

CITY OF GENEVA, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva, Nebraska as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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 accounting principles generally accepted in the United States of America; this includes 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 entity'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 entity'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.

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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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva, Nebraska, as of September 30, 2021, 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.

Other Matters

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 54-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Geneva, Nebraska's basic financial statements. The nonmajor fund combining statements and statement of revenues and expenditures by General Fund department are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described above 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 23, 2022, on our consideration of the City of Geneva, 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 Geneva'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 Geneva, Nebraska's internal control over financial reporting and compliance.

AMGL, PC

Grand Island, Nebraska

March 23, 2022

**CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the City of Geneva, we offer readers of the City of Geneva financial statements this narrative overview and analysis of the financial activities of the City of Geneva for the fiscal year ended September 30, 2021.

Financial Highlights

- The assets of the City of Geneva exceeded its liabilities at the close of the most recent fiscal year by \$11,448,551 (*net position*). Of this amount, \$2,718,032 (*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 Geneva governmental funds reported combined ending net position of \$5,847,789. Approximately 22.0 percent of this total amount, \$1,285,801, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$665,229, or 19.6 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Geneva's basic financial statements. The City of Geneva'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 Geneva's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Geneva'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 Geneva 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 GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Both of the government-wide financial statements distinguish functions of the City of Geneva 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 Geneva include general government, public safety, highways and streets, economic and community development, and environment and leisure. The business-type activities of the City of Geneva include the Water and Sewer Enterprise Funds.

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 Geneva, 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 Geneva 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 Geneva maintains six 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 Debt Service Fund, and the Capital Projects Fund all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Geneva adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, Debt Service, and the Capital Projects Funds to demonstrate compliance with this budget.

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

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

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

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 23-53 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 Geneva's budgetary comparison schedules. Required supplementary information can be found on pages 54-58 of this report.

The nonmajor governmental funds combining statements and the statement of General Fund revenue and expenditures by department can be found on pages 59-62.

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 Geneva, assets exceeded liabilities by \$11,448,551 at the close of the most recent fiscal year.

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Summary Statement of Net Position

	September 30, 2021			September 30, 2020		
	Governmental	Business-type		Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Current and Other Assets	\$ 3,671,948	\$ 1,706,411	\$ 5,378,359	\$ 3,400,036	\$ 1,316,400	\$ 4,716,436
Capital Assets	11,010,544	5,363,933	16,374,477	10,578,909	5,563,275	16,142,184
Total Assets	14,682,492	7,070,344	21,752,836	13,978,945	6,879,675	20,858,620
Long-term Liabilities	6,443,018	1,245,000	7,688,018	6,692,896	1,665,000	8,357,896
Other Liabilities	2,391,685	224,582	2,616,267	694,690	274,576	969,266
Total Liabilities	8,834,703	1,469,582	10,304,285	7,387,586	1,939,576	9,327,162
Net Position:						
Net Investment in						
Capital Assets	2,598,601	3,983,933	6,582,534	3,466,358	3,713,275	7,179,633
Restricted	1,963,387	184,598	2,147,985	2,115,700	-	2,115,700
Unrestricted	1,285,801	1,432,231	2,718,032	1,009,301	1,226,824	2,236,125
Total Net Position	\$ 5,847,789	\$ 5,600,762	\$ 11,448,551	\$ 6,591,359	\$ 4,940,099	\$ 11,531,458

The largest portion of the City of Geneva's net position (57.5 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 Geneva uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Geneva'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 Geneva's net position (18.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,718,032) 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 Geneva is able to report positive balances in all three categories of net position for the government as a whole and for its separate governmental and business-type activities.

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Expenses and Program Revenues – Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 17,872	\$ 473,765	\$ 449,774	\$ 557,430
Public Safety	38,456	249,856	847,781	255,734
Public Works	19,395	298,673	23,075	533,598
Environment and Leisure	339,925	857,388	241,661	718,605
Economic and Community Development	-	295,949	-	337,360
Interest	-	231,843	-	201,346
Depreciation	-	551,038	-	366,944
	<u>415,648</u>	<u>2,958,512</u>	<u>1,562,291</u>	<u>2,971,017</u>
Transfers Out	-	498,725	-	301,910
Total	<u>\$ 415,648</u>	<u>\$ 3,457,237</u>	<u>\$ 1,562,291</u>	<u>\$ 3,272,927</u>

Revenues by Source – Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 297,777	10.97 %	\$ 140,505	2.86 %
Operating Grants and Contributions	117,871	4.34	528,427	10.77
Capital Grants and Contributions	-	-	893,359	18.22
Property Taxes	1,264,979	46.61	1,034,939	21.10
Motor Vehicle Taxes	56,888	2.10	55,268	1.13
Sales Tax	864,833	31.87	787,020	16.05
Franchise Taxes	425,206	15.67	528,223	10.77
Occupation Taxes	3,374	0.12	825	0.02
TIF Proceeds	214,939	7.92	199,924	4.08
State Allocation	480,461	17.71	432,312	8.81
Special Assessments	123,374	4.55	78,734	1.61
Lottery Proceeds	29,002	1.07	17,637	0.36
Miscellaneous	153,762	5.67	102,502	2.09
Loss on Disposal of Equipment	(1,426,117)	(52.55)	-	-
Interest	107,318	3.95	104,382	2.13
Total	<u>\$ 2,713,667</u>	<u>100.00 %</u>	<u>\$ 4,904,057</u>	<u>100.00 %</u>

Net position decreased \$743,570 in the governmental funds during the year ended September 30, 2021.

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

Business-type activities. Business-type activities increased the City of Geneva's net position by \$660,663. Key elements of this increase are as follows:

Expenses and Program Revenues – Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 542,412	\$ 373,127	\$ 284,173	\$ 311,283
Sewer	456,540	463,887	451,602	474,079
Total	<u>\$ 998,952</u>	<u>\$ 837,014</u>	<u>\$ 735,775</u>	<u>\$ 785,362</u>

Revenues by Source – Business-type Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 814,354	54.37 %	\$ 735,775	70.91 %
Grants and Contributions	184,598	12.33	-	-
Transfers In	498,725	33.30	301,910	29.09
Total	<u>\$ 1,497,677</u>	<u>100.00 %</u>	<u>\$ 1,037,685</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Geneva'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 Geneva'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 Geneva's governmental funds reported combined ending fund balances of \$2,882,682. Approximately 10.3 percent of this total amount (\$297,458) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted for debt service (\$1,393,106), 2) restricted for community betterment (\$167,911), 3) restricted for economic development (\$402,370), or 4) assigned for capital projects (\$621,837).

The General Fund is the chief operating fund of the City of Geneva. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$665,229, while total fund

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

balance was \$1,235,510. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 19.6 percent of total General Fund expenditures, while total fund balance represents 36.3 percent of the same amount.

The fund balance of the City of Geneva's General Fund decreased by \$(358,461), the Street Fund increased by \$317,721, the Debt Service Fund decreased by \$(35,029), and the Capital Projects Fund increased by \$149,253 during the current fiscal year.

Proprietary funds. The City of Geneva'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 were as follows: Water Fund – \$672,639 and Sewer Fund – \$759,592. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$169,285 and Sewer Fund – increase of \$491,378. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Geneva's business-type activities.

Budgetary Highlights

The budget was amended to increase Debt Service Fund appropriations by \$2,000,00 for bond refundings for the year ended September 30, 2021.

Capital Asset and Debt Administration

Capital Assets. The City of Geneva's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$16,374,477 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events (individually greater than \$20,000) during the current fiscal year included the following:

- Highway 81 development - \$1,611,058
- 17th, 18th and G Street improvements - \$1,269,795
- 7th Street gutter - \$21,339
- Library sound system - \$29,401
- Bandstand improvements construction in progress - \$20,000
- 17th, 18th and G Street water main - \$108,213

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

City of Geneva's Capital Assets
(net of depreciation)

	Year Ended September 30, 2021			Year Ended September 30, 2020		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
Land	\$ 108,236	\$ 56,689	\$ 164,925	\$ 108,236	\$ 56,689	\$ 164,925
Construction in Progress	20,000	-	20,000	2,734,998	-	2,734,998
Buildings and Improvements	10,639,651	5,289,920	15,929,571	7,429,509	5,477,178	12,906,687
Machinery and Equipment	155,086	17,324	172,410	193,717	29,408	223,125
Vehicles	87,571	-	87,571	112,449	-	112,449
Total	<u>\$ 11,010,544</u>	<u>\$ 5,363,933</u>	<u>\$ 16,374,477</u>	<u>\$ 10,578,909</u>	<u>\$ 5,563,275</u>	<u>\$ 16,142,184</u>

Additional information on the City of Geneva's capital assets can be found in Note C5 on pages 42-44 of this report.

Long-term debt. At the end of the current fiscal year, the City of Geneva had total bonded debt and notes payable outstanding of \$9,791,943.

City of Geneva's Outstanding Debt

	Year Ended September 30, 2021			Year Ended September 30, 2020		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
Bonds Payable	\$ 8,379,047	\$ 1,380,000	\$ 9,759,047	\$ 7,075,000	\$ 1,850,000	\$ 8,925,000
Capital Lease Payable	32,896	-	32,896	37,551	-	37,551
Total	<u>\$ 8,411,943</u>	<u>\$ 1,380,000</u>	<u>\$ 9,791,943</u>	<u>\$ 7,112,551</u>	<u>\$ 1,850,000</u>	<u>\$ 8,962,551</u>

The City of Geneva's total debt increased by \$829,392 (9.3 percent) during the current fiscal year, due to the issuance of bonds for projects.

The City of Geneva does not have a bond rating.

Additional information on the City of Geneva's long-term debt can be found in Note C7 on pages 45-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property tax asking for the year ending September 30, 2022, is \$885,909, a decrease of \$209,909 (19.2 percent) from the prior year. The general tax asking was \$442,509, a

CITY OF GENEVA, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2021

decrease of \$74,650 (14.4 percent) from the prior year. The debt service tax asking was \$443,400, a decrease of \$135,259 (23.4 percent) from the prior year.

- The City's taxable valuation for 2021-2022 was \$132,092,179, a decrease of \$40,294,245 (23.4 percent) from the prior year.
- The City's general property tax levy for 2021-2022 was \$0.335000, an increase of \$0.03500 (11.7 percent) from the prior year. The debt service tax levy was \$.335674, a decrease of \$.000001 from the prior year.

All of these factors were considered in preparing the City of Geneva's budget for the 2022 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City of Geneva'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 Geneva, P.O. Box 409, Geneva, NE 68361.

CITY OF GENEVA, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 844,658	\$ 1,381,903	\$ 2,226,561
County treasurer cash	29,283	-	29,283
Receivables:			
Accounts	-	80,925	80,925
Unbilled revenue	-	30,802	30,802
Current portion of notes receivable	84,151	-	84,151
Property tax	5,552	-	5,552
Sales tax	140,509	-	140,509
Franchise fee	42,310	-	42,310
Special assessments	279,743	9,758	289,501
Inventory	-	18,425	18,425
Total current assets	1,426,206	1,521,813	2,948,019
Noncurrent assets:			
Restricted cash and cash equivalents	1,963,387	184,598	2,147,985
Noncurrent portion of notes receivable	282,355	-	282,355
Capital assets:			
Land	108,236	56,689	164,925
Construction in progress	20,000	-	20,000
Depreciable capital assets, net of depreciation	10,882,308	5,307,244	16,189,552
Net capital assets	11,010,544	5,363,933	16,374,477
Total noncurrent assets	13,256,286	5,548,531	18,804,817
Total assets	14,682,492	7,070,344	21,752,836
LIABILITIES			
Current liabilities:			
Accounts payable	63,328	24,392	87,720
Accrued expenses	79,689	26,889	106,578
Customer deposits	-	28,543	28,543
Unavailable revenue	279,743	9,758	289,501
Current portion of long-term obligations	1,968,925	135,000	2,103,925
Total current liabilities	2,391,685	224,582	2,616,267
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	6,443,018	1,245,000	7,688,018
Total liabilities	8,834,703	1,469,582	10,304,285
NET POSITION			
Net investment in capital assets	2,598,601	3,983,933	6,582,534
Restricted for:			
Debt service	1,393,106	-	1,393,106
Community betterment	167,911	-	167,911
Economic development	402,370	-	402,370
Federal programs	-	184,598	184,598
Unrestricted	1,285,801	1,432,231	2,718,032
Total net position	<u>\$ 5,847,789</u>	<u>\$ 5,600,762</u>	<u>\$ 11,448,551</u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 473,765	\$ -	\$ 17,872
Public safety	249,856	27,681	10,775
Public works	298,673	18,870	525
Environment and leisure	857,388	251,226	88,699
Economic and community development	295,949	-	-
Interest and fees on long-term debt	231,843	-	-
Depreciation - unallocated	551,038	-	-
Total governmental activities	<u>2,958,512</u>	<u>297,777</u>	<u>117,871</u>
Business-type activities:			
Water	373,127	357,814	-
Sewer	463,887	456,540	-
Total business-type activities	<u>837,014</u>	<u>814,354</u>	<u>-</u>
Total primary government	<u>\$ 3,795,526</u>	<u>\$ 1,112,131</u>	<u>\$ 117,871</u>

See notes to financial statements.

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (455,893)		\$ (455,893)
-	(211,400)		(211,400)
-	(279,278)		(279,278)
-	(517,463)		(517,463)
-	(295,949)		(295,949)
-	(231,843)		(231,843)
-	(551,038)		(551,038)
-	(2,542,864)	\$ -	(2,542,864)
184,598	-	169,285	169,285
-	-	(7,347)	(7,347)
184,598	-	161,938	161,938
<u>\$ 184,598</u>	<u>(2,542,864)</u>	<u>161,938</u>	<u>(2,380,926)</u>
General revenues:			
Taxes:			
Property	1,264,979	-	1,264,979
Motor vehicle	56,888	-	56,888
Sales tax	864,833	-	864,833
Franchise	425,206	-	425,206
Occupation	3,374	-	3,374
TIF proceeds	214,939	-	214,939
State allocation	480,461	-	480,461
Special assessments	123,374	-	123,374
Lottery proceeds	29,002	-	29,002
Miscellaneous	153,762	-	153,762
Loss on disposal of equipment	(1,426,117)	-	(1,426,117)
Interest income	107,318	-	107,318
Interfund transfers	(498,725)	498,725	-
Total general revenues	<u>1,799,294</u>	<u>498,725</u>	<u>2,298,019</u>
Change in net position	(743,570)	660,663	(82,907)
Net position - September 30, 2020	<u>6,591,359</u>	<u>4,940,099</u>	<u>11,531,458</u>
Net position - September 30, 2021	<u>\$ 5,847,789</u>	<u>\$ 5,600,762</u>	<u>\$ 11,448,551</u>

CITY OF GENEVA, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	<u>General</u>	<u>Street</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 798,812	\$ -	\$ 1,417,908	\$ 591,325	\$ -	\$ -	\$ 2,808,045
County treasurer cash	15,974	-	13,309	-	-	-	29,283
Receivables:							
Property tax	3,260	-	2,292	-	-	-	5,552
Sales tax	91,536	18,461	-	30,512	-	-	140,509
Franchise fee	42,310	-	-	-	-	-	42,310
Special assessments	-	-	279,743	-	-	-	279,743
Due from other funds	355,202	-	-	-	-	(355,202)	-
Total assets	<u><u>\$ 1,307,094</u></u>	<u><u>\$ 18,461</u></u>	<u><u>\$ 1,713,252</u></u>	<u><u>\$ 621,837</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (355,202)</u></u>	<u><u>\$ 3,305,442</u></u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 46,572	\$ 16,756	\$ -	\$ -	\$ -	\$ -	\$ 63,328
Due to other funds	-	355,202	-	-	-	(355,202)	-
Payroll withholdings	1,056	-	-	-	-	-	1,056
Accrued payroll	23,956	13,484	-	-	-	-	37,440
Accrued interest payable	-	790	40,403	-	-	-	41,193
Unavailable revenue	-	-	279,743	-	-	-	279,743
Total liabilities	<u>71,584</u>	<u>386,232</u>	<u>320,146</u>	<u>-</u>	<u>-</u>	<u>(355,202)</u>	<u>422,760</u>
Fund balances:							
Restricted for:							
Debt service	-	-	1,393,106	-	-	-	1,393,106
Community betterment	167,911	-	-	-	-	-	167,911
Economic development	402,370	-	-	-	-	-	402,370
Assigned for:							
Capital projects	-	-	-	621,837	-	-	621,837
Unassigned	665,229	(367,771)	-	-	-	-	297,458
Total fund balances	<u>1,235,510</u>	<u>(367,771)</u>	<u>1,393,106</u>	<u>621,837</u>	<u>-</u>	<u>-</u>	<u>2,882,682</u>
Total liabilities and fund balances	<u><u>\$ 1,307,094</u></u>	<u><u>\$ 18,461</u></u>	<u><u>\$ 1,713,252</u></u>	<u><u>\$ 621,837</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (355,202)</u></u>	<u><u>\$ 3,305,442</u></u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA

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

September 30, 2021

Total fund balances - governmental funds \$ 2,882,682

Amounts reported for *governmental activities* in the
statement of net position are different because:

Notes receivable are not recorded as an asset in the fund
financial statements. 366,506

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 \$16,035,514
and the accumulated depreciation is \$5,024,970. 11,010,544

Long-term liabilities, including bonds and capital lease payable,
are not due and payable in the current period and therefore
are not reported as liabilities in the fund financial statements.
Long-term liabilities at year end consist of:

Bonds payable	\$ (8,379,047)	
Capital lease payable	<u>(32,896)</u>	<u>(8,411,943)</u>

Total net position - governmental activities \$ 5,847,789

See notes to financial statements.

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

For the Year Ended September 30, 2021

	<u>General</u>	<u>Street</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 600,337	\$ -	\$ 664,642	\$ -	\$ -	\$ 1,264,979
Motor vehicle	-	56,888	-	-	-	56,888
Sales tax	560,160	117,953	-	186,720	-	864,833
Franchise	425,206	-	-	-	-	425,206
Occupation	3,374	-	-	-	-	3,374
TIF proceeds	-	-	-	214,939	-	214,939
Intergovernmental	50,392	377,080	52,989	-	-	480,461
Special assessments	-	-	123,374	-	-	123,374
Charges for services	290,323	-	-	-	-	290,323
Rental and fees	7,454	-	-	-	-	7,454
Licenses and permits	4,102	-	-	-	-	4,102
Grants and donations	117,871	-	-	-	-	117,871
Lottery proceeds	29,002	-	-	-	-	29,002
Interest income	59,197	-	-	13,934	-	73,131
Loan collections	214,592	-	-	-	-	214,592
Bond proceeds	-	-	3,350,000	1,900,000	-	5,250,000
Sale of property	574,386	-	-	-	-	574,386
Other income	106,113	3,968	35,720	3,859	-	149,660
Total revenues	3,042,509	555,889	4,226,725	2,319,452	-	10,144,575
EXPENDITURES						
General government	473,765	-	-	-	-	473,765
Public safety	249,856	-	-	-	-	249,856
Public works	95,841	202,832	-	-	-	298,673
Environment and leisure	857,388	-	-	-	-	857,388
Economic and community development	56,244	-	-	239,705	-	295,949
Capital outlay	1,667,876	28,989	16,516	1,269,795	-	2,983,176
Bond issuance costs	-	-	48,150	25,050	-	73,200
Principal payments on debt	-	4,655	3,545,000	400,953	-	3,950,608
Interest on long-term debt	-	1,692	153,393	3,558	-	158,643
Total expenditures	3,400,970	238,168	3,763,059	1,939,061	-	9,341,258
Excess (deficiency) of revenues over expenditures	(358,461)	317,721	463,666	380,391	-	803,317
OTHER FINANCING USES						
Transfers to other funds	-	-	(498,725)	(231,138)	231,138	(498,725)
Net change in fund balances	(358,461)	317,721	(35,059)	149,253	231,138	304,592
Fund balances - September 30, 2020	1,593,971	(685,492)	1,428,165	472,584	(231,138)	2,578,090
Fund balances - September 30, 2021	\$ 1,235,510	\$ (367,771)	\$ 1,393,106	\$ 621,837	\$ -	\$ 2,882,682

See notes to financial statements.

CITY OF GENEVA, 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, 2021

Total net change in fund balances - governmental funds	\$ 304,592
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Payments on notes receivable are reported in the governmental funds as revenue, but the payments decrease notes receivable in the statement of net position.	(180,405)
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 (\$2,983,176) exceeds depreciation expense (\$551,038) during the period.	2,432,138
Basis remaining on capital asset disposals does not impact the fund financial statements. However, the remaining basis is reported as a loss on disposal of capital assets in the statement of activities.	(2,000,503)
Bond proceeds are reported as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(5,250,000)
Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,950,608
Change in net position of governmental activities	<u><u>\$ (743,570)</u></u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2021

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 651,671	\$ 730,232	\$ 1,381,903
Receivables:			
Accounts	41,761	39,164	80,925
Unbilled revenue	15,151	15,651	30,802
Special assessments	-	9,758	9,758
Inventory	12,300	6,125	18,425
Total current assets	<u>720,883</u>	<u>800,930</u>	<u>1,521,813</u>
Noncurrent assets:			
Restricted cash and cash equivalents	184,598	-	184,598
Capital assets:			
Land	8,000	48,689	56,689
Buildings and improvements	2,965,871	8,850,184	11,816,055
Equipment	254,265	85,524	339,789
Less accumulated depreciation	<u>(2,388,643)</u>	<u>(4,459,957)</u>	<u>(6,848,600)</u>
Net capital assets	<u>839,493</u>	<u>4,524,440</u>	<u>5,363,933</u>
Total noncurrent assets	<u>1,024,091</u>	<u>4,524,440</u>	<u>5,548,531</u>
Total assets	<u>1,744,974</u>	<u>5,325,370</u>	<u>7,070,344</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,472	18,920	24,392
Accrued payroll	11,617	9,359	20,976
Payroll withholdings	-	689	689
Sales tax payable	2,612	2,612	5,224
Customer deposits	28,543	-	28,543
Unavailable revenue	-	9,758	9,758
Current portion of long-term obligations	<u>-</u>	<u>135,000</u>	<u>135,000</u>
Total current liabilities	<u>48,244</u>	<u>176,338</u>	<u>224,582</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	<u>-</u>	<u>1,245,000</u>	<u>1,245,000</u>
Total noncurrent liabilities	<u>-</u>	<u>1,245,000</u>	<u>1,245,000</u>
Total liabilities	<u>48,244</u>	<u>1,421,338</u>	<u>1,469,582</u>
NET POSITION			
Net investment in capital assets	839,493	3,144,440	3,983,933
Restricted	184,598	-	184,598
Unrestricted	672,639	759,592	1,432,231
Total net position	<u>\$ 1,696,730</u>	<u>\$ 3,904,032</u>	<u>\$ 5,600,762</u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA

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

For the Year Ended September 30, 2021

	Enterprise Funds		
	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 346,500	\$ 444,984	\$ 791,484
Other revenue	11,314	11,556	22,870
Total operating revenues	<u>357,814</u>	<u>456,540</u>	<u>814,354</u>
Operating expenses:			
Personnel services	207,576	112,789	320,365
Utilities and telephone	30,494	63,045	93,539
Repairs and maintenance	1,897	15,072	16,969
Contractual services	23,667	12,996	36,663
Supplies	9,868	14,550	24,418
Dues, memberships and training	731	1,541	2,272
Miscellaneous	3,923	4,117	8,040
Depreciation	94,971	212,584	307,555
Total operating expenses	<u>373,127</u>	<u>436,694</u>	<u>809,821</u>
Operating income (loss)	(15,313)	19,846	4,533
Nonoperating revenues (expenses):			
Grant income	184,598	-	184,598
Interest expense	-	(27,193)	(27,193)
Total nonoperating revenues (expenses)	<u>184,598</u>	<u>(27,193)</u>	<u>157,405</u>
Excess (deficiency) of revenues over expenditures before transfers	169,285	(7,347)	161,938
Other financing sources:			
Transfers from other funds	-	498,725	498,725
Change in net position	169,285	491,378	660,663
Net position - September 30, 2020	<u>1,527,445</u>	<u>3,412,654</u>	<u>4,940,099</u>
Net position - September 30, 2021	<u><u>\$ 1,696,730</u></u>	<u><u>\$ 3,904,032</u></u>	<u><u>\$ 5,600,762</u></u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 348,006	\$ 455,373	\$ 803,379
Payments to suppliers	(73,033)	(113,509)	(186,542)
Payments to employees	(204,400)	(110,857)	(315,257)
Net cash provided by operating activities	70,573	231,007	301,580
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	498,725	498,725
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of property and equipment	(108,213)	-	(108,213)
Grant proceeds	184,598	-	184,598
Principal payments on capital debt	-	(470,000)	(470,000)
Interest paid on capital debt	-	(28,724)	(28,724)
Net cash provided (used) by capital and related financing activities	76,385	(498,724)	(422,339)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in restricted cash and cash equivalents	(184,598)	-	(184,598)
Increase (decrease) in cash and cash equivalents	(37,640)	231,008	193,368
Cash and cash equivalents - beginning of the year	689,311	499,224	1,188,535
Cash and cash equivalents - end of the year	<u>\$ 651,671</u>	<u>\$ 730,232</u>	<u>\$ 1,381,903</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (15,313)	\$ 19,846	\$ 4,533
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	94,971	212,584	307,555
Change in assets and liabilities:			
Accounts receivable and unbilled revenue	(12,185)	(1,167)	(13,352)
Inventories	(1,370)	1,050	(320)
Accounts payable	(1,640)	(3,420)	(5,060)
Accrued payroll	3,176	1,243	4,419
Payroll withholdings	-	689	689
Sales tax payable	557	182	739
Customer deposits	2,377	-	2,377
Net cash provided by operating activities	<u>\$ 70,573</u>	<u>\$ 231,007</u>	<u>\$ 301,580</u>

See notes to financial statements.

CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Geneva, 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 Geneva, Nebraska, was incorporated in 1879. The City operates under a City Council form of government with an elected chief executive, 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 on 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; parks; recreation; urban development; water and sanitary sewer systems and general administrative services.

The City's financial reporting entity comprises the following:

Primary Government:	City of Geneva
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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 GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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. Currently, the City has no discretely presented component units.

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 except for fiduciary funds. 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.

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:

CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten 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.

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 from the collection of sales tax.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Debt Service Fund

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

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:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
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.
Capital Projects	See page 26 for description.
Debt Service	See page 27 for description.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

Proprietary:

Enterprise:

Water and Sewer

See page 27 for description.

Nonmajor:

Special Revenue:

CDBG

Accounts for the City's share of Community Development Block Grant Program.

Paving District

The Paving District Fund is a Special Revenue Fund that accounts for taxes levied and bonds proceeds for the paving district.

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:

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

- 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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities 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 and fiduciary 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 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.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Cash and Investments

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 not yet remitted to the City.

Investments are carried at fair value. Fair value is based on quoted market price. 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 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 compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The City has not recorded an allowance for uncollectible accounts.

CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Restricted Assets

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

Inventory

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

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 are capitalized and reported in the Statement of Net Position. The City has a \$1,000 capitalization threshold. All 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:

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Government-wide Statements, continued

Buildings	20-50 years
Improvements	10-50 years
Machinery and Equipment	3-20 years
Utility System	25-50 years

The governmental funds infrastructure assets are capitalized under the prospective method, valued at 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

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The total liability for these compensated absences is recorded as a current liability in the government-wide and the fund financial statements for the governmental funds and proprietary funds.

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 GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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 bonds and notes payable.

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.”

Fund Financial Statements

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

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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.

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a two-cent sales tax on taxable sales within the City. The sales tax is to be used for the following purposes:

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Sales and Use Tax, continued

- 1/2 cent – Economic development
- 3/4 cent – General property tax relief
- 1/4 cent – Community betterment
- 1/2 cent – Aquatic center debt service

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. Seventy-five percent of the sales tax is recorded in the General Fund and used for budgeted operating expenses, economic development and community betterment. The remaining twenty-five percent is recorded in the Capital Projects Fund and used for aquatic center debt service. Sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

Sales taxes collected by the State in August and September and received by the City in October and November have been accrued and are included in receivables.

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 Fillmore County are certified by the County Board on or before October 15. 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 2020-2021 are recorded as revenue when expected to be collected within 60 days after September 30, 2021. 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.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

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.

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 Funds – by Operating and Nonoperating

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

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

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: General, Special Revenue, Debt Service and Capital Projects Funds.

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.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

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.

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 20, 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 15. 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.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- 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 Geneva adopts a budget by ordinance for all fund types.

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

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, 2021. 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.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits	\$ 5,296,157	\$ 4,972,805	\$ 323,352	\$ -	\$ <u>4,374,546</u>

CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

1. Cash, continued

Deposits, continued

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 2,226,561
Restricted cash and cash equivalents	<u>2,147,985</u>
	<u>\$ 4,374,546</u>

2. Restricted Assets

The restricted assets as of September 30, 2021, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	<u>\$ 1,963,387</u>	<u>\$ 184,598</u>	<u>\$ 2,147,985</u>

The governmental activities' restricted assets as of September 30, 2021, consisted of \$167,911 in the General Fund restricted for community betterment, \$402,370 in the General Fund restricted for economic development, and \$1,393,106 in the Debt Service Fund restricted for debt service.

The business-type activities restricted assets as of September 30, 2021, consisted of \$184,598 in the Water Fund restricted for federal programs.

3. Accounts Receivable

Accounts receivable of the business-type activities consist of utilities receivable. At September 30, 2021, no allowance for uncollectible accounts had been recorded.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Notes Receivable

The General Fund has made nine sales tax loans. Notes receivable at September 30, 2021, consisted of the following:

Note for \$70,000 dated June 1, 2007; due in 180 monthly payments of \$522.18 through June 1, 2022; bearing interest at 4.13 percent.	\$ 2,843
Note for \$100,000 dated November 15, 2010; due in 180 monthly payments of \$699.27 through November 15, 2025; bearing interest at 3.18 percent.	32,717
Note for \$250,000 dated April 29, 2014; due in 120 monthly payments of \$2,472.21 through May 15, 2024; bearing interest at 3.50 percent.	87,069
Note for \$36,000 dated August 10, 2015; due in 120 monthly payments of \$356.00 through August 15, 2025; bearing interest at 3.50 percent.	15,643
Note for \$50,000 dated October 1, 2016; due in 84 monthly payments of \$660.67 through October 15, 2023; bearing interest at 3.00 percent.	-
Note for \$71,280 dated June 26, 2017; due in 84 monthly payments of \$958.01 through July 15, 2024; bearing interest at 3.50 percent.	34,801
Note for \$80,000 dated October 13, 2017; due in 60 monthly payments of \$1,455.36 through November 15, 2022; bearing interest at 3.50 percent.	-
Note for \$222,000 dated March 14, 2019; due in 60 monthly payments of \$4,033.32 through March 15, 2024; bearing interest at 3.40 percent.	38,868

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

4. Notes Receivable, continued

Note for \$170,000 dated January 22, 2020; due in 180 monthly payments of \$1,173.99 through January 15, 2035; bearing interest at 3.00 percent.

154,565

Total governmental activities notes receivable

\$ 366,506

Current portion

\$ 84,151

Noncurrent portion

282,355

Total

\$ 366,506

5. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	<u>Balance at October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at September 30, 2021</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 108,236	\$ -	\$ -	\$ -	\$ 108,236
Construction in progress	<u>2,734,998</u>	<u>2,924,786</u>	<u>(339,600)</u>	<u>(5,300,184)</u>	<u>20,000</u>
Total capital assets not being depreciated	2,843,234	2,924,786	(339,600)	(5,300,184)	128,236
Other capital assets being depreciated:					
Building and improvements	9,545,475	50,740	(1,655,958)	5,300,184	13,240,441
Equipment	2,116,279	-	(12,024)	-	2,104,255
Vehicles	<u>583,323</u>	<u>7,650</u>	<u>(28,391)</u>	<u>-</u>	<u>562,582</u>
Total other capital assets at historical cost	12,245,077	58,390	(1,696,373)	5,300,184	15,907,278
Less accumulated depreciation for:					
Building and improvements	(2,115,966)	(484,824)	-	-	(2,600,790)
Equipment	(1,922,562)	(33,686)	7,079	-	(1,949,169)
Vehicles	<u>(470,874)</u>	<u>(32,528)</u>	<u>28,391</u>	<u>-</u>	<u>(475,011)</u>
Total accumulated depreciation	<u>(4,509,402)</u>	<u>(551,038) *</u>	<u>35,470</u>	<u>-</u>	<u>(5,024,970)</u>
Other capital assets, net	<u>7,735,675</u>	<u>(492,648)</u>	<u>(1,660,903)</u>	<u>5,300,184</u>	<u>10,882,308</u>
Governmental activities capital assets, net	<u>\$ 10,578,909</u>	<u>\$ 2,432,138</u>	<u>\$ (2,000,503)</u>	<u>\$ -</u>	<u>\$ 11,010,544</u>

CITY OF GENEVA, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

5. Capital Assets, continued

* Depreciation expense was incurred by the following governmental activities:

General Fund:

General government	\$ 55,093
Public safety	140,656
Public works	2,203
Environment and leisure	<u>129,532</u>
Total General Fund	327,484
Street Fund	<u>223,554</u>
Total governmental activities depreciation expense	\$ <u>551,038</u>

Construction in progress at September 30, 2021, consists of \$20,000 of costs for the bandstand improvement project. There are no commitments on this project.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

5. Capital Assets, continued

	Balance at October 1, 2020	Additions	Disposals	Balance at September 30, 2021
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 56,689	\$ -	\$ -	\$ 56,689
Other capital assets being depreciated:				
Buildings and improvements	11,707,842	108,213	-	11,816,055
Equipment	340,148	-	(359)	339,789
Total other capital assets at historical cost	12,047,990	108,213	(359)	12,155,844
Less accumulated depreciation for:				
Buildings and improvements	(6,230,664)	(295,471)	-	(6,526,135)
Equipment	(310,740)	(12,084)	359	(322,465)
Total accumulated depreciation	(6,541,404)	(307,555) *	359	(6,848,600)
Other capital assets, net	5,506,586	(199,342)	-	5,307,244
Business-type activities capital assets, net	<u>\$ 5,563,275</u>	<u>\$ (199,342)</u>	<u>\$ -</u>	<u>\$ 5,363,933</u>

* Depreciation expense was charged to functions as follows:

Water	\$ 94,971
Sewer	<u>212,584</u>
Total business-type activities depreciation expense	<u>\$ 307,555</u>

6. Accounts Payable

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

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. 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, 2021:

<u>Type of Debt</u>	<u>Balance at October 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and note payable	\$ 7,075,000	\$ 5,250,000	\$(3,945,953)	\$ 8,379,047	\$ 1,964,047
Capital lease	37,551	-	(4,655)	32,896	4,878
	<u>\$ 7,112,551</u>	<u>\$ 5,250,000</u>	<u>\$(3,950,608)</u>	<u>\$ 8,411,943</u>	<u>\$ 1,968,925</u>
Business-type Activities:					
Bonds payable	<u>\$ 1,850,000</u>	<u>\$ -</u>	<u>\$ (470,000)</u>	<u>\$ 1,380,000</u>	<u>\$ 135,000</u>

Governmental Activities

As of September 30, 2021, the governmental long-term liabilities consisted of the following:

Bonds and note payable:

General obligation refunding bonds, Series 2021, with an original issue amount of \$3,350,000. Interest rates range from 0.40 percent to 1.85 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2036. Paid by the Debt Service Fund.

\$ 3,350,000

Bond anticipation notes, Series 2020, with an original issue amount of \$1,700,000. Interest rate is 0.45 percent. Principal and interest are due November 20, 2021. Paid by the Debt Service Fund.

1,499,047

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. Long-term Debt, continued

Governmental Activities, continued

Bonds and note payable, continued:

General obligation, Series 2016, with an original issue amount of \$4,015,000. Interest rates range from 0.85 percent to 3.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2036. Paid by the Debt Service Fund. These bonds were refunded during the year ended September 30, 2021.

-

TIF note, Series 2021, with an original issue amount of \$200,000. Interest rate is 0.80 percent. Interest is due in annual installments and principal is due December 15, 2023. Paid by the Capital Projects Fund. This note was paid off during the year ended September 30, 2021.

-

Public safety, Series 2019, with an original issue amount of \$1,015,000. Interest rates range from 1.65 percent to 3.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2040. Paid by the Debt Service Fund.

975,000

General obligation various purpose refunding, Series 2019, with an original issue amount of \$880,000. Interest rates range from 1.55 percent to 2.40 percent. Principal and interest are due in annual installments through August 15, 2032. Paid by the Debt Service Fund.

755,000

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. Long-term Debt, continued

Governmental Activities, continued

Bonds and note payable, continued:

General obligation various purpose, Series 2020, with an original issue amount of \$1,930,000. Interest rates range from 1.00 percent to 2.30 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2035. Paid by the Debt Service Fund.

1,800,000

Total bonds and notes payable

8,379,047

Capital lease:

Capital lease obligation due to Bell Bank Equipment Finance dated March 28, 2019, with original issue amount of \$48,450 to fund the purchase of a skid steer. Interest is at 4.70 percent with final maturity on March 28, 2024. Paid by the Street Fund.

32,896

Total bonds, note and capital lease payable

\$ 8,411,943

Current portion

\$ 1,968,925

Noncurrent portion

6,443,018

Total

\$ 8,411,943

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. Long-term Debt, continued

Business-type Activities

As of September 30, 2021, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds payable:

General obligation refunding bonds, Series 2014, with an original issue amount of \$2,905,000. Interest rates range from 0.55 percent to 2.90 percent. Principal and interest are due in semi-annual installments through October 1, 2021. These bonds were partially refunded during the year ended September 30, 2020. Paid by the Sewer Fund. These bonds were refunded during the year ended September 30, 2021.

\$ -

General obligation sewer bonds, Series 2013, with an original issue amount of \$351,000. Interest rates range from 0.50 percent to 3.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through December 15, 2023. Paid by the Sewer Fund. These bonds were refunded during the year ended September 30, 2021.

-

General obligation refunding bonds, Series 2020, with an original issue amount of \$1,395,000. Interest rates range from 1.35 percent to 1.60 percent. Principal and interest are due in semi-annual installments through October 1, 2026. Paid by the Sewer Fund.

1,380,000

Total business-type activity bonds payable

\$ 1,380,000

Current portion

\$ 135,000

Noncurrent portion

1,245,000

Total

\$ 1,380,000

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

7. Long-term Debt, continued

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2021, are as follows:

Year Ending September 30,	Governmental Activities				Business-type Activities	
	Direct Placement Debt		Other Debt Issues		Other Debt Issues	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,878	\$ 1,580	\$ 1,964,047	\$ 116,945	\$ 135,000	\$ 10,313
2023	5,112	1,346	485,000	99,889	275,000	17,822
2024	22,906	1,100	480,000	95,769	280,000	13,870
2025	-	-	435,000	91,490	285,000	9,705
2026	-	-	440,000	86,601	280,000	5,284
2027-2031	-	-	2,300,000	340,516	125,000	1,000
2032-2036	-	-	2,030,000	141,641	-	-
2037-2040	-	-	245,000	14,925	-	-
	<u>\$ 32,896</u>	<u>\$ 4,026</u>	<u>\$ 8,379,047</u>	<u>\$ 987,776</u>	<u>\$ 1,380,000</u>	<u>\$ 57,994</u>

8. Interfund Balances and Transactions

Interfund balances relate to negative pooled cash balances. At September 30, 2021, the Street Fund owed \$355,202 to the General Fund.

The Capital Projects Fund transferred \$61,311 to the CDBG Fund and \$169,827 to the Paving District Fund during the year ended September 30, 2021. The Debt Service Fund transferred \$498,725 to the Sewer Fund during the year ended September 30, 2021.

9. Fund Equity

At September 30, 2021, the Street Fund had a deficit fund balance of \$367,771. The City plans to increase fund balances in these funds in future years by transferring excess funds from other funds.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City of Geneva contributes to the City of Geneva Money Purchase Pension Plan for eligible employees. Eligible employees may contribute up to the maximum allowed by law and the City is required to contribute five percent. Employees are eligible to participate after they have attained the age of 21 and after one year of service.

All employees are fully vested in their own contributions and become vested in the City's contribution after six years' participation in the plan.

For the year ended September 30, 2021, the City's total payroll and covered payroll under the plan was \$805,674 and \$540,708, respectively. Both the City's contribution of \$27,035 and the covered employees' contribution of \$27,035 were made for the year ended September 30, 2021.

2. Risk Management

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, 2021, are held by the counterparties not in the name of the City. The underlying securities consist of cash and insured money market funds.

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 cash and cash equivalents, minimizing credit risk associated with the City's investment portfolio.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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.

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, 2021, the City's cash and cash equivalents consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Heartland Bank	<u>\$ 4,374,546</u>

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, 2021.

3. Commitments and Contingencies

Leases

On November 1, 2020, the City entered into a sixty-three month lease for a postage machine from Quadrient Leasing. Rent of \$230 is due monthly through February 2026.

On March 7, 2016, the City entered into a sixty-three month lease for a postage machine from MailFinance Inc. Rent of \$230 is due monthly through June 2021.

On March 25, 2017, the City entered into a five-year lease for a copier from Eakes Office Plus. Rent of \$330 is due monthly through March 2022.

On June 15, 2019, the City entered into a five-year lease for a copier from Eakes Office Plus. Rent of \$156 is due monthly through June 2024.

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Leases, continued

Rent expense was \$6,455 for the year ended September 30, 2021. The following payments are due under the leases:

<u>Year Ending September 30,</u>	
2022	\$ 6,612
2023	6,612
2024	4,164
2025	2,760
2026	690
	<u>\$ 20,838</u>

Contingencies

As the result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen worldwide. While the disruption this pandemic is causing is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the financial impact to the City that could occur as a result of this issue is unknown and cannot be reasonably estimated at this time.

4. Interlocal Agreements

The City had the following interlocal agreement in effect as of September 30, 2021:

<u>Parties to Agreement</u>	<u>Term</u>	<u>Description</u>
Fillmore County	October 1, 2020 - September 30, 2021	Agreement for law enforcement

CITY OF GENEVA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

5. Tax Abatements

The City has created a Community Development Agency (CDA) to provide for development of blighted areas. Five members, who are appointed by the City Council, constitute the Agency. Because the CDA does not maintain a separate bank account and all transactions are accounted for in the Capital Projects Fund of the City, the CDA is not reported separately in the financial statements.

The CDA, who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CDA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CDA for the year ended September 30, 2021 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2021 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2021</u>
Fortigen	12	\$ 13,288,820	\$ 214,939

6. Subsequent Events

Management has evaluated subsequent events through March 23, 2022, the date on which the financial statements were available for issue.

In October 2021, the City issued \$1,530,000 of general obligation paving bonds to pay off the bond anticipation notes.

On January 21, 2022, the Council approved the purchase of a fire truck for \$499,914.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GENEVA, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

Year Ended September 30, 2021

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 512,038	\$ 598,963	\$ 86,925
Sales	520,000	554,698	34,698
Franchise	419,000	421,972	2,972
Occupation	1,000	3,374	2,374
Intergovernmental	48,250	50,392	2,142
Charges for services	165,300	290,323	125,023
Rental and fees	4,000	7,454	3,454
Licenses and permits	3,100	4,102	1,002
Grants and contributions	117,000	117,871	871
Lottery proceeds	26,000	29,002	3,002
Interest income	51,500	59,197	7,697
Loan collections	145,000	214,592	69,592
Sale of property	-	574,386	574,386
Other	80,400	106,113	25,713
	<hr/>	<hr/>	<hr/>
Total resources	2,092,588	3,032,439	939,851
 CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	809,888	475,548	(334,340)
Public safety	282,600	250,393	(32,207)
Public works	120,000	95,923	(24,077)
Environment and leisure	890,150	850,846	(39,304)
Economic and community development	792,260	56,244	(736,016)
Capital outlay	470,000	1,238,537	768,537
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	3,364,898	2,967,491	(397,407)
 Resources over (under) charges to appropriations	(1,272,310)	64,948	1,337,258
 OTHER FINANCING SOURCES			
Net transfers	2,600,000	-	(2,600,000)
	<hr/>	<hr/>	<hr/>
 RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS	 <u>\$ 1,327,690</u>	 <u>\$ 64,948</u>	 <u>\$ (1,262,742)</u>

CITY OF GENEVA, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
STREET FUND**

Year Ended September 30, 2021

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Motor vehicle	\$ 55,000	\$ 56,888	\$ 1,888
Sales	85,000	121,801	36,801
Intergovernmental	311,462	377,080	65,618
Other income	<u>5,500</u>	<u>3,968</u>	<u>(1,532)</u>
Total resources	456,962	559,737	102,775
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	320,050	207,000	(113,050)
Capital outlay	94,000	28,989	(65,011)
Principal payments on debt	-	4,655	4,655
Interest payments on debt	<u>-</u>	<u>1,804</u>	<u>1,804</u>
Total charges to appropriations	<u>414,050</u>	<u>242,448</u>	<u>(171,602)</u>
RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ 42,912</u>	<u>\$ 317,289</u>	<u>\$ 274,377</u>

CITY OF GENEVA, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND**

Year Ended September 30, 2021

	<u>Budget (Original)</u>	<u>Budget (Final)</u>	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)				
Taxes:				
Property	\$ 572,930	\$ 572,930	\$ 665,396	\$ 92,466
Sales	179,000	179,000	-	(179,000)
Intergovernmental	62,970	62,970	52,989	(9,981)
Special assessments	38,500	38,500	123,374	84,874
Interest income	5,000	5,000	-	(5,000)
Bond proceeds	-	2,000,000	3,350,000	1,350,000
Other income	-	-	35,720	35,720
	<hr/>	<hr/>	<hr/>	<hr/>
Total resources	858,400	2,858,400	4,227,479	1,369,079
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	130,000	130,000	16,516	(113,484)
Bond issuance costs	-	-	48,150	48,150
Principal payments on debt	611,500	2,611,500	3,545,000	933,500
Interest payments on debt	116,900	116,900	154,543	37,643
	<hr/>	<hr/>	<hr/>	<hr/>
Total charges to appropriations	858,400	2,858,400	3,764,209	905,809
Resources over charges to appropriations	-	-	463,270	463,270
OTHER FINANCING USES				
Net transfers	<hr/> (1,500,000)	<hr/> (1,500,000)	<hr/> (498,725)	<hr/> 1,001,275
RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	<hr/> <hr/> \$ (1,500,000)	<hr/> <hr/> \$ (1,500,000)	<hr/> <hr/> \$ (35,455)	<hr/> <hr/> \$ 1,464,545

CITY OF GENEVA, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
CAPITAL PROJECTS FUND**

Year Ended September 30, 2021

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Sales	\$ -	\$ 184,899	\$ 184,899
TIF proceeds	186,200	214,939	28,739
Interest income	8,000	13,934	5,934
Bond proceeds	-	1,900,000	1,900,000
Other income	-	3,859	3,859
	<hr/>	<hr/>	<hr/>
Total resources	194,200	2,317,631	2,123,431
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic and community development	186,200	239,705	53,505
Capital outlay	-	1,269,795	1,269,795
Principal payments on debt	-	400,953	400,953
Interest payments on debt	-	3,558	3,558
Bond issuance costs	-	25,050	25,050
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	186,200	1,939,061	1,752,861
Resources over charges to appropriations	8,000	378,570	370,570
OTHER FINANCING USES			
Net transfers	<hr/> (1,100,000)	<hr/> (231,138)	<hr/> 868,862
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	<hr/> <hr/> \$ (1,092,000)	<hr/> <hr/> \$ 147,432	<hr/> <hr/> \$ 1,239,432

CITY OF GENEVA, NEBRASKA

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

Year Ended September 30, 2021

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 3,032,439	\$ 559,737	\$ 4,227,479	\$ 2,317,631
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>10,070</u>	<u>(3,848)</u>	<u>(754)</u>	<u>1,821</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 3,042,509</u></u>	<u><u>\$ 555,889</u></u>	<u><u>\$ 4,226,725</u></u>	<u><u>\$ 2,319,452</u></u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 2,967,491	\$ 242,448	\$ 3,764,209	\$ 1,939,061
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>433,479</u>	<u>(4,280)</u>	<u>(1,150)</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 3,400,970</u></u>	<u><u>\$ 238,168</u></u>	<u><u>\$ 3,763,059</u></u>	<u><u>\$ 1,939,061</u></u>

SUPPLEMENTARY INFORMATION

CITY OF GENEVA, NEBRASKA

COMBINING BALANCE SHEET -

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental <u>Funds</u>
	<u>CDBG</u>	<u>Paving District</u>	
ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:	\$ -	\$ -	\$ -
Fund balances:			
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GENEVA, NEBRASKA

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

For the Year Ended September 30, 2021

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental <u>Funds</u>
	<u>CDBG</u>	<u>Paving District</u>	
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess of revenues over expenditures	-	-	-
OTHER FINANCING SOURCES			
Transfers from other funds	61,311	169,827	231,138
Net change in fund balances	61,311	169,827	231,138
Fund balances - September 30, 2020	(61,311)	(169,827)	(231,138)
Fund balances - September 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GENEVA, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - GENERAL FUND DEPARTMENTS

Year Ended September 30, 2021

	<u>Administrative</u>	<u>Police</u>	<u>Municipal Building</u>	<u>Street Lighting</u>
REVENUES				
Taxes:				
General property tax	\$ 600,337	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise	425,206	-	-	-
Occupation	3,374	-	-	-
Intergovernmental revenue:				
State assistance	51,574	-	-	-
Charges for services	-	-	-	-
Rental and fees	-	-	-	-
Licenses and permits	4,102	-	-	-
Grants and donations	-	-	-	-
Lottery proceeds	29,002	-	-	-
Interest income	51,535	-	-	-
Loan collections	-	-	-	-
Sale or property	-	-	-	-
Other receipts	27,729	-	-	-
Total revenues	<u>1,192,859</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Personnel services:				
Salaries and benefits	163,712	-	-	-
Operating expenses:				
Contracted services	20,493	177,858	8,105	-
Insurance	58,145	-	-	-
Fuel and transportation	-	-	-	-
Meetings, seminars, and dues	13,543	-	-	-
Repairs and maintenance	15,626	-	-	-
Printing, postage, and publications	15,988	-	-	-
Utilities and telephone	3,833	-	6,042	43,945
Total operating expenses	<u>127,628</u>	<u>177,858</u>	<u>14,147</u>	<u>43,945</u>
Supplies	15,760	-	-	-
Economic and community development	14,825	-	-	-
Other expenses	83,793	-	-	-
Capital outlay	6,100	-	-	-
Total expenditures	<u>411,818</u>	<u>177,858</u>	<u>14,147</u>	<u>43,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u><u>\$ 781,041</u></u>	<u><u>\$ (177,858)</u></u>	<u><u>\$ (14,147)</u></u>	<u><u>\$ (43,945)</u></u>

<u>Grants</u>	<u>Employee Insurance</u>	<u>Sales Tax</u>	<u>Tree Dump</u>	<u>Rescue</u>	<u>Fire Maintenance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	560,160	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	470	27,681	-
-	-	2,739	-	-	-
-	-	-	-	-	-
17,872	-	-	-	6,775	4,000
-	-	-	-	-	-
-	-	7,662	-	-	-
-	-	214,592	-	-	-
-	-	574,386	-	-	-
-	-	-	3,957	559	66,944
<u>17,872</u>	<u>-</u>	<u>1,359,539</u>	<u>4,427</u>	<u>35,015</u>	<u>70,944</u>
-	49,292	-	12,147	-	-
-	-	-	17,677	2,928	1,550
-	-	-	-	6,945	9,118
-	-	-	-	365	934
-	-	-	-	4,383	289
-	-	-	347	839	15,434
-	-	-	-	-	-
584	-	-	-	365	6,278
<u>584</u>	<u>-</u>	<u>-</u>	<u>18,024</u>	<u>15,825</u>	<u>33,603</u>
-	-	-	18	4,282	6,261
14,429	-	26,990	-	-	-
-	-	-	-	500	11,527
-	-	1,624,957	-	709	709
<u>15,013</u>	<u>49,292</u>	<u>1,651,947</u>	<u>30,189</u>	<u>21,316</u>	<u>52,100</u>
<u>\$ 2,859</u>	<u>\$ (49,292)</u>	<u>\$ (292,408)</u>	<u>\$ (25,762)</u>	<u>\$ 13,699</u>	<u>\$ 18,844</u>

CITY OF GENEVA, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - GENERAL FUND DEPARTMENTS, Continued

Year Ended September 30, 2021

	Equipment	Activity & Education	Youth Rec Center	Park
REVENUES				
Taxes:				
General property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise	-	-	-	-
Occupation	-	-	-	-
Intergovernmental revenue:				
State assistance	-	-	-	-
Charges for services	-	189,639	250	-
Rental and fees	-	-	-	-
Licenses and permits	-	-	-	-
Grants and donations	-	9,030	-	-
Lottery proceeds	-	-	-	-
Interest income	-	-	-	-
Loan collections	-	-	-	-
Sale or property	-	-	-	-
Other receipts	-	1,959	-	1,537
Total revenues	-	200,628	250	1,537
EXPENDITURES				
Personnel services:				
Salaries and benefits	-	87,503	-	135,011
Operating expenses:				
Contracted services	-	60	50	5,047
Insurance	-	11,694	-	-
Fuel and transportation	-	-	-	3,579
Meetings, seminars, and dues	-	113	-	-
Repairs and maintenance	18,849	229	10	21,191
Printing, postage, and publications	-	471	-	-
Utilities and telephone	-	1,076	747	11,268
Total operating expenses	18,849	13,643	807	41,085
Supplies	-	267	32	9,388
Economic and community development	-	-	-	-
Other expenses	-	144,653	-	509
Capital outlay	6,000	-	-	-
Total expenditures	24,849	246,066	839	185,993
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (24,849)</u>	<u>\$ (45,438)</u>	<u>\$ (589)</u>	<u>\$ (184,456)</u>

<u>Pool</u>	<u>Library</u>	<u>Cemetery</u>	<u>Auditorium</u>	<u>Senior</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,337
-	-	-	-	-	560,160
-	-	-	-	-	425,206
-	-	-	-	-	3,374
-	(1,182)	-	-	-	50,392
51,288	2,595	18,400	-	-	290,323
-	-	-	4,715	-	7,454
-	-	-	-	-	4,102
-	38,162	525	10,000	31,507	117,871
-	-	-	-	-	29,002
-	-	-	-	-	59,197
-	-	-	-	-	214,592
-	-	-	-	-	574,386
165	2,407	683	-	173	106,113
<u>51,453</u>	<u>41,982</u>	<u>19,608</u>	<u>14,715</u>	<u>31,680</u>	<u>3,042,509</u>
61,780	129,080	3,575	-	60,164	702,264
757	110	2,053	3,598	210	240,496
-	-	-	-	-	85,902
-	-	1,964	-	-	6,842
-	515	-	-	44	18,887
4,927	13,367	12,098	864	2,558	106,339
47	100	93	-	-	16,699
<u>8,054</u>	<u>9,054</u>	<u>908</u>	<u>5,771</u>	<u>2,662</u>	<u>100,587</u>
13,785	23,146	17,116	10,233	5,474	575,752
14,835	25,529	835	-	34,439	111,646
-	-	-	-	-	56,244
239	9,492	181	-	36,294	287,188
<u>-</u>	<u>29,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,667,876</u>
<u>90,639</u>	<u>216,648</u>	<u>21,707</u>	<u>10,233</u>	<u>136,371</u>	<u>3,400,970</u>
<u>\$ (39,186)</u>	<u>\$ (174,666)</u>	<u>\$ (2,099)</u>	<u>\$ 4,482</u>	<u>\$ (104,691)</u>	<u>\$ (358,461)</u>

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**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 Geneva, 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, each major fund, and the aggregate remaining fund information of the City of Geneva, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated March 23, 2022.

Internal Control Over Financial Reporting

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

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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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

Segregation of Duties

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Geneva'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 Geneva's Response to Findings

The City of Geneva'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 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.

AMGL, PC.

Grand Island, Nebraska
March 23, 2022

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva for the year ended September 30, 2021, and have issued our report thereon dated March 23, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Geneva are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Twenty-eight audit adjustments decreased the fund balance of the City's governmental funds by \$344,555. Nineteen audit adjustments increased the net position of the City's business-type activities by \$173,846. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Depreciation expense of \$307,555 was recorded in the business-type activities, decreasing net position and increasing expenses.
2. County treasurer cash was adjusted \$26,185 in the governmental funds, decreasing fund balance and revenues.
3. Capital assets of \$108,213 were reclassified, increasing fund balance and decreasing expenditures in the governmental funds.
4. Interest payments on long-term debt of \$28,724 were reclassified, increasing fund balance and decreasing expenditures in the governmental funds and decreasing net position and increasing expenses in the business-type activities.
5. Prepaid expenses of \$429,339 were recorded in the governmental funds, decreasing fund balance and increasing expenditures.
6. A transfer of \$498,725 was recorded in the business-type activities, increasing net position and revenues.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 23, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the City of Geneva as of September 30, 2021, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. We recommend that you continue to monitor utility rates for possible increases.
2. During our audit of cash, we noted several transactions in the General Checking account that have been outstanding for more than one year. We recommend reviewing these transactions to determine if they need to be corrected or voided.
3. We recommend that you review your allocation of expenses such as insurance and professional fees to accurately reflect operating costs of each department.
4. We recommend that you report keno and sales tax revenues in special revenue funds instead of in the General Fund.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor governmental combining statements and statement of general fund departmental revenue and expenditures, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Geneva and is not intended to be and should not be used by anyone other than these specified parties.

AMGLPC

Grand Island, Nebraska
March 23, 2022



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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva as of and for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City of Geneva's internal control to be a significant deficiency:

The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the City Council remain involved in the financial affairs of the City to provide oversight and independent review functions.

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, P.C.

Grand Island, Nebraska

March 23, 2022