financing Sources (Uses)</b>        |   |                     |   |
| Transfers in (out), net                      | 12,498,245                                | 13,105,897          | 607,652   |
| Total other financing sources (uses)         | <u>12,498,245</u>                         | <u>13,105,897</u>   | <u>607,652</u>                                  |
| Net change in fund balances                  | <u>\$ 612,551</u>                         | <u>\$ 59,527</u>    | <u>\$ (553,024)</u>                             |

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - Streets/Engineering Fund**  
**Year Ended September 30, 2025**

|  | Original and Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|--|---|---------------------|---|
| <b>Revenues</b>                              |   |                     |   |
| Fees, taxes, permits, and licenses           | \$ 3,848,312                              | 4,135,454           | \$ 287,142                                      |
| Charges for services                         | 151,500                                   | 251,328             | 99,828  |
| Grants                                       | 2,213,450                                 | 631,603             | (1,581,847)                                     |
| Other local revenues                         | 30,000                                    | 78,631              | 48,631  |
| Investment income                            | 40,000                                    | 1,042               | (38,958)  |
| Total revenues                               | <u>6,283,262</u>                          | <u>5,098,058</u>    | <u>(1,185,204)</u>                              |
| <b>Expenditures</b>                          |   |                     |   |
| Public works                                 | 3,199,972                                 | 2,251,168           | (948,804)                                       |
| Capital outlay                               | 6,405,500                                 | 3,811,945           | (2,593,555)                                     |
| Total expenditures                           | <u>9,605,472</u>                          | <u>6,063,113</u>    | <u>(3,542,359)</u>                              |
| Excess of revenues over (under) expenditures | <u>(3,322,210)</u>                        | <u>(965,055)</u>    | <u>2,357,155</u>                                |
| <b>Other Financing Sources (Uses)</b>        |   |                     |   |
| Transfers in (out), net                      | 2,285,500                                 | 140,524             | (2,144,976)                                     |
| Total other financing sources (uses)         | <u>2,285,500</u>                          | <u>140,524</u>      | <u>(2,144,976)</u>                              |
| Net change in fund balances                  | <u>\$ (1,036,710)</u>                     | <u>\$ (824,531)</u> | <u>\$ 212,179</u>                               |

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - Sales Tax Fund**  
**Year Ended September 30, 2025**

|                                       | Original and Final<br>Budgeted<br>Amounts | Actual<br>Amounts     | Variance with<br>Final Budget -<br>Over (Under) |
|---------------------------------------|---|-----------------------|---|
| <b>Revenues</b>                       |   |                       |   |
| Sales tax                             | \$ 6,248,333                              | \$ 6,945,960          | \$ 697,627                                      |
| Investment income                     | 245,000                                   | 135,240               | (109,760)                                       |
| Total revenues                        | <u>6,493,333</u>                          | <u>7,081,200</u>      | <u>587,867</u>                                  |
| Excess of revenues over expenditures  | <u>6,493,333</u>                          | <u>7,081,200</u>      | <u>587,867</u>                                  |
| <b>Other Financing Sources (Uses)</b> |   |                       |   |
| Transfers in (out), net               | <u>(8,544,725)</u>                        | <u>(8,304,692)</u>    | 240,033   |
| Total other financing sources (uses)  | <u>(8,544,725)</u>                        | <u>(8,304,692)</u>    | <u>240,033</u>                                  |
| Net change in fund balances           | <u>\$ (2,051,392)</u>                     | <u>\$ (1,223,492)</u> | <u>\$ 827,900</u>                               |

**City of Columbus**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Budget Basis - 1/2 Sales Tax Fund**  
**Year Ended September 30, 2025**

|  | Original and Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|--|---|---------------------|---|
| <b>Revenues</b>                              |   |                     |   |
| Sales tax                                    | \$ 2,826,667                              | \$ 3,140,734        | \$ 314,067                                      |
| Donations                                    | -   | 3,025,000           | 3,025,000                                       |
| Investment income                            | 140,000                                   | 112,613             | (27,387)  |
| Total revenues                               | <u>2,966,667</u>                          | <u>6,278,347</u>    | <u>3,311,680</u>                                |
| <b>Expenditures</b>                          |   |                     |   |
| Principal retirement                         | 10,890,000                                | 890,000             | (10,000,000)                                    |
| Other  | 769,170                                   | 669,970             | (99,200)  |
| Total expenditures                           | <u>11,659,170</u>                         | <u>1,559,970</u>    | <u>(10,099,200)</u>                             |
| Excess of revenues over (under) expenditures | <u>(8,692,503)</u>                        | <u>4,718,377</u>    | <u>13,410,880</u>                               |
| Net change in fund balances                  | <u>\$ (8,692,503)</u>                     | <u>\$ 4,718,377</u> | <u>\$ 13,410,880</u>                            |

**City of Columbus**  
**Note to Required Supplementary Information**

**NOTE 1 - BUDGETARY ACCOUNTING**

Annual budgets are adopted on a basis consistent with the Nebraska Budget Act. The Nebraska Budget Act requires that the City adopt its budget on a *cash basis*. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a fund with the City Administrator's approval. Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the city level.

Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, and funds for which legally adopted annual budgets are established. A reconciliation for the year ended September 30, 2025, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

|  | General<br>Fund     | Streets/<br>Engineering<br>Fund | Sales<br>Tax<br>Fund  | 1/2 Cent<br>Tax<br>Fund |
|--|---------------------|---------------------------------|-----------------------|-------------------------|
| Excess (deficiency) of revenues over expenditures and other financing uses (budgetary basis) | \$ 59,527           | \$ (824,531)                    | \$ (1,223,492)        | \$ 4,718,377            |
| Adjustments  |                     |                                 |                       |                         |
| To adjust revenues for receivables and deferred revenue                                      | 492,589             | (13,884)                        | 73,133                | (2,965,388)             |
| To adjust expenses for payables and accrued expenses   | 1,412,066           | (776,346)                       | -                     | -                       |
| <b>Total</b>   | <b>\$ 1,964,182</b> | <b>\$ (1,614,761)</b>           | <b>\$ (1,150,359)</b> | <b>\$ 1,752,989</b>     |

PRELIMINARY



PRELIMINARY

SUPPLEMENTARY INFORMATION

City of Columbus  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2025

|  | Airport             | Downtown          | Gaming            | E911              | Wireless 911      | 911 Equipment Share |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Assets</b>  |                     |                   |                   |                   |                   |                     |
| Cash and cash equivalents  | \$ 543,247          | \$ 137,970        | \$ 483,032        | \$ 744,716        | \$ 230,406        | \$ -                |
| Cash at county treasurer   | -                   | -                 | 104,725           | -                 | -                 | -                   |
| Investments  | 722,218             | 1,288             | 2,735             | -                 | -                 | -                   |
| Receivables  |                     |                   |                   |                   |                   |                     |
| Accounts   | 3,024               | -                 | -                 | -                 | -                 | -                   |
| Due from other governments   | 301,835             | -                 | -                 | -                 | -                 | -                   |
| Special assessments  | -                   | -                 | -                 | -                 | -                 | -                   |
| Notes  | -                   | -                 | -                 | -                 | -                 | -                   |
| <b>Total assets</b>  | <b>\$ 1,570,324</b> | <b>\$ 139,258</b> | <b>\$ 590,492</b> | <b>\$ 744,716</b> | <b>\$ 230,406</b> | <b>\$ -</b>         |
| <b>Liabilities</b>   |                     |                   |                   |                   |                   |                     |
| Accounts payable   | \$ 264,243          | \$ 122            | \$ -              | \$ 5,516          | \$ -              | \$ -                |
| Accrued expenses   | 5,175               | -                 | -                 | 38,528            | -                 | -                   |
| Due to other funds   | -                   | -                 | -                 | 29,582            | 23,643            | 53,744              |
| <b>Total liabilities</b>   | <b>269,418</b>      | <b>122</b>        | <b>-</b>          | <b>73,626</b>     | <b>23,643</b>     | <b>53,744</b>       |
| <b>Deferred Inflows of Resources</b>                                       |                     |                   |                   |                   |                   |                     |
| Unavailable revenues   | -                   | -                 | -                 | -                 | -                 | -                   |
| Leases receivable  | 291,800             | -                 | -                 | -                 | -                 | -                   |
| <b>Total deferred inflows of resources</b>                                 | <b>291,800</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>            |
| <b>Fund Balances</b>   |                     |                   |                   |                   |                   |                     |
| Nonspendable   | -                   | -                 | -                 | -                 | -                 | -                   |
| Restricted   | 1,009,106           | 139,136           | 590,492           | 671,090           | 206,763           | -                   |
| Committed  | -                   | -                 | -                 | -                 | -                 | -                   |
| Unassigned   | -                   | -                 | -                 | -                 | -                 | (53,744)            |
| <b>Total fund balances</b>   | <b>1,009,106</b>    | <b>139,136</b>    | <b>590,492</b>    | <b>671,090</b>    | <b>206,763</b>    | <b>(53,744)</b>     |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 1,570,324</b> | <b>\$ 139,258</b> | <b>\$ 590,492</b> | <b>\$ 744,716</b> | <b>\$ 230,406</b> | <b>\$ -</b>         |

PRELIMINARY

| Housing Rehab<br>Loans | Progress and<br>Jobs Growth | Keno              | Library<br>Foundation | Debt Service      | Library<br>Endowment | Gerrard Park<br>Trust | Total Other<br>Governmental |
|------------------------|-----------------------------|-------------------|-----------------------|-------------------|----------------------|-----------------------|-----------------------------|
| \$ 315,977             | \$ -                        | \$ -              | \$ -                  | \$ 8,133          | \$ -                 | \$ 2,127              | \$ 2,465,608                |
| -                      | -                           | -                 | -                     | -                 | -                    | -                     | 104,725                     |
| 80,678                 | 1,664,118                   | 509,980           | 623,646               | -                 | 1,857,430            | 159,517               | 5,621,610                   |
| -                      | -                           | -                 | -                     | -                 | -                    | -                     | 3,024                       |
| 16,400                 | 105,988                     | -                 | -                     | -                 | -                    | -                     | 424,223                     |
| -                      | -                           | -                 | -                     | 106,444           | -                    | -                     | 106,444                     |
| 518,900                | 1,518,000                   | -                 | -                     | -                 | -                    | -                     | 2,036,900                   |
| <u>\$ 931,955</u>      | <u>\$ 3,288,106</u>         | <u>\$ 509,980</u> | <u>\$ 623,646</u>     | <u>\$ 114,577</u> | <u>\$ 1,857,430</u>  | <u>\$ 161,644</u>     | <u>\$ 10,762,534</u>        |
| \$ 712                 | \$ -                        | \$ -              | \$ -                  | \$ -              | \$ -                 | \$ -                  | \$ 270,593                  |
| -                      | -                           | -                 | -                     | -                 | -                    | -                     | 43,703                      |
| -                      | 480,487                     | 77,820            | -                     | 405,576           | -                    | -                     | 1,070,852                   |
| <u>712</u>             | <u>480,487</u>              | <u>77,820</u>     | <u>-</u>              | <u>405,576</u>    | <u>-</u>             | <u>-</u>              | <u>1,385,148</u>            |
| 518,900                | 1,518,000                   | -                 | -                     | 106,444           | -                    | -                     | 2,143,344                   |
| -                      | -                           | -                 | -                     | -                 | -                    | -                     | 291,800                     |
| <u>518,900</u>         | <u>1,518,000</u>            | <u>-</u>          | <u>-</u>              | <u>106,444</u>    | <u>-</u>             | <u>-</u>              | <u>2,435,144</u>            |
| -                      | -                           | -                 | -                     | -                 | -                    | 161,644               | 161,644                     |
| 412,343                | 1,289,619                   | 432,160           | 623,646               | -                 | -                    | -                     | 5,374,355                   |
| -                      | -                           | -                 | -                     | -                 | 1,857,430            | -                     | 1,857,430                   |
| -                      | -                           | -                 | -                     | (397,443)         | -                    | -                     | (451,187)                   |
| <u>412,343</u>         | <u>1,289,619</u>            | <u>432,160</u>    | <u>623,646</u>        | <u>(397,443)</u>  | <u>1,857,430</u>     | <u>161,644</u>        | <u>6,942,242</u>            |
| <u>\$ 931,955</u>      | <u>\$ 3,288,106</u>         | <u>\$ 509,980</u> | <u>\$ 623,646</u>     | <u>\$ 114,577</u> | <u>\$ 1,857,430</u>  | <u>\$ 161,644</u>     | <u>\$ 10,762,534</u>        |

City of Columbus  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2025

|  | Airport             | Downtown          | Gaming            | E911              | Wireless 911      | 911 Equipment<br>Share |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| <b>Revenues</b>                              |                     |                   |                   |                   |                   |                        |
| Property taxes                               | \$ -                | \$ 51,327         | \$ -              | \$ -              | \$ -              | \$ -                   |
| Fees, taxes, permits and licenses            | 188,280             | -                 | -                 | -                 | -                 | -                      |
| Sales tax                                    | -                   | -                 | -                 | -                 | -                 | -                      |
| Gaming tax                                   | -                   | -                 | 621,186           | -                 | -                 | -                      |
| Charges for services                         | 7,746               | -                 | -                 | 71,440            | -                 | -                      |
| Donations                                    | -                   | -                 | -                 | -                 | -                 | -                      |
| Grants                                       | 898,966             | -                 | -                 | -                 | 97,264            | -                      |
| Investment earnings                          | 57,530              | 4,251             | 14,892            | 29,486            | 7,756             | -                      |
| Miscellaneous                                | 417                 | 214               | -                 | 1,759,720         | -                 | -                      |
| Total revenues                               | <u>1,152,939</u>    | <u>55,792</u>     | <u>636,078</u>    | <u>1,860,646</u>  | <u>105,020</u>    | <u>-</u>               |
| <b>Expenditures</b>                          |                     |                   |                   |                   |                   |                        |
| <b>Current</b>                               |                     |                   |                   |                   |                   |                        |
| General government                           | -                   | 40,600            | -                 | -                 | -                 | -                      |
| Public safety                                | -                   | -                 | -                 | 1,628,807         | 92,531            | -                      |
| Public works                                 | 281,501             | -                 | -                 | -                 | -                 | -                      |
| Cultural and recreation                      | -                   | -                 | -                 | -                 | -                 | -                      |
| Community development                        | -                   | -                 | -                 | -                 | -                 | -                      |
| Capital outlay                               | 1,395,659           | -                 | -                 | 162,074           | -                 | -                      |
| <b>Debt service</b>                          |                     |                   |                   |                   |                   |                        |
| Principal                                    | -                   | -                 | -                 | -                 | -                 | -                      |
| Interest and fiscal charges                  | -                   | -                 | -                 | -                 | -                 | -                      |
| Total expenditures                           | <u>1,677,160</u>    | <u>40,600</u>     | <u>-</u>          | <u>1,790,881</u>  | <u>92,531</u>     | <u>-</u>               |
| Excess of revenues over (under) expenditures | (524,221)           | 15,192            | 636,078           | 69,765            | 12,489            | -                      |
| <b>Other Financing Sources (Uses)</b>        |                     |                   |                   |                   |                   |                        |
| Transfers in                                 | 478,615             | 51,376            | -                 | -                 | -                 | -                      |
| Transfers out                                | -                   | (2,500)           | (300,000)         | -                 | -                 | -                      |
| Total other financing sources (uses)         | <u>478,615</u>      | <u>48,876</u>     | <u>(300,000)</u>  | <u>-</u>          | <u>-</u>          | <u>-</u>               |
| Net change in fund balances                  | (45,606)            | 64,068            | 336,078           | 69,765            | 12,489            | -                      |
| <b>Fund Balances</b>                         |                     |                   |                   |                   |                   |                        |
| Beginning of year                            | <u>1,054,712</u>    | <u>75,068</u>     | <u>254,414</u>    | <u>601,325</u>    | <u>194,274</u>    | <u>(53,744)</u>        |
| End of year                                  | <u>\$ 1,009,106</u> | <u>\$ 139,136</u> | <u>\$ 590,492</u> | <u>\$ 671,090</u> | <u>\$ 206,763</u> | <u>\$ (53,744)</u>     |

| Housing Rehab<br>Loans | Progress and<br>Jobs Growth | Keno              | Library<br>Foundation | Debt Service        | Library<br>Endowment | Gerrard Park<br>Trust | Total Other<br>Governmental |
|------------------------|-----------------------------|-------------------|-----------------------|---------------------|----------------------|-----------------------|-----------------------------|
| \$ -                   | \$ -                        | \$ -              | \$ -                  | \$ (74)             | \$ -                 | \$ -                  | \$ 51,253                   |
| 31,500                 | -                           | -                 | -                     | 1,412               | -                    | -                     | 221,192                     |
| -                      | 431,922                     | -                 | -                     | -                   | -                    | -                     | 431,922                     |
| -                      | -                           | -                 | -                     | -                   | -                    | -                     | 621,186                     |
| 17,394                 | -                           | 579,410           | -                     | 0                   | -                    | -                     | 675,990                     |
| -                      | -                           | -                 | 5,883                 | -                   | -                    | -                     | 5,883                       |
| 215,050                | -                           | -                 | -                     | -                   | -                    | -                     | 1,211,280                   |
| 9,571                  | 70,622                      | 22,192            | 19,614                | -                   | 238,703              | 9,522                 | 484,139                     |
| -                      | 30,000                      | -                 | -                     | -                   | -                    | -                     | 1,790,351                   |
| <u>273,515</u>         | <u>532,544</u>              | <u>601,602</u>    | <u>25,497</u>         | <u>1,338</u>        | <u>238,703</u>       | <u>9,522</u>          | <u>5,493,196</u>            |
| -                      | -                           | -                 | -                     | -                   | -                    | -                     | 40,600                      |
| -                      | -                           | -                 | -                     | -                   | -                    | -                     | 1,721,338                   |
| -                      | -                           | -                 | -                     | -                   | -                    | -                     | 281,501                     |
| -                      | -                           | -                 | 2,291                 | -                   | -                    | 3,000                 | 5,291                       |
| 57,027                 | 1,284,571                   | -                 | -                     | -                   | -                    | -                     | 1,341,598                   |
| -                      | -                           | -                 | -                     | -                   | -                    | -                     | 1,557,733                   |
| -                      | -                           | -                 | -                     | 455,000             | -                    | -                     | 455,000                     |
| -                      | -                           | -                 | -                     | 356,825             | -                    | -                     | 356,825                     |
| <u>57,027</u>          | <u>1,284,571</u>            | <u>-</u>          | <u>2,291</u>          | <u>811,825</u>      | <u>-</u>             | <u>3,000</u>          | <u>5,759,886</u>            |
| 216,488                | (752,027)                   | 601,602           | 23,206                | (810,487)           | 238,703              | 6,522                 | (266,690)                   |
| -                      | -                           | -                 | -                     | 995,589             | 150,000              | -                     | 1,675,580                   |
| -                      | -                           | (795,315)         | (171,865)             | -                   | -                    | (2,915)               | (1,272,595)                 |
| -                      | -                           | <u>(795,315)</u>  | <u>(171,865)</u>      | <u>995,589</u>      | <u>150,000</u>       | <u>(2,915)</u>        | <u>402,985</u>              |
| 216,488                | (752,027)                   | (193,713)         | (148,659)             | 185,102             | 388,703              | 3,607                 | 136,295                     |
| 195,855                | 2,041,646                   | 625,873           | 772,305               | (582,545)           | 1,468,727            | 158,037               | 6,805,947                   |
| <u>\$ 412,343</u>      | <u>\$ 1,289,619</u>         | <u>\$ 432,160</u> | <u>\$ 623,646</u>     | <u>\$ (397,443)</u> | <u>\$ 1,857,430</u>  | <u>\$ 161,644</u>     | <u>\$ 6,942,242</u>         |

City of Columbus  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2025

| Federal Agency/Pass Through Agency/Program Title | Assistance Listing Number | Expenditures        |
|--|---------------------------|---------------------|
| <b>U.S. Department of Justice</b>                |                           |                     |
| Bulletproof Vest Partnership Program             | 16.607                    | 3,481               |
| Total U.S. Department of Justice                 |                           | <u>3,481</u>        |
| <b>U.S. Department of Transportation</b>         |                           |                     |
| Highway Safety Cluster                           |                           |                     |
| Through Nebraska Department of Transportation    |                           |                     |
| State and Community Highway Safety               | 20.600                    | 19,721              |
| Total Highway Safety Cluster                     |                           | <u>19,721</u>       |
| Through Nebraska Department of Transportation    |                           |                     |
| Formula Grants for Rural Areas                   | 20.509                    | 203,941             |
| Airport Improvement Program                      | 20.106                    | <u>1,385,323</u>    |
| Total U.S. Department of Transportation          |                           | <u>1,608,985</u>    |
| Total Federal Expenditures                       |                           | <u>\$ 1,612,466</u> |

**City of Columbus**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2025**

**NOTE 1 - BASIS OF PRESENTATION**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 - INDIRECT COST RATE**

The City of Columbus, Nebraska has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

PRELIMINARY





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

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Columbus  
Columbus, Nebraska

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

***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

**Report on Internal Control Over Financial Reporting (Continued)**

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

**Report on Compliance and Other Matters**

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

**The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Omaha, Nebraska

March \_\_, 2026



**Report on Compliance for the Major Federal Program  
and Report on Internal Control over Compliance in Accordance with  
the Uniform Guidance**

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Columbus  
Columbus, Nebraska

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

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

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

***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

**Report on Internal Control Over Compliance (Continued)**

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

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

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

Omaha, Nebraska

March \_\_, 2026

PRELIMINARY

**City of Columbus, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2025**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes, Audit finding 2025-001  
Yes, Audit finding 2025-002

Noncompliance material to financial statement noted?

No

**Federal Awards**

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No  
None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

No

**Identification of Major Programs**

Assistance Listing No:

20.106

Name of Federal Program:

Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:

\$1,000,000

Auditee qualified as low risk auditee?

No

City of Columbus, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2025

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2025-001 Material Weakness - Year-End Financial Reporting**

*Criteria:*

Management is responsible for achieving appropriate financial reporting objectives, including maintaining complete accounting records and preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

*Condition:*

Material journal entries were proposed to adjust net position to be materially correct for financial reporting.

*Effect or Potential Effect:*

Intentional and unintentional errors could be made and not detected within a timely period by the City's personnel in the normal course of performing their assigned functions since they are not performing this process.

*Recommendation:*

A remedy for this situation would be to regularly review related balances to ensure they are being adjusted appropriately in a timely manner.

*Views of Responsible Officials:*

Management has reviewed the adjustments and will implement procedures to identify and record any necessary entries in the future.

City of Columbus, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2025

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**2025-002 Significant Deficiency**

**Segregation of Duties**

*Criteria:*

Proper internal accounting controls require segregation of duties so that no one individual has access to both the accounting records and cash items or handles a transaction from inception to completion.

*Condition:*

The City utilizes its office and accounting personnel to segregate duties where feasible but due to the size of the accounting and office staff during the year the City did not have appropriate segregation of duties in all areas. There are instances where individuals responsible for performing or overseeing accounting functions also have access to cash and cash items.

*Effect or Potential Effect:*

Intentional or unintentional errors could be made and not be detected within a timely period by the City's management in the normal course of performing their assigned functions.

*Recommendation:*

A remedy for this situation would be for the City to reassign duties to other personnel, accounting staff or an outsourced accountant to allow for improved internal accounting control and segregation of duties.

*Views of Responsible Officials:*

The City continues to evaluate its processes and controls and will implement changes to improve its internal control structure where feasible.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

City of Columbus, Nebraska  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2024

| Reference<br>Number | Summary of Finding                                  | Status                |
|---------------------|---|-----------------------|
| 2024-001            | Material Audit adjustment & prior period adjustment | Repeated See 2025-001 |
| 2024-002            | Segregation of Duties                               | Repeated See 2025-002 |

PRELIMINARY