

**CITY OF AURORA, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-13 and 58-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Aurora, Nebraska's basic financial statements. The combining nonmajor governmental funds financial statements, the statement of revenue and expenditures by General Fund department, and the component unit combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the City of Aurora, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Aurora's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Aurora, Nebraska's internal control over financial reporting and compliance.

*A m Gt. P.C.*

Grand Island, Nebraska  
March 13, 2026

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

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

**Financial Highlights**

- The assets of the City of Aurora exceeded its liabilities at the close of the most recent fiscal year by \$16,034,240 (*net position*). Of this amount, \$1,994,835 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Aurora governmental activities reported combined ending net position of \$9,493,213. Approximately 2.3 percent of this total amount, \$217,498, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$0.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Aurora’s basic financial statements. The City of Aurora’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Aurora’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Aurora’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Aurora is improving or deteriorating.

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Aurora, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Aurora can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Aurora maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the Special Assessments Fund, and the EMS Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

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

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The City of Aurora adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, Special Assessments, and EMS Funds to demonstrate compliance with this budget.

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

**Proprietary funds.** The City of Aurora maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Aurora uses enterprise funds to account for its Water, Sewer, and Sanitation Funds.

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-57 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Aurora's budgetary comparison schedules. Required supplementary information can be found on pages 58-62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, General Fund department detail, and component unit detail are presented immediately following the required supplementary information. These statements can be found on pages 63-67 of this report.

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Aurora, assets exceeded liabilities by \$16,034,240 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

	September 30, 2025			September 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 5,089,838	\$ 2,049,303	\$ 7,139,141	\$ 6,547,662	\$ 2,667,165	\$ 9,214,827
Capital Assets	12,661,988	9,787,405	22,449,393	12,169,830	10,167,415	22,337,245
Total Assets	<u>17,751,826</u>	<u>11,836,708</u>	<u>29,588,534</u>	<u>18,717,492</u>	<u>12,834,580</u>	<u>31,552,072</u>
Long-term Liabilities	6,215,416	4,628,825	10,844,241	6,655,123	5,023,715	11,678,838
Other Liabilities	2,043,197	666,856	2,710,053	1,788,042	650,863	2,438,905
Total Liabilities	<u>8,258,613</u>	<u>5,295,681</u>	<u>13,554,294</u>	<u>8,443,165</u>	<u>5,674,578</u>	<u>14,117,743</u>
Net Position:						
Net Investment in						
Capital Assets	5,683,060	4,763,690	10,446,750	4,978,688	4,747,093	9,725,781
Restricted	3,592,655	-	3,592,655	4,417,508	-	4,417,508
Unrestricted	217,498	1,777,337	1,994,835	878,131	2,412,909	3,291,040
Total Net Position	<u>\$ 9,493,213</u>	<u>\$ 6,541,027</u>	<u>\$ 16,034,240</u>	<u>\$ 10,274,327</u>	<u>\$ 7,160,002</u>	<u>\$ 17,434,329</u>

The largest portion of the City of Aurora’s net position (65.2 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Aurora uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Aurora’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Aurora’s net position (22.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,994,835) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Aurora is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

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

**Expenses and Program Revenues - Governmental Activities**

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 564,748	\$ 832,402	\$ 64,405	\$ 364,980
Public Safety	1,091,358	3,597,351	940,506	3,272,932
Public Works	-	562,228	20,000	611,988
Cemetery	22,660	120,032	20,512	105,155
Library	-	251,280	-	257,449
Recreation	87,835	405,376	339,345	460,738
Economic Development	-	441,125	-	266,375
Interest	-	253,052	-	171,056
Depreciation	-	1,197,981	-	1,223,747
	<u>\$ 1,766,601</u>	<u>\$ 7,660,827</u>	<u>\$ 1,384,768</u>	<u>\$ 6,734,420</u>

**Revenues by Source - Governmental Activities**

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for Services	\$ 961,702	13.98 %	\$ 795,491	12.41 %
Operating Grants and Contributions	804,462	11.69	296,205	4.62
Capital Grants and Contributions	437	0.01	293,072	4.57
Property Taxes	2,385,905	34.68	1,956,994	30.53
Motor Vehicle Taxes	154,597	2.25	147,127	2.30
Occupation Taxes	5,257	0.08	5,590	0.09
Sales Tax	-	-	680	0.01
Franchise Taxes	221,659	3.22	212,018	3.31
State Allocation	950,489	13.81	901,135	14.06
Special Assessments	279,516	4.06	375,269	5.85
Lease and Rent	668,147	9.71	651,580	10.17
Other	76,167	1.11	269,813	4.21
Loss on Disposal of Property	-	-	(3,002)	(0.05)
Interest	72,688	1.06	83,774	1.31
Interfund Transfers	298,687	4.34	424,000	6.61
Total	<u>\$ 6,879,713</u>	<u>100.00 %</u>	<u>\$ 6,409,746</u>	<u>100.00 %</u>

Net position decreased \$(781,114) in the governmental activities during the year ended September 30, 2025.

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

**Business-type activities.** Business-type activities decreased the City of Aurora’s net position by \$(618,975). Key elements of this decrease are as follows:

**Expenses and Program Revenues - Business-type Activities**

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 1,145,931	\$ 1,062,004	\$ 1,147,771	\$ 1,014,212
Sewer	1,194,538	1,652,776	1,145,344	1,611,392
Sanitation	636,747	607,570	601,752	572,026
Total	<u>2,977,216</u>	<u>3,322,350</u>	<u>2,894,867</u>	<u>3,197,630</u>
Interfund Transfer	-	298,687	-	424,000
	<u>\$ 2,977,216</u>	<u>\$ 3,621,037</u>	<u>\$ 2,894,867</u>	<u>\$ 3,621,630</u>

**Revenues by Source - Business-type Activities**

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
Charges for Services	\$ 2,977,216	99.17 %	\$ 2,835,112	97.16 %
Capital Grants and Contributions	-	-	59,755	2.05
Gain on Disposal of Equipment	900	0.03	-	-
Interest	23,946	0.80	23,220	0.79
Total	<u>\$ 3,002,062</u>	<u>100.00 %</u>	<u>\$ 2,918,087</u>	<u>100.00 %</u>

**Financial Analysis of the Government’s Funds**

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

**Governmental Funds.** The focus of the City of Aurora’s *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Aurora’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Aurora’s governmental funds reported combined ending fund balances of \$3,810,153. The *unassigned fund balance*, which is available for spending at the government’s discretion was a deficit of \$(10,083). The remainder of fund balances is not available for new spending because it has already been 1) restricted for debt service (\$1,366,656), 2) restricted for federal programs (\$94,567), 3) restricted for the historic lighting project (\$26), 4) restricted for parks and recreation (\$9,608), 5) restricted for street projects (\$1,641,107), 6) nonspendable for cemetery perpetual care (\$251,203), 7) restricted for EMS services (\$229,488), or 8) assigned for budgetary stabilization (\$227,581).

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

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The General Fund is the chief operating fund of the City of Aurora. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$0, while total fund balance was \$321,819. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0.0 percent of total General Fund expenditures, while total fund balance represents 8.1 percent of that same amount.

The fund balance of the City of Aurora's General Fund decreased by \$(650,550), the Street Fund decreased \$(1,189,514), the Special Assessments Fund increased \$253,176, and the EMS Fund increased \$102,396 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year was as follows: Water Fund – \$1,010,711, Sewer Fund – \$239,767, and Sanitation Fund – \$526,859. The change in net position for the proprietary funds was as follows: Water Fund – decrease of \$(102,579), Sewer Fund – decrease of \$(551,487), and Sanitation Fund – increase of \$35,091. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Aurora's business-type activities.

### **Budgetary Highlights**

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

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Aurora's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$22,449,393 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- 1<sup>st</sup> Street storm sewer improvements construction in progress - \$208,333
- 1<sup>st</sup> Street improvements construction in progress - \$944,664
- Highway 34 Grant Street approach - \$34,921
- Mission Critical subdivision entrance and approach - \$274,786
- Fire generators - \$77,028
- 2023 Police Interceptor - \$59,000
- 1<sup>st</sup> Street water main construction in progress - \$342,882

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

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

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 321,838	\$ 219,656	\$ 541,494	\$ 321,838	\$ 219,656	\$ 541,494
Construction in progress	1,751,528	414,059	2,165,587	656,724	816,087	1,472,811
Infrastructure	5,564,123	-	5,564,123	5,581,033	-	5,581,033
Buildings and improvements	3,407,078	1,819,645	5,226,723	3,863,783	2,013,533	5,877,316
Equipment and vehicles	1,617,421	1,376,491	2,993,912	1,746,452	1,585,155	3,331,607
Distribution systems	-	5,957,554	5,957,554	-	5,532,984	5,532,984
Total	<u>\$ 12,661,988</u>	<u>\$ 9,787,405</u>	<u>\$ 22,449,393</u>	<u>\$ 12,169,830</u>	<u>\$ 10,167,415</u>	<u>\$ 22,337,245</u>

Additional information on the City of Aurora's capital assets can be found in Note C4 on pages 42-45 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Aurora had total long-term debt outstanding of \$12,002,643.

**City of Aurora's Outstanding Debt**

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Bonds and notes	\$ 6,847,162	\$ 4,929,681	\$ 11,776,843	\$ 6,963,554	\$ 5,294,144	\$ 12,257,698
Financing agreements	131,766	94,034	225,800	227,588	126,178	353,766
Total	<u>\$ 6,978,928</u>	<u>\$ 5,023,715</u>	<u>\$ 12,002,643</u>	<u>\$ 7,191,142</u>	<u>\$ 5,420,322</u>	<u>\$ 12,611,464</u>

The City of Aurora's total debt decreased by \$608,821 (4.8 percent) during the current fiscal year, due to scheduled payments which were partially offset by entering into a loan for building demolition.

Additional information on the City of Aurora's long-term debt can be found in Note C6 on pages 46-53 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- Property tax asking for the year ending September 30, 2026, is \$2,556,952, an increase of \$158,468 (6.6 percent) from the prior year.
- The City is planning to increase water and sewer rates.

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

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- The City has commitments of \$282,679 on an ambulance, \$2,835,967 on the 1<sup>st</sup> Street improvements, and \$209,588 on the water tower maintenance.

All of these factors were considered in preparing the City of Aurora's budget for the year ending September 30, 2026.

**Request for Information**

This financial report is designed to provide a general overview of the City of Aurora's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Aurora, 905 13th Street, Aurora, NE 68818.

**CITY OF AURORA, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**September 30, 2025**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 604,610	\$ 1,513,786	\$ 2,118,396	\$ 383,763
County treasurer cash	62,193	-	62,193	3,704
Receivables:				
Property tax	33,555	-	33,555	-
Special assessments	445,179	-	445,179	-
Accounts	-	273,438	273,438	9,844
Unbilled revenue	-	193,254	193,254	-
Due from other governments	250,000	-	250,000	-
Inventory	-	68,825	68,825	12,836
Prepaid expenses	-	-	-	27,473
<b>Total current assets</b>	<u>1,395,537</u>	<u>2,049,303</u>	<u>3,444,840</u>	<u>437,620</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,694,301	-	3,694,301	-
Capital assets:				
Land	321,838	219,656	541,494	232,966
Construction in progress	1,751,528	414,059	2,165,587	-
Other capital assets, net of depreciation	10,588,622	9,153,690	19,742,312	9,412,571
<b>Net capital assets</b>	<u>12,661,988</u>	<u>9,787,405</u>	<u>22,449,393</u>	<u>9,645,537</u>
<b>Total noncurrent assets</b>	<u>16,356,289</u>	<u>9,787,405</u>	<u>26,143,694</u>	<u>9,645,537</u>
<b>Total assets</b>	<u>17,751,826</u>	<u>11,836,708</u>	<u>29,588,534</u>	<u>10,083,157</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	295,849	54,172	350,021	11,406
Accrued expenses	613,836	207,073	820,909	4,911
Customer deposits	-	10,721	10,721	-
Unavailable revenue	370,000	-	370,000	-
Current portion of long-term obligations	763,512	394,890	1,158,402	60,000
<b>Total current liabilities</b>	<u>2,043,197</u>	<u>666,856</u>	<u>2,710,053</u>	<u>76,317</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	6,215,416	4,628,825	10,844,241	570,000
<b>Total liabilities</b>	<u>8,258,613</u>	<u>5,295,681</u>	<u>13,554,294</u>	<u>646,317</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,683,060	4,763,690	10,446,750	9,015,537
Restricted for:				
Debt service	1,366,656	-	1,366,656	-
Street projects	1,641,107	-	1,641,107	-
Parks and recreation	9,608	-	9,608	-
Federal programs	94,567	-	94,567	-
Historic lighting	26	-	26	-
Capital projects	-	-	-	-
Cemetery perpetual care	251,203	-	251,203	-
EMS services	229,488	-	229,488	-
Unrestricted	217,498	1,777,337	1,994,835	421,303
<b>Total net position</b>	<u>\$ 9,493,213</u>	<u>\$ 6,541,027</u>	<u>\$ 16,034,240</u>	<u>\$ 9,436,840</u>

See notes to financial statements.

**CITY OF AURORA, NEBRASKA**

**STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ 832,402	\$ 9,849	\$ 554,462
Public safety	3,597,351	841,358	250,000
Public works	562,228	-	-
Cemetery	120,032	22,660	-
Library	251,280	-	-
Park and recreation	405,376	87,835	-
Economic development	441,125	-	-
Interest and related expenses	253,052	-	-
Depreciation - unallocated	1,197,981	-	-
Total governmental activities	7,660,827	961,702	804,462
<b>Business-type activities:</b>			
Water	1,062,004	1,145,931	-
Sewer	1,652,776	1,194,538	-
Sanitation	607,570	636,747	-
Total business-type activities	3,322,350	2,977,216	-
<b>Total primary government</b>	<b>\$ 10,983,177</b>	<b>\$ 3,938,918</b>	<b>\$ 804,462</b>
<b>Component units:</b>			
Airport Authority	\$ 769,859	\$ 155,975	\$ 24,000
Community Redevelopment Authority	-	-	-
<b>Total component units</b>	<b>\$ 769,859</b>	<b>\$ 155,975</b>	<b>\$ 24,000</b>

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Units
	Primary Government			
	Governmental Activities	Business-type Activities	Total	
\$ 437	\$ (267,654)		\$ (267,654)	
-	(2,505,993)		(2,505,993)	
-	(562,228)		(562,228)	
-	(97,372)		(97,372)	
-	(251,280)		(251,280)	
-	(317,541)		(317,541)	
-	(441,125)		(441,125)	
-	(253,052)		(253,052)	
-	(1,197,981)		(1,197,981)	
<u>437</u>	<u>(5,894,226)</u>	<u>\$ -</u>	<u>(5,894,226)</u>	
-	-	83,927	83,927	
-	-	(458,238)	(458,238)	
-	-	29,177	29,177	
<u>-</u>	<u>-</u>	<u>(345,134)</u>	<u>(345,134)</u>	
<u>\$ 437</u>	<u>(5,894,226)</u>	<u>(345,134)</u>	<u>(6,239,360)</u>	
\$ -				\$ (589,884)
-				-
<u>\$ -</u>				<u>(589,884)</u>
General revenues:				
Taxes:				
Property	2,385,905	-	2,385,905	168,570
Motor vehicle	154,597	-	154,597	-
Occupation	5,257	-	5,257	-
State allocation	950,489	-	950,489	-
Franchise fees	221,659	-	221,659	-
Special assessments	279,516	-	279,516	-
Lease and rent	668,147	-	668,147	-
Miscellaneous	76,167	-	76,167	-
Interest income	72,688	23,946	96,634	1,947
Gain on disposal of property	-	900	900	-
Interfund transfers	298,687	(298,687)	-	-
Total general revenues	<u>5,113,112</u>	<u>(273,841)</u>	<u>4,839,271</u>	<u>170,517</u>
Change in net position	(781,114)	(618,975)	(1,400,089)	(419,367)
Net position - September 30, 2024	<u>10,274,327</u>	<u>7,160,002</u>	<u>17,434,329</u>	<u>9,856,207</u>
Net position - September 30, 2025	<u>\$ 9,493,213</u>	<u>\$ 6,541,027</u>	<u>\$ 16,034,240</u>	<u>\$ 9,436,840</u>

**CITY OF AURORA, NEBRASKA**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**September 30, 2025**

	<u>General</u>	<u>Street</u>	<u>Special Assessments</u>	<u>EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 698,848	\$ 1,853,427	\$ 1,339,453	\$ 143,293	\$ 263,890	\$ 4,298,911
County treasurer cash	52,598	-	9,595	-	-	62,193
Receivables:						
Special assessments	-	-	445,179	-	-	445,179
Property tax	27,384	-	6,171	-	-	33,555
Due from other governments	-	-	-	250,000	-	250,000
<b>Total assets</b>	<b><u>\$ 778,830</u></b>	<b><u>\$ 1,853,427</u></b>	<b><u>\$ 1,800,398</u></b>	<b><u>\$ 393,293</u></b>	<b><u>\$ 263,890</u></b>	<b><u>\$ 5,089,838</u></b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 99,829	\$ 176,772	\$ -	\$ 7,356	\$ 11,892	\$ 295,849
Accrued wages	100,402	11,428	-	81,517	-	193,347
Accrued compensated absences	241,522	14,283	-	59,433	-	315,238
Payroll taxes withheld	13,910	2,015	-	13,583	-	29,508
Sales tax payable	5	-	-	-	-	5
Accrued interest	1,343	7,822	63,742	1,916	915	75,738
Unavailable revenue	-	-	370,000	-	-	370,000
<b>Total liabilities</b>	<b><u>457,011</u></b>	<b><u>212,320</u></b>	<b><u>433,742</u></b>	<b><u>163,805</u></b>	<b><u>12,807</u></b>	<b><u>1,279,685</u></b>
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	-	251,203	251,203
Restricted for:						
Street projects	-	1,641,107	-	-	-	1,641,107
Debt service	-	-	1,366,656	-	-	1,366,656
Parks and recreation	-	-	-	-	9,608	9,608
Federal programs	94,238	-	-	-	329	94,567
Historic lighting	-	-	-	-	26	26
EMS services	-	-	-	229,488	-	229,488
Assigned for:						
Budgetary stabilization	227,581	-	-	-	-	227,581
Unassigned	-	-	-	-	(10,083)	(10,083)
<b>Total fund balances</b>	<b><u>321,819</u></b>	<b><u>1,641,107</u></b>	<b><u>1,366,656</u></b>	<b><u>229,488</u></b>	<b><u>251,083</u></b>	<b><u>3,810,153</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 778,830</u></b>	<b><u>\$ 1,853,427</u></b>	<b><u>\$ 1,800,398</u></b>	<b><u>\$ 393,293</u></b>	<b><u>\$ 263,890</u></b>	<b><u>\$ 5,089,838</u></b>

See notes to financial statements.

**CITY OF AURORA, NEBRASKA**

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

**September 30, 2025**

<b>Total fund balances - governmental funds</b>		<b>\$ 3,810,153</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$37,104,086, and the accumulated depreciation is \$24,442,098.		
		12,661,988
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds and notes payable	\$ (6,847,162)	
Financing agreement payable	<u>(131,766)</u>	<u>(6,978,928)</u>
<b>Total net position - governmental activities</b>		<b><u><u>\$ 9,493,213</u></u></b>

See notes to financial statements.

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

**For the year ended September 30, 2025**

	<u>General</u>	<u>Street</u>	<u>Special Assessments</u>	<u>EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes:						
Property	\$ 1,939,650	\$ -	\$ 446,255	\$ -	\$ -	\$ 2,385,905
Motor vehicle	154,597	-	-	-	-	154,597
Occupation	5,257	-	-	-	-	5,257
Intergovernmental	153,863	763,068	33,558	-	-	950,489
Special assessments	-	15,701	263,815	-	-	279,516
Licenses and permits	9,849	-	-	-	-	9,849
Franchise fees	221,659	-	-	-	-	221,659
Lease and rent	665,147	-	-	-	3,000	668,147
Charges for services	100,345	-	-	841,358	10,150	951,853
Grants and contributions	554,462	-	-	-	437	554,899
County support	-	-	-	250,000	-	250,000
Interest income	58,113	183	10,907	-	3,485	72,688
Bond and loan proceeds	323,805	-	-	-	-	323,805
Other income	51,409	11,084	-	7,046	6,628	76,167
Total revenues	<u>4,238,156</u>	<u>790,036</u>	<u>754,535</u>	<u>1,098,404</u>	<u>23,700</u>	<u>6,904,831</u>
<b>EXPENDITURES</b>						
General government	828,321	-	4,081	-	-	832,402
Public safety	1,744,434	-	-	1,841,025	11,892	3,597,351
Public works	78,380	483,848	-	-	-	562,228
Cemetery	119,586	-	-	-	446	120,032
Library	251,280	-	-	-	-	251,280
Recreation	403,476	-	-	-	1,900	405,376
Economic development	441,125	-	-	-	-	441,125
Capital outlay	112,708	1,462,704	-	-	114,727	1,690,139
Bond fees	-	648	-	-	-	648
Principal payments on debt	-	151,105	276,400	78,514	30,000	536,019
Interest payments on debt	1,343	23,432	220,878	3,469	3,282	252,404
Total expenditures	<u>3,980,653</u>	<u>2,121,737</u>	<u>501,359</u>	<u>1,923,008</u>	<u>162,247</u>	<u>8,689,004</u>
<b>Excess (deficiency) of revenues over expenditures</b>	257,503	(1,331,701)	253,176	(824,604)	(138,547)	(1,784,173)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	447	142,187	-	927,000	138,000	1,207,634
Transfers out	(908,500)	-	-	-	(447)	(908,947)
Net transfers	<u>(908,053)</u>	<u>142,187</u>	<u>-</u>	<u>927,000</u>	<u>137,553</u>	<u>298,687</u>
<b>Net change in fund balances</b>	(650,550)	(1,189,514)	253,176	102,396	(994)	(1,485,486)
Fund balances - September 30, 2024	<u>972,369</u>	<u>2,830,621</u>	<u>1,113,480</u>	<u>127,092</u>	<u>252,077</u>	<u>5,295,639</u>
Fund balances - September 30, 2025	<u>\$ 321,819</u>	<u>\$ 1,641,107</u>	<u>\$ 1,366,656</u>	<u>\$ 229,488</u>	<u>\$ 251,083</u>	<u>\$ 3,810,153</u>

See notes to financial statements.

**CITY OF AURORA, NEBRASKA**

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

**For the year ended September 30, 2025**

<b>Total net change in fund balances - governmental funds</b>	\$ (1,485,486)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$1,690,139) exceeds depreciation expense (\$1,197,981).	
	492,158
Bond and loan proceeds are reported as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(323,805)
Repayment of bond, loan and financing agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>536,019</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ (781,114)</u></u>

See notes to financial statements.

**CITY OF AURORA, NEBRASKA**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**

**September 30, 2025**

	Enterprise Funds			<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 812,338	\$ 177,178	\$ 524,270	\$ 1,513,786
Accounts receivable	124,791	98,570	50,077	273,438
Unbilled revenue	99,427	93,827	-	193,254
Inventory	66,800	2,025	-	68,825
Total current assets	1,103,356	371,600	574,347	2,049,303
Noncurrent assets:				
Capital assets:				
Land	37,182	133,841	48,633	219,656
Construction in progress	414,059	-	-	414,059
Distribution systems	5,979,110	11,918,693	-	17,897,803
Buildings and improvements	120,076	3,811,418	160,397	4,091,891
Equipment	1,059,390	2,310,167	423,614	3,793,171
Less accumulated depreciation	(3,812,199)	(12,326,374)	(490,602)	(16,629,175)
Net capital assets	3,797,618	5,847,745	142,042	9,787,405
<b>Total assets</b>	4,900,974	6,219,345	716,389	11,836,708
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	13,463	3,741	36,968	54,172
Accrued wages	20,052	36,508	4,718	61,278
Accrued compensated absences	28,230	68,793	4,220	101,243
Payroll withholding	3,075	6,792	575	10,442
Sales tax payable	1,935	2,805	63	4,803
Accrued interest	15,169	13,194	944	29,307
Customer deposits	10,721	-	-	10,721
Current portion of long-term obligations	86,879	294,252	13,759	394,890
Total current liabilities	179,524	426,085	61,247	666,856
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	1,516,026	3,087,498	25,301	4,628,825
<b>Total liabilities</b>	1,695,550	3,513,583	86,548	5,295,681
<b>NET POSITION</b>				
Net investment in capital assets	2,194,713	2,465,995	102,982	4,763,690
Unrestricted	1,010,711	239,767	526,859	1,777,337
<b>Total net position</b>	\$ 3,205,424	\$ 2,705,762	\$ 629,841	\$ 6,541,027

See notes to financial statements.

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

**For the year ended September 30, 2025**

	Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<b>Operating revenues:</b>				
Sales	\$ 1,140,247	\$ 1,183,090	\$ 634,193	\$ 2,957,530
Other revenue	5,684	11,448	2,554	19,686
Total operating revenues	<u>1,145,931</u>	<u>1,194,538</u>	<u>636,747</u>	<u>2,977,216</u>
<b>Operating expenses:</b>				
Personnel costs	413,493	773,363	91,729	1,278,585
Contract services	10,827	7,593	469,581	488,001
Utilities	87,962	35,511	4,971	128,444
Printing, postage, and publishing	2,903	4,091	1,416	8,410
Dues, memberships, and training	19,771	11,827	5,000	36,598
Professional fees	13,901	6,123	1,388	21,412
Insurance	23,164	98,335	5,233	126,732
Repairs and maintenance	220,516	79,199	2,326	302,041
Supplies	7,604	33,387	1,160	42,151
Other expenses	10,075	17,139	1,633	28,847
Depreciation	198,236	544,778	21,812	764,826
Total operating expenses	<u>1,008,452</u>	<u>1,611,346</u>	<u>606,249</u>	<u>3,226,047</u>
Operating income (loss)	137,479	(416,808)	30,498	(248,831)
<b>Nonoperating revenues (expenses):</b>				
Interest income	14,028	4,004	5,914	23,946
Gain on disposal of equipment	-	900	-	900
Interest expense	(49,126)	(41,019)	(1,321)	(91,466)
Loan administration fees	(4,426)	(411)	-	(4,837)
Total nonoperating revenues (expenses)	<u>(39,524)</u>	<u>(36,526)</u>	<u>4,593</u>	<u>(71,457)</u>
Excess (deficiency) of revenues over expenses before transfers	97,955	(453,334)	35,091	(320,288)
<b>Interfund transfers:</b>				
Transfers to other funds	<u>(200,534)</u>	<u>(98,153)</u>	<u>-</u>	<u>(298,687)</u>
<b>Change in net position</b>	(102,579)	(551,487)	35,091	(618,975)
Net position - September 30, 2024	<u>3,308,003</u>	<u>3,257,249</u>	<u>594,750</u>	<u>7,160,002</u>
Net position - September 30, 2025	<u>\$ 3,205,424</u>	<u>\$ 2,705,762</u>	<u>\$ 629,841</u>	<u>\$ 6,541,027</u>

See notes to financial statements.

**CITY OF AURORA, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

**For the year ended September 30, 2025**

	<u>Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 1,152,402
Payments to suppliers	(401,849)
Payments to employees	(404,082)
Net cash provided by operating activities	346,471
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers to other funds	(200,534)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of property and equipment	(365,994)
Proceeds from sale of equipment	-
Principal payments on capital debt	(85,432)
Interest paid on capital debt	(52,436)
Loan administration fees paid	(4,426)
Net cash used by capital and related financing activities	(508,288)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	14,028
Increase (decrease) in cash and cash equivalents	(348,323)
Cash and cash equivalents - beginning of the year	1,160,661
Cash and cash equivalents - end of the year	\$ 812,338
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ 137,479
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	198,236
Change in assets and liabilities:	
Accounts receivable and unbilled revenue	6,471
Inventories	(21)
Accounts payable	(4,308)
Accrued expenses	9,411
Sales tax payable	24
Customer deposits	(821)
Net cash provided by operating activities	\$ 346,471

See notes to financial statements.

Enterprise Funds

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<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
\$ 1,212,123	\$ 635,146	\$ 2,999,671
(295,874)	(492,506)	(1,190,229)
(752,324)	(90,849)	(1,247,255)
<u>163,925</u>	<u>51,791</u>	<u>562,187</u>
(98,153)	-	(298,687)
(18,822)	-	(384,816)
900	-	900
(297,823)	(13,352)	(396,607)
(43,614)	(1,647)	(97,697)
(411)	-	(4,837)
<u>(359,770)</u>	<u>(14,999)</u>	<u>(883,057)</u>
4,004	5,914	23,946
<u>(289,994)</u>	<u>42,706</u>	<u>(595,611)</u>
467,172	481,564	2,109,397
<u>\$ 177,178</u>	<u>\$ 524,270</u>	<u>\$ 1,513,786</u>
\$ (416,808)	\$ 30,498	\$ (248,831)
544,778	21,812	764,826
17,585	(1,601)	22,455
(183)	-	(204)
(1,634)	194	(5,748)
21,039	880	31,330
(852)	8	(820)
-	-	(821)
<u>\$ 163,925</u>	<u>\$ 51,791</u>	<u>\$ 562,187</u>

**CITY OF AURORA, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**

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**CITY OF AURORA, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Aurora, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

**1. Financial Reporting Entity**

The City of Aurora, Nebraska, was incorporated in 1871. The City operates under a Mayor-Council form of government with an elected Mayor, and an elected legislative body, Council, composed of six members. The Mayor is elected at large for a four-year term, and the six members of the City Council are elected, two from each of three wards, on alternating four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety, highways and streets, planning and zoning, health and social services, culture and recreation, water, sanitary sewer systems, sanitation, and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of Aurora
Discretely Presented Component Units:	Airport Authority Community Redevelopment Authority

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**1. Financial Reporting Entity, continued**

**Blended Component Units**

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

**Discretely Presented Component Units**

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

Brief Description of Activities and Relationship  
to the City:

Airport Authority

Established to provide for the operation of the airport. The board is elected by the general public. Information included in this financial statement is from the entity's fiscal year ended July 31, 2025.

Community Redevelopment Authority

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

**2. Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Fund Financial Statements**

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

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

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

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

*Special Revenue Funds*

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Governmental Funds, continued**

*Capital Projects Funds*

Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects. The reporting entity includes one Capital Project Fund to account for the acquisition of capital assets with transfers made from Governmental Funds and another to account for the special assessments.

*Permanent Fund*

The Permanent Fund accounts for assets held by the City pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objective of the fund.

**Proprietary Funds**

*Enterprise Funds*

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**Major and Nonmajor Funds**

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

*Major:*

Governmental:

General

See page 26 for description.

Street

The Street Fund is a special revenue fund that accounts for the City's share of highway allocation from the State of Nebraska.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Major and Nonmajor Funds, continued**

*Major, continued:*

Governmental, continued:

Special Assessments

The Special Assessments Fund is a special revenue fund that accounts for special assessments of the City for betterment of property paid for by specific beneficiaries of the improvements.

EMS

The EMS Fund is a special revenue fund that accounts for the City's ambulance services.

Proprietary:

Enterprise:

Water, Sewer, and Sanitation

See page 27 for description.

*Nonmajor:*

Special Revenue:

Historic Lighting

Accounts for the costs of the historic lighting project along downtown streets.

Sales Tax

The Sales Tax Fund is a special revenue fund that accounts for local sales tax collected.

CDBG

The CDBG Fund is a special revenue fund that accounts for development funds used for the betterment of the City.

Capital Projects:

See page 27 for description.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Major and Nonmajor Funds, continued**

*Nonmajor, continued:*

Permanent:

Perpetual Care

Accounts for the collection of receipts for cemetery perpetual care.

**3. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**3. Measurement Focus and Basis of Accounting, continued**

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities and the discretely presented component units are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

All proprietary funds and discretely presented component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

**4. Assets, Liabilities, and Equity**

**Estimates**

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Cash and Certificates of Deposit**

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

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings and unbilled revenue as their major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes, since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and unbilled revenue compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**Inventory**

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Restricted Assets**

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

**Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, capital assets that are purchased or acquired with an original cost of \$5,000 or more are capitalized and reported on the Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

Depreciation of general capital assets and all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	25-50 years
Improvements	5-25 years
Machinery and Equipment	5-20 years
Utility Systems	10-30 years
Infrastructure	30-50 years

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Capital Assets, continued**

*Government-wide Statements, continued*

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

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Unavailable Revenues**

Unavailable revenues consist of special assessments expected to be collected after one year.

**Compensated Absences**

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

**Long-term Debt**

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Long-term Debt, continued**

*Government-wide Statements*

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

*Fund Financial Statements*

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

**Equity Classifications**

*Government-wide Statements*

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements*

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

Effective October 1, 2010, the City has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

**Assigned**—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses**

**Sales and Use Tax**

The City's one-cent sales tax on taxable sales within the City expired October 1, 2012. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. The City still collects delinquent sales tax and it is recorded in the Sales Tax Fund and used for parks and recreation.

**Property Taxes**

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in Hamilton County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for **2024-2025** are recorded as revenue when expected to be collected within 60 days after September 30, 2025. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses, continued**

**Expenditures/Expenses**

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

**Interfund Transfers**

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

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

**1. Fund Accounting Requirements**

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**2. Deposit Laws and Regulations**

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

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City’s demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any bank deposits in excess of the FDIC limits are insured by collateral held by the pledging institution in the City’s name.

**3. Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

**4. Debt Restrictions and Covenants**

*Bonds Payable*

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are financial-related. These include covenants such as debt service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

**5. Budgetary Data**

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

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

**CITY OF AURORA, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**5. Budgetary Data, continued**

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

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Aurora adopts a budget by resolution for all fund types.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

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

**1. Cash and Certificates of Deposit**

**Deposits**

The City’s policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2025. The categories of collateral are defined as follows:

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

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

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

<b><u>Types of Deposits</u></b>	<b><u>Total Bank Balance</u></b>	<b><u>Category 1</u></b>	<b><u>Category 2</u></b>	<b><u>Category 3</u></b>	<b><u>Total Carrying Value</u></b>
Demand deposits	\$ 6,188,843	\$ 946,781	\$ 5,242,062	\$ -	\$ <u>6,196,460</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	\$ 2,118,396
Restricted cash and cash equivalents	<u>3,694,301</u>
Total primary government	5,812,697

Component Units –	
Unrestricted cash and cash equivalents	<u>383,763</u>

Total	\$ <u>6,196,460</u>
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**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**2. Restricted Assets**

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

Type of Restricted Assets:	Governmental <u>Activities</u>	Business- type <u>Activities</u>	Total Primary <u>Government</u>	Component <u>Units</u>
Cash and cash equivalents	\$ <u>3,694,301</u>	\$ <u>-</u>	\$ <u>3,694,301</u>	\$ <u>-</u>

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

Street projects	\$ 1,853,427
Debt service	1,339,453
EMS services	143,293
Capital projects	2,724
Cemetery perpetual care	251,203
Park and recreation	9,608
Federal programs-CDBG	329
Federal programs-ARPA	94,238
Donor-specified purposes	<u>26</u>
	<u>\$ 3,694,301</u>

**3. Accounts Receivable**

Accounts receivable of the business-type activities consist of utility billings receivable. Accounts receivable was \$273,438 at September 30, 2025, and was considered fully collectible; therefore, no allowance for doubtful accounts was recorded.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**4. Capital Assets**

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

	Balance at October 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2025</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 321,838	\$ -	\$ -	\$ -	\$ 321,838
Construction in progress	656,724	1,202,543	-	(107,739)	1,751,528
Total capital assets not being depreciated	978,562	1,202,543	-	(107,739)	2,073,366
Other capital assets being depreciated:					
Infrastructure	17,637,854	274,786	-	85,239	17,997,879
Buildings and improvements	10,378,347	21,055	-	22,500	10,421,902
Equipment and vehicles	6,426,254	191,755	(7,070)	-	6,610,939
Total other capital assets at historical cost	34,442,455	487,596	(7,070)	107,739	35,030,720
Less accumulated depreciation for:					
Infrastructure	(12,056,821)	(376,935)	-	-	(12,433,756)
Buildings and improvements	(6,514,564)	(500,260)	-	-	(7,014,824)
Equipment and vehicles	(4,679,802)	(320,786)	7,070	-	(4,993,518)
Total accumulated depreciation	(23,251,187)	(1,197,981) *	7,070	-	(24,442,098)
Other capital assets, net	11,191,268	(710,385)	-	107,739	10,588,622
Governmental activities capital assets, net	<u>\$ 12,169,830</u>	<u>\$ 492,158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,661,988</u>

\* Depreciation expense was charged to governmental activities as follows:

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**4. Capital Assets, continued**

**Governmental Activities, continued:**

General Fund:

General government	\$ 34,458
Public safety:	
Fire	85,563
Police	<u>55,460</u>
Total public safety	141,023
Cemetery	13,610
Library	46,121
Parks and recreation	<u>406,377</u>
Total General Fund	641,589

Special Revenue Funds:

EMS	121,912
Street	<u>434,480</u>

Total Governmental Activities depreciation expense   \$ 1,197,981

Construction in progress at September 30, 2025, consists of a \$31,655 down payment on an ambulance, \$1,511,540 for the 1<sup>st</sup> Street improvements, and \$208,333 for the 1<sup>st</sup> Street storm sewer improvements. See note D3 for more information on construction commitments.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**4. Capital Assets, continued**

	Balance at October 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2025</u>
<b><u>Business-type Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 219,656	\$ -	\$ -	\$ -	\$ 219,656
Construction in progress	<u>816,087</u>	<u>342,882</u>	<u>-</u>	<u>(744,910)</u>	<u>414,059</u>
Total capital assets not being depreciated	1,035,743	342,882	-	(744,910)	633,715
Other capital assets being depreciated:					
Buildings	4,091,891	-	-	-	4,091,891
Distribution systems	17,129,781	23,112	-	744,910	17,897,803
Equipment	<u>3,774,349</u>	<u>18,822</u>	<u>-</u>	<u>-</u>	<u>3,793,171</u>
Total other capital assets at historical cost	24,996,021	41,934	-	744,910	25,782,865
Less accumulated depreciation for:					
Buildings	(2,078,358)	(193,888)	-	-	(2,272,246)
Distribution systems	(11,596,797)	(343,452)	-	-	(11,940,249)
Equipment	<u>(2,189,194)</u>	<u>(227,486)</u>	<u>-</u>	<u>-</u>	<u>(2,416,680)</u>
Total accumulated depreciation	<u>(15,864,349)</u>	<u>(764,826) *</u>	<u>-</u>	<u>-</u>	<u>(16,629,175)</u>
Other capital assets, net	<u>9,131,672</u>	<u>(722,892)</u>	<u>-</u>	<u>744,910</u>	<u>9,153,690</u>
Business-type capital assets, net	<u><u>\$ 10,167,415</u></u>	<u><u>\$ (380,010)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,787,405</u></u>

\* Depreciation expense was charged to functions as follows:

Water	\$ 198,236
Sewer	544,778
Sanitation	<u>21,812</u>
Total business-type activities depreciation expense	<u><u>\$ 764,826</u></u>

Construction in progress at September 30, 2025, consists of costs of \$414,059 on the 1<sup>st</sup> Street improvements. See note D3 for more information on construction commitments.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**4. Capital Assets, continued**

	<u>Balance at</u> <u>August 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>July 31, 2025</u>
<b><u>Component Unit:</u></b>				
<u>Airport Authority:</u>				
Capital assets not being depreciated:				
Land	\$ 232,966	\$ -	\$ -	\$ 232,966
Other capital assets being depreciated:				
Improvements	11,641,231	-	-	11,641,231
Buildings	2,590,642	-	-	2,590,642
Machinery and equipment	312,936	-	-	312,936
Total other capital assets at historical cost	14,544,809	-	-	14,544,809
Less accumulated depreciation for:				
Improvements	(2,988,380)	(457,071)	-	(3,445,451)
Buildings	(1,346,979)	(76,420)	-	(1,423,399)
Machinery and equipment	(250,956)	(12,432)	-	(263,388)
Total accumulated depreciation	(4,586,315)	(545,923)	-	(5,132,238)
Other capital assets, net	9,958,494	(545,923)	-	9,412,571
Component Unit capital assets, net	<u>\$ 10,191,460</u>	<u>\$ (545,923)</u>	<u>\$ -</u>	<u>\$ 9,645,537</u>

**5. Accounts Payable**

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

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt**

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Changes in Long-term Debt**

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

<u>Type of Debt</u>	Balance October 1, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2025</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds and notes payable	\$ 6,963,554	\$ 323,805	\$ (440,197)	\$ 6,847,162	\$ 664,544
Financing agreements	227,588	-	(95,822)	131,766	98,968
	<u>\$ 7,191,142</u>	<u>\$ 323,805</u>	<u>\$ (536,019)</u>	<u>\$ 6,978,928</u>	<u>\$ 763,512</u>
Business-type Activities:					
Bonds and notes payable	\$ 5,294,144	\$ -	\$ (364,463)	\$ 4,929,681	\$ 361,766
Financing agreements	126,178	-	(32,144)	94,034	33,124
	<u>\$ 5,420,322</u>	<u>\$ -</u>	<u>\$ (396,607)</u>	<u>\$ 5,023,715</u>	<u>\$ 394,890</u>
	Balance August 1, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance July 31, <u>2025</u>	Amounts Due Within <u>One Year</u>
Component Units:					
Bonds payable	<u>\$ 685,000</u>	<u>\$ -</u>	<u>\$ (55,000)</u>	<u>\$ 630,000</u>	<u>\$ 60,000</u>

**Governmental Activities**

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

Bonds and notes payable:

The City issued highway allocation fund pledge refunding bonds in the amount of \$300,000 on November 9, 2020, to refund bonds. Interest ranges from 0.55 percent to 1.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2027. Paid by the Street Fund.

\$ 55,000

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

**Governmental Activities, continued**

Bonds and notes payable, continued:

The City issued bond anticipation notes in the amount of \$5,000,000 on May 15, 2024 for street, water and sewer projects. \$3,908,027 was issued for the water and sewer projects. Interest at 5.00 percent is due in semi-annual installments and principal is due December 15, 2028. Paid by the Special Assessments Fund. 3,908,027

The City issued general obligation refunding bonds in the amount of \$1,300,000 on November 3, 2020, to refund bonds. Interest ranges from 0.45 percent to 0.70 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2025. Paid by the Street and Special Assessments Funds. 55,000

The City issued general obligation street improvement bonds in the amount of \$1,200,000 on November 14, 2022, to fund street improvements. Interest ranges from 3.45 percent to 4.05 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 31, 2032. Paid by the Special Assessments Fund. 995,000

The City entered into a loan agreement with the Nebraska Department of Water, Energy and Environment on September 1, 2021, in the amount of \$2,468,055 for street, water and sewer projects. \$785,834 was advanced for the street project. The loan is non-interest bearing and has no fees. The loan is due in semi-annual installments through December 15, 2042. Paid by the Street Fund. 689,117

The City entered into a loan agreement with Heartland Bank on September 2, 2025, in the amount of \$323,805 to fund a building demolition. The loan bears interest at 5.53 percent. The loan is due in March 2, 2026. Paid by the General Fund. 323,805

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

**Governmental Activities, continued**

Bonds and notes payable, continued:

The City issued general obligation various purpose bonds in the amount of \$995,000 on July 15, 2019, to finance street improvements. Interest ranges from 1.75 percent to 2.95 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2034. Paid by the Street Fund. 635,000

The City entered into a loan agreement with Heartland Bank on January 26, 2023, in the amount of \$87,976 for a vac truck. The loan bears interest at 4.65 percent. The loan is due in annual installments through April 1, 2030. Paid by the Street Fund. 66,213

The City issued fire equipment bonds in the amount of \$290,000 on February 15, 2019, for half of a fire truck. Interest ranges from 1.85 percent to 2.85 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2028. Paid by the Capital Projects Fund. 120,000

Total bonds and note payable 6,847,162

Financing agreements:

Financing agreement with Arvest Equipment Finance dated August 23, 2022, with original issue amount of \$67,988 to fund the purchase of two wheel loaders. Interest is at 2.99 percent with final maturity on August 22, 2027. Paid by the Street Fund. 42,007

Financing agreement with Caterpillar Financial Services Corporation dated December 2, 2021, with original issue amount of \$20,650 to fund the purchase of a backhoe. Interest is at 2.99 percent with final maturity on December 2, 2026. Paid by the Street Fund. 8,627

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

**Governmental Activities, continued**

Financing agreements, continued:

Financing agreement with Community First National Bank dated September 27, 2019, with original issue amount of \$526,142 to fund the purchase of two ambulances. Interest is at 3.33 percent with final maturity on January 15, 2026. Paid by the EMS Fund.	<u>81,132</u>
Total financing agreements payable	<u>131,766</u>
Total bonds, notes and financing agreements payable	<u>\$ 6,978,928</u>
Current portion	\$ 763,512
Noncurrent portion	<u>6,215,416</u>
Total	<u>\$ 6,978,928</u>

**Business-type Activities**

As of September 30, 2025, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds and notes payable:

The City issued combined utilities revenue refunding bonds in the amount of \$2,150,000 on August 17, 2021, to refund bonds. Interest ranges from 0.35 percent to 1.40 percent. Principal and interest are due in semi-annual installments through December 15, 2032. Paid by the Water and Sewer Funds.

\$ 1,540,000

The City issued bond anticipation notes in the amount of \$5,000,000 on May 15, 2024 for street, water and sewer projects. \$1,091,973 was issued for the water and sewer projects. Interest at 5.00 percent is due in semi-annual installments and principal is due December 15, 2028. Paid by the Water and Sewer Funds.

1,091,973

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

**Business-type Activities, continued**

The City entered into a loan agreement with Heartland Bank on January 26, 2023, in the amount of \$87,976 for a vac truck. The loan bears interest at 4.65 percent. The loan is due in annual installments through April 1, 2030. Paid by the Water and Sewer Funds. 170,261

The City entered into a loan agreement with the Nebraska Department of Water, Energy and Environment on September 1, 2021, in the amount of \$2,468,055 for street, water and sewer projects. \$1,682,221 was advanced for the water and sewer project. The loan is non-interest bearing and has no fees. The loan is due in semi-annual installments through December 15, 2042. Paid by the Water and Sewer Funds. 1,470,431

The City entered into a loan agreement with the Nebraska Department of Water, Energy and Environment on October 26, 2016, in the amount of \$472,387 for a water project. The loan bears interest at 2.00 percent. The loan has a fee of 0.69 percent. The loan is due in semi-annual installments through December 15, 2036. Paid by the Water Fund. 293,719

The City entered into a loan agreement with the Nebraska Department of Water, Energy and Environment on October 9, 2018, in the amount of \$475,898 for a water project. The loan bears interest at 2.00 percent. The loan has a fee of 0.58 percent. The loan is due in semi-annual installments through December 15, 2039. Paid by the Water Fund. 363,297

Total bonds and note payable 4,929,681

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

**Business-type Activities, continued**

Financing agreements:

Financing agreement with Arvest Equipment Finance dated August 23, 2022, with original issue amount of \$67,988 to fund the purchase of two wheel loaders. Interest is at 2.99 percent with final maturity on August 22, 2027. Paid by the Water, Sewer and Sanitation Funds. 78,013

Financing agreement with Caterpillar Financial Services Corporation dated December 2, 2021, with original issue amount of \$20,650 to fund the purchase of a backhoe. Interest is at 2.99 percent with final maturity on December 2, 2026. Paid by the Water, Sewer and Sanitation Funds. 16,021

Total financing agreements payable 94,034

Total bonds, note, and financing agreements payable \$ 5,023,715

Current portion \$ 394,890  
Noncurrent portion 4,628,825  
Total \$ 5,023,715

**Component Units**

Bonds payable:

The Airport Authority issued limited tax general obligation airport bonds in the amount of \$685,000 on November 17, 2022, to fund improvements. Interest ranges from 4.00 percent to 4.45 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2033. \$ 630,000

Current portion \$ 60,000  
Noncurrent portion 570,000  
Total \$ 630,000

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

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

Year Ending September 30,	<u>Governmental Activities</u>			
	<u>Direct Placement Debt</u>		<u>Other Debt Issues</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 473,512	\$ 14,470	\$ 290,000	\$ 236,424
2027	69,683	3,546	237,500	229,580
2028	66,319	2,401	217,500	222,629
2029	52,525	1,336	4,123,027	125,923
2030	53,178	683	195,000	29,140
2031-2035	193,434	-	705,000	47,269
2036-2040	193,434	-	-	-
2041-2043	108,816	-	-	-
	<u>\$ 1,210,901</u>	<u>\$ 22,436</u>	<u>\$ 5,768,027</u>	<u>\$ 890,965</u>

Year Ending September 30,	<u>Business-type Activities</u>				
	<u>Direct Placement Debt</u>			<u>Other Debt Issues</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Loan Fees</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 194,890	\$ 23,782	\$ 4,061	\$ 200,000	\$ 65,192
2027	198,278	20,395	3,765	200,000	63,892
2028	193,397	16,903	3,464	200,000	62,342
2029	169,191	13,512	3,157	1,286,973	35,401
2030	171,852	10,852	2,844	185,000	8,293
2031-2035	688,395	30,029	9,292	560,000	11,222
2036-2040	576,048	6,709	1,969	-	-
2041-2043	199,691	-	-	-	-
	<u>\$ 2,391,742</u>	<u>\$ 122,182</u>	<u>\$ 28,552</u>	<u>\$ 2,631,973</u>	<u>\$ 246,342</u>

**CITY OF AURORA, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**6. Long-term Debt, continued**

Year Ending September 30,	<u>Component Units</u> <u>Other Debt Issues</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 60,000	\$ 26,003
2027	60,000	23,602
2028	65,000	21,103
2029	65,000	18,356
2030	70,000	15,352
2031-2034	310,000	28,703
	<u>\$ 630,000</u>	<u>\$ 133,119</u>

**7. Accrued Compensated Absences**

Accrued compensated absences consisted of the following:

	<u>Balance</u> <u>Beginning of</u> <u>Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
Governmental activities:				
Accrued vacation, comp time and sick leave	<u>\$ 197,511</u>	<u>\$ 117,727</u>	<u>\$ -</u>	<u>\$ 315,238</u>
Business-type activities:				
Accrued vacation, comp time and sick leave	<u>\$ 73,685</u>	<u>\$ 27,558</u>	<u>\$ -</u>	<u>\$ 101,243</u>

**8. Fund Equity**

The Capital Projects Fund has a deficit fund balance of \$10,083 as of September 30, 2025. The City plans to increase fund balance in the future years by transferring excess funds from other funds.

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

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

**9. Interfund Transactions**

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
CDBG Fund	\$ 447	\$ -
EMS Fund	-	805,000
Street Fund	-	103,500
Total General Fund	447	908,500
Street Fund:		
General Fund	103,500	-
Sewer Fund	38,687	-
Total Street Fund	142,187	-
CDBG Fund:		
General Fund	-	447
EMS Fund:		
General Fund	805,000	-
Water Fund	70,000	-
Sewer Fund	52,000	-
Total EMS Fund	927,000	-
Capital Projects Fund:		
Water Fund	138,000	-
Water Fund:		
EMS Fund	-	70,000
Capital Projects Fund	-	138,000
Sewer Fund	7,466	-
Total Water Fund	7,466	208,000
Sewer Fund:		
EMS Fund	-	52,000
Water Fund	-	7,466
Street Fund	-	38,687
Total Sewer Fund	-	98,153
Total Interfund Transfers	\$ 1,215,100	\$ 1,215,100

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE D – OTHER NOTES**

**1. Employee Pension Plans**

The City has a qualified employee retirement plan established under the authority of Section 414(h) of the Internal Revenue Code and covering City employees. Full-time employees who have at least six months of service are eligible to participate in the City's 414(h) plan. Under the 414(h) plan, employees contribute five percent of their salaries and the City contributes eight percent of the employees' salaries. Employees are fully vested in their own contributions and become fully vested in the City's contributions after six years. The total payroll and eligible compensation for the year ended September 30, 2025, was \$3,633,010 and \$2,817,941. The employee and employer contributions for the year ended September 30, 2025, were \$191,977 and \$225,435, respectively.

As a supplemental retirement plan, the City offers a deferred compensation plan (457 Plan), which is administered by Security Benefit. Under this plan, personnel are allowed to defer a portion of their salaries. There is no employer matching of amounts contributed to the 457 Plan.

**2. Risk Management**

**Insurance**

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

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2025, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government.

CITY OF AURORA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

*Credit Risk.* Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investments consist of savings accounts, minimizing credit risk associated with the City’s investment portfolio.

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

*Concentration of Credit Risk.* The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2025, the City’s cash consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Cornerstone Bank	\$ 2,447,058
Pinnacle Bank	404,498
Heritage Bank	<u>3,344,904</u>
	<u>\$ 6,196,460</u>

**CITY OF AURORA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2025**

**NOTE D – OTHER NOTES, continued**

**3. Commitments**

**Construction Commitments**

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

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Firefox Rescue Equipment	2022 Ford F-550 ambulance	\$ 314,334	\$ 31,655	\$ 282,679	October 2025
JEO Consulting Group	2022 1st Street improvements	436,715	394,451	42,264	November 2025
Mid-Nebraska Land Developers	2024 1st Street improvements	3,566,922	773,219	2,793,703	November 2025
		<u>\$ 4,317,971</u>	<u>\$ 1,199,325</u>	<u>\$ 3,118,646</u>	

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

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Maguire Iron, Inc.	Tower maintenance	<u>\$ 500,348</u>	<u>\$ 290,760</u>	<u>\$ 209,588</u>	October 2027

**4. Subsequent Events**

Management has evaluated subsequent events through March 13, 2026, the date on which the financial statements were available for issue.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF AURORA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

**Year ended September 30, 2025**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,978,775	\$ 2,001,747	\$ 22,972
Motor vehicle	135,000	154,597	19,597
Occupation	4,000	5,257	1,257
Intergovernmental	112,800	153,863	41,063
Licenses and permits	4,000	9,849	5,849
Franchise fees	257,000	221,659	(35,341)
Lease and rent	712,600	665,147	(47,453)
Charges for services	95,000	100,345	5,345
Grants and contributions	803,897	554,462	(249,435)
Interest income	20,000	58,113	38,113
Loan proceeds	-	323,805	323,805
Other	5,000	51,409	46,409
	<hr/>	<hr/>	<hr/>
Total resources	4,128,072	4,300,253	172,181
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government	333,037	844,166	511,129
Public safety	1,815,782	1,657,749	(158,033)
Public works	75,000	73,664	(1,336)
Cemetery	119,532	112,843	(6,689)
Library	279,695	245,549	(34,146)
Parks and recreation	525,769	393,265	(132,504)
Economic development	540,497	556,695	16,198
Capital outlay	377,500	35,680	(341,820)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	4,066,812	3,919,611	(147,201)
Resources over charges to appropriations	61,260	380,642	319,382
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	448	447	(1)
Transfers out	(1,145,500)	(908,500)	237,000
Net transfers	<hr/>	<hr/>	<hr/>
	(1,145,052)	(908,053)	236,999
<b>RESOURCES AND OTHER FINANCING SOURCES (USES) UNDER CHARGES TO APPROPRIATIONS</b>			
	<hr/>	<hr/>	<hr/>
	\$ (1,083,792)	\$ (527,411)	\$ 556,381

**CITY OF AURORA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
STREET FUND**

**Year ended September 30, 2025**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Intergovernmental	\$ 790,667	\$ 763,068	\$ (27,599)
Special assessments	21,000	15,701	(5,299)
Interest income	800	183	(617)
Other	8,100	11,084	2,984
	<hr/>	<hr/>	<hr/>
Total resources	820,567	790,036	(30,531)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	593,405	428,364	(165,041)
Capital outlay	3,128,645	1,351,144	(1,777,501)
Debt service	141,046	176,313	35,267
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	3,863,096	1,955,821	(1,907,275)
Resources under charges to appropriations	(3,042,529)	(1,165,785)	1,876,744
<b>OTHER FINANCING SOURCES</b>			
Transfers in	95,000	142,187	47,187
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS</b>	<u>\$ (2,947,529)</u>	<u>\$ (1,023,598)</u>	<u>\$ 1,923,931</u>

**CITY OF AURORA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
SPECIAL ASSESSMENTS FUND**

**Year ended September 30, 2025**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 440,962	\$ 459,158	\$ 18,196
Intergovernmental	25,000	33,558	8,558
Special assessments	150,000	271,179	121,179
Interest income	2,000	10,907	8,907
	<hr/>	<hr/>	<hr/>
Total resources	617,962	774,802	156,840
 <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government	5,500	4,081	(1,419)
Debt service	566,829	513,675	(53,154)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	572,329	517,756	(54,573)
 <b>RESOURCES OVER CHARGES TO APPROPRIATIONS</b>			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 45,633	\$ 257,046	\$ 211,413

**CITY OF AURORA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
EMS FUND**

**Year ended September 30, 2025**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Charges for services	\$ 660,000	\$ 841,358	\$ 181,358
County support	250,000	250,000	-
Other	-	7,046	7,046
	<hr/>	<hr/>	<hr/>
Total resources	910,000	1,098,404	188,404
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public safety	1,888,924	1,800,940	(87,984)
Capital outlay	2,500	-	(2,500)
Debt service	197,278	83,837	(113,441)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,088,702	1,884,777	(203,925)
Resources under charges to appropriations	(1,178,702)	(786,373)	392,329
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,172,500	927,000	(245,500)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<b>\$ (6,202)</b>	<b>\$ 140,627</b>	<b>\$ 146,829</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF AURORA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULES -  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Year ended September 30, 2025**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenue and Expenditures**

	General <u>Fund</u>	Street <u>Fund</u>	Special Assessments <u>Fund</u>	EMS <u>Fund</u>
<b>Sources/inflows of resources:</b>				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 4,300,253	\$ 790,036	\$ 774,802	\$ 1,098,404
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(62,097)</u>	<u>-</u>	<u>(20,267)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,238,156</u>	<u>\$ 790,036</u>	<u>\$ 754,535</u>	<u>\$ 1,098,404</u>
<b>Uses/outflows of resources:</b>				
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 3,919,611	\$ 1,955,821	\$ 517,756	\$ 1,884,777
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>61,042</u>	<u>165,916</u>	<u>(16,397)</u>	<u>38,231</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,980,653</u>	<u>\$ 2,121,737</u>	<u>\$ 501,359</u>	<u>\$ 1,923,008</u>

**SUPPLEMENTARY INFORMATION**

**CITY OF AURORA, NEBRASKA**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**

**September 30, 2025**

	Special Revenue Funds			Permanent Fund	Capital Projects	Total Nonmajor Governmental Funds
	Historic Lighting	Sales Tax	CDBG	Perpetual Care	Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 26	\$ 9,608	\$ 329	\$ 251,203	\$ 2,724	\$ 263,890
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,892	\$ 11,892
Accrued interest	-	-	-	-	915	915
Total liabilities	-	-	-	-	12,807	12,807
Fund balances:						
Nonspendable:						
Cemetery perpetual care	-	-	-	251,203	-	251,203
Restricted for:						
Parks and recreation	-	9,608	-	-	-	9,608
Federal programs	-	-	329	-	-	329
Historic lighting project	26	-	-	-	-	26
Unassigned	-	-	-	-	(10,083)	(10,083)
Total fund balances	26	9,608	329	251,203	(10,083)	251,083
<b>Total liabilities and fund balances</b>	<b>\$ 26</b>	<b>\$ 9,608</b>	<b>\$ 329</b>	<b>\$ 251,203</b>	<b>\$ 2,724</b>	<b>\$ 263,890</b>

**CITY OF AURORA, NEBRASKA**

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

**For the year ended September 30, 2025**

	Special Revenue Funds			Permanent	Capital	Total
	Historic	Sales		Fund	Projects	Nonmajor
	<u>Lighting</u>	<u>Tax</u>	<u>CDBG</u>	<u>Perpetual</u>	<u>Fund</u>	<u>Governmental</u>
			<u>Care</u>			<u>Funds</u>
<b>REVENUES</b>						
Lease and rent	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Charges for services	-	-	-	10,150	-	10,150
Grants and contributions	-	-	437	-	-	437
Other revenue	-	-	-	-	6,628	6,628
Interest income	-	91	-	3,394	-	3,485
Total revenues	-	91	437	13,544	9,628	23,700
<b>EXPENDITURES</b>						
Public safety	-	-	-	-	11,892	11,892
Cemetery	-	-	-	-	446	446
Recreation	-	-	-	-	1,900	1,900
Capital outlay	-	-	-	-	114,727	114,727
Principal payments on debt	-	-	-	-	30,000	30,000
Interest payments on debt	-	-	-	-	3,282	3,282
Total expenditures	-	-	-	-	162,247	162,247
<b>Excess (deficiency) of revenues over expenditures</b>	-	91	437	13,544	(152,619)	(138,547)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	138,000	138,000
Transfers out	-	-	(447)	-	-	(447)
Net transfers	-	-	(447)	-	138,000	137,553
<b>Net change in fund balances</b>	-	91	(10)	13,544	(14,619)	(994)
Fund balances - September 30, 2024	26	9,517	339	237,659	4,536	252,077
Fund balances - September 30, 2025	\$ 26	\$ 9,608	\$ 329	\$ 251,203	\$ (10,083)	\$ 251,083

**CITY OF AURORA, NEBRASKA**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -  
GENERAL FUND DEPARTMENTS**

**Year ended September 30, 2025**

	<u>Administrative</u>	<u>Police</u>	<u>Fire</u>
<b>REVENUES</b>			
Taxes:			
General property tax	\$ 1,939,650	\$ -	\$ -
Motor vehicle tax	154,597	-	-
Occupation tax	5,257	-	-
Intergovernmental receipts	152,401	-	-
Licenses and permits	9,849	-	-
Franchise fees	221,659	-	-
Lease and rent	662,147	-	-
Charges for services	-	-	-
Grants and contributions	554,462	-	-
Interest income	58,113	-	-
Loan proceeds	323,805	-	-
Other receipts	<u>51,409</u>	<u>-</u>	<u>-</u>
Total revenues	4,133,349	-	-
<b>EXPENDITURES</b>			
Personnel services:			
Salaries and benefits	197,769	1,352,814	36,092
Operating expenses:			
Insurance	10,223	50,776	17,892
Professional fees	47,639	-	-
Contracted services	1,049	-	-
Meetings, seminars, and dues	43,313	12,328	17,899
Repairs and maintenance	100,095	26,011	26,472
Printing, postage, and publications	45	180	-
Rent	-	103,462	-
Fuel	103	18,433	3,401
Uniforms	-	5,083	7,818
Utilities and telephone	<u>14,188</u>	<u>7,688</u>	<u>21,659</u>
Total operating expenses	216,655	223,961	95,141
Supplies	8,915	12,956	10,454
Economic development	441,125	-	-
Other expenses	404,272	8,016	4,123
Capital outlay	-	-	5,602
Interest on long-term debt	<u>1,343</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,270,079</u>	<u>1,597,747</u>	<u>151,412</u>
Excess (deficiency) of revenues over expenditures before transfers	2,863,270	(1,597,747)	(151,412)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	447	-	-
Transfers out	<u>(908,500)</u>	<u>-</u>	<u>-</u>
Net transfers	<u>(908,053)</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,955,217</u>	<u>\$ (1,597,747)</u>	<u>\$ (151,412)</u>

<u>Street Lighting</u>	<u>Cemetery</u>	<u>Library</u>	<u>Parks and Recreation</u>	<u>Emergency Equipment</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,939,650
-	-	-	-	-	154,597
-	-	-	-	-	5,257
-	-	1,462	-	-	153,863
-	-	-	-	-	9,849
-	-	-	-	-	221,659
-	-	-	-	3,000	665,147
-	12,510	-	87,835	-	100,345
-	-	-	-	-	554,462
-	-	-	-	-	58,113
-	-	-	-	-	323,805
-	-	-	-	-	51,409
<u>-</u>	<u>12,510</u>	<u>1,462</u>	<u>87,835</u>	<u>3,000</u>	<u>4,238,156</u>
-	93,862	166,158	283,069	-	2,129,764
-	4,806	9,563	20,986	-	114,246
-	-	-	-	-	47,639
-	600	16,221	-	-	17,870
-	1,083	2,417	3,038	-	80,078
17,845	8,216	17,353	21,083	1,777	218,852
-	-	23	-	-	248
-	-	-	-	-	103,462
-	3,817	-	8,347	-	34,101
-	-	-	114	-	13,015
<u>60,535</u>	<u>3,873</u>	<u>10,698</u>	<u>24,694</u>	<u>-</u>	<u>143,335</u>
78,380	22,395	56,275	78,262	1,777	772,846
-	795	28,092	40,262	-	101,474
-	-	-	-	-	441,125
-	2,534	755	1,693	-	421,393
-	-	15,453	-	91,653	112,708
-	-	-	-	-	1,343
<u>78,380</u>	<u>119,586</u>	<u>266,733</u>	<u>403,286</u>	<u>93,430</u>	<u>3,980,653</u>
(78,380)	(107,076)	(265,271)	(315,451)	(90,430)	257,503
-	-	-	-	-	447
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(908,500)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(908,053)</u>
<u>\$ (78,380)</u>	<u>\$ (107,076)</u>	<u>\$ (265,271)</u>	<u>\$ (315,451)</u>	<u>\$ (90,430)</u>	<u>\$ (650,550)</u>

**CITY OF AURORA, NEBRASKA**  
**COMBINING STATEMENT OF NET POSITION -**  
**COMPONENT UNITS**

**July 31, 2025 and September 30, 2025**

	<u>Airport Authority (July 31, 2025)</u>	<u>Community Redevelopment Authority (September 30, 2025)</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 315,657	\$ 68,106	\$ 383,763
County treasurer cash	3,704	-	3,704
Accounts receivable	9,844	-	9,844
Inventory	12,836	-	12,836
Prepaid expenses	27,473	-	27,473
Total current assets	<u>369,514</u>	<u>68,106</u>	<u>437,620</u>
Noncurrent assets:			
Capital assets:			
Land	232,966	-	232,966
Other capital assets, net of depreciation	<u>9,412,571</u>	<u>-</u>	<u>9,412,571</u>
Total noncurrent assets	<u>9,645,537</u>	<u>-</u>	<u>9,645,537</u>
<b>Total assets</b>	<b>10,015,051</b>	<b>68,106</b>	<b>10,083,157</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	11,406	-	11,406
Accrued interest	3,400	-	3,400
Accrued payroll taxes	1,511	-	1,511
Current portion of long-term debt	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total current liabilities	<u>76,317</u>	<u>-</u>	<u>76,317</u>
Noncurrent liabilities:			
Noncurrent portion of long-term debt	<u>570,000</u>	<u>-</u>	<u>570,000</u>
<b>Total liabilities</b>	<b>646,317</b>	<b>-</b>	<b>646,317</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,015,537	-	9,015,537
Unrestricted	<u>353,197</u>	<u>68,106</u>	<u>421,303</u>
<b>Total net position</b>	<b><u>\$ 9,368,734</u></b>	<b><u>\$ 68,106</u></b>	<b><u>\$ 9,436,840</u></b>

**CITY OF AURORA, NEBRASKA**

**COMBINING STATEMENT OF ACTIVITIES -  
COMPONENT UNITS**

**For the year ended July 31, 2025 and September 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Airport Authority (7/31/25):</b>			
Airport	\$ 769,859	\$ 155,975	\$ 24,000
<b>Community Redevelopment Authority (9/30/25):</b>			
Economic development	-	-	-
<b>Total component units</b>	\$ 769,859	\$ 155,975	\$ 24,000

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Airport Authority</u>	<u>Community Redevelopment Authority</u>	<u>Total Component Units</u>
\$ -	\$ (589,884)	\$ -	\$ (589,884)
-	-	-	-
<u>\$ -</u>	<u>(589,884)</u>	<u>-</u>	<u>(589,884)</u>
General revenues:			
Taxes:			
Property	168,570	-	168,570
Interest income	1,307	640	1,947
Total general revenues	<u>169,877</u>	<u>640</u>	<u>170,517</u>
Change in net position	(420,007)	640	(419,367)
Net position - beginning of year	<u>9,788,741</u>	<u>67,466</u>	<u>9,856,207</u>
Net position - end of year	<u>\$ 9,368,734</u>	<u>\$ 68,106</u>	<u>\$ 9,436,840</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated March 13, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

SHAREHOLDERS:

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

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

#### Segregation of Duties

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

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

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

#### **City of Aurora's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Aurora's response to the findings identified in our audit and described above. The City of Aurora's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### **Purpose of this Report**

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

AMG, P.C.

Grand Island, Nebraska  
March 13, 2026