

**CITY OF GENEVA, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Geneva, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Geneva, Nebraska, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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A PROFESSIONAL  
CORPORATION

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

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-13 and 52-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, 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.

*AmCL, P.C.*

Grand Island, Nebraska  
March 29, 2023

**CITY OF GENEVA, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2022**

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**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, 2022.

**Financial Highlights**

- The assets of the City of Geneva exceeded its liabilities at the close of the most recent fiscal year by \$12,204,415 (*net position*). Of this amount, \$2,533,869 (*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 activities reported combined ending net position of \$6,445,710. Approximately 15.9 percent of this total amount, \$1,026,310, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$466,693, or 20.6 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, 2022**

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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 four 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.

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, 2022**

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**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 23-51 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 52-56 of this report.

The statement of General Fund revenue and expenditures by department can be found on pages 57 and 58.

**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 \$12,204,415 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, 2022**

**Summary Statement of Net Position**

	September 30, 2022			September 30, 2021		
	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	\$ 4,055,308	\$ 1,597,458	\$ 5,652,766	\$ 3,671,948	\$ 1,706,411	\$ 5,378,359
Capital Assets	10,959,421	5,356,146	16,315,567	11,010,544	5,363,933	16,374,477
Total Assets	15,014,729	6,953,604	21,968,333	14,682,492	7,070,344	21,752,836
Long-term Liabilities	7,382,906	970,000	8,352,906	6,443,018	1,245,000	7,688,018
Other Liabilities	1,186,113	224,899	1,411,012	2,391,685	224,582	2,616,267
Total Liabilities	8,569,019	1,194,899	9,763,918	8,834,703	1,469,582	10,304,285
Net Position:						
Net Investment in						
Capital Assets	2,986,403	4,251,146	7,237,549	2,598,601	3,983,933	6,582,534
Restricted	2,432,997	-	2,432,997	1,963,387	184,598	2,147,985
Unrestricted	1,026,310	1,507,559	2,533,869	1,285,801	1,432,231	2,718,032
Total Net Position	<u>\$ 6,445,710</u>	<u>\$ 5,758,705</u>	<u>\$ 12,204,415</u>	<u>\$ 5,847,789</u>	<u>\$ 5,600,762</u>	<u>\$ 11,448,551</u>

The largest portion of the City of Geneva's net position (59.3 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 (19.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,533,869) 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, 2022**

**Expenses and Program Revenues – Governmental Activities**

<u><b>Function</b></u>	<u><b>Year Ended September 30, 2022</b></u>		<u><b>Year Ended September 30, 2021</b></u>	
	<u><b>Program Revenues</b></u>	<u><b>Program Expenses</b></u>	<u><b>Program Revenues</b></u>	<u><b>Program Expenses</b></u>
General Government	\$ -	\$ 474,544	\$ 17,872	\$ 473,765
Public Safety	34,872	249,177	38,456	249,856
Public Works	37,035	646,431	19,395	298,673
Environment and Leisure	299,324	799,785	339,925	857,388
Economic and Community Development	-	428,419	-	295,949
Interest	-	142,939	-	231,843
Depreciation	-	647,417	-	551,038
	<u>371,231</u>	<u>3,388,712</u>	<u>415,648</u>	<u>2,958,512</u>
Transfers Out	-	-	-	498,725
Total	<u>\$ 371,231</u>	<u>\$ 3,388,712</u>	<u>\$ 415,648</u>	<u>\$ 3,457,237</u>

**Revenues by Source – Governmental Activities**

**SOURCES OF REVENUE**

	<u><b>Year Ended September 30, 2022</b></u>		<u><b>Year Ended September 30, 2021</b></u>	
Charges for Services	\$ 306,418	7.69 %	\$ 297,777	10.97 %
Operating Grants and Contributions	64,813	1.63	117,871	4.34
Property Taxes	883,142	22.15	1,264,979	46.61
Motor Vehicle Taxes	56,374	1.41	56,888	2.10
Sales Tax	900,176	22.58	864,833	31.87
Franchise Taxes	510,236	12.80	425,206	15.67
Occupation Taxes	2,917	0.07	3,374	0.12
TIF Proceeds	224,600	5.63	214,939	7.92
State Allocation	474,487	11.90	480,461	17.71
Special Assessments	290,959	7.30	123,374	4.55
Lottery Proceeds	40,922	1.03	29,002	1.07
Miscellaneous	80,562	2.02	153,762	5.67
Loss on Disposal of Equipment	-	-	(1,426,117)	(52.55)
Interest	100,753	2.53	107,318	3.95
Transfers	50,274	1.26	-	-
Total	<u>\$ 3,986,633</u>	<u>100.00 %</u>	<u>\$ 2,713,667</u>	<u>100.00 %</u>

Net position increased \$597,921 in the governmental activities during the year ended September 30, 2022.

**CITY OF GENEVA, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Business-type activities.** Business-type activities increased the City of Geneva's net position by \$157,943. Key elements of this increase are as follows:

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

<u>Function</u>	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 621,903	\$ 384,291	\$ 542,412	\$ 373,127
Sewer	463,891	493,286	456,540	463,887
Total	1,085,794	877,577	998,952	837,014
Interfund transfers	-	50,274	-	20,349
	<u>\$ 1,085,794</u>	<u>\$ 927,851</u>	<u>\$ 998,952</u>	<u>\$ 857,363</u>

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

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
Charges for Services	\$ 901,196	83.00 %	\$ 814,354	54.37 %
Grants and Contributions	184,598	17.00	184,598	12.33
Transfers In	-	-	498,725	33.30
Total	<u>\$ 1,085,794</u>	<u>100.00 %</u>	<u>\$ 1,497,677</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 \$3,278,001. Approximately 14.2 percent of this total amount (\$466,693) 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 (\$1,538,303), 2) restricted for community betterment (\$186,690), 3) restricted for economic development (\$705,767), 4) restricted for street improvements (\$2,237), or 5) assigned for capital projects (\$378,311).

**CITY OF GENEVA, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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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 \$466,693, while total fund balance was \$1,359,150. 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 20.6 percent of total General Fund expenditures, while total fund balance represents 60.1 percent of the same amount.

The fund balance of the City of Geneva's General Fund increased by \$123,640, the Street Fund increased by \$370,008, the Debt Service Fund increased by \$145,197, and the Capital Projects Fund decreased by \$(243,526) 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 – \$780,118 and Sewer Fund – \$727,441. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$92,624 and Sewer Fund – increase of \$65,319. 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**

There were no differences between the original and the final adopted budget.

### **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, 2022, amounts to \$16,315,567 (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:

- Playground equipment - \$252,340
- 2022 Spartan fire engine - \$254,170
- Flygt lift pump - \$24,775
- Well #1 rehab - \$92,852
- Well #2 rehab - \$171,436

**CITY OF GENEVA, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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

	<b>Year Ended September 30, 2022</b>			<b>Year Ended September 30, 2021</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>		<b><u>Activities</u></b>	<b><u>Activities</u></b>	
Land	\$ 108,236	\$ 56,689	\$ 164,925	\$ 108,236	\$ 56,689	\$ 164,925
Construction in Progress	-	-	-	20,000	-	20,000
Buildings and Improvements	10,105,144	5,253,556	15,358,700	10,639,651	5,289,920	15,929,571
Machinery and Equipment	689,517	45,901	735,418	155,086	17,324	172,410
Vehicles	56,524	-	56,524	87,571	-	87,571
Total	<u>\$ 10,959,421</u>	<u>\$ 5,356,146</u>	<u>\$ 16,315,567</u>	<u>\$ 11,010,544</u>	<u>\$ 5,363,933</u>	<u>\$ 16,374,477</u>

Additional information on the City of Geneva's capital assets can be found in Note C5 on pages 42 and 43 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 \$9,078,018.

**City of Geneva's Outstanding Debt**

	<b>Year Ended September 30, 2022</b>			<b>Year Ended September 30, 2021</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>		<b><u>Activities</u></b>	<b><u>Activities</u></b>	
Bonds Payable	\$ 7,945,000	\$ 1,105,000	\$ 9,050,000	\$ 8,379,047	\$ 1,380,000	\$ 9,759,047
Financing Agreement	28,018	-	28,018	32,896	-	32,896
Total	<u>\$ 7,973,018</u>	<u>\$ 1,105,000</u>	<u>\$ 9,078,018</u>	<u>\$ 8,411,943</u>	<u>\$ 1,380,000</u>	<u>\$ 9,791,943</u>

The City of Geneva's total debt decreased by \$713,925 (7.3 percent) during the current fiscal year, due to scheduled payments.

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 44-47 of this report.

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

- Property tax asking for the year ending September 30, 2023, is \$1,078,971, an increase of \$193,062 (21.8 percent) from the prior year. The general tax asking was \$540,725, an

**CITY OF GENEVA, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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increase of \$98,216 (22.2 percent) from the prior year. The debt service tax asking was \$538,246, an increase of \$94,846 (21.4 percent) from the prior year.

- The City's taxable valuation for 2022-2023 was \$160,347,655, an increase of \$28,255,476 (21.4 percent) from the prior year.
- The City's general property tax levy for 2022-2023 was \$0.337221, an increase of \$0.00220 (0.7 percent) from the prior year. The debt service tax levy was \$.335674, the same as the prior year.

All of these factors were considered in preparing the City of Geneva's budget for the 2023 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, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 829,744	\$ 1,441,286	\$ 2,271,030
County treasurer cash	39,472	-	39,472
Receivables:			
Accounts	-	83,612	83,612
Unbilled revenue	-	43,308	43,308
Current portion of notes receivable	24,606	-	24,606
Property tax	8,189	-	8,189
Sales tax	130,721	-	130,721
Franchise fee	41,463	-	41,463
Special assessments	401,634	6,297	407,931
Inventory	-	22,955	22,955
Total current assets	1,475,829	1,597,458	3,073,287
Noncurrent assets:			
Restricted cash and cash equivalents	2,422,779	-	2,422,779
Noncurrent portion of notes receivable	156,700	-	156,700
Capital assets:			
Land	108,236	56,689	164,925
Depreciable capital assets, net of depreciation	10,851,185	5,299,457	16,150,642
Net capital assets	10,959,421	5,356,146	16,315,567
Total noncurrent assets	13,538,900	5,356,146	18,895,046
<b>Total assets</b>	15,014,729	6,953,604	21,968,333
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	121,945	33,387	155,332
Accrued expenses	72,422	24,919	97,341
Customer deposits	-	25,296	25,296
Unavailable revenue	401,634	6,297	407,931
Current portion of long-term obligations	590,112	135,000	725,112
Total current liabilities	1,186,113	224,899	1,411,012
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	7,382,906	970,000	8,352,906
<b>Total liabilities</b>	8,569,019	1,194,899	9,763,918
<b>NET POSITION</b>			
Net investment in capital assets	2,986,403	4,251,146	7,237,549
Restricted for:			
Street improvements	2,237	-	2,237
Debt service	1,538,303	-	1,538,303
Community betterment	186,690	-	186,690
Economic development	705,767	-	705,767
Unrestricted	1,026,310	1,507,559	2,533,869
<b>Total net position</b>	<u>\$ 6,445,710</u>	<u>\$ 5,758,705</u>	<u>\$ 12,204,415</u>

See notes to financial statements.

# CITY OF GENEVA, NEBRASKA

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ 474,544	\$ -	\$ -
Public safety	249,177	26,838	8,034
Public works	646,431	16,650	20,385
Environment and leisure	799,785	262,930	36,394
Economic and community development	428,419	-	-
Interest and fees on long-term debt	142,939	-	-
Depreciation - unallocated	647,417	-	-
Total governmental activities	3,388,712	306,418	64,813
<b>Business-type activities:</b>			
Water	384,291	437,305	-
Sewer	493,286	463,891	-
Total business-type activities	877,577	901,196	-
<b>Total primary government</b>	<b>\$ 4,266,289</b>	<b>\$ 1,207,614</b>	<b>\$ 64,813</b>

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>
\$ -	\$ (474,544)		\$ (474,544)
-	(214,305)		(214,305)
-	(609,396)		(609,396)
-	(500,461)		(500,461)
-	(428,419)		(428,419)
-	(142,939)		(142,939)
-	(647,417)		(647,417)
-	(3,017,481)	\$ -	(3,017,481)
184,598	-	237,612	237,612
-	-	(29,395)	(29,395)
184,598	-	208,217	208,217
<u>\$ 184,598</u>	<u>(3,017,481)</u>	<u>208,217</u>	<u>(2,809,264)</u>
General revenues:			
Taxes:			
Property	883,142	-	883,142
Motor vehicle	56,374	-	56,374
Sales tax	900,176	-	900,176
Franchise	510,236	-	510,236
Occupation	2,917	-	2,917
TIF proceeds	224,600	-	224,600
State allocation	474,487	-	474,487
Special assessments	290,959	-	290,959
Lottery proceeds	40,922	-	40,922
Miscellaneous	80,562	-	80,562
Interest income	100,753	-	100,753
Interfund transfers	50,274	(50,274)	-
Total general revenues	3,615,402	(50,274)	3,565,128
Change in net position	597,921	157,943	755,864
Net position - September 30, 2021	5,847,789	5,600,762	11,448,551
Net position - September 30, 2022	<u>\$ 6,445,710</u>	<u>\$ 5,758,705</u>	<u>\$ 12,204,415</u>

# CITY OF GENEVA, NEBRASKA

## BALANCE SHEET - GOVERNMENTAL FUNDS

**September 30, 2022**

	<u>General</u>	<u>Street</u>	<u>Debt Service</u>	<u>Capital Projects</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,271,475	\$ 12,605	\$ 1,517,717	\$ 450,726	\$ 3,252,523
County treasurer cash	19,975	-	19,497	-	39,472
Receivables:					
Property tax	4,105	-	4,084	-	8,189
Sales tax	78,794	19,247	32,680	-	130,721
Franchise fee	41,463	-	-	-	41,463
Special assessments	-	-	401,634	-	401,634
<b>Total assets</b>	<u><u>\$ 1,415,812</u></u>	<u><u>\$ 31,852</u></u>	<u><u>\$ 1,975,612</u></u>	<u><u>\$ 450,726</u></u>	<u><u>\$ 3,874,002</u></u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 28,800	\$ 20,730	\$ -	\$ 72,415	\$ 121,945
Accrued payroll	27,862	8,212	-	-	36,074
Accrued interest payable	-	673	35,675	-	36,348
Unavailable revenue	-	-	401,634	-	401,634
Total liabilities	<u>56,662</u>	<u>29,615</u>	<u>437,309</u>	<u>72,415</u>	<u>596,001</u>
Fund balances:					
Restricted for:					
Street improvements	-	2,237	-	-	2,237
Debt service	-	-	1,538,303	-	1,538,303
Community betterment	186,690	-	-	-	186,690
Economic development	705,767	-	-	-	705,767
Assigned for:					
Capital projects	-	-	-	378,311	378,311
Unassigned	<u>466,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,693</u>
Total fund balances	<u><u>1,359,150</u></u>	<u><u>2,237</u></u>	<u><u>1,538,303</u></u>	<u><u>378,311</u></u>	<u><u>3,278,001</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 1,415,812</u></u>	<u><u>\$ 31,852</u></u>	<u><u>\$ 1,975,612</u></u>	<u><u>\$ 450,726</u></u>	<u><u>\$ 3,874,002</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, 2022**

**Total fund balances - governmental funds** **\$ 3,278,001**

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. 181,306

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 \$16,622,858  
and the accumulated depreciation is \$5,663,437. 10,959,421

Long-term liabilities, including bonds and financing agreement 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	\$ (7,945,000)	
Financing agreement payable	<u>(28,018)</u>	<u>(7,973,018)</u>

**Total net position - governmental activities** **\$ 6,445,710**

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, 2022**

	<u>General</u>	<u>Street</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 442,768	\$ -	\$ 440,374	\$ -	\$ 883,142
Motor vehicle	-	56,374	-	-	56,374
Sales tax	551,576	113,008	235,592	-	900,176
Franchise	510,236	-	-	-	510,236
Occupation	2,917	-	-	-	2,917
TIF proceeds	-	-	-	224,600	224,600
Intergovernmental	68,762	357,216	48,509	-	474,487
Special assessments	-	-	290,959	-	290,959
Charges for services	302,933	-	-	-	302,933
Rental and fees	3,485	-	-	-	3,485
Licenses and permits	4,980	-	-	-	4,980
Grants and donations	64,813	-	-	-	64,813
Lottery proceeds	40,922	-	-	-	40,922
Interest income	57,828	-	-	17,735	75,563
Loan collections	123,321	-	-	-	123,321
Bond proceeds	-	-	1,530,000	-	1,530,000
Other income	67,095	3,217	-	5,270	75,582
Total revenues	<u>2,241,636</u>	<u>529,815</u>	<u>2,545,434</u>	<u>247,605</u>	<u>5,564,490</u>
<b>EXPENDITURES</b>					
General government	474,544	-	-	-	474,544
Public safety	249,177	-	-	-	249,177
Public works	104,400	468,466	-	73,565	646,431
Environment and leisure	799,785	-	-	-	799,785
Economic and community development	123,824	-	-	217,526	341,350
Capital outlay	511,254	-	-	85,040	596,294
Bond issuance costs	-	-	21,953	-	21,953
Principal payments on debt	-	4,878	1,964,047	-	1,968,925
Interest on long-term debt	-	1,463	119,523	-	120,986
Total expenditures	<u>2,262,984</u>	<u>474,807</u>	<u>2,105,523</u>	<u>376,131</u>	<u>5,219,445</u>
<b>Excess (deficiency) of     revenues over expenditures</b>	(21,348)	55,008	439,911	(128,526)	345,045
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	<u>144,988</u>	<u>315,000</u>	<u>(294,714)</u>	<u>(115,000)</u>	<u>50,274</u>
<b>Net change in fund balances</b>	123,640	370,008	145,197	(243,526)	395,319
Fund balances - September 30, 2021	<u>1,235,510</u>	<u>(367,771)</u>	<u>1,393,106</u>	<u>621,837</u>	<u>2,882,682</u>
Fund balances - September 30, 2022	<u>\$ 1,359,150</u>	<u>\$ 2,237</u>	<u>\$ 1,538,303</u>	<u>\$ 378,311</u>	<u>\$ 3,278,001</u>

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, 2022**

<b>Total net change in fund balances - governmental funds</b>	<b>\$ 395,319</b>
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.	(98,131)
Notes receivable written off does not impact the fund financial statements. However, the write-off is reported as an expense in the statement of net position.	(87,069)
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 (\$596,294) is exceeded by depreciation expense (\$647,417) during the period.	(51,123)
Bond proceeds are reported as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(1,530,000)
Repayment of bond and financing agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,968,925
<b>Change in net position of governmental activities</b>	<b>\$ 597,921</b>

See notes to financial statements.

# CITY OF GENEVA, NEBRASKA

## STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 729,000	\$ 712,286	\$ 1,441,286
Receivables:			
Accounts	47,162	36,450	83,612
Unbilled revenue	23,223	20,085	43,308
Special assessments	-	6,297	6,297
Inventory	21,630	1,325	22,955
Total current assets	<u>821,015</u>	<u>776,443</u>	<u>1,597,458</u>
Noncurrent assets:			
Capital assets:			
Land	8,000	48,689	56,689
Buildings and improvements	3,230,159	8,850,184	12,080,343
Equipment	259,916	121,950	381,866
Less accumulated depreciation	(2,488,839)	(4,673,913)	(7,162,752)
Net capital assets	<u>1,009,236</u>	<u>4,346,910</u>	<u>5,356,146</u>
Total noncurrent assets	<u>1,009,236</u>	<u>4,346,910</u>	<u>5,356,146</u>
<b>Total assets</b>	<u>1,830,251</u>	<u>5,123,353</u>	<u>6,953,604</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,271	31,116	33,387
Accrued payroll	12,330	9,523	21,853
Sales tax payable	1,000	2,066	3,066
Customer deposits	25,296	-	25,296
Unavailable revenue	-	6,297	6,297
Current portion of long-term obligations	<u>-</u>	<u>135,000</u>	<u>135,000</u>
Total current liabilities	<u>40,897</u>	<u>184,002</u>	<u>224,899</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	<u>-</u>	<u>970,000</u>	<u>970,000</u>
<b>Total liabilities</b>	<u>40,897</u>	<u>1,154,002</u>	<u>1,194,899</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,009,236	3,241,910	4,251,146
Unrestricted	780,118	727,441	1,507,559
<b>Total net position</b>	<u>\$ 1,789,354</u>	<u>\$ 3,969,351</u>	<u>\$ 5,758,705</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, 2022**

	Enterprise Funds		
	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services	\$ 428,234	\$ 456,708	\$ 884,942
Other revenue	9,071	7,183	16,254
Total operating revenues	<u>437,305</u>	<u>463,891</u>	<u>901,196</u>
<b>Operating expenses:</b>			
Personnel services	207,821	117,449	325,270
Utilities and telephone	32,429	60,784	93,213
Repairs and maintenance	10,731	24,042	34,773
Contractual services	23,985	38,257	62,242
Supplies	591	9,941	10,532
Dues, memberships and training	3,658	3,743	7,401
Miscellaneous	4,880	5,400	10,280
Depreciation	100,196	213,956	314,152
Total operating expenses	<u>384,291</u>	<u>473,572</u>	<u>857,863</u>
Operating income (loss)	53,014	(9,681)	43,333
<b>Nonoperating revenues (expenses):</b>			
Grant income	184,598	-	184,598
Interest expense	-	(19,714)	(19,714)
Total nonoperating revenues (expenses)	<u>184,598</u>	<u>(19,714)</u>	<u>164,884</u>
Excess (deficiency) of revenues over expenditures before transfers	237,612	(29,395)	208,217
<b>Other financing sources (uses):</b>			
Transfers from (to) other funds	<u>(144,988)</u>	<u>94,714</u>	<u>(50,274)</u>
<b>Change in net position</b>	92,624	65,319	157,943
Net position - September 30, 2021	<u>1,696,730</u>	<u>3,904,032</u>	<u>5,600,762</u>
Net position - September 30, 2022	<u><u>\$ 1,789,354</u></u>	<u><u>\$ 3,969,351</u></u>	<u><u>\$ 5,758,705</u></u>

See notes to financial statements.

# CITY OF GENEVA, NEBRASKA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

**For the Year Ended September 30, 2022**

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 420,585	\$ 462,171	\$ 882,756
Payments to suppliers	(90,417)	(125,717)	(216,134)
Payments to employees	(207,108)	(117,974)	(325,082)
Net cash provided by operating activities	123,060	218,480	341,540
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from (to) other funds	(144,988)	94,714	(50,274)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of property and equipment	(269,939)	(36,426)	(306,365)
Grant proceeds	184,598	-	184,598
Principal payments on capital debt	-	(275,000)	(275,000)
Interest paid on capital debt	-	(19,714)	(19,714)
Net cash used by capital and related financing activities	(85,341)	(331,140)	(416,481)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Decrease in restricted cash and cash equivalents	184,598	-	184,598
Increase (decrease) in cash and cash equivalents	77,329	(17,946)	59,383
Cash and cash equivalents - beginning of the year	651,671	730,232	1,381,903
Cash and cash equivalents - end of the year	<u>\$ 729,000</u>	<u>\$ 712,286</u>	<u>\$ 1,441,286</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 53,014	\$ (9,681)	\$ 43,333
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	100,196	213,956	314,152
Change in assets and liabilities:			
Accounts receivable and unbilled revenue	(13,473)	(1,720)	(15,193)
Inventories	(9,330)	4,800	(4,530)
Accounts payable	(3,201)	12,196	8,995
Accrued payroll	713	164	877
Payroll withholdings	-	(689)	(689)
Sales tax payable	(1,612)	(546)	(2,158)
Customer deposits	(3,247)	-	(3,247)
Net cash provided by operating activities	<u>\$ 123,060</u>	<u>\$ 218,480</u>	<u>\$ 341,540</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, 2022**

**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
---------------------	----------------

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, 2022**

#### **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, 2022**

**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, 2022

#### 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 above for description.

# **CITY OF GENEVA, NEBRASKA**

## **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

### **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.

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

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

##### **Measurement Focus**

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

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

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

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

###### **Basis of Accounting**

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

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

###### **Estimates**

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

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

###### **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.

###### **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.



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

**September 30, 2022**

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

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

**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:

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.

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

##### **Capital Assets, continued**

###### *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.

###### *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.

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

**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.

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.

## CITY OF GENEVA, NEBRASKA

### NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

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

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

###### Equity Classifications, continued

###### *Fund Financial Statements, continued*

**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:

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

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

###### **Sales and Use Tax, continued**

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 2021-2022 are recorded as revenue when expected to be collected within 60 days after September 30, 2022. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

###### **Operating Revenues and Expenses**

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

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

**Expenditures/Expenses**

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

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

Governmental Funds – by Character and Function

Proprietary 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:

**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.

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

##### **2. Deposit Laws and Regulations**

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

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

##### **3. Revenue Restrictions**

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

##### **4. Debt Restrictions and Covenants**

###### *Bonds Payable*

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

##### **5. Budgetary Data**

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

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

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

##### **5. Budgetary Data, continued**

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

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



**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**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, 2022. The categories of collateral are defined as follows:

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

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

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

<b><u>Types of Deposits</u></b>	<b><u>Total Bank Balance</u></b>	<b><u>Category 1</u></b>	<b><u>Category 2</u></b>	<b><u>Category 3</u></b>	<b><u>Total Carrying Value</u></b>
Demand deposits	\$ 4,842,966	\$ 4,491,159	\$ 351,807	\$ -	\$ <u>4,693,809</u>

**Reconciliation to Government-wide Statement of Net Position:**

Primary Government –

Unrestricted cash and cash equivalents	\$ 2,271,030
Restricted cash and cash equivalents	<u>2,422,779</u>
	\$ <u>4,693,809</u>

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2022, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	<u>\$ 2,422,779</u>	<u>\$ -</u>	<u>\$ 2,422,779</u>

The governmental activities' restricted assets as of September 30, 2022, consisted of \$186,690 in the General Fund restricted for community betterment, \$705,767 in the General Fund restricted for economic development, \$12,605 in the Street Fund restricted for street improvements, and \$1,517,717 in the Debt Service Fund restricted for debt service.

**3. Accounts Receivable**

Accounts receivable of the business-type activities consist of utilities receivable. At September 30, 2022, no allowance for uncollectible accounts had been recorded.

**4. Notes Receivable**

The General Fund has made seven sales tax loans. Notes receivable at September 30, 2022, consisted of the following:

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. This note was written off during the year ended September 30, 2022. \$ -

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. This note was paid in full during the year ended September 30, 2022. -

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Notes Receivable, continued**

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. This note was paid in full during the year ended September 30, 2022.

-

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.

11,858

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.

24,356

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. This note was paid in full during the year ended September 30, 2022.

-

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.

145,092

Total governmental activities notes receivable

\$ 181,306

Current portion

\$ 24,606

Noncurrent portion

156,700

Total

\$ 181,306

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**5. Capital Assets**

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance at October 1, 2021	Additions	Disposals	Reclass	Balance at September 30, 2022
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 108,236	\$ -	\$ -	\$ -	\$ 108,236
Construction in progress	20,000	-	-	(20,000)	-
Total capital assets not being depreciated	128,236	-	-	(20,000)	108,236
Other capital assets being depreciated:					
Building and improvements	13,240,441	14,200	-	20,000	13,274,641
Equipment	2,104,255	582,094	(8,950)	-	2,677,399
Vehicles	562,582	-	-	-	562,582
Total other capital assets at historical cost	15,907,278	596,294	(8,950)	20,000	16,514,622
Less accumulated depreciation for:					
Building and improvements	(2,600,790)	(568,707)	-	-	(3,169,497)
Equipment	(1,949,169)	(47,663)	8,950	-	(1,987,882)
Vehicles	(475,011)	(31,047)	-	-	(506,058)
Total accumulated depreciation	(5,024,970)	(647,417) *	8,950	-	(5,663,437)
Other capital assets, net	10,882,308	(51,123)	-	20,000	10,851,185
Governmental activities capital assets, net	<u>\$ 11,010,544</u>	<u>\$ (51,123)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,959,421</u>

\* Depreciation expense was incurred by the following governmental activities:

General Fund:

General government	\$ 55,325
Public safety	153,917
Public works	1,237
Environment and leisure	134,247
Total General Fund	344,726

Street Fund 302,691

Total governmental activities depreciation expense \$ 647,417

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

	Balance at October 1, 2020	Additions	Disposals	Balance at September 30, 2021
<b><u>Business-type Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 56,689	\$ -	\$ -	\$ 56,689
Other capital assets being depreciated:				
Buildings and improvements	11,816,055	264,288	-	12,080,343
Equipment	339,789	42,077	-	381,866
Total other capital assets at historical cost	12,155,844	306,365	-	12,462,209
Less accumulated depreciation for:				
Buildings and improvements	(6,526,135)	(300,652)	-	(6,826,787)
Equipment	(322,465)	(13,500)	-	(335,965)
Total accumulated depreciation	(6,848,600)	(314,152) *	-	(7,162,752)
Other capital assets, net	5,307,244	(7,787)	-	5,299,457
Business-type activities capital assets, net	<u>\$ 5,363,933</u>	<u>\$ (7,787)</u>	<u>\$ -</u>	<u>\$ 5,356,146</u>

\* Depreciation expense was charged to functions as follows:

Water	\$ 100,196
Sewer	<u>213,956</u>
Total business-type activities depreciation expense	<u>\$ 314,152</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, 2022**

**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, 2022:

<u>Type of Debt</u>	<u>Balance at October 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 8,379,047	\$ 1,530,000	\$(1,964,047)	\$ 7,945,000	\$ 585,000
Financing agreement	32,896	-	(4,878)	28,018	5,112
	<u>\$ 8,411,943</u>	<u>\$ 1,530,000</u>	<u>\$(1,968,925)</u>	<u>\$ 7,973,018</u>	<u>\$ 590,112</u>
Business-type Activities:					
Bonds payable	<u>\$ 1,380,000</u>	<u>\$ -</u>	<u>\$ (275,000)</u>	<u>\$ 1,105,000</u>	<u>\$ 135,000</u>

**Governmental Activities**

As of September 30, 2022, the governmental long-term liabilities consisted of the following:

**Bonds 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.

\$ 3,105,000

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.

-

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

**Governmental Activities, continued**

Bonds payable, continued:

General obligation paving, Series 2021, with an original issue amount of \$1,530,000. Interest rates range from 0.40 percent to 1.80 percent. Interest is due in semi-annual installments and principal is due in annual installments through October 1, 2036. Paid by the Debt Service Fund. 1,530,000

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. 935,000

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. 690,000

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. 1,685,000

Total bonds payable 7,945,000

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

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

**Governmental Activities, continued**

Financing agreement:

Financing agreement 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.

28,018

Total bonds and financing agreement payable \$ 7,973,018

Current portion \$ 590,112

Noncurrent portion 7,382,906

Total \$ 7,973,018

**Business-type Activities**

As of September 30, 2022, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds payable:

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.

\$ 1,105,000

Current portion \$ 135,000

Noncurrent portion 970,000

Total \$ 1,105,000



**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**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, 2022, 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
2023	\$ 5,112	\$ 1,346	\$ 585,000	\$ 116,879	\$ 135,000	\$ 8,421
2024	22,906	1,100	575,000	112,369	280,000	13,870
2025	-	-	530,000	107,710	285,000	9,705
2026	-	-	535,000	102,299	280,000	5,284
2027	-	-	545,000	96,304	125,000	1,000
2028-2032	-	-	2,835,000	365,629	-	-
2033-2037	-	-	2,155,000	127,767	-	-
2038-2040	-	-	185,000	8,475	-	-
	<u>\$ 28,018</u>	<u>\$ 2,446</u>	<u>\$ 7,945,000</u>	<u>\$ 1,037,432</u>	<u>\$ 1,105,000</u>	<u>\$ 38,280</u>

**8. Interfund Transactions**

The Debt Service Fund transferred \$294,714 to the Sewer Fund during the year ended September 30, 2022. The Capital Projects Fund transferred \$115,000 to the Street Fund during the year ended September 30, 2022. The Water Fund transferred \$144,988 to the General Fund during the year ended September 30, 2022. The Sewer Fund transferred \$200,000 to the Street Fund during the year ended September 30, 2022.

## **CITY OF GENEVA, NEBRASKA**

### **NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

#### **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, 2022, the City's total payroll and covered payroll under the plan was \$780,850 and \$524,700, respectively. Both the City's contribution of \$26,235 and the covered employees' contribution of \$26,235 were made for the year ended September 30, 2022.

##### **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, 2022, 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, 2022**

**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, 2022, the City's cash and cash equivalents consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Heartland Bank	<u>\$ 4,693,809</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, 2022.

**3. Commitments**

**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 April 21, 2022, the City entered into a sixty-month lease for a copier from Eakes Office Plus. Rent of \$357 is due monthly through April 2027.

On June 15, 2019, the City entered into a sixty-month 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, 2022**

**NOTE D – OTHER NOTES, continued**

**3. Commitments and Contingencies, continued**

**Leases, continued**

Rent expense was \$8,778 for the year ended September 30, 2022. The following payments are due under the leases:

<u>Year Ending</u> <u>September 30,</u>	
2023	\$ 8,910
2024	8,442
2025	7,038
2026	4,968
2027	2,496
	<u>\$ 31,854</u>

GASB 87 has not been applied to any of the City's leases as the City does not deem the right to use assets and related lease liability obligations to be material to the government-wide and the fund financial statements.

**4. Interlocal Agreements**

The City had the following interlocal agreement in effect as of September 30, 2022:

<u>Parties to Agreement</u>	<u>Term</u>	<u>Description</u>
Fillmore County	October 1, 2021 - September 30, 2022	Agreement for law enforcement

**CITY OF GENEVA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**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, 2022 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2022 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2022</u>
Fortigen	11	\$ 13,288,820	\$ 224,600

**6. Subsequent Events**

Management has evaluated subsequent events through March 29, 2023, the date on which the financial statements were available for issue.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GENEVA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

**Year Ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 438,128	\$ 441,923	\$ 3,795
Sales	530,000	564,318	34,318
Franchise	528,000	511,083	(16,917)
Occupation	3,000	2,917	(83)
Intergovernmental	50,500	68,762	18,262
Charges for services	268,900	302,933	34,033
Rental and fees	3,000	3,485	485
Licenses and permits	3,100	4,980	1,880
Grants and contributions	31,700	64,813	33,113
Lottery proceeds	30,000	40,922	10,922
Interest income	50,000	57,828	7,828
Loan collections	110,000	123,321	13,321
Other	69,500	67,095	(2,405)
	<hr/>	<hr/>	<hr/>
Total resources	2,115,828	2,254,380	138,552
 <b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government	641,200	474,415	(166,785)
Public safety	273,100	250,950	(22,150)
Public works	104,700	108,749	4,049
Environment and leisure	813,300	808,714	(4,586)
Economic and community development	824,200	123,824	(700,376)
Capital outlay	334,000	511,254	177,254
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,990,500	2,277,906	(712,594)
 Resources under charges to appropriations	(874,672)	(23,526)	851,146
 <b>OTHER FINANCING SOURCES</b>			
Net transfers	1,025,000	144,988	(880,012)
	<hr/>	<hr/>	<hr/>
 <b>RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS</b>	 <u>\$ 150,328</u>	 <u>\$ 121,462</u>	 <u>\$ (28,866)</u>

**CITY OF GENEVA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
STREET FUND**

**Year Ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Motor vehicle	\$ 60,000	\$ 56,374	\$ (3,626)
Sales	110,000	112,222	2,222
Intergovernmental	338,078	357,216	19,138
Other income	<u>5,500</u>	<u>3,217</u>	<u>(2,283)</u>
Total resources	513,578	529,029	15,451
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	351,300	469,764	118,464
Capital outlay	259,000	-	(259,000)
Principal payments on debt	-	4,878	4,878
Interest payments on debt	<u>-</u>	<u>1,580</u>	<u>1,580</u>
Total charges to appropriations	<u>610,300</u>	<u>476,222</u>	<u>(134,078)</u>
Resources over (under) charges to appropriations	(96,722)	52,807	149,529
<b>OTHER FINANCING SOURCES</b>			
Net transfers	<u>475,000</u>	<u>315,000</u>	<u>(160,000)</u>
<b>RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS</b>	<u><u>\$ 378,278</u></u>	<u><u>\$ 367,807</u></u>	<u><u>\$ (10,471)</u></u>



**CITY OF GENEVA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND**

**Year Ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 439,010	\$ 438,582	\$ (428)
Sales	190,000	202,912	12,912
Intergovernmental	50,400	48,509	(1,891)
Special assessments	80,000	290,959	210,959
Interest income	1,000	-	(1,000)
Bond proceeds	<u>-</u>	<u>1,530,000</u>	<u>1,530,000</u>
Total resources	760,410	2,510,962	1,750,552
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Bond issuance costs	-	21,953	21,953
Principal payments on debt	735,000	1,964,047	1,229,047
Interest payments on debt	<u>133,500</u>	<u>124,251</u>	<u>(9,249)</u>
Total charges to appropriations	<u>868,500</u>	<u>2,110,251</u>	<u>1,241,751</u>
Resources over (under) charges to appropriations	(108,090)	400,711	508,801
<b>OTHER FINANCING USES</b>			
Net transfers	<u>(1,025,000)</u>	<u>(294,714)</u>	<u>730,286</u>
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES</b>	<u><u>\$ (1,133,090)</u></u>	<u><u>\$ 105,997</u></u>	<u><u>\$ 1,239,087</u></u>

**CITY OF GENEVA, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -  
CAPITAL PROJECTS FUND**

**Year Ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Sales	\$ -	\$ 30,512	\$ 30,512
TIF proceeds	220,000	224,600	4,600
Interest income	10,000	17,735	7,735
Other income	<u>-</u>	<u>5,270</u>	<u>5,270</u>
Total resources	230,000	278,117	48,117
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	-	73,490	73,490
Economic and community development	220,000	217,526	(2,474)
Capital outlay	<u>100,000</u>	<u>12,700</u>	<u>(87,300)</u>
Total charges to appropriations	<u>320,000</u>	<u>303,716</u>	<u>(16,284)</u>
Resources under charges to appropriations	(90,000)	(25,599)	64,401
<b>OTHER FINANCING USES</b>			
Net transfers	<u>(275,000)</u>	<u>(115,000)</u>	<u>160,000</u>
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES</b>	<u><u>\$ (365,000)</u></u>	<u><u>\$ (140,599)</u></u>	<u><u>\$ 224,401</u></u>

# CITY OF GENEVA, NEBRASKA

## BUDGETARY COMPARISON SCHEDULES - NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

**Year Ended September 30, 2022**

### **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>
<b>Sources/inflows of resources:</b>				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 2,254,380	\$ 529,029	\$ 2,510,962	\$ 278,117
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(12,744)</u>	<u>786</u>	<u>34,472</u>	<u>(30,512)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,241,636</u></u>	<u><u>\$ 529,815</u></u>	<u><u>\$ 2,545,434</u></u>	<u><u>\$ 247,605</u></u>
<b>Uses/outflows of resources:</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 2,277,906	\$ 476,222	\$ 2,110,251	\$ 303,716
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(14,922)</u>	<u>(1,415)</u>	<u>(4,728)</u>	<u>72,415</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,262,984</u></u>	<u><u>\$ 474,807</u></u>	<u><u>\$ 2,105,523</u></u>	<u><u>\$ 376,131</u></u>

## **SUPPLEMENTARY INFORMATION**

# CITY OF GENEVA, NEBRASKA

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

Year Ended September 30, 2022

	<u>Administrative</u>	<u>Police</u>	<u>Municipal Building</u>	<u>Street Lighting</u>
<b>REVENUES</b>				
Taxes:				
General property tax	\$ 442,768	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise	510,236	-	-	-
Occupation	2,917	-	-	-
Intergovernmental revenue:				
State assistance	67,582	-	-	-
Charges for services	-	-	-	-
Rental and fees	-	-	-	-
Licenses and permits	4,980	-	-	-
Grants and donations	-	-	-	-
Lottery proceeds	40,922	-	-	-
Interest income	48,638	-	-	-
Loan collections	-	-	-	-
Other receipts	20,407	-	2,750	-
Total revenues	<u>1,138,450</u>	<u>-</u>	<u>2,750</u>	<u>-</u>
<b>EXPENDITURES</b>				
Personnel services:				
Salaries and benefits	196,464	-	-	-
Operating expenses:				
Contracted services	25,062	177,858	9,000	-
Insurance	64,325	-	-	-
Fuel and transportation	-	-	-	-
Meetings, seminars, and dues	15,202	-	-	-
Repairs and maintenance	14,125	-	-	-
Printing, postage, and publications	17,611	-	-	-
Utilities and telephone	2,755	-	5,362	40,655
Total operating expenses	<u>139,080</u>	<u>177,858</u>	<u>14,362</u>	<u>40,655</u>
Supplies	15,006	-	-	-
Economic and community development	64,468	-	-	-
Other expenses	71,668	-	-	-
Capital outlay	194,204	-	-	-
Total expenditures	<u>680,890</u>	<u>177,858</u>	<u>14,362</u>	<u>40,655</u>
Excess (deficiency) of revenues over expenditures before transfers	457,560	(177,858)	(11,612)	(40,655)
<b>TRANSFERS FROM OTHER FUNDS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u><u>\$ 457,560</u></u>	<u><u>\$ (177,858)</u></u>	<u><u>\$ (11,612)</u></u>	<u><u>\$ (40,655)</u></u>

Grants	Employee Insurance	Sales Tax	Tree Dump	Rescue	Fire Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	551,576	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,650	26,838	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,017	4,017
-	-	-	-	-	-
-	-	9,190	-	-	-
-	-	123,321	-	-	-
12,067	20	5,236	-	-	8,459
<u>12,067</u>	<u>20</u>	<u>689,323</u>	<u>1,650</u>	<u>30,855</u>	<u>12,476</u>
-	35,599	-	10,600	-	-
-	-	-	23,615	3,870	2,033
-	-	-	-	8,617	10,544
-	-	-	-	767	1,621
-	-	-	-	5,378	250
-	-	-	326	402	15,353
-	-	-	-	-	-
484	-	-	-	390	8,214
<u>484</u>	<u>-</u>	<u>-</u>	<u>23,941</u>	<u>19,424</u>	<u>38,015</u>
-	-	-	107	2,546	6,429
-	-	59,356	-	-	-
-	-	-	-	180	4,725
-	-	9,286	-	-	5,100
<u>484</u>	<u>35,599</u>	<u>68,642</u>	<u>34,648</u>	<u>22,150</u>	<u>54,269</u>
11,583	(35,579)	620,681	(32,998)	8,705	(41,793)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,583</u>	<u>\$ (35,579)</u>	<u>\$ 620,681</u>	<u>\$ (32,998)</u>	<u>\$ 8,705</u>	<u>\$ (41,793)</u>

# CITY OF GENEVA, NEBRASKA

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

Year Ended September 30, 2022

	Equipment	Activity & Education	Youth Rec Center	Park
<b>REVENUES</b>				
Taxes:				
General property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Franchise	-	-	-	-
Occupation	-	-	-	-
Intergovernmental revenue:				
State assistance	-	-	-	-
Charges for services	-	210,523	123	-
Rental and fees	-	-	-	-
Licenses and permits	-	-	-	-
Grants and donations	-	1,306	-	-
Lottery proceeds	-	-	-	-
Interest income	-	-	-	-
Loan collections	-	-	-	-
Other receipts	-	2,569	-	12,000
Total revenues	-	214,398	123	12,000
<b>EXPENDITURES</b>				
Personnel services:				
Salaries and benefits	-	82,558	-	112,771
Operating expenses:				
Contracted services	-	5,577	50	518
Insurance	-	10,723	-	-
Fuel and transportation	-	-	-	4,529
Meetings, seminars, and dues	-	108	-	-
Repairs and maintenance	1,881	16	-	18,508
Printing, postage, and publications	-	800	-	-
Utilities and telephone	-	1,079	30	11,013
Total operating expenses	1,881	18,303	80	34,568
Supplies	-	37	-	11,653
Economic and community development	-	-	-	-
Other expenses	-	192,037	-	1,331
Capital outlay	272,800	-	-	-
Total expenditures	274,681	292,935	80	160,323
Excess (deficiency) of revenues over expenditures before transfers	(274,681)	(78,537)	43	(148,323)
<b>TRANSFERS FROM OTHER FUNDS</b>	129,170	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (145,511)</u>	<u>\$ (78,537)</u>	<u>\$ 43</u>	<u>\$ (148,323)</u>

Pool	Library	Cemetery	Auditorium	Senior	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,768
-	-	-	-	-	551,576
-	-	-	-	-	510,236
-	-	-	-	-	2,917
-	1,180	-	-	-	68,762
46,088	2,711	15,000	-	-	302,933
-	-	-	3,485	-	3,485
-	-	-	-	-	4,980
-	34,961	20,385	-	127	64,813
-	-	-	-	-	40,922
-	-	-	-	-	57,828
-	-	-	-	-	123,321
964	1,594	1,029	-	-	67,095
47,052	40,446	36,414	3,485	127	2,241,636
67,546	134,278	912	-	-	640,728
1,308	110	4,678	7,860	-	261,539
-	-	-	-	-	94,209
-	-	1,160	-	-	8,077
-	1,739	-	-	-	22,677
18,691	20,593	20,150	2,056	-	112,101
193	704	50	-	-	19,358
11,229	8,962	1,276	8,468	-	99,917
31,421	32,108	27,314	18,384	-	617,878
21,003	25,413	809	76	-	83,079
-	-	-	-	-	123,824
2,504	13,714	62	-	-	286,221
-	20,364	9,500	-	-	511,254
122,474	225,877	38,597	18,460	-	2,262,984
(75,422)	(185,431)	(2,183)	(14,975)	127	(21,348)
15,818	-	-	-	-	144,988
<u>\$ (59,604)</u>	<u>\$ (185,431)</u>	<u>\$ (2,183)</u>	<u>\$ (14,975)</u>	<u>\$ 127</u>	<u>\$ 123,640</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, and each major fund of the City of Geneva, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated March 29, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

#### Segregation of Duties

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

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

As part of obtaining reasonable assurance about whether the City of 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Geneva's response to the findings identified in our audit and described above. 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 29, 2023

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, and each major fund of the City of Geneva for the year ended September 30, 2022, and have issued our report thereon dated March 29, 2023. 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 12, 2022. 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, 2022. 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-three audit adjustments increased the fund balance of the City's governmental funds by \$145,562. Eighteen audit adjustments increased the net position of the City's business-type activities by \$83,673. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Depreciation expense of \$314,152 was recorded in the business-type activities, decreasing net position and increasing expenses.
2. Capital assets of \$306,365 were reclassified in the business-type activities, increasing net position and decreasing expenses.
3. A transfer of \$294,714 was recorded in the business-type activities, increasing net position and revenues.
4. A transfer of \$200,000 was recorded, increasing fund balance and revenue in the governmental fund and decreasing net position and increasing expenses in the business-type activities.
5. Accounts payable were adjusted \$57,751 in the governmental funds, decreasing fund balance and increasing expenditures.

#### *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 29, 2023.

### *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, 2022, 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 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 statement of general fund departmental revenue and expenditures, which accompany the financial statements but is 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.

*AMGL, P.C.*

Grand Island, Nebraska  
March 29, 2023



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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, and each major fund of the City of Geneva as of and for the year ended September 30, 2022, 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 29, 2023