

CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL  
UTILITIES FUND

Financial Statements

December 31, 2024 and 2023



**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
December 31, 2024 and 2023  
Table of Contents**

	<u>Page</u>
Independent Auditor’s Report	1 – 4
<u>Financial Statements:</u>	
Statements of Net Position	5
Statements of Revenues and Expenses	6
Statements of Changes in Net Position	7
Statements of Cash Flows	8 – 9
Notes to the Financial Statements	10 – 21
<u>Supplemental Information:</u>	
Schedule of Expenditures of Federal Awards	22
<u>Other Information:</u>	
Combining Schedule of Revenues and Expenses – 2024	23
Combining Schedule of Revenues and Expenses – 2023	24
Combining Schedules of Revenues and Expenses – Electric Department	25
Combining Schedules of Revenues and Expenses – Water Department	26
Combining Schedules of Revenues and Expenses – Sewer Department	27
Combining Schedules of Revenues and Expenses – Gas Department	28
<u>Single Audit Section:</u>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 – 30
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	31 – 33
Schedule of Findings and Questioned Costs	34
Summary Schedule of Prior Audit Findings	35



## Independent Auditor's Report

The Honorable Mayor and City Council  
City of Wahoo, Nebraska, Combined Municipal Utilities Fund  
Wahoo, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the business-type activities of the City of Wahoo, Nebraska, Combined Municipal Utilities Fund (Wahoo Utilities), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Wahoo Utilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Wahoo Utilities, as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits 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 Wahoo Utilities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, the financial statements present only the Combined Municipal Utilities Fund and do not purport to, and do not present fairly the financial position of the City of Wahoo, Nebraska, as of December 31, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wahoo Utilities' 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 Wahoo Utilities' 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 Wahoo Utilities' 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***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wahoo Utilities' basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 statement 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.

### ***Other Information***

Management is responsible for the other information as listed in the table of contents. Our opinion on the basic financial statements does not cover the other information and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025 on our consideration of the Wahoo Utilities 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 Wahoo Utilities' 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 Wahoo Utilities' internal control over financial reporting and compliance.

BMG Certified Public Accountants, LLP

A handwritten signature in black ink, consisting of the letters 'BMG' in a stylized, cursive font.

Lincoln, Nebraska

June 12, 2025

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
STATEMENTS OF NET POSITION  
December 31, 2024 and 2023**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
<b><u>Current Assets:</u></b>		
Cash and Certificates of Deposit	\$ 4,252,228	\$ 4,990,428
Restricted Cash and Certificates of Deposit	211,845	213,274
Cash - Designated for Natural Gas Rate Stabilization Fund	590,411	590,411
Accounts Receivable, net	742,462	599,065
Unbilled Revenues	546,813	518,879
Lease Receivable, Current Portion of Long Term Leases	38,803	9,564
Loan to City of Wahoo	-	-
Prepaid Expenses	192,162	156,948
Inventories	1,380,277	1,251,968
<b>Total Current Assets</b>	<b>7,955,001</b>	<b>8,330,537</b>
<b><u>Capital Assets:</u></b>		
Plant, Property & Equipment	42,064,733	38,387,465
Less: Accumulated Depreciation	(22,830,783)	(21,689,597)
<b>Total Capital Assets</b>	<b>19,233,950</b>	<b>16,697,868</b>
<b><u>Other Assets:</u></b>		
Leases Receivable, Long Term Leases, Net of Current Portion	39,316	-
Goodwill	135,187	135,187
<b>Total Other Assets</b>	<b>174,503</b>	<b>135,187</b>
<b>TOTAL ASSETS</b>	<b>\$ 27,363,454</b>	<b>\$ 25,163,592</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts Payable	\$ 993,069	\$ 675,298
Accrued Expenses	130,814	119,663
Customer Deposits	166,645	168,257
Current Maturities of Long-Term Liabilities	560,779	671,913
<b>Total Current Liabilities</b>	<b>1,851,307</b>	<b>1,635,131</b>
<b><u>Long-Term Liabilities:</u></b>		
Long-Term Debt	2,852,113	1,974,882
Compensated Absences	503,271	327,041
Less: Current Maturities	(560,779)	(671,913)
<b>Total Long-Term Liabilities</b>	<b>2,794,605</b>	<b>1,630,010</b>
<b>Total Liabilities</b>	<b>\$ 4,645,912</b>	<b>\$ 3,265,141</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred Lease Arrangement Receipts, Long Term Leases	\$ 77,951	\$ 9,477
<b><u>NET POSITION</u></b>		
<b><u>Net Position:</u></b>		
Invested in Capital Assets, Net of Related Debt	16,517,024	14,858,173
Restricted	45,200	45,017
Unrestricted	6,077,367	6,985,784
<b>Total Net Position</b>	<b>\$ 22,639,591</b>	<b>\$ 21,888,974</b>

See independent auditor's report and notes to financial statements

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b><u>Operating Revenues:</u></b>		
Utility Sales	\$ 10,464,132	\$ 10,379,419
Grant Revenue	-	-
Merchandise, Service & Other Sales	1,140,714	740,972
<b>Total Operating Revenues</b>	<b>11,604,846</b>	<b>11,120,391</b>
<b><u>Operating Expenses:</u></b>		
<b>Production:</b>		
Purchased Power/Gas	5,526,771	5,809,916
Salaries, Wages, & Benefits	544,957	483,720
Maintenance & Supplies	104,525	228,146
Insurance	116,449	99,014
Utilities	188,859	159,989
Depreciation & Amortization	233,144	245,154
Other	17,987	36,758
<b>Total Production Expenses</b>	<b>6,732,692</b>	<b>7,062,697</b>
<b>Distribution/Collection:</b>		
Salaries, Wages, & Benefits	1,437,769	1,268,160
Maintenance & Supplies	789,818	357,836
Insurance	67,723	49,813
Utilities	32,899	25,356
Depreciation & Amortization	873,929	795,575
Other	39,379	58,145
<b>Total Distribution/Collection Expenses</b>	<b>3,241,517</b>	<b>2,554,885</b>
<b>General &amp; Administrative:</b>		
Salaries, Wages, & Benefits	605,735	548,282
Maintenance & Supplies	104,887	94,296
Insurance	10,485	9,297
Utilities	8,472	21,851
Depreciation & Amortization	34,113	26,764
Other	213,716	319,345
<b>Total General &amp; Administrative Expenses</b>	<b>977,408</b>	<b>1,019,835</b>
<b>Total Operating Expenses</b>	<b>10,951,617</b>	<b>10,637,417</b>
<b>Operating Income (Loss)</b>	<b>653,229</b>	<b>482,974</b>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Interest Income	154,259	164,754
Contributions in Aid of Construction	-	-
Interest Expense	(56,871)	(33,857)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>97,388</b>	<b>130,897</b>
<b>Income (Loss) before Transfers</b>	<b>750,617</b>	<b>613,871</b>
Transfers to City	-	-
<b>Change in Net Position</b>	<b>\$ 750,617</b>	<b>\$ 613,871</b>

See independent auditor's report and notes to financial statements

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
STATEMENTS OF CHANGES IN NET POSITION  
For the Years Ended December 31, 2024 and 2023**

	<u>Net Position</u>
<b>Balance December 31, 2022</b>	\$ 21,275,103
Change in Net Position	<u>613,871</u>
<b>Balance, December 31, 2023</b>	<u>\$ 21,888,974</u>
Change in Net Position	<u>750,617</u>
<b>Balance, December 31, 2024</b>	<u>\$ 22,639,591</u>

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 STATEMENTS OF CASH FLOWS  
 For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 11,645,897	\$ 11,452,752
Payments to suppliers	(7,067,722)	(7,804,778)
Payments to employees	(2,407,643)	(2,286,870)
Payment of in lieu of taxes	<u>(207,168)</u>	<u>(213,144)</u>
<b>Net cash provided (used) by operating activities:</b>	<u>1,963,364</u>	<u>1,147,960</u>
<b>Cash flows from noncapital financing activities:</b>		
Operating subsidies and transfers to other funds	<u>-</u>	<u>-</u>
<b>Net cash provided (used) by noncapital financing activities:</b>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments on long-term debt	(534,776)	(529,485)
Proceeds on issuance of long-term debt	1,412,007	990,000
Interest paid	(57,215)	(32,261)
Capital expenditures	<u>(3,677,268)</u>	<u>(2,673,275)</u>
<b>Net cash provided (used) by capital and related financing activities:</b>	<u>(2,857,252)</u>	<u>(2,245,021)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from temporary investments	-	-
Advance on loan to City of Wahoo	-	-
Receipts on loan to City of Wahoo	-	1,000,000
Interest received	<u>154,259</u>	<u>164,754</u>
<b>Net cash provided (used) by financing activities</b>	<u>154,259</u>	<u>1,164,754</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(739,629)	67,693
<b>Cash and cash equivalents at beginning of period</b>	<u>5,794,113</u>	<u>5,726,420</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 5,054,484</u>	<u>\$ 5,794,113</u>
 <b>Statement of Net Assets Classification of Cash and Cash Equivalents</b>		
Current Assets:		
Cash and Certificates of Deposit	\$ 4,252,228	\$ 4,990,428
Restricted Cash and Certificates of Deposit	211,845	213,274
Cash - Designated for Natural Gas Rate Stabilization Fund	590,411	590,411
Other Assets:		
Restricted Cash and Certificates of Deposit	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 5,054,484</u>	<u>\$ 5,794,113</u>

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 STATEMENTS OF CASH FLOWS  
 For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating Income (Loss)	\$ 653,229	\$ 482,974
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,141,186	1,067,493
Public power rebate reimbursement	-	-
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	(143,397)	(40,591)
(Increase) Decrease in unbilled revenues	(27,934)	154,009
(Increase) Decrease in prepaid expenses	(35,214)	(21,563)
(Increase) Decrease in inventories	(128,309)	(341,424)
Increase (Decrease) in accounts payable	317,771	(172,029)
Increase (Decrease) in accrued expenses	11,151	11,407
Increase (Decrease) in customer deposits	174,881	7,684
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,963,364</u>	<u>\$ 1,147,960</u>

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

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

The City's municipal utilities operate under the direction of the Mayor, the City Council, and the Board of Public Works. The revenues are predominately earned from sales and service of electricity, water, sewer, and gas to residential and commercial customers within the City of Wahoo and other nearby communities. The City Council, as required by City Charter, reserves authority to set rates and charges, to adopt the annual budget, and to incur debt.

The Combined Municipal Utilities Fund (Utilities) represents a major fund of the City of Wahoo. As such, the accompanying financial statements present only the Combined Municipal Utilities Fund and do not purport to, and do not present the financial position of the City of Wahoo, Nebraska, the changes in its financial position, or, where applicable, its cash flows in accordance with accounting principles generally accepted in the United States of America.

The Utilities' financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Additional significant accounting policies established by GAAP and used by the Utilities are discussed below.

This summary of significant accounting policies of the City of Wahoo is presented to assist in understanding the Utilities' financial statements. The financial statements and notes are representations of the Utilities' management, which is responsible for their integrity and objectivity. The following is a summary of the more significant policies:

Scope of Reporting Entity: In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The Utilities has determined it has no component units.

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Investments: Investments are reported at fair value except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Investments are held by the Utilities with income from the investments allocated to each individual department.

Statutes authorize the Utilities to invest in certificates of deposit, in time deposits, in obligations of the United States Government, and in any securities in which the state investment officer is authorized to invest pursuant to the Nebraska State Funds Investment Act and as provided in the authorized investment guidelines of the Nebraska Investment Council in effect on the date the

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024 and 2023**

investment is made. The Utilities' has no investment policy that would further limit its investment choices.

For the security of the funds deposited, the Utilities shall require the financial institution to give security by furnishing securities or providing a deposit guaranty bond, provided that the sum of said bond or the sum of said pledge of assets shall be the value equal to or greater than the amount of the deposit in excess of that portion of said deposit insured by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC).

Concentration of Credit Risk: The Utilities have uncollateralized receivables from businesses and individuals in the service area for charges for service provided.

Bad Debts: The Department of Utilities uses the reserve method in accounting for bad debts. The allowance for bad debts was \$9,586 at December 31, 2024 and 2023.

Inventories: Inventories are stated at lower of cost or market on a first-in, first-out basis.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: Property and equipment is stated at historical cost at the time of purchase or at estimated fair value at time of donation. The Utilities' policy is to capitalize interest on proprietary funds and construction projects until substantially completed. Major expenditures for property and those that substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed when incurred. When capital assets are retired, or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation and Amortization: Depreciation of all exhaustible capital assets and amortization of debt expenses is charged as an expense against operations. Accumulated amortization has been provided over the length of the corresponding intangible assets using the straight-line method, when applicable. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles	5 - 12 years	Office equipment	5 - 7 years
Tools & work equipment	5 - 25 years	Communication equipment	5 - 10 years
Electric load management system	10 - 33 years	Electric distribution system	7 - 33 years
Water wells & transmission	7 - 50 years	Water storage system	50 years
Water distribution system	10 - 33 years	Lift station	25 years
Water pollution control disposal plant	50 years	Sewer collection lines	5 - 50 years
Buildings	10 - 50 years	Gas Distribution System	5 - 30 years

Compensated Absences: Utilities' employees earn vacation at varying rates. All accumulated vacation time is paid to the employee upon termination. The amounts of unpaid vacation and compensatory time accumulated by Utilities' employees are accrued as expenses when incurred in proprietary funds, which use the accrual basis of accounting. Utilities' employees also earn sick leave at varying rates. Unused sick leave is forfeited upon termination unless the employee meets certain age and years of service requirements. Amounts of unpaid sick leave are accrued in

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

proprietary funds when an employee meets these requirements. Unpaid vacation is considered to be current while unpaid sick leave is considered to be long-term.

Cash Equivalents: For purposes of the statement of cash flows, the Utilities considers all highly liquid debt instruments (including restricted assets) purchased with a maturity date of three months or less to be cash equivalents.

Contributions In Aid Of Construction: New electric, gas, water, and sewage systems purchased by subcontractors, government grants, etc., that become property of the Department of Utilities are added to the utility plant accounts at cost. The offsetting amount is credited to contributions in aid of construction.

Unbilled Utility Revenues: Consumer usage is billed on a monthly cycle basis in the utility funds. Unbilled revenues, representing estimated consumer usage for the periods between the last billing dates and the balance sheet date, are accrued in the period of consumption.

Operating Revenues and Expenses: Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Utilities, these revenues are charges for services for electric, sewer, water, and gas utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund.

Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities.

Expenses by Identifiable Activities:

	<u>2024</u>	<u>2023</u>
Electric	\$ 7,052,842	\$ 6,612,515
Water	840,538	893,936
Sewer	1,178,214	1,247,278
Gas	<u>1,936,894</u>	<u>1,917,545</u>
Total expenses	<u>\$11,008,488</u>	<u>\$10,671,274</u>

As of December 31, 2024 and 2023, the Utilities served approximately 8,381 and 8,257 combined utility customers.

Insurance: The Utilities is a member of the League Association of Risk Management (LARM), which is an interlocal agency that pools together Nebraska municipalities for the ability to jointly self-insure or jointly purchase insurance coverage. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year. The Utilities' insurance plan covers worker's compensation insurance, as well as property/casualty insurance. The plan costs \$256,216 and is set to expire on September 30, 2025.

Goodwill: Goodwill represents the excess of cost over net assets of the gas system that was acquired in 1999, the cost of the acquisition in 2010 of the right to service an area in northern Wahoo, and the cost of acquisition in 2017 of service area from another power district. The original goodwill in the amount of \$230,000 is fully amortized. The 2010 and 2017 acquisitions are not required to be amortized. All goodwill is reviewed annually for impairment.

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

Interfund Transfers: During the course of normal operations the Utilities has numerous transactions between departments, including expenditures and transfers of resources to provide services, construct assets, and service debt.

Fund Equity: Restricted Net Position — Assets restricted for the payment of non-current debt service are offset by long-term debt and therefore, there are no restricted assets for these amounts. Assets restricted for the payment of current debt service are included as restricted net position.

Use of Restricted/Unrestricted Net Position: When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Utilities’ policy is to apply restricted net assets first.

Deferred Outflows and Inflows of Resources: Deferred inflow of resources represent the present value of remaining lease payments expected to be received during the lease term plus any payments received at or before the commencement of the lease term that relate to future periods.

Subsequent Events: Subsequent events have been evaluated through June 12, 2025, which is the date the financial statements were available to be issued. During 2024, Utilities was awarded a grant for natural gas distribution infrastructure for \$1,347,078. This project is expected to begin in 2025.

**NOTE 2: CASH**

The Utilities maintains a cash management pool that is available for use by all departments.

At December 31, 2024 and 2023, the Utilities’ cash balances consist of:

	2024		2023	
	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Bank Balance</u>
Demand Deposit	\$ 4,919,484	\$ 5,048,692	\$ 5,659,113	\$ 6,184,602
Nonnegotiable Certificates of Deposit	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>
	<u>\$ 5,054,484</u>	<u>\$ 5,183,692</u>	<u>\$ 5,794,113</u>	<u>\$ 6,319,602</u>

The above deposits and certificates of deposit are displayed in the December 31, 2024 and 2023 financial statements as follows:

	<u>2024</u>	<u>2023</u>
Cash and Certificates of Deposit	\$ 4,252,228	\$ 4,990,428
Current Restricted Cash and Certificates of Deposit	211,845	213,274
Cash – Designated for Natural Gas Rate Stabilization Fund	<u>590,411</u>	<u>590,411</u>
	<u>\$ 5,054,484</u>	<u>\$ 5,794,113</u>

At December 31, 2024, the Utilities’ deposits were fully insured or collateralized by the FDIC, U.S. Government securities subject to joint safeguarding receipts issued by the pledging financial institution, and irrevocable letters of credit. No attorney’s opinion has been obtained regarding the enforceability of claims that might arise under the custodial agreement.

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024 and 2023**

**NOTE 3: RESTRICTED AND DESIGNATED ASSETS**

The Department of Utilities requires customers to make deposits to insure against nonpayment of billings and/or property damage. Because the deposit remains the property of the customer, the Utilities has established restricted accounts to distinguish these assets from current assets available for operations.

City ordinances authorizing the issuance of revenue bonds required the establishment of certain reserve accounts to provide for the payment of annual principal and interest, prevent default of principal and interest payments and provide for future replacements of property, plant and equipment.

Restricted balances as of December 31, 2024 and 2023 consisted of the following:

<u>Restricted Assets:</u>	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Customer deposits	\$ 166,645	\$ 168,257
Debt reserve	<u>45,200</u>	<u>45,017</u>
Total Current	<u>211,845</u>	<u>213,274</u>
<u>Non-current</u>		
Debt reserve	<u>-</u>	<u>-</u>
Total Non-current	<u>-</u>	<u>-</u>
Total Restricted Assets	-	-
 <u>Restricted Liabilities:</u>		
Customer deposits	166,645	168,257
Long-Term Debt	<u>-</u>	<u>-</u>
Total Restricted Liabilities	<u>168,645</u>	<u>168,257</u>
 Restricted Net Position	 <u>\$ 45,200</u>	 <u>\$ 45,017</u>

The composition of restricted assets is included in the disclosure at Note 2.

In 2021, the City Council passed a resolution creating the Natural Gas Rate Stabilization Fund. The Fund contained \$590,411 and \$590,411 as of December 31, 2024 and 2023, respectively, and is intended to be utilized by the gas department to pay for unanticipated changes in budgeted costs that may otherwise require additional charges through increased base rates.

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

<u>Business-Type Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2024</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 304,359	\$ -	\$ -	\$ 304,359
Construction in Progress	1,088,898	2,617,410	(787,283)	2,919,024
Total Capital Assets Not Being Depreciated	<u>1,393,257</u>	<u>\$2,617,410</u>	<u>(787,283)</u>	<u>3,223,383</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings	1,122,798	-	-	1,122,798
Plant Equipment	7,730,719	2,324	-	7,733,042
Distribution Systems	25,216,671	1,668,485	-	26,885,157
Other Equipment	2,924,020	176,332	-	3,100,352
Total Capital Assets Being Depreciated	<u>36,994,208</u>	<u>1,847,141</u>	<u>-</u>	<u>38,841,349</u>
<u>Less: Accumulated Depreciation for:</u>				
Buildings	911,639	28,578	-	940,216
Plant Equipment	4,612,171	198,268	-	4,810,439
Distribution Systems	14,040,533	743,050	-	14,783,584
Other Equipment	2,125,254	171,290	-	2,296,544
Total Accumulated Depreciation	<u>21,689,597</u>	<u>1,141,186</u>	<u>-</u>	<u>22,830,783</u>
Total Capital Assets Being Depreciated, Net	<u>15,304,611</u>	<u>705,955</u>	<u>-</u>	<u>16,010,566</u>
Business-Type Activity Capital Assets, Net	<u>\$ 16,697,868</u>	<u>\$3,323,365</u>	<u>\$ (787,283)</u>	<u>\$ 19,233,950</u>
Depreciation in 2024:				\$ 1,141,186

Capital asset activity for the year ended December 31, 2023 was as follows:

<u>Business-Type Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2023</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 304,359	\$ -	\$ -	\$ 304,359
Construction in Progress	1,050,424	508,844	(470,370)	1,088,898
Total Capital Assets Not Being Depreciated	<u>1,354,783</u>	<u>\$ 508,844</u>	<u>(470,370)</u>	<u>1,393,257</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings	1,122,798	-	-	1,122,798
Plant Equipment	7,722,565	8,154	-	7,730,719
Distribution Systems	22,997,978	2,218,693	-	25,216,671
Other Equipment	2,516,066	407,954	-	2,924,020
Total Capital Assets Being Depreciated	<u>34,359,407</u>	<u>2,634,801</u>	<u>-</u>	<u>36,994,208</u>
<u>Less: Accumulated Depreciation for:</u>				
Buildings	879,437	32,202	-	911,639
Plant Equipment	4,408,291	203,880	-	4,612,171
Distribution Systems	13,360,276	680,257	-	14,040,533
Other Equipment	1,974,099	151,155	-	2,125,254
Total Accumulated Depreciation	<u>20,622,103</u>	<u>1,067,494</u>	<u>-</u>	<u>21,689,597</u>
Total Capital Assets Being Depreciated, Net	<u>13,737,304</u>	<u>1,567,307</u>	<u>-</u>	<u>15,304,611</u>
Business-Type Activity Capital Assets, Net	<u>\$ 15,092,087</u>	<u>\$2,076,151</u>	<u>\$ (470,370)</u>	<u>\$ 16,697,868</u>
Depreciation in 2023:				\$ 1,067,493

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

**NOTE 5: LONG-TERM LIABILITIES**

Long-term liability activity for the years ended December 31, 2024 and 2023 was as follows:

<b>Business-Type Activities</b>	<b><u>Beginning Balance 1/1/24</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending Balance 12/31/24</u></b>	<b><u>Amounts Due within One Year</u></b>
<u>Bonds and notes payable:</u>					
Note Payable – NDEQ D311522	\$ 109,882	\$ -	\$ (14,776)	\$ 95,106	\$ 15,073
Note Payable – NDEE D311671	-	1,412,007	-	1,412,007	-
Combined Utility Bonds, Series 2023	990,000	-	-	990,000	-
Combined Utility Bonds, Series 2020	<u>875,000</u>	<u>-</u>	<u>(520,000)</u>	<u>355,000</u>	<u>355,000</u>
Total bonds and notes payable	\$ 1,974,882	\$ 1,412,007	\$ (534,776)	\$ 2,852,113	\$ 370,073
<u>Other liabilities:</u>					
Compensated absences	<u>\$ 327,041</u>	<u>\$ 223,955</u>	<u>\$ (47,725)</u>	<u>\$ 503,271</u>	<u>\$ 190,706</u>
Total long-term liabilities	<u>\$ 2,301,923</u>	<u>\$ 1,635,962</u>	<u>\$ (582,501)</u>	<u>\$ 3,355,384</u>	<u>\$ 560,779</u>

<b>Business-Type Activities</b>	<b><u>Beginning Balance 1/1/23</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending Balance 12/31/23</u></b>	<b><u>Amounts Due within One Year</u></b>
<u>Bonds and notes payable:</u>					
Note Payable - NDEQ	\$ 124,367	\$ -	\$ (14,485)	\$ 109,882	\$ 14,776
Combined Utility Bonds, Series 2023	-	990,000	-	990,000	-
Combined Utility Bonds, Series 2020	<u>1,390,000</u>	<u>-</u>	<u>(515,000)</u>	<u>875,000</u>	<u>520,000</u>
Total bonds and notes payable	\$ 1,514,367	\$ 990,000	\$ (529,485)	\$ 1,974,882	\$ 534,776
<u>Other liabilities:</u>					
Compensated absences	<u>\$ 316,970</u>	<u>\$ 107,583</u>	<u>\$ (97,512)</u>	<u>\$ 327,041</u>	<u>\$ 137,137</u>
Total long-term liabilities	<u>\$ 1,831,337</u>	<u>\$ 1,097,583</u>	<u>\$ (626,997)</u>	<u>\$ 2,301,923</u>	<u>\$ 671,913</u>

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

Bonds payable are comprised of the following individual issues as of December 31:

Revenue Bonds:

<u>Original Amount</u>		<u>2024</u>	<u>2023</u>
\$ 2,900,000	Combined Utility Revenue Refunding Bond, Series 2020 issued March 24, 2020; interest rates 1.30% to 1.55%; principal and interest payments due June 15 and December 15 through December 2025.	\$ 355,000	\$ 875,000
\$ 990,000	Combined Utility Revenue Refunding Bond, Series 2023 issued September 15, 2023; interest rates 4.25% to 4.50%; principal and interest payments due June 15 and December 15 through June 2034.	<u>990,000</u>	<u>990,000</u>
		1,345,000	1,865,000
	Less: Current Portion	<u>(355,000)</u>	<u>(520,000)</u>
		<u>\$ 990,000</u>	<u>\$ 1,345,000</u>

The annual requirements to amortize all bonded debt outstanding as of December 31, including interest are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 355,000	\$ 47,188
2026	60,000	43,488
2027	110,000	39,981
2028	110,000	35,306
2029	120,000	30,525
2030-2034	<u>590,000</u>	<u>68,175</u>
Total	<u>\$ 1,345,000</u>	<u>\$ 264,663</u>

Interest expense for the years ended December 31, 2024 and 2023 were \$56,871 and \$33,857, respectively.

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

Loans Payable:

<u>Original Amount</u>		<u>2024</u>	<u>2023</u>
\$ 407,190	NEDQ Loan Payable, issued December 29, 2009; Interest rate 2%; administrative fee 1%; principal, interest, and administrative fee payments of \$9,120 due June 15 and December 15 through December 2030.	\$ 95,106	\$ 109,882
\$ 1,412,007	NDEE Loan Payable - Water, issued in 2024; maximum amount available on loan is \$5,700,000; interest rate 0%; administrative fee 0%; semi-annual principal payments are expected to be \$61,750, due June 15 and December 15 for 30 years; payments expected to start in December 2026, or one year after related project is complete; see below regarding potential forgiveness.	1,412,007	-
\$ -	NDEE Loan Payable - Sewer; maximum amount available on loan is \$4,674,000; interest rate 0%; administrative fee 0%; principal payments due June 15 and December 15 for 30 years; payments expected to start one year after related project is complete; no funds had been advanced on the loan as of December 31, 2024	-	-
	Less: Current Portion	<u>1,507,113</u> <u>(15,073)</u>	<u>109,882</u> <u>(14,776)</u>
		<u>\$ 1,492,040</u>	<u>\$ 95,106</u>

All payments of principal and interest due on the NDEQ loan shall be limited obligations of the City of Wahoo payable solely out of the Combined Utilities User Charge on a parity with revenue bonds issued pursuant to ordinances approved by the City of Wahoo's City Council.

All payments of principal due on the NDEE loans shall be limited obligations of the City of Wahoo payable solely out of the Combined Utilities System Revenues on a parity with revenue bonds issued pursuant to ordinances approved by the City of Wahoo's City Council.

The NDEE Loan Payable - Water includes forgiveness provisions for an amount up to 35% of the eligible project costs, up to a ceiling of \$1,995,000. As of December 31, 2024, \$494,202 of the outstanding loan may be forgiven once the project is complete and all compliance provisions have been met.

As of December 31, 2024, the Utilities had incurred expenses of \$581,730 that were eligible for reimbursement from the NDEE Loan Payable – Water. As of December 31, 2024, the Utilities had incurred expenses of \$62,474 that were eligible for reimbursement from the NDEE Loan Payable – Sewer. These amounts are not included in the note payable balance at December 31, 2024.

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

At December 31, 2024, the annual requirements for the loans with the NDEQ and NDEE, assuming forgiveness noted previously, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 15,073	\$ 1,827
2026	15,376	1,524
2027	15,690	1,215
2028	16,000	900
2029	16,322	578
2030 - 2034	16,645	250
NDEE Expected Loan Payments TBD	917,805	-
NDEE Expected Loan Forgiveness	<u>494,202</u>	<u>-</u>
Total	<u>\$ 1,507,113</u>	<u>\$ 6,294</u>

**NOTE 6: RETIREMENT PLAN**

The Utilities provides retirement benefits for full-time employees through a contributory defined contribution plan, the City of Wahoo, Nebraska 457(B) Plan. Beginning in 2024, Roth contributions were also permitted in this Plan. Employees are eligible to participate upon attaining certain age and service requirements. Participant contributions are limited by Internal Revenue regulations. The Utilities match employee contributions, up to a maximum of 6% of annual compensation. Participant contributions are fully vested, while Utilities' contributions vest over a period from two to six years of service. Forfeitures may be made available to reinstate previously forfeited account balances of participants and any remaining forfeitures may be used to satisfy any contribution that may be required by the Utilities or to pay administrative expenses. Beginning in 2011, employees were able to make separate contributions to a 457(B) plan and Roth retirement plan that were not required to be matched by the Utilities.

Contributions to the 457(B) plan for the year ended December 31, 2024 consisted of \$74,419 by the Utilities and \$91,512 by employees. Contributions to the 457(B) plan for the year ended December 31, 2023 consisted of \$59,732 by the Utilities and \$59,732 by employees. Contributions by employees to the Roth retirement plan for the years ended December 31, 2024 and 2023 were \$0 and \$7,500, respectively. Additional contributions not subject to an employer match by employees to the 457(B) plan for the year ended December 31, 2024 and 2023 were \$0 and \$4,521, respectively. No assets are accumulated in a trust for the plans.

The Utilities do not have a plan to provide other post-employment benefits to past employees, beneficiaries or dependents.

**NOTE 7: CONTRACTS**

Electric: The Utilities have two twenty-year power contracts dated January 1, 2016, with Nebraska Public Power District (NPPD) for the purchase of electricity from NPPD and the sale of electricity to NPPD. The contracts require the Utilities to produce and sell electricity to NPPD on an "as needed" basis, as well as allow the Utilities to purchase electricity from NPPD under specified rates and terms.

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

Gas: The Utilities have a five-year contract dated December 18, 2013, with Clayton Energy for assistance in gas transportation and commodity purchasing. The contract requires Clayton Energy to assist the Utilities with the quantities and calls for a monthly payment of \$1,650 to Clayton Energy for the services provided. This contract is effective January 1, 2014 and is set to automatically renew annually after the initial five year period unless terminated by either party.

Gas Purchase Agreement: On September 27, 2007, the Utilities entered into an inter-local agreement with a number of Iowa municipalities. The inter-local agreement created the Public Energy Financing Authority (PEFA). PEFA was created to give the participating municipalities access to large, long-term, natural gas contracts at reasonable rates. PEFA will enter into agreements with natural gas suppliers for long-term contracts for the purchase of natural gas. The contracts will be secured and paid with the proceeds of tax exempt bonds issued by PEFA. In October 2018, the City Council passed a resolution approving contracts to purchase natural gas from PEFA, approving the gas supply agreement with PEFA, and approving the issuance of bonds by PEFA. In August 2019, the Utilities began purchasing gas from PEFA.

**NOTE 8: OTHER COMMITMENTS**

The Utilities has multiple ongoing construction projects. Total estimated construction costs for these projects is \$17,727,799. Total costs incurred on these projects through December 31, 2024 were \$2,641,143. Remaining construction costs are estimated to be \$15,086,656. The Utilities has begun contracting these construction costs to outside vendors. In 2025, the Utilities expects to receive a total of \$10,374,000 in loans through the Nebraska Department of Environment and Energy to finance a portion of these projects. The Utilities received \$1,412,007 for these projects in 2024, as shown in Note 5. Up to \$1,995,000 of this total is expected to be forgiven. Additional loans may be added in the future if necessary.

**NOTE 9: LOAN TO CITY OF WAHOO**

The City of Wahoo began a large street improvement project for the North Highlands Subdivision. The City has approved a plan for temporary financing of the project through internal borrowing from the Utilities. During the year ended December 31, 2022, the Utilities loaned the City \$1,000,000. The agreement called for the City to make quarterly interest payments at a rate of 1.5%. The principal is to be paid in full by December 31, 2023. The City repaid this loan in August 2023 and there is no balance as of December 31, 2024 or 2023.

**NOTE 10: LEASE OBLIGATIONS**

Per GASB 87, the Utilities categorizes its leases as short term or long term. Short term leases have a lease term of 12 months or less. For short term leases in which the Utilities is the lessee, the Utilities recognizes lease payments as outflows of resources (rent expense). For short term leases in which the Utilities is the lessor, the Utilities recognizes lease payments received as inflows of resources (rent income).

Long Term Leases

The Utilities leases land and space on a water tower to external parties. In accordance with GASB 87, the Utilities records lease receivables and deferred inflows of resources based on the present value of remaining lease payments expected to be received during the lease term plus any

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024 and 2023**

payments received at or before the commencement of the lease term that relate to future periods. The expected receipts are discounted using the interest rate charged on the lease, if known, or the Utilities' incremental borrowing rate. Variable receipts are excluded from the valuation unless they are fixed in substance. Future recognition of the deferred inflow of resources as revenue is performed in a systematic and rational manner over the term of the lease. During the years ended December 31, 2024 and 2023, the Utilities recognized revenues related to these lease agreements totaling \$49,261 and \$85,642.

These revenues are included in the statement of revenues, expenses, and changes in net position as follows:

	<u>2024</u>	<u>2023</u>
Merchandise, Service & Other Sales	\$ 48,372	\$ 84,879
Interest Income	<u>889</u>	<u>763</u>
	<u>\$ 49,261</u>	<u>\$ 85,642</u>

The expected future payments which are included in the measurement of the lease receivable plus interest are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 38,803	\$ 857
2026	<u>39,316</u>	<u>345</u>
	<u>\$ 78,119</u>	<u>\$ 1,202</u>

The estimated allowance for uncollectible lease receivables is \$0 as of December 31, 2024 and 2023.

**NOTE 10: COMPENSATED ABSENCES**

Effective for the fiscal year ended December 31, 2024, the Utilities adopted GASB Statement No. 101, Compensated Absences, ("GASB 101"). The statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Upon implementation of the GASB 101, Utilities extended to the threshold for sick leave to be recognized to within four years from the date employees become eligible for the sick leave to be fully payable to the employee. Utilities also included payroll taxes and retirement matches to the calculation for accrued leave. The change to the compensated absence accrual as of December 31, 2023 was immaterial, therefore, was no impact on beginning net position.

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Environmental Protection Agency</i>				
Nebraska Department of Environment and Energy Capitalization Grant for Drinking Water State Revolving Fund (Loan)	66.468	D311674	\$ -	\$ 1,826,991
Capitalization Grant for Clean Water State Revolving Fund (Loan)	66.458	C318047	\$ -	<u>\$ 61,974</u>
<i>Total Environmental Protection Agency</i>				<u>\$ 1,888,965</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 1,888,965</u></u>

The accompanying notes are an integral part of this Schedule.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note 1: Basis of Presentation**

The schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Wahoo, Nebraska Combined Municipal Utilities Fund (Wahoo Utilities) under programs of the federal government for the year ended December 31, 2024. 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 Wahoo Utilities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Wahoo Utilities.

**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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

Wahoo Utilities has not elected to use a de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4: Loans**

The balances of loans outstanding at December 31, 2024 for loans described in 2 CFR Section 200.502(b) are \$1,412,007 (Drinking Water State Revolving Fund Loan) and \$0 (Clean Water State Revolving Fund Loan).

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENSES**  
**For the Year Ended December 31, 2024**

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Combined</u>
<b><u>Operating Revenues</u></b>					
Utility sales	\$ 6,566,756	\$ 989,947	\$ 973,391	\$ 1,934,038	\$ 10,464,132
Grant Revenue	-	-	-	-	-
Merchandise, Service, & Other Sales	<u>785,677</u>	<u>146,110</u>	<u>147,410</u>	<u>61,517</u>	<u>1,140,714</u>
<b>Total Operating Revenues</b>	<u>7,352,433</u>	<u>1,136,057</u>	<u>1,120,801</u>	<u>1,995,555</u>	<u>11,604,846</u>
<b><u>Operating Expenses</u></b>					
<b>Production:</b>					
Purchased Power/Gas	4,418,363	-	-	1,108,408	5,526,771
Salaries, Wages & Benefits	405,312	14,032	125,542	71	544,957
Maintenance & Supplies	33,269	6,678	63,808	770	104,525
Insurance	71,442	13,537	31,035	435	116,449
Utilities	43,881	35,953	109,025	-	188,859
Depreciation	30,153	28,179	165,497	9,315	233,144
Other	<u>13,472</u>	<u>-</u>	<u>4,515</u>	<u>-</u>	<u>17,987</u>
<b>Total Production Expenses</b>	<u>5,015,892</u>	<u>98,379</u>	<u>499,422</u>	<u>1,118,999</u>	<u>6,732,692</u>
<b>Distribution/Collection:</b>					
Salaries, Wages & Benefits	591,835	256,867	137,497	451,570	1,437,769
Maintenance & Supplies	606,857	69,123	84,979	28,859	789,818
Insurance	32,899	12,989	11,173	10,662	67,723
Utilities	16,772	4,358	347	11,422	32,899
Depreciation	378,099	176,379	192,765	126,686	873,929
Other	<u>26,760</u>	<u>4,047</u>	<u>2,992</u>	<u>5,580</u>	<u>39,379</u>
<b>Total Distribution/Collection Expenses</b>	<u>1,653,222</u>	<u>523,763</u>	<u>429,753</u>	<u>634,779</u>	<u>3,241,517</u>
<b>General and Administrative:</b>					
Salaries, Wages & Benefits	220,885	119,230	148,020	117,600	605,735
Maintenance & Supplies	38,742	27,193	17,200	21,752	104,887
Insurance	4,818	2,107	1,636	1,924	10,485
Utilities	3,224	1,675	1,164	2,409	8,472
Depreciation & Amortization	9,810	10,735	2,859	10,709	34,113
Other	<u>82,127</u>	<u>54,709</u>	<u>48,196</u>	<u>28,684</u>	<u>213,716</u>
<b>Total General &amp; Administrative Expenses</b>	<u>359,606</u>	<u>215,649</u>	<u>219,075</u>	<u>183,078</u>	<u>977,408</u>
<b>Total Operating Expenses</b>	<u>7,028,720</u>	<u>837,791</u>	<u>1,148,250</u>	<u>1,936,856</u>	<u>10,951,617</u>
<b>Operating Income (Loss)</b>	<u>323,713</u>	<u>298,266</u>	<u>(27,449)</u>	<u>58,699</u>	<u>653,229</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>					
Interest Income	75,969	3,194	27,964	47,132	154,259
Contributions in Aid of Construction	-	-	-	-	-
Interest Expense	<u>(24,122)</u>	<u>(2,747)</u>	<u>(29,964)</u>	<u>(38)</u>	<u>(56,871)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>51,847</u>	<u>447</u>	<u>(2,000)</u>	<u>47,094</u>	<u>97,388</u>
<b>Income Before Transfers</b>	375,560	298,713	(29,449)	105,793	750,617
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 375,560</u>	<u>\$ 298,713</u>	<u>\$ (29,449)</u>	<u>\$ 105,793</u>	<u>\$ 750,617</u>

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENSES**  
**For the Year Ended December 31, 2023**

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Combined</u>
<b><u>Operating Revenues</u></b>					
Utility sales	\$ 6,413,330	\$ 971,747	\$ 937,083	\$ 2,057,259	\$ 10,379,419
Grant Revenue	-	-	-	-	-
Merchandise, Service, & Other Sales	<u>316,522</u>	<u>96,575</u>	<u>266,076</u>	<u>61,799</u>	<u>740,972</u>
<b>Total Operating Revenues</b>	<u>6,729,852</u>	<u>1,068,322</u>	<u>1,203,159</u>	<u>2,119,058</u>	<u>11,120,391</u>
<b><u>Operating Expenses</u></b>					
<b>Production:</b>					
Purchased Power/Gas	4,578,107	-	-	1,231,809	5,809,916
Salaries, Wages & Benefits	353,215	13,325	117,180	-	483,720
Maintenance & Supplies	61,591	12,950	151,169	2,436	228,146
Insurance	61,888	10,727	26,237	162	99,014
Utilities	34,853	28,432	96,704	-	159,989
Depreciation	36,634	29,095	170,110	9,315	245,154
Other	<u>30,559</u>	<u>-</u>	<u>6,199</u>	<u>-</u>	<u>36,758</u>
<b>Total Production Expenses</b>	<u>5,156,847</u>	<u>94,529</u>	<u>567,599</u>	<u>1,243,722</u>	<u>7,062,697</u>
<b>Distribution/Collection:</b>					
Salaries, Wages & Benefits	572,391	222,577	125,324	347,868	1,268,160
Maintenance & Supplies	117,124	134,471	77,568	28,673	357,836
Insurance	27,305	7,164	7,658	7,686	49,813
Utilities	10,822	4,172	563	9,799	25,356
Depreciation	355,647	159,887	167,289	112,752	795,575
Other	<u>40,894</u>	<u>5,042</u>	<u>997</u>	<u>11,212</u>	<u>58,145</u>
<b>Total Distribution/Collection Expenses</b>	<u>1,124,183</u>	<u>533,313</u>	<u>379,399</u>	<u>517,990</u>	<u>2,554,885</u>
<b>General and Administrative:</b>					
Salaries, Wages & Benefits	195,076	119,749	135,965	97,492	548,282
Maintenance & Supplies	32,943	25,412	15,333	20,608	94,296
Insurance	4,986	1,715	1,130	1,466	9,297
Utilities	6,481	5,281	4,590	5,499	21,851
Depreciation & Amortization	6,166	9,031	2,611	8,956	26,764
Other	<u>82,059</u>	<u>101,456</u>	<u>114,081</u>	<u>21,749</u>	<u>319,345</u>
<b>Total General &amp; Administrative Expenses</b>	<u>327,711</u>	<u>262,644</u>	<u>273,710</u>	<u>155,770</u>	<u>1,019,835</u>
<b>Total Operating Expenses</b>	<u>6,608,741</u>	<u>890,486</u>	<u>1,220,708</u>	<u>1,917,482</u>	<u>10,637,417</u>
<b>Operating Income (Loss)</b>	<u>121,111</u>	<u>177,836</u>	<u>(17,549)</u>	<u>201,576</u>	<u>482,974</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>					
Interest Income	84,435	10,676	30,682	38,961	164,754
Contributions in Aid of Construction	-	-	-	-	-
Interest Expense	<u>(3,774)</u>	<u>(3,450)</u>	<u>(26,570)</u>	<u>(63)</u>	<u>(33,857)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>80,661</u>	<u>7,226</u>	<u>4,112</u>	<u>38,898</u>	<u>130,897</u>
<b>Income Before Transfers</b>	201,772	185,062	(13,437)	240,474	613,871
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 201,772</u>	<u>\$ 185,062</u>	<u>\$ (13,437)</u>	<u>\$ 240,474</u>	<u>\$ 613,871</u>

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES - ELECTRIC DEPARTMENT**  
**For the Years Ended December 31, 2024 and 2023**

	<u>Current Year</u>	<u>Prior Year</u>
<b><u>Operating Revenues</u></b>		
Utility sales	\$ 6,566,756	\$ 6,413,330
Grant Revenue	-	-
Merchandise, Service, & Other Sales	<u>785,677</u>	<u>316,522</u>
<b>Total Operating Revenues</b>	<u>7,352,433</u>	<u>6,729,852</u>
<b><u>Operating Expenses</u></b>		
<b>Production:</b>		
Purchased Power/Gas	4,418,363	4,578,107
Salaries, Wages & Benefits	405,312	353,215
Maintenance & Supplies	33,269	61,591
Insurance	71,442	61,888
Utilities	43,881	34,853
Depreciation	30,153	36,634
Other	<u>13,472</u>	<u>30,559</u>
<b>Total Production Expenses</b>	<u>5,015,892</u>	<u>5,156,847</u>
<b>Distribution/Collection:</b>		
Salaries, Wages & Benefits	591,835	572,391
Maintenance & Supplies	606,857	117,124
Insurance	32,899	27,305
Utilities	16,772	10,822
Depreciation	378,099	355,647
Other	<u>26,760</u>	<u>40,894</u>
<b>Total Distribution/Collection Expenses</b>	<u>1,653,222</u>	<u>1,124,183</u>
<b>General and Administrative:</b>		
Salaries, Wages & Benefits	220,885	195,076
Maintenance & Supplies	38,742	32,943
Insurance	4,818	4,986
Utilities	3,224	6,481
Depreciation & Amortization	9,810	6,166
Other	<u>82,127</u>	<u>82,059</u>
<b>Total General &amp; Administrative Expenses</b>	<u>359,606</u>	<u>327,711</u>
<b>Total Operating Expenses</b>	<u>7,028,720</u>	<u>6,608,741</u>
<b>Operating Income (Loss)</b>	<u>323,713</u>	<u>121,111</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Interest Income	75,969	84,435
Capital Contribution	-	-
Interest Expense	<u>(24,122)</u>	<u>(3,774)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>51,847</u>	<u>80,661</u>
<b>Income Before Transfers</b>	375,560	201,772
Transfers	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 375,560</u>	<u>\$ 201,772</u>

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES - WATER DEPARTMENT**  
**For the Years Ended December 31, 2024 and 2023**

	<u>Current Year</u>	<u>Prior Year</u>
<b><u>Operating Revenues</u></b>		
Utility sales	\$ 989,947	\$ 971,747
Grant Revenue	-	-
Merchandise, Service, & Other Sales	<u>146,110</u>	<u>96,575</u>
<b>Total Operating Revenues</b>	<u>1,136,057</u>	<u>1,068,322</u>
<b><u>Operating Expenses</u></b>		
<b>Production:</b>		
Salaries, Wages & Benefits	14,032	13,325
Maintenance & Supplies	6,678	12,950
Insurance	13,537	10,727
Utilities	35,953	28,432
Depreciation	28,179	29,095
Other	<u>-</u>	<u>-</u>
<b>Total Production Expenses</b>	<u>98,379</u>	<u>94,529</u>
<b>Distribution/Collection:</b>		
Salaries, Wages & Benefits	256,867	222,577
Maintenance & Supplies	69,123	134,471
Insurance	12,989	7,164
Utilities	4,358	4,172
Depreciation	176,379	159,887
Other	<u>4,047</u>	<u>5,042</u>
<b>Total Distribution/Collection Expenses</b>	<u>523,763</u>	<u>533,313</u>
<b>General and Administrative:</b>		
Salaries, Wages & Benefits	119,230	119,749
Maintenance & Supplies	27,193	25,412
Insurance	2,107	1,715
Utilities	1,675	5,281
Depreciation & Amortization	10,735	9,031
Other	<u>54,709</u>	<u>101,456</u>
<b>Total General &amp; Administrative Expenses</b>	<u>215,649</u>	<u>262,644</u>
<b>Total Operating Expenses</b>	<u>837,791</u>	<u>890,486</u>
<b>Operating Income (Loss)</b>	<u>298,266</u>	<u>177,836</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Interest Income	3,194	10,676
Capital Contribution	-	-
Interest Expense	<u>(2,747)</u>	<u>(3,450)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>447</u>	<u>7,226</u>
<b>Income Before Transfers</b>	298,713	185,062
Transfers	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 298,713</u>	<u>\$ 185,062</u>

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES - SEWER DEPARTMENT**  
**For the Years Ended December 31, 2024 and 2023**

	<u>Current Year</u>	<u>Prior Year</u>
<b><u>Operating Revenues</u></b>		
Utility sales	\$ 973,391	\$ 937,083
Grant Revenue	-	-
Merchandise, Service, & Other Sales	<u>147,410</u>	<u>266,076</u>
<b>Total Operating Revenues</b>	<u>1,120,801</u>	<u>1,203,159</u>
<b><u>Operating Expenses</u></b>		
<b>Production:</b>		
Salaries, Wages & Benefits	125,542	117,180
Maintenance & Supplies	63,808	151,169
Insurance	31,035	26,237
Utilities	109,025	96,704
Depreciation	165,497	170,110
Other	<u>4,515</u>	<u>6,199</u>
<b>Total Production Expenses</b>	<u>499,422</u>	<u>567,599</u>
<b>Distribution/Collection:</b>		
Salaries, Wages & Benefits	137,497	125,324
Maintenance & Supplies	84,979	77,568
Insurance	11,173	7,658
Utilities	347	563
Depreciation	192,765	167,289
Other	<u>2,992</u>	<u>997</u>
<b>Total Distribution/Collection Expenses</b>	<u>429,753</u>	<u>379,399</u>
<b>General and Administrative:</b>		
Salaries, Wages & Benefits	148,020	135,965
Maintenance & Supplies	17,200	15,333
Insurance	1,636	1,130
Utilities	1,164	4,590
Depreciation & Amortization	2,859	2,611
Other	<u>48,196</u>	<u>114,081</u>
<b>Total General &amp; Administrative Expenses</b>	<u>219,075</u>	<u>273,710</u>
<b>Total Operating Expenses</b>	<u>1,148,250</u>	<u>1,220,708</u>
<b>Operating Income (Loss)</b>	<u>(27,449)</u>	<u>(17,549)</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Interest Income	27,964	30,682
Capital Contribution	-	-
Interest Expense	<u>(29,964)</u>	<u>(26,570)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(2,000)</u>	<u>4,112</u>
<b>Income Before Transfers</b>	(29,449)	(13,437)
Transfers	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ (29,449)</u>	<u>\$ (13,437)</u>

See independent auditor's report

**CITY OF WAHOO, NEBRASKA**  
**COMBINED MUNICIPAL UTILITIES FUND**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES - GAS DEPARTMENT**  
**For the Years Ended December 31, 2024 and 2023**

	<u>Current Year</u>	<u>Prior Year</u>
<b><u>Operating Revenues</u></b>		
Utility sales	\$ 1,934,038	\$ 2,057,259
Grant Revenue	-	-
Merchandise, Service, & Other Sales	<u>61,517</u>	<u>61,799</u>
<b>Total Operating Revenues</b>	<u>1,995,555</u>	<u>2,119,058</u>
<b><u>Operating Expenses</u></b>		
<b>Production:</b>		
Purchased Power/Gas	1,108,408	1,231,809
Salaries, Wages & Benefits	71	-
Maintenance & Supplies	770	2,436
Insurance	435	162
Utilities	-	-
Depreciation	9,315	9,315
Other	<u>-</u>	<u>-</u>
<b>Total Production Expenses</b>	<u>1,118,999</u>	<u>1,243,722</u>
<b>Distribution/Collection:</b>		
Salaries, Wages & Benefits	451,570	347,868
Maintenance & Supplies	28,859	28,673
Insurance	10,662	7,686
Utilities	11,422	9,799
Depreciation	126,686	112,752
Other	<u>5,580</u>	<u>11,212</u>
<b>Total Distribution/Collection Expenses</b>	<u>634,779</u>	<u>517,990</u>
<b>General and Administrative:</b>		
Salaries, Wages & Benefits	117,600	97,492
Maintenance & Supplies	21,752	20,608
Insurance	1,924	1,466
Utilities	2,409	5,499
Depreciation & Amortization	10,709	8,956
Other	<u>28,684</u>	<u>21,749</u>
<b>Total General &amp; Administrative Expenses</b>	<u>183,078</u>	<u>155,770</u>
<b>Total Operating Expenses</b>	<u>1,936,856</u>	<u>1,917,482</u>
<b>Operating Income (Loss)</b>	<u>58,699</u>	<u>201,576</u>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Interest Income	47,132	38,961
Capital Contribution	-	-
Interest Expense	<u>(38)</u>	<u>(63)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>47,094</u>	<u>38,898</u>
<b>Income Before Transfers</b>	105,793	240,474
Transfers	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 105,793</u>	<u>\$ 240,474</u>



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

The Honorable Mayor and City Council  
City of Wahoo, Nebraska, Combined Municipal Utilities Fund  
Wahoo, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the City of Wahoo, Nebraska, Combined Municipal Utilities Fund, as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, and have issued our report thereon dated June 12, 2025. Our report disclosed that the City of Wahoo, Nebraska, Combined Municipal Utilities Fund has not presented Management's Discussion and Analysis, which is required supplementary information. Our report also disclosed that the financial statements present only the Combined Municipal Utilities Fund and do not present the financial statements of the City of Wahoo, Nebraska.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Wahoo, Nebraska, Combined Municipal Utilities Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to management of the City of Wahoo, Nebraska, Combined Municipal Utilities Fund, in a separate letter dated June 12, 2025.

## **Purpose of this Report**

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

BMG Certified Public Accountants, LLP

A handwritten signature in black ink, consisting of the letters 'BMG' in a stylized, cursive font.

Lincoln, Nebraska  
June 12, 2025



**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance**

The Honorable Mayor and City Council  
City of Wahoo, Nebraska, Combined Municipal Utilities Fund  
Wahoo, Nebraska

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

***Opinion on Each Major Federal Program***

We have audited the City of Wahoo, Nebraska, Combined Municipal Utilities Fund's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Wahoo, Nebraska, Combined Municipal Utilities Fund's major federal programs for the year ended December 31, 2024. The City of Wahoo, Nebraska, Combined Municipal Utilities Fund's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Wahoo, Nebraska, Combined Municipal Utilities Fund complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each 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 of Wahoo, Nebraska, Combined Municipal Utilities Fund 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 each major federal program. Our audit does not provide a legal determination of the City of Wahoo, Nebraska, Combined Municipal Utilities Fund'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 of Wahoo, Nebraska, Combined Municipal Utilities Fund'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 of Wahoo, Nebraska, Combined Municipal Utilities Fund'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 substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Wahoo, Nebraska, Combined Municipal Utilities Fund's compliance with the requirements of each 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 City of Wahoo, Nebraska, Combined Municipal Utilities Fund'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 City of Wahoo, Nebraska, Combined Municipal Utilities Fund'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 purposes of expressing an opinion on the effectiveness of City of Wahoo, Nebraska, Combined Municipal Utilities Fund'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.

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.

BMG Certified Public Accountants, LLP

A handwritten signature in black ink, consisting of the letters 'BMG' in a stylized, cursive font.

Lincoln, Nebraska  
June 12, 2025

**CITY OF WAHOO, NEBRASKA  
 COMBINED MUNICIPAL UTILITIES FUND  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For The Year Ended December 31, 2024**

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

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported
- Noncompliance material to the financial statements noted?        YES   X   NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported

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

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?        YES   X   NO

**IDENTIFICATION OF MAJOR PROGRAMS:**

AL NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
66.468	Environmental Protection Agency - Safe Drinking Water State Revolving Loan Fund	1,826,991
<b>Total Amount Tested as Major</b>		<b>\$1,826,991</b>

**Total Federal Expenditures for 1/1/2024 - 12/31/2024** \$1,888,965

% tested as Major 96.72%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?        YES   X   NO

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

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

None

**CITY OF WAHOO, NEBRASKA  
COMBINED MUNICIPAL UTILITIES FUND  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For The Year Ended December 31, 2024**

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**SECTION IV - SUMMARY OF PROIR AUDIT FINDINGS**

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None