

VILLAGE OF EAGLE
Eagle, Nebraska

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**
September 30, 2020

VILLAGE OF EAGLE

Eagle, Nebraska
September 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Eagle
Eagle, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Eagle, Nebraska, (the Village), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements 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 Village's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village, as of September 30, 2020, and the respective changes in financial position-modified cash basis, thereof for the year then ended on the basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The management's discussion and analysis, budgetary comparison schedules and departmental analysis of funds, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 on our consideration of the Village'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 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 Village's internal control over financial reporting and compliance.

Muirau & Co., P.C.

York, Nebraska
March 26, 2021

VILLAGE OF EAGLE
Eagle, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

This discussion and analysis of the financial performance of the Village of Eagle (the Village) provides an overview of the Village's financial activities for the year ended September 30, 2020. It should be read in conjunction with the Village's financial statements, which follow.

Financial Highlights

The Village's net position on September 30, 2020 was \$1,486,363.68. Of this amount, \$1,165,562.14 is unrestricted and may be used to meet the Village's ongoing obligations.

The net position of the Village increased by \$282,033.63 up from \$1,204,330.05 in the prior fiscal year.

The Governmental Fund receipts were \$185,235.25 more than the prior year and disbursements were \$24,751.17 more than the prior year.

The Proprietary Fund receipts were \$33,632.97 more than the prior year and disbursements were \$12,447.37 less than the prior year.

Overview of the Financial Statements

This financial report consists of three sections: management's discussion and analysis (this section), the basic financial statements and other information.

The basic financial statements include a series of statements that present different views of the Village.

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities, which provide information about the Village's overall financial status.

The governmental fund financial statements focus on individual funds of the Village, reporting the Village's basic operations in more detail than the government-wide financial statements. Governmental funds are accountability units used to maintain control over resources segregated for specific activities or objectives. Major funds are separately reported.

The proprietary fund financial statements focus on the business-type activities of the Village. These statements also provide more detail than the government-wide statements. Proprietary funds are used to maintain control over the utility services the Village provides.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of other information that details the departmental receipts and disbursements of the governmental and proprietary funds.

Financial Analysis of the Village as a Whole

Receipts for the Village's activities were \$1,454,179.37, while disbursements were \$1,172,145.74.

The following table summarizes the Village's changes in net position from receipts and disbursements. The Village is heavily reliant on property taxes and franchise fees to support governmental activities and charges for services to support business-type activities.

VILLAGE OF EAGLE
Eagle, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

Financial Analysis of the Village as a Whole (cont'd)

A summary of receipts and disbursements follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Receipts:						
Program Receipts-						
Charges for services	\$ 23,294.08	\$ 51,559.16	\$ 389,095.61	\$ 360,769.31	\$ 412,389.69	\$ 412,328.47
Operating grants and contributions						
Other Receipts-						
Property taxes	338,502.54	333,256.41			338,502.54	333,256.41
Other taxes	219,991.50	179,308.64			219,991.50	179,308.64
Interest income	5,292.12	4,317.42	3,723.60	3,611.21	9,015.72	7,928.63
State receipts	183,332.51	185,431.17			183,332.51	185,431.17
Other general receipts	128,804.77	101,109.47	21,142.64	15,948.36	149,947.41	117,057.83
Total Receipts	899,217.52	854,982.27	413,961.85	380,328.88	1,313,179.37	1,235,311.15
Disbursements:						
General government	283,960.25	310,527.55			283,960.25	310,527.55
Public safety	80,542.41	86,682.03			80,542.41	86,682.03
Streets and public works	83,713.11	136,068.82			83,713.11	136,068.82
Culture and recreation	23,679.88	77,027.34			23,679.88	77,027.34
Miscellaneous	100.00	-			100.00	-
Capital projects	206,542.66	46,796.40			206,542.66	46,796.40
Debt service	246,575.21	243,260.21			246,575.21	243,260.21
Sewer and water			247,032.22	259,479.59	247,032.22	259,479.59
Total Disbursements	925,113.52	900,362.35	247,032.22	259,479.59	1,172,145.74	1,159,841.94
Change in net position before special item	(25,896.00)	(45,380.08)	166,929.63	120,849.29	141,033.63	75,469.21
Special Item:						
Debt proceeds	141,000.00				141,000.00	-
Change in net position	115,104.00	(45,380.08)	166,929.63	120,849.29	282,033.63	75,469.21
Beginning Net Position	240,651.22	286,031.30	963,678.83	842,829.54	1,204,330.05	1,128,860.84
Ending Net Position	<u>\$ 355,755.22</u>	<u>\$ 240,651.22</u>	<u>\$ 1,130,608.46</u>	<u>\$ 963,678.83</u>	<u>\$ 1,486,363.68</u>	<u>\$ 1,204,330.05</u>
Restricted	301,491.62	270,892.09	19,309.92	19,504.92	320,801.54	290,397.01
Unrestricted	54,263.60	(30,240.87)	1,111,298.54	944,173.91	1,165,562.14	913,933.04
Total Net Position	<u>\$ 355,755.22</u>	<u>\$ 240,651.22</u>	<u>\$ 1,130,608.46</u>	<u>\$ 963,678.83</u>	<u>\$ 1,486,363.68</u>	<u>\$ 1,204,330.05</u>

A portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The Village's government-wide restricted net position is comprised of funds to be used for debt service, street maintenance/improvements and community betterment as described by the state gaming services regulations.

VILLAGE OF EAGLE
Eagle, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

Financial Analysis of the Village's Funds

A summary of the Village's fund balances follows:

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
General Fund Balance	\$ 287,539.47	\$ 169,560.98	\$ 117,978.49
Special Revenue Fund Balance	(28,579.49)	(67,696.40)	39,116.91
Debt Service Fund Balance	96,795.24	138,786.64	(41,991.40)
Proprietary Fund Balance	<u>1,130,608.46</u>	<u>963,678.83</u>	<u>166,929.63</u>
 Total Fund Balances	 <u>\$ 1,486,363.68</u>	 <u>\$ 1,204,330.05</u>	 <u>\$ 282,033.63</u>

Economic Factors

Factors, such as property tax rates, valuation and charges for services have a major impact on the Village's receipts each year. Capital outlay, energy and insurance costs heavily impact the Village's disbursements.

Budget Analysis

The Village budget was not amended during the fiscal year and included \$2,626,811.21 in available resources and \$1,988,930.13 in disbursements. Actual receipts were \$1,236.98 less than budget. Actual disbursements were \$816,784.39 less than budget due mainly to lower than anticipated spending on operating expenses and capital projects.

Debt Administration

As of September 30, 2020, the Village had outstanding governmental activity bonded indebtedness of \$996,000.00 as compared to \$1,030,000.00 in the prior fiscal year. The decrease is a result of bond proceeds of \$141,000.00 and principal payments in the amount of \$175,000.00. The Village had outstanding business-type activity bonded indebtedness of \$85,000.00 as compared to \$95,000.00 in the prior fiscal year. The decrease is a result of principal payments in the amount of \$10,000.00.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, investors and creditors with a general overview of the Village's finances and compliance with finance-related laws and regulations and to demonstrate the Village's commitment to public accountability. If you have questions about this report or would like additional information, contact the Village Clerk at:

Village of Eagle
P.O. Box 130
Eagle, Nebraska 68347
(402) 781-2748

VILLAGE OF EAGLE
Eagle, Nebraska
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash in bank	\$ 224,554.36	\$ 1,081,270.04	\$ 1,305,824.40
Certificates of deposit	123,391.22	49,338.42	172,729.64
Cash at county treasurer	7,809.64		7,809.64
Total Assets	<u>355,755.22</u>	<u>1,130,608.46</u>	<u>1,486,363.68</u>
<u>Net Position</u>			
Restricted for:			
Debt service	96,795.24	19,309.92	116,105.16
Street	73,122.08		73,122.08
Community betterment	131,574.30		131,574.30
Unrestricted	54,263.60	1,111,298.54	1,165,562.14
Total Net Position	<u>\$ 355,755.22</u>	<u>\$ 1,130,608.46</u>	<u>\$ 1,486,363.68</u>

See accompanying notes to the financial statements.

VILLAGE OF EAGLE
 Eagle, Nebraska
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 For the Year Ended September 30, 2020

Functions/Programs	Program Receipts			
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 283,960.25	\$ 22,831.08		
Public safety	80,542.41	23,294.08		
Streets and public works	83,713.11			
Culture and recreation	23,679.88			
Miscellaneous	100.00			
Capital projects	206,542.66			
Debt Service	246,575.21			
Total governmental activities	925,113.52	46,125.16	\$ -	\$ -
Business-type activities:				
Sewer	152,226.63	280,987.82		
Water	94,805.59	86,256.59		
Total business-type activities	247,032.22	367,244.41	-	-
Total Primary Government	1,172,145.74	413,369.57	-	-

General Receipts:

Taxes:
 Property
 Motor vehicle
 Other
 Local sales tax
 Franchise
 Interest income
 State receipts
 Other general receipts

Total General Receipts

Change in Net Position
 Before Special Item

Special Item:

Bond proceeds

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the financial statements

Exhibit B

Net (Disbursements) Receipts and
Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (261,129.17)		\$ (261,129.17)
(57,248.33)		(57,248.33)
(83,713.11)		(83,713.11)
(23,679.88)		(23,679.88)
(100.00)		(100.00)
(206,542.66)		(206,542.66)
<u>(246,575.21)</u>		<u>(246,575.21)</u>
<u>(878,988.36)</u>		<u>(878,988.36)</u>
	\$ 128,761.19	128,761.19
	<u>(8,549.00)</u>	<u>(8,549.00)</u>
	<u>120,212.19</u>	<u>120,212.19</u>
<u>(878,988.36)</u>	<u>120,212.19</u>	<u>(758,776.17)</u>
338,502.54		338,502.54
25,922.34		25,922.34
51,933.89		51,933.89
141,251.64	21,851.20	163,102.84
6,848.77		6,848.77
5,292.12	3,723.60	9,015.72
181,963.32		181,963.32
101,377.74	21,142.64	122,520.38
<u>853,092.36</u>	<u>46,717.44</u>	<u>899,809.80</u>
(25,896.00)	166,929.63	141,033.63
<u>141,000.00</u>		<u>141,000.00</u>
115,104.00	166,929.63	282,033.63
<u>240,651.22</u>	<u>963,678.83</u>	<u>1,204,330.05</u>
<u>\$ 355,755.22</u>	<u>\$ 1,130,608.46</u>	<u>\$ 1,486,363.68</u>

VILLAGE OF EAGLE
Eagle, Nebraska
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
September 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<u>Assets</u>				
Cash in bank	\$ 281,565.60	\$ (151,970.71)	\$ 94,959.47	\$ 224,554.36
Certificates of deposit		123,391.22		123,391.22
Cash at county treasurer	5,973.87		1,835.77	7,809.64
Total Assets	<u>287,539.47</u>	<u>(28,579.49)</u>	<u>96,795.24</u>	<u>355,755.22</u>
<u>Fund Balances</u>				
Restricted:				
Debt service			96,795.24	96,795.24
Street		73,122.08		73,122.08
Community betterment		131,574.30		131,574.30
Unassigned	287,539.47	(233,275.87)		54,263.60
Total Fund Balances	<u>\$ 287,539.47</u>	<u>\$ (28,579.49)</u>	<u>\$ 96,795.24</u>	<u>\$ 355,755.22</u>

See accompanying notes to the financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
<u>Receipts</u>				
Taxes:				
Property	\$ 235,856.94		\$ 102,645.60	\$ 338,502.54
Motor vehicle		\$ 25,922.34		25,922.34
Other	34,574.90	622.97	10,770.88	45,968.75
Local sales tax	112,625.65	28,625.99		141,251.64
Franchise	6,848.77			6,848.77
Interest income	2,333.76	2,958.36		5,292.12
State receipts	52,110.76	130,805.58	416.17	183,332.51
Other general receipts	98,242.41	190,260.49	4,595.95	293,098.85
Total Receipts	542,593.19	379,195.73	118,428.60	1,040,217.52
<u>Disbursements</u>				
General government	283,960.25			283,960.25
Public safety:				
Fire and Rescue	4,775.55	38,024.34		42,799.89
Police	37,742.52			37,742.52
Public works:				
Street		83,713.11		83,713.11
Culture and recreation:				
Parks and recreation	23,679.88			23,679.88
Capital outlay	29,777.50	147,490.16		177,267.66
Other capital outlay	26,775.00	2,500.00		29,275.00
Debt service	17,904.00	68,251.21	160,420.00	246,575.21
Total Disbursements	424,614.70	340,078.82	160,420.00	925,113.52
Net Change in Fund Balance	117,978.49	39,116.91	(41,991.40)	115,104.00
Fund Balance, Beginning	169,560.98	(67,696.40)	138,786.64	240,651.22
Fund Balance, Ending	<u>\$ 287,539.47</u>	<u>\$ (28,579.49)</u>	<u>\$ 96,795.24</u>	<u>\$ 355,755.22</u>

See accompanying notes to the financial statements.

VILLAGE OF EAGLE
 Eagle, Nebraska
STATEMENT OF NET POSITION- MODIFIED CASH BASIS
PROPRIETARY FUND
 September 30, 2020

	<u>Enterprise Fund</u>
<u>Assets</u>	
Cash in bank	\$ 1,081,270.04
Certificates of deposit	<u>49,338.42</u>
Total Assets	<u>1,130,608.46</u>
<u>Net Position</u>	
Restricted:	
Debt service	19,309.92
Assigned:	
Sewer maintenance	72,583.90
Water maintenance	39,171.62
Unassigned	<u>999,543.02</u>
Total Net Position	<u><u>\$ 1,130,608.46</u></u>

See accompanying notes to the financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND

For the Year Ended September 30, 2020

	<u>Enterprise Fund</u>
<u>Operating Revenues</u>	
Charges for services:	
Sewer	\$ 298,031.76
Water	91,063.85
	<hr/>
Total Operating Receipts	389,095.61
	<hr/>
<u>Operating Expenditures</u>	
Sewer	140,374.13
Water	94,805.59
	<hr/>
Total Operating Disbursements	235,179.72
	<hr/>
Operating Income (Loss)	153,915.89
 <u>Non-Operating Revenues (Expenditures)</u>	
Interest income	3,723.60
Licenses, fees and permits	400.00
Miscellaneous	20,742.64
Bond principal	(10,000.00)
Bond interest	(1,852.50)
	<hr/>
Total Non-Operating Receipts (Disbursements)	13,013.74
	<hr/>
Net Change in Net Position	166,929.63
Net Position, Beginning	963,678.83
	<hr/>
Net Position, Ending	<u><u>\$ 1,130,608.46</u></u>

See accompanying notes to the financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview – The significant accounting principles and practices followed by the Village of Eagle (the “Village”) are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The financial statements presented represent all funds maintained by Village authorities’ incident to the operation, maintenance and management of Village services, activities, projects and investments.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary fund, governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The Village applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its proprietary operations. The more significant of the Village’s accounting policies are described below.

Reporting Entity – The Village of Eagle’s Board of Trustees (“Board”) is the basic level of government, which has the financial accountability and control over all activities related to the Village. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 61, which are included in the Village’s reporting entity.

Measurement Focus and Basis of Accounting – Measurement focus refers to what is being measured; basis of accounting refers to when receipts and disbursements are recognized in the accounts and on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Village’s government-wide and fund financial statements utilize a “current financial resources” measurement focus. Only current financial sources are included on the Statement of Net Position and the Balance Sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. The governmental funds use fund balances as their measure of available spendable financial resources at the end of the period. Government-wide and proprietary fund statements classify fund equity as net assets.

The Village prepares its financial statements on the modified cash basis of accounting, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska; consequently, these statements represent a summary of the cash activity of the various funds of the Village and do not include certain transactions that would be included if the Village prepared its financial statements in accordance with generally accepted accounting principles, as applicable to Governmental Units. Under the modified cash basis, county treasurer receipts are recognized when collected by the county, all other receipts are recognized when received by the Village rather than when earned, and disbursements are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles in the United States of America.

These notes are an integral part of the accompanying financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Government-Wide and Fund Financial Statements - The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effects of inter-fund transfers (those within an activity) have been removed from these statements. However, transactions between Governmental Activities and Business-Type Activities are reflected as transfers with the receiving activity reflecting the transfer as an increase to net position and the disbursing activity reflecting the transfer as a decrease to net assets. The Village does not allocate indirect costs.

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

Governmental Fund Types

Governmental funds are those funds through which most governmental functions are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

Major Governmental Funds

General Fund - The General Fund is the main operating fund of the Village and accounts for all receipts and disbursements of the Village not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating disbursements and the new and replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund - The Special Revenue Fund is comprised of the following:

Street Department - This department accounts for highway allocation and motor vehicle fee receipts that are legally restricted by statute to street disbursements. For purposes of the Governmental Funds Balance Sheet the ending departmental balance is reserved. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

Rescue Department - Receipts and disbursements generated from rescue unit operations in the Village are reported within this department. For purposes of the Governmental Funds Balance Sheet the ending departmental balance is reserved. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

Lottery Department - Receipts and disbursements generated from lottery operations within the Village are reported within this department. For purposes of the Governmental Funds Balance Sheet the ending departmental balance is reserved. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

These notes are an integral part of the accompanying financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources and payment of general long-term debt including principal, interest, and related costs. For purposes of the Governmental Funds Balance Sheet the ending fund balance is reserved. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

Proprietary Fund Type

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating receipts generally result from charges to customers for services and operating disbursements from the cost of sales, services and administrative fees. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

Enterprise Fund – The Enterprise Fund is used to account for the operations of the utility departments. This fund is used to account for operations, which are financed and operated in a manner similar to private business. The intent of the governing body is that the cost of providing the goods or services to the general public is funded or recovered primarily through user charges.

Sewer Department – The sewer department accounts for the operation of a municipally owned sewage collection, which provides services to the residents of the Village.

Water Department – The water department accounts for the operation of a municipally owned water system, which provides services to the residents of the Village.

Property and Equipment – Disbursements for property and equipment are charged when paid. No allowance for depreciation is provided or included in the accompanying financial statements.

Equity Classifications

Government-Wide Financial Statements - Equity is classified as net position and is displayed as two components:

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

Unrestricted net position – All other net position that does not meet the definition of restricted.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Governmental Fund Financial Statements - Equity is classified as fund balance and is displayed as the following components:

Non-Spendable Fund Balance – Amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact. The Village does not have any non-spendable fund balances.

Restricted Fund Balance – Amounts restricted to specific purposes when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, or state or federal laws; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts to be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the village's highest level of decision-making authority). The Village does not currently have any committed fund balances.

Assigned Fund Balance – Amounts the Board of Trustees intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance –Residual classification for the Village's general fund and includes all spendable amounts not contained in other classifications. Amounts also included are deficit funds, if any, from other non-general funds.

Property Taxes – Real estate taxes are levied on October 15 each year and may be paid in two equal installments. These taxes are due December 31. The first and second half of the taxes becomes delinquent on the following May and September 1, respectively. Real estate taxes become a lien against the property on the levy date.

Personal property taxes are levied on October 15 each year, are due December 31 each year, and may be paid in two equal installments. The first and second halves of the taxes become delinquent on May 1 and September 1, respectively.

Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

NOTE B – CASH AND INVESTMENTS

The Statutes of the State of Nebraska authorize the Village to invest in certificates of deposit and time deposits of banks or capital stock financial institutions, obligations of the United States government and agencies thereof and any securities as provided in the Public Funds Deposit Security Act. Nonnegotiable certificates of deposit with original maturity of more than three months are classified as cash equivalents within the governmental funds.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

At September 30, 2020, the Village's carrying amount of deposits was \$1,478,554.04. The bank balances for all funds totaled \$1,488,614.17. For purposes of classifying categories of custodial risk, the bank balances of the Village's deposits, as of September 30, 2020, were either entirely insured or collateralized with securities held by the financial institution but not in the Village's name.

These notes are an integral part of the accompanying financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE C – BUDGET PROCESS AND PROPERTY TAXES

The Village of Eagle is required by state law to adopt annual budgets for all funds. Each budget is presented on the modified cash basis of accounting, which is consistent with the requirements of the state budget act.

State Statutes of the Nebraska Budget Act provide 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 disbursements and/or tax levy limitations.

In accordance with those provisions, the following process is used to adopt the annual budget:

1. As of August 1, or shortly thereafter, the Village Clerk prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed disbursements and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the filing date, the budget is legally adopted by the Village through passage of an ordinance.
4. The adopted budget is filed with the State Auditor and the County Board on or before September 20.
5. Total actual disbursements may not legally exceed the total budget of disbursements. Appropriations of disbursements lapse at year-end and any revisions require a public hearing and any revisions require council approval.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which attaches as an enforceable lien on property within the Village as of January 1.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE D - LONG-TERM DEBT

Changes in long-debt obligations for the year ended September 30, 2020, are as follows:

	Balance at Oct. 1, 2019	Increases	Decreases	Balance at Sep. 30, 2020	Due within One Year
Governmental activities:					
G.O. Bonds	\$ 140,000.00		\$ 35,000.00	\$ 105,000.00	\$ 35,000.00
G.O. Sewer Bonds	890,000.00		140,000.00	750,000.00	140,000.00
G.O. Street Bonds	-	\$ 141,000.00		141,000.00	-
	<u>\$ 1,030,000.00</u>	<u>\$ 141,000.00</u>	<u>\$ 175,000.00</u>	<u>\$ 996,000.00</u>	<u>\$ 175,000.00</u>
Business-type activities:					
Sewer Bonds	\$ 95,000.00	\$ -	\$ 10,000.00	\$ 85,000.00	\$ 10,000.00
Interest paid on the above debt during the fiscal year:			<u>\$ 25,433.75</u>		

Debt service requirements on long-term debt at September 30, 2020, are as follows:

<u>Year Ended Sept. 30,</u>	Governmental Activities		Business-Type Activities	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 175,000.00	\$ 22,037.25	\$ 10,000.00	\$ 1,657.50
2022	207,000.00	17,865.00	15,000.00	1,462.50
2023	213,000.00	13,030.00	15,000.00	1,170.00
2024	183,000.00	8,368.25	15,000.00	877.50
2025	189,000.00	3,847.25	15,000.00	585.00
2026	29,000.00	195.75	15,000.00	292.50
	<u>\$ 996,000.00</u>	<u>\$ 65,343.50</u>	<u>\$ 85,000.00</u>	<u>\$ 6,045.00</u>

These notes are an integral part of the accompanying financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE E – NOTES PAYABLE

Changes in notes payable for the year ended September 30, 2020, are as follows:

	Balance at Oct. 1, 2019	Increases	Decreases	Balance at Sep. 30, 2020	Due within One Year
Governmental activities:					
Street Loan	\$ 44,273.48	\$ -	\$ 5,438.75	\$ 38,834.74	\$ 5,705.37
Business-type activities:					
Water Loan	\$ 44,273.48	\$ -	\$ 5,438.75	\$ 38,834.74	\$ 5,705.37
Interest paid on the above debt during the fiscal year:			\$ 4,427.35		

Debt service requirements on notes payable at September 30, 2020, are as follows:

<u>Year Ended Sept. 30,</u>	Governmental Activities		Business-Type Activities	
	Notes payable		Notes payable	
	Principal	Interest	Principal	Interest
2021	\$ 5,705.37	\$ 1,947.06	\$ 5,705.37	\$ 1,947.06
2022	5,995.95	1,656.47	5,995.95	1,656.47
2023	6,295.75	1,356.67	6,295.75	1,356.67
2024	6,610.54	1,041.89	6,610.54	1,041.89
2025	6,939.12	713.31	6,939.12	713.31
2026	7,288.02	364.40	7,288.02	364.40
	<u>\$ 38,834.74</u>	<u>\$ 7,079.79</u>	<u>\$ 38,834.74</u>	<u>\$ 7,079.79</u>

These notes are an integral part of the accompanying financial statements.

VILLAGE OF EAGLE
Eagle, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE F – LEASES

The Village entered into a triple net lease with the Eagle Facilities and Grounds Association for the Eagle municipal building on October 5, 2017 for \$400,000.00. The Village is required to make monthly payments of \$1,492.00 for 40 years on the 5th of each month. Current year payments were \$17,904.00 which included \$5,244.37 for principal and \$12,659.63 for interest. Final payment is due October 5, 2057. Future payments on this lease are as follows:

Fiscal Year	Governmental Activities	
Ending	Principal	Interest
2021	\$ 5,452.80	\$ 12,451.20
2022	5,632.92	12,271.08
2023	5,819.01	12,084.99
2024	5,978.03	11,925.97
2025	6,208.69	11,695.31
2026	6,413.80	11,490.20
2027	6,625.65	11,278.35
2028	6,813.64	11,090.36
2029-2033	37,732.41	51,787.59
2034-2038	44,392.10	45,127.90
2039-2043	52,227.63	37,292.37
2044-2048	61,432.82	28,087.18
2049-2053	72,297.16	17,222.84
2053-2057	68,091.86	4,695.61
	<u>\$ 385,118.52</u>	<u>\$ 278,500.95</u>

NOTE G – RISK MANAGEMENT

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

NOTE H – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor’s Report, which is the date the financial statements were available to be issued.

VILLAGE OF EAGLE
Eagle, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PRIMARY GOVERNMENT
For the Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 1,171,394.86	\$ 1,204,330.05	\$ 32,935.19
Receipts			
<u>Local Sources:</u>			
Property tax	375,283.54	338,502.54	(36,781.00)
Motor vehicle tax	18,000.00	25,922.34	7,922.34
In lieu of tax	14,000.00	15,120.93	1,120.93
Local option sales tax	105,000.00	141,251.64	36,251.64
Other local sources	760,000.00	714,605.64	(45,394.36)
Total Local Sources	<u>1,272,283.54</u>	<u>1,235,403.09</u>	<u>(36,880.45)</u>
<u>State Sources:</u>			
Motor vehicle pro-rate	625.00	891.91	266.91
Highway allocation and incentive	123,602.00	119,134.45	(4,467.55)
Motor vehicle fee	8,000.00	8,669.62	669.62
Municipal equalization	50,905.81	51,157.74	251.93
Homestead exemption		18,941.40	18,941.40
Property tax credit		15,610.46	15,610.46
Other state receipts		4,370.70	4,370.70
Total State Sources	<u>183,132.81</u>	<u>218,776.28</u>	<u>35,643.47</u>
Total Receipts From All Sources	<u>1,455,416.35</u>	<u>1,454,179.37</u>	<u>(1,236.98)</u>
Total Available Resources	<u>2,626,811.21</u>	<u>2,658,509.42</u>	<u>31,698.21</u>

VILLAGE OF EAGLE
Eagle, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PRIMARY GOVERNMENT

For the Year Ended September 30, 2020

<u>Disbursements</u>	Original and Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Governmental Activities:			
General government:			
Operating expenses	\$ 377,000.00	\$ 283,960.25	\$ (93,039.75)
Capital outlay	128,000.00		(128,000.00)
Other capital outlay	50,000.00	15,650.00	(34,350.00)
Debt service	17,904.00	17,904.00	-
Public safety:			
Operating expenses	100,000.00	80,542.41	(19,457.59)
Capital outlay	24,000.00		(24,000.00)
Other capital outlay	3,000.00	2,500.00	(500.00)
Debt service	16,287.54	16,287.54	-
Public works - street:			
Operating expenses	140,000.00	83,713.11	(56,286.89)
Capital outlay	325,000.00	147,490.16	(177,509.84)
Other capital outlay	4,000.00		(4,000.00)
Debt service	46,213.67	51,963.67	5,750.00
Culture and recreation:			
Operating expenses	113,000.00	23,679.88	(89,320.12)
Capital outlay	45,000.00	29,777.50	(15,222.50)
Other capital outlay		11,125.00	11,125.00
Miscellaneous:			
Operating expenses	10,000.00	100.00	(9,900.00)
Capital improvements	40,000.00		(40,000.00)
Other capital outlay	40,000.00		(40,000.00)
Total Governmental Activities	1,479,405.21	764,693.52	(714,711.69)
Business-Type Activities:			
Sewer:			
Operating expenses	185,000.00	122,739.08	(62,260.92)
Capital outlay		17,235.05	17,235.05
Debt service	171,872.50	172,672.50	800.00
Water:			
Operating expenses	110,000.00	76,778.04	(33,221.96)
Capital outlay	20,000.00		(20,000.00)
Other capital outlay	15,000.00	10,375.13	(4,624.87)
Debt service	7,652.42	7,652.42	-
Total Business-Type Activities	509,524.92	407,452.22	(102,072.70)
Total Disbursements	1,988,930.13	1,172,145.74	(816,784.39)
Ending Fund Balance	\$ 637,881.08	\$ 1,486,363.68	\$ 848,482.60

VILLAGE OF EAGLE
Eagle, Nebraska
DEPARTMENTAL ANALYSIS OF GENERAL FUND RECEIPTS AND DISBURSEMENTS
For the Year Ended September 30, 2020

	General Fund			Total
	General	Park	Fire	
Beginning balance	\$ 471,041.70	\$ (268,585.98)	\$ (32,894.74)	\$ 169,560.98
Receipts				
Property tax	235,856.94			235,856.94
In lieu of tax	10,524.98			10,524.98
Homestead exemption	13,184.22			13,184.22
Property tax credit	10,865.70			10,865.70
Personal property tax credit	953.02			953.02
Municipal equalization	51,157.74			51,157.74
Charges for services	22,831.08			22,831.08
Interest income	2,329.19	4.57		2,333.76
Franchise fees	6,848.77			6,848.77
Local option sales tax	112,625.65			112,625.65
Licenses, fees and permits	68,260.73		2,259.07	70,519.80
Insurance proceeds	315.24	3,273.26		3,588.50
Miscellaneous	1,303.03			1,303.03
Total Receipts	537,056.29	3,277.83	2,259.07	542,593.19
Total Available Resources	1,008,097.99	(265,308.15)	(30,635.67)	712,154.17
Disbursements				
Salaries	106,626.24	6,329.03	100.96	113,056.23
Payroll taxes	9,122.47	542.06	8.05	9,672.58
Employee benefits	24,325.75	868.19	19.12	25,213.06
Contract labor	26,097.94			26,097.94
Dues and subscriptions	5,447.45			5,447.45
Education	525.00			525.00
Equipment/vehicle repairs	3,086.74			3,086.74
Insurance	30,259.00		852.60	31,111.60
Licenses, fees and permits	3,488.35	40.00		3,528.35
Miscellaneous	1,808.99	2,500.00		4,308.99
Office supplies	723.05			723.05
Police expenses	37,742.52			37,742.52
Printing and publishing	2,553.73			2,553.73
Professional fees	27,851.85			27,851.85
Repairs and maintenance	11,999.33	6,935.75	760.76	19,695.84
Supplies	13,323.49	4,084.77	1,788.81	19,197.07

VILLAGE OF EAGLE
Eagle, Nebraska
DEPARTMENTAL ANALYSIS OF GENERAL FUND RECEIPTS AND DISBURSEMENTS
For the Year Ended September 30, 2020

	General Fund			Total
	General	Park	Fire	
<u>Disbursements (cont'd)</u>				
Telephone	\$ 5,767.05	\$ 76.27		\$ 5,843.32
Travel and meals	471.20			471.20
Utilities	10,482.62	2,303.81	\$ 1,245.25	14,031.68
Capital outlay	-	29,777.50		29,777.50
Other capital outlay	15,650.00	11,125.00		26,775.00
Loan principal	5,244.37			5,244.37
Loan interest	12,659.63			12,659.63
Total Disbursements	<u>355,256.77</u>	<u>64,582.38</u>	<u>4,775.55</u>	<u>424,614.70</u>
Ending balance	<u>\$ 652,841.22</u>	<u>\$ (329,890.53)</u>	<u>\$ (35,411.22)</u>	<u>\$ 287,539.47</u>

VILLAGE OF EAGLE
 Eagle, Nebraska
DEPARTMENTAL ANALYSIS OF SPECIAL REVENUE FUND RECEIPTS AND DISBURSEMENTS
 For the Year Ended September 30, 2020

	Special Revenue Fund			Total
	Street	Rescue	Lottery	
Beginning Balance	\$ 19,504.60	\$ (199,801.85)	\$ 112,600.85	\$ (67,696.40)
Receipts				
Motor vehicle taxes	25,922.34			25,922.34
Pro rate	622.97			622.97
Highway allocation	116,134.45			116,134.45
Highway incentive	3,000.00			3,000.00
Interest income	178.93	43.78	2,735.65	2,958.36
Local option sales tax	28,625.99			28,625.99
Motor vehicle fees	8,669.62			8,669.62
Other state receipts	3,001.51			3,001.51
Charges for services		23,294.08		23,294.08
Lottery proceeds			16,337.80	16,337.80
TIF income	9,628.61			9,628.61
Bond proceeds	141,000.00			141,000.00
Total Receipts	336,784.42	23,337.86	19,073.45	379,195.73
Total Available Resources	356,289.02	(176,463.99)	131,674.30	311,499.33
Disbursements				
Salaries	11,408.16	420.35		11,828.51
Payroll taxes	975.44	36.23		1,011.67
Employee benefits	1,930.36	113.14		2,043.50
Dues and subscriptions		50.00		50.00
Education		2,322.00		2,322.00
Equipment/vehicle repairs	9,257.23	1,088.66		10,345.89
Insurance		5,230.60		5,230.60
Licenses, fees and permits	450.40	2,908.48	100.00	3,458.88
Miscellaneous		2,427.91		2,427.91
Professional fees	25,179.97	4,234.09		29,414.06
Rent and leases	3,850.00			3,850.00
Repairs and maintenance	5,977.16	760.76		6,737.92
Supplies	3,898.57	9,478.33		13,376.90
Telephone		4,686.81		4,686.81
Utilities	20,785.82	4,266.98		25,052.80
Capital outlay	147,490.16			147,490.16
Other capital outlay	-	2,500.00		2,500.00
Loan/lease principal	5,438.75	15,753.50		21,192.25
Loan/lease interest	5,774.92	534.04		6,308.96
Bond principal	35,000.00			35,000.00
Fees	5,750.00			5,750.00
Total Disbursements	283,166.94	56,811.88	100.00	340,078.82
Ending Balance	\$ 73,122.08	\$ (233,275.87)	\$ 131,574.30	\$ (28,579.49)

VILLAGE OF EAGLE
Eagle, Nebraska
DEPARTMENTAL ANALYSIS OF DEBT SERVICE FUND RECEIPTS AND DISBURSEMENTS
For the Year Ended September 30, 2020

	Debt Service
Beginning balance	\$ 138,786.64
<u>Receipts</u>	
Property tax	102,645.60
In lieu of tax	4,595.95
Pro rate	268.94
Homestead exemption	5,757.18
Property tax credit	4,744.76
Personal property tax credit	416.17
	118,428.60
Total Receipts	118,428.60
Total Available Resources	257,215.24
<u>Disbursements</u>	
Bond principal	140,000.00
Bond interest	20,020.00
Fees	400.00
	160,420.00
Total Disbursements	160,420.00
Ending balance	\$ 96,795.24

VILLAGE OF EAGLE
Eagle, Nebraska
DEPARTMENTAL ANALYSIS OF PROPRIETARY FUND RECEIPTS AND DISBURSEMENTS
For the Year Ended September 30, 2020

	Proprietary Fund		
	Sewer	Water	Total
Beginning Balance	\$ 700,542.13	\$ 263,136.70	\$ 963,678.83
<u>Receipts</u>			
Charges for services	280,987.82	86,256.59	367,244.41
Sales tax	17,043.94	4,807.26	21,851.20
Interest income	1,629.32	2,094.28	3,723.60
Licenses, fees and permits		400.00	400.00
Miscellaneous	11,114.03	9,628.61	20,742.64
Total Receipts	310,775.11	103,186.74	413,961.85
Total Available Resources	1,011,317.24	366,323.44	1,377,640.68
<u>Disbursements</u>			
Salaries	10,937.97	20,993.36	31,931.33
Payroll taxes	936.53	1,796.59	2,733.12
Employee benefits	2,838.99	5,780.01	8,619.00
Contract labor	67,937.00	4,400.00	72,337.00
Miscellaneous	155.17	155.22	310.39
Dues and subscriptions	2,913.68	3,088.68	6,002.36
Education		320.00	320.00
Sales tax	17,225.00	4,858.30	22,083.30
Equipment repairs	909.67	49.73	959.40
Licenses, fees and permits		8.25	8.25
Professional fees		9,100.00	9,100.00
Repairs and maintenance	978.35	11,127.72	12,106.07
Supplies	2,712.84	3,533.03	6,245.87
Telephone	1,735.99		1,735.99
Testing		2,610.00	2,610.00
Utilities	13,457.89	8,957.15	22,415.04
Other capital outlay		10,375.13	10,375.13
Capital outlay	17,235.05		17,235.05
Note principal		5,438.74	5,438.74
Note interest		2,213.68	2,213.68
Bond principal	10,000.00		10,000.00
Bond interest	1,852.50		1,852.50
Fees	400.00		400.00
Total Disbursements	152,226.63	94,805.59	247,032.22
Ending Balance	\$ 859,090.61	\$ 271,517.85	\$ 1,130,608.46

Mierau & Co., P.C.

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Eagle
Eagle, 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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Eagle (the Village), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon, dated March 26, 2021. Our report disclosed that, as described in Note A to the financial statements, the Village prepared its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify one certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2020-1.

Compliance and Other Matters

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

Village of Eagle's Response to Findings

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Mjirau & Co., A.C.

York, Nebraska
March 26, 2021

VILLAGE OF EAGLE
Eagle, Nebraska
SCHEDULE OF FINDINGS AND RESPONSES
September 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unmodified opinion on the financial statements of the Village of Eagle.
2. One significant deficiency was disclosed during our audit of the financial statements of the Village of Eagle.
3. No instances of noncompliance material to the financial statements of the Village of Eagle were disclosed during the audit.

B. FINDING

SIGNIFICANT DEFICIENCY

2020-1 Segregation of Duties

Condition: 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.

Criteria: According to SAS No. 55, the Village should assign different people the responsibilities of authorizing and recording transactions and controlling assets to reduce the opportunity of any person to be in a position to perpetrate and conceal errors or fraud in the normal course of his or her duties.

Cause: The Village has a limited number of staff.

Effect: Due to the lack of segregation of duties in this area, cash may be subject to misappropriation.

Recommendation: The size of the Village's accounting and administrative staff precludes certain internal control that would be preferred if the office staff were large enough to provide optimum segregation of duties. We suggest that the Village Board remain involved in the financial affairs of the Village to provide oversight and independent review functions.

Response: We concur with the finding. Due to the size and resources of our Village, proper segregation of duties cannot be obtained. We will, however, remain involved in the financial affairs of our Village to provide oversight and independent review functions.

VILLAGE OF EAGLE
Eagle, Nebraska
SCHEDULE OF PRIOR YEAR FINDINGS
September 30, 2020

2019-1 FINDING

Segregation of Duties

Condition: 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.

Criteria: According to SAS No. 55, the Village should assign different people the responsibilities of authorizing and recording transactions and controlling assets to reduce the opportunity of any person to be in a position to perpetrate and conceal errors or fraud in the normal course of his or her duties.

Cause: The Village has a limited number of staff.

Effect: Due to the lack of segregation of duties in this area, cash may be subject to misappropriation.

Recommendation: The size of the Village's accounting and administrative staff precludes certain internal control that would be preferred if the office staff were large enough to provide optimum segregation of duties. We suggest that the Village Board remain involved in the financial affairs of the Village to provide oversight and independent review functions.

Response: We concur with the finding. Due to the size and resources of our Village, proper segregation of duties cannot be obtained. We will, however, remain involved in the financial affairs of our Village to provide oversight and independent review functions.

Current Status: See Finding 2020-1.