

VILLAGE OF DUNCAN, NEBRASKA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

September 30, 2023

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TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position - Modified Cash Basis	12
Statement of Activities - Modified Cash Basis	13
Fund Financial Statements	
Balance Sheet - Modified Cash Basis - Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	15
Statement of Fund Net Position - Modified Cash Basis - Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis - Proprietary Funds	17
Statement of Cash Flows - Proprietary Funds	18
Notes to Financial Statements	19
OTHER INFORMATION	
Budgetary Comparison Schedules – Modified Cash Basis	
General Fund	37
Street Fund	38
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	39

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Members of the Village Board
Village of Duncan, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's 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 modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska, as of September 30, 2023, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

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 Village of Duncan, 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.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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 Village of Duncan, Nebraska'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.

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 Village of Duncan, 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 Village of Duncan, 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.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024, on our consideration of the Village of Duncan, 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 Village of Duncan'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 Village of Duncan, Nebraska's internal control over financial reporting and compliance.

Grand Island, Nebraska
April 3, 2024

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2023**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Village of Duncan, we offer readers of the Village of Duncan financial statements this narrative overview and analysis of the financial activities of the Village of Duncan for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets of the Village of Duncan exceeded its liabilities at the close of the most recent fiscal year by \$379,727 (*net position*). Of this amount, \$197,691 (*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 Village of Duncan’s governmental activities reported combined ending net position of \$399,082. Approximately 54.4 percent of this total amount, \$217,046, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$128,807, or 74.4 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Duncan’s financial statements. The Village of Duncan’s 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 other information in addition to the financial statements themselves.

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

The *statement of net position* presents information on all of the Village of Duncan’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 Village of Duncan is improving or deteriorating.

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year.

VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

Both of the government-wide financial statements distinguish functions of the Village of Duncan 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 Village of Duncan include general government, public safety, highways and streets, culture and recreation. The business-type activities of the Village of Duncan include the Water and Sewer Enterprise Funds.

The government-wide financial statements can be found on pages 12 and 13.

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 Village of Duncan, 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 Village of Duncan 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 Village of Duncan maintains two 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 and Street Fund, both of which are considered to be major funds.

The Village of Duncan adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General and Street Funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14 and 15 of this report.

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

Proprietary funds. The Village of Duncan 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 Village of Duncan 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 Village of Duncan.

The proprietary fund financial statements can be found on pages 16-18 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 19-36 of this report.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain *other information* concerning the Village of Duncan's budgetary comparison schedules. Other information can be found on pages 37-38 of this report.

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 Village of Duncan, assets exceeded liabilities by \$379,727 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2023			September 30, 2022		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and Other Assets	\$ 399,082	\$ (19,355)	\$ 379,727	\$ 443,658	\$ (33,132)	\$ 410,526
Net Position:						
Restricted	\$ 182,036	\$ -	\$ 182,036	\$ 211,814	\$ -	\$ 211,814
Unrestricted	217,046	(19,355)	197,691	231,844	(33,132)	198,712
Total Net Position	<u>\$ 399,082</u>	<u>\$ (19,355)</u>	<u>\$ 379,727</u>	<u>\$ 443,658</u>	<u>\$ (33,132)</u>	<u>\$ 410,526</u>

A portion of the Village of Duncan's net position (47.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$197,691) may be used to meet the government's ongoing obligations to citizens and creditors.

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

At the end of the current fiscal year, the Village of Duncan is able to report positive balances in both categories of net position for the government as a whole as well as for its separate governmental activities. The business-type activities had a deficit in in unrestricted net position.

Expenses and Program Revenues – Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 875	\$ 90,094	\$ -	\$ 91,251
Public Safety	-	24,352	-	23,304
Public Works	-	46,266	32,654	63,207
Environment and Leisure	-	3,365	-	2,854
Capital Outlay	-	84,046	-	406,847
Debt Service	-	55,723	-	55,749
Total	<u>\$ 875</u>	<u>\$ 303,846</u>	<u>\$ 32,654</u>	<u>\$ 643,212</u>

Revenues by Source – Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Grants and Contributions	\$ 875	0.34	\$ 32,654	10.43
Property Taxes	44,373	17.11	45,800	14.63
Motor Vehicle Taxes	9,198	3.55	9,689	3.09
Franchise Taxes	68,316	26.35	67,729	21.63
Sales Taxes	58,291	22.48	54,509	17.41
Intergovernmental	73,761	28.45	67,687	21.61
Interest	461	0.18	75	0.02
Other	3,995	1.54	34,996	11.18
Total	<u>\$ 259,270</u>	<u>100.00</u> %	<u>\$ 313,139</u>	<u>100.00</u> %

Net position of the governmental activities decreased \$(44,576) during the year ended September 30, 2023.

Business-type activities. Business-type activities increased the Village of Duncan's net position by \$13,777. Key elements of this increase are as follows:

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

Expenses and Program Revenues – Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 217,175	\$ 230,343	\$ 105,848	\$ 171,260
Sewer	89,570	62,625	84,495	52,215
Total	<u>\$ 306,745</u>	<u>\$ 292,968</u>	<u>\$ 190,343</u>	<u>\$ 223,475</u>

Revenues by Source – Business-type Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 183,246	59.74 %	\$ 179,093	94.09 %
Grants and Contributions	123,499	40.26	11,250	5.91
	<u>\$ 306,745</u>	<u>100.00 %</u>	<u>\$ 190,343</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Village of Duncan's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Duncan'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 Village of Duncan's governmental funds reported combined ending fund balance of \$399,082. Approximately 32.3 percent of this total amount (\$128,807) 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 street improvements (\$116,711), 2) restricted for community betterment (\$53), 3) restricted for federal programs (\$65,272), 4) assigned for park and recreation (\$974), or 5) assigned for budget stabilization (\$87,265).

The General Fund is the chief operating fund of the Village of Duncan. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$128,807, while total fund balance was \$282,371. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74.4 percent of total General Fund expenditures, while total fund balance represents 163.0 percent of the same amount.

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

The fund balance of the Village of Duncan's General Fund decreased by \$(14,923) and the Street Fund decreased \$(29,653) during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year was as follows: Water Fund – deficit of \$(78,580) and Sewer Fund – \$59,225. The change in net position for the proprietary funds was as follows: Water Fund – decrease of \$(13,168) and Sewer Fund – increase of \$26,945. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Village of Duncan's business-type activities.

Budgetary Highlights

There were no differences between the original budget and the final adopted budget for the year ended September 30, 2023.

Capital Asset and Debt Administration

Capital Assets. The Village of Duncan's major capital asset events (greater than \$5,000) during the current fiscal year included the following:

- Welcome signs - \$55,371
- Ditch drainage project - \$28,675
- Bumpy Road water line extension engineering - \$9,300
- Water main looping project engineering - \$112,345

Long-term debt. At the end of the current fiscal year, the Village of Duncan had the following long-term debt outstanding:

	Village of Duncan			Outstanding Debt		
	September 30, 2023			September 30, 2022		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Note payable	\$ -	\$ 144,716	\$ 144,716	\$ -	\$ 161,243	\$ 161,243
Bonds payable	600,000	205,000	805,000	645,000	230,000	875,000
	<u>\$ 600,000</u>	<u>\$ 349,716</u>	<u>\$ 949,716</u>	<u>\$ 645,000</u>	<u>\$ 391,243</u>	<u>\$ 1,036,243</u>

The Village of Duncan's total debt decreased by \$86,527 (8.4 percent) during the current fiscal year, due to scheduled payments.

**VILLAGE OF DUNCAN, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023**

The Village of Duncan does not have a bond rating.

Additional information on the Village of Duncan's long-term debt can be found in Note D2 on pages 32-35 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Village's property tax asking for September 30, 2024 is \$39,390, the same as the prior year.
- At September 30, 2023 the Village had commitments of \$42,000 on the water main looping project, \$129,112 on the Bumpy Road water line extension project, and \$94,391 on the sewer lining project.

All of these factors were considered in preparing the Village of Duncan's budget for the year ending September 30, 2024.

Request for Information

This financial report is designed to provide a general overview of the Village of Duncan'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 Village Clerk, Village of Duncan, 906 8th Street, Duncan, NE 68634.

VILLAGE OF DUNCAN

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

September 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 215,806	\$ (19,355)	\$ 196,451
County treasurer cash	1,305	-	1,305
Total current assets	217,111	(19,355)	197,756
Noncurrent assets:			
Restricted cash and cash equivalents	181,971	-	181,971
Total assets	399,082	(19,355)	379,727
LIABILITIES			
NET POSITION			
Restricted for:			
Street improvements	116,711	-	116,711
Federal programs	65,272	-	65,272
Community betterment	53	-	53
Unrestricted	217,046	(19,355)	197,691
Total net position	\$ 399,082	\$ (19,355)	\$ 379,727

See notes to financial statements.

VILLAGE OF DUNCAN

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended September 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities			
General government	\$ 90,094	\$ -	\$ 875
Public safety	24,352	-	-
Public works	46,266	-	-
Environment and leisure	3,365	-	-
Capital outlay	84,046	-	-
Debt service	55,723	-	-
Total governmental activities	<u>303,846</u>	<u>-</u>	<u>875</u>
Business-type activities			
Water	230,343	93,676	-
Sewer	62,625	89,570	-
Total business-type activities	<u>292,968</u>	<u>183,246</u>	<u>-</u>
Total primary government	<u>\$ 596,814</u>	<u>\$ 183,246</u>	<u>\$ 875</u>

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See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (89,219)		\$ (89,219)
-	(24,352)		(24,352)
-	(46,266)		(46,266)
-	(3,365)		(3,365)
-	(84,046)		(84,046)
-	(55,723)		(55,723)
-	(302,971)	\$ -	(302,971)
123,499	-	(13,168)	(13,168)
-	-	26,945	26,945
123,499	-	13,777	13,777
<u>\$ 123,499</u>	(302,971)	13,777	(289,194)
General revenues:			
Taxes:			
Property	44,373	-	44,373
Motor vehicle	9,198	-	9,198
Franchise	68,316	-	68,316
Sales tax	58,291	-	58,291
State allocation	73,761	-	73,761
Miscellaneous	3,995	-	3,995
Interest income	461	-	461
Total general revenues	258,395	-	258,395
Change in net position	(44,576)	13,777	(30,799)
Net position - September 30, 2022	443,658	(33,132)	410,526
Net position - September 30, 2023	<u>\$ 399,082</u>	<u>\$ (19,355)</u>	<u>\$ 379,727</u>

VILLAGE OF DUNCAN

**BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS**

September 30, 2023

	<u>General Fund</u>	<u>Street Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 281,131	\$ 116,646	\$ 397,777
County treasurer cash	1,240	65	1,305
Total assets	\$ 282,371	\$ 116,711	\$ 399,082
 LIABILITIES AND FUND BALANCES			
Liabilities:	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Street improvements	-	116,711	116,711
Community betterment	53	-	53
Federal programs	65,272	-	65,272
Assigned for:			
Park and recreation	974	-	974
Budget stabilization	87,265	-	87,265
Unassigned	128,807	-	128,807
Total fund balances	282,371	116,711	399,082
Total liabilities and fund balances	\$ 282,371	\$ 116,711	\$ 399,082

See notes to financial statements.

VILLAGE OF DUNCAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

For the year ended September 30, 2023

	<u>General Fund</u>	<u>Street Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes:			
Property	\$ 40,867	\$ 3,506	\$ 44,373
Motor vehicle	9,198	-	9,198
Franchise	68,316	-	68,316
Sales tax	46,452	11,839	58,291
Intergovernmental	196	73,565	73,761
Rent	1,684	-	1,684
Grants and contributions	875	-	875
Licenses, fees, and permits	723	-	723
Interest income	461	-	461
Other	1,538	50	1,588
Total revenues	170,310	88,960	259,270
EXPENDITURES			
General government	90,094	-	90,094
Public safety	24,352	-	24,352
Public works	-	46,266	46,266
Environment and leisure	3,365	-	3,365
Capital outlay	55,371	28,675	84,046
Principal payments on debt	-	45,000	45,000
Interest on long-term debt	-	10,723	10,723
Total expenditures	173,182	130,664	303,846
Deficiency of revenues over expenditures	(2,872)	(41,704)	(44,576)
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds	(12,051)	12,051	-
Net change in fund balances	(14,923)	(29,653)	(44,576)
Fund balance - September 30, 2022	297,294	146,364	443,658
Fund balance - September 30, 2023	\$ 282,371	\$ 116,711	\$ 399,082

See notes to financial statements.

VILLAGE OF DUNCAN

**STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS -
PROPRIETARY FUNDS**

September 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ (78,580)	\$ 59,225	\$ (19,355)
LIABILITIES			
	-	-	-
NET POSITION			
Unrestricted	\$ (78,580)	\$ 59,225	\$ (19,355)

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See notes to financial statements.

VILLAGE OF DUNCAN

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

For the year ended September 30, 2023

	Enterprise Funds		<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
Operating revenues:			
Sales	\$ 91,645	\$ 89,570	\$ 181,215
Other revenue	2,031	-	2,031
Total operating revenues	93,676	89,570	183,246
Operating expenses:			
Personnel	28,493	28,493	56,986
Utilities and telephone	7,574	1,589	9,163
Repairs and maintenance	10,560	445	11,005
Contracted services	2,443	5,741	8,184
Supplies	13,089	137	13,226
Professional fees	2,596	-	2,596
Insurance	4,460	4,460	8,920
Meetings, seminars, and dues	2,365	200	2,565
Other expenses	9,868	319	10,187
Total operating expenses	81,448	41,384	122,832
Operating income	12,228	48,186	60,414
Nonoperating revenues (expenses):			
Grant income	123,499	-	123,499
Capital outlay	(121,645)	-	(121,645)
Bond and loan principal	(25,000)	(16,527)	(41,527)
Interest expense	(2,250)	(3,143)	(5,393)
Loan administration fees	-	(1,571)	(1,571)
Total nonoperating revenues (expenses)	(25,396)	(21,241)	(46,637)
Change in net position	(13,168)	26,945	13,777
Net position - September 30, 2022	(65,412)	32,280	(33,132)
Net position - September 30, 2023	\$ (78,580)	\$ 59,225	\$ (19,355)

See notes to financial statements.

VILLAGE OF DUNCAN
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the year ended September 30, 2023

	Enterprise Funds		<u>Total</u>
	<u>Water</u> Fund	<u>Sewer</u> Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 93,676	\$ 89,570	\$ 183,246
Payments to suppliers	(52,955)	(12,891)	(65,846)
Payments to employees	(28,493)	(28,493)	(56,986)
Net cash provided by operating activities	12,228	48,186	60,414
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of property and equipment	(121,645)	-	(121,645)
Grant proceeds	123,499	-	123,499
Principal paid on long-term debt	(25,000)	(16,527)	(41,527)
Interest paid on long-term debt	(2,250)	(3,143)	(5,393)
Fees paid on long-term debt	-	(1,571)	(1,571)
Net cash used by capital and related financing activities	(25,396)	(21,241)	(46,637)
Increase (decrease) in cash and cash equivalents	(13,168)	26,945	13,777
Cash and cash equivalents - beginning of the year	(65,412)	32,280	(33,132)
Cash and cash equivalents - end of the year	\$ (78,580)	\$ 59,225	\$ (19,355)

See notes to financial statements.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
INDEX

	Page
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
1. Financial Reporting Entity	20
2. Basis of Presentation	21
3. Measurement Focus and Basis of Accounting	23
4. Assets, Liabilities, and Equity	24
5. Revenues, Expenditures, and Expenses	26
NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
1. Fund Accounting Requirements	28
2. Deposit Laws and Regulations	28
3. Revenue Restrictions	28
4. Debt Restrictions and Covenants	29
5. Budgetary Data	29
NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS	
1. Cash	30
2. Restricted Assets	31
3. Fund Equity	31
4. Interfund Transactions	31
NOTE D – OTHER NOTES	
1. Risk Management	32
2. Long-term Debt	32
3. Commitments	35
4. Subsequent Events	36

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Duncan, Nebraska (Village) are prepared in accordance with the modified cash basis of accounting. The Village’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 Village of Duncan, Nebraska, was incorporated in 1869. The Village operates under a Board of Trustees form of government with an elected Board, composed of five members. The Village Board members are elected to four-year terms. The administration of the Village government is performed under the direction of the Board of Trustees by the Village Clerk. Services provided to residents include public safety; highways and streets; parks; recreation; water and sanitary sewer systems; and general administrative services.

The Village’s financial reporting entity comprises the following:

Primary Government:	Village of Duncan
---------------------	-------------------

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Village may be financially accountable, and, as such, should be included within the Village’s financial statements. The Village (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 Village. 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.

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 Village Board or the component unit provides services entirely to the Village. These component units’ funds are blended into those of the Village by appropriate activity type to compose the primary government presentation. Currently the Village has no blended component units.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

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 Village 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. 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 Village or meets the following criteria:

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

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Village and is 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.

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 Fund	See above for description.
Street Fund	The Street Fund is a Special Revenue Fund that accounts for the Village's share of highway allocation from the State of Nebraska.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

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 22 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-type 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting

In the government-wide and fund financial statements, the governmental activities and business-type activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions, and recognizes county treasurer cash as assets. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable, revenue for billed or provided services not yet collected, and capital assets) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, accrued expenses and liabilities, and long-term debt) are not recorded in these financial statements. Under the modified cash basis of accounting, proceeds from the issuance of long-term debt is reflected as revenue and payment of long-term debt is recognized as expense. Capital outlay is expensed and depreciation is not recognized. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

4. Assets, Liabilities, and Equity

Estimates

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

Cash and Cash Equivalents

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 Village.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Cash and Cash Equivalents, continued

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

Capital Assets

In the government-wide and fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

Long-term Debt

Long-term debt for both the government-wide and fund financial statements is not reported as liabilities. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Equity Classifications

Government-wide Statements

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

- a. 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.
- b. Unrestricted net position – All other net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

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 Village 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:

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

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 Village Charter, Village Code, state or federal laws or externally imposed conditions by grantors or creditors.

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

Assigned—Amounts that are designated by the Chairman for a specific purpose but are not spendable until a budget ordinance is passed by the Village Board.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 14). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Village Board or the Assignment has been changed by Management. 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

Property Taxes

The Village has the power to levy taxes each year sufficient to pay any judgment existing against the Village, 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

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

Property taxes levied for 2022-2023 are recorded as revenue when received by the County.

Sales and Use Tax

The Village presently levies a one and one-half-cent tax on taxable sales within the Village. The sales tax is collected by the Nebraska Department of Revenue and remitted to the Village in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. The sales tax is recorded in the General Fund and used for budgeted operating expenses. Sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds – by Character and Function

Proprietary Fund – 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

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 Village is subject to various federal, state, and local laws and contractual regulations. An analysis of the Village's compliance with significant laws and regulations and demonstration of its stewardship over Village resources follows:

1. Fund Accounting Requirements

The Village complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the Village include Special Revenue and Debt Service Funds.

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Village'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 Village'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 Village's name.

3. Revenue Restrictions

The Village 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

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 Village is in compliance with the bond restrictions and covenants.

5. Budgetary Data

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

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

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

- a. On or before August 1, the Village 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 Village Board 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 Village, which levied property taxes in the county the previous year based on the combined valuation and amount required for the Village 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The Village of Duncan adopts a budget by resolution for all funds.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

1. Cash

Deposits

The Village'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, 2023. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Village (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 Village'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 Village's name; or collateralized with no written or approved collateral agreement.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

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

1. Cash, continued

Deposits, continued

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 378,602	\$ 263,846	\$ 114,756	\$ -	\$ <u>378,422</u>
Reconciliation to Government-wide Statement of Net Position:					
Primary Government –					
Unrestricted cash and cash equivalents					\$ 196,451
Restricted cash and cash equivalents					<u>181,971</u>
Total					\$ <u>378,422</u>

2. Restricted Assets

The governmental activities have restricted cash and cash equivalents of \$181,971. The General Fund has cash and cash equivalents of \$53 restricted for community betterment and \$65,272 restricted for federal programs. The Street Fund has \$116,646 of cash and cash equivalents restricted for street improvements.

3. Fund Equity

The Water Fund a deficit fund balance of \$78,580 as of September 30, 2023. The Village plans to increase this fund balance in future years by transferring excess funds from other funds.

4. Interfund Transactions

The General Fund transferred \$12,051 to the Street Fund during the year ended September 30, 2023.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE D – OTHER NOTES

1. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village 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 Village'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 Village 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 Village's investments at September 30, 2023, are held by banks in the name of the Village.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Village's investments consist of cash and cash equivalents, minimizing credit risk associated with the Village's investment portfolio.

Concentration of Credit Risk. The Village's investment policy places no limit on the amount that may be invested in any one issuer. The Village did not have any certificates of deposit at September 30, 2023.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village'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.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Village's investments had no exposure to foreign currency risk and the Village held no investments denominated in foreign currency at September 30, 2023.

2. 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.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE D – OTHER NOTES, continued

2. Long-term Debt, continued

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

<u>Type of Debt</u>	<u>Balance at October 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2023</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 645,000	\$ -	\$ (45,000)	\$ 600,000	\$ 45,000
Business-type Activities:					
Note payable	\$ 161,243	\$ -	\$ (16,527)	\$ 144,716	\$ 16,859
Bonds payable	230,000	-	(25,000)	205,000	25,000
	<u>\$ 391,243</u>	<u>\$ -</u>	<u>\$ (41,527)</u>	<u>\$ 349,716</u>	<u>\$ 41,859</u>

Governmental Activities

As of September 30, 2023, the governmental long-term liabilities consisted of the following:

The Village issued highway allocation bonds, series 2018, dated July 17, 2018, with an original issue amount of \$255,000 to fund a street project. Principal is due in annual installments with interest from 1.90 to 3.00 percent due semiannually with final maturity May 15, 2028. The bond is paid from the Street Fund. \$ 130,000

The Village issued highway allocation bonds, series 2021, dated June 22, 2021, with an original issue amount of \$510,000 to fund a street project. Principal is due in annual installments with interest from 0.65 to 1.75 percent due semiannually with final maturity May 15, 2036. The bond is paid from the Street Fund. 470,000

Total	\$ <u>600,000</u>
Current portion	\$ 45,000
Noncurrent portion	<u>555,000</u>
Total	\$ <u>600,000</u>

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE D – OTHER NOTES, continued

2. Long-term Debt, continued

Business-type Activities

As of September 30, 2023, the business-type long-term liabilities consisted of the following:

The Village issued general obligation water bonds, series 2020, dated June 8, 2021, with an original issue amount of \$255,000 to fund a water project. Principal is due in annual installments with interest from 0.75 to 1.25 percent due semiannually with final maturity June 15, 2031. The bond is paid from the Water Fund.	\$ 205,000
Note payable to the Nebraska Department of Environment and Energy, dated October 4, 2010, with original issue amount of \$310,958. Interest at 2.0 percent, fees at 1.0 percent, and principal is due semi-annually, with final maturity on June 15, 2031. Paid by the Sewer Fund.	<u>144,716</u>
Total	\$ <u>349,716</u>
Current portion	\$ 41,859
Noncurrent portion	<u>307,857</u>
Total	\$ <u>349,716</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2023, are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	Principal	Interest	Total
2024	\$ 45,000	\$ 9,980	\$ 54,980
2025	45,000	9,213	54,213
2026	45,000	8,407	53,407
2027	45,000	7,578	52,578
2028	45,000	6,622	51,622
2029-2033	225,000	22,238	247,238
2034-2036	150,000	5,250	155,250
	\$ 600,000	\$ 69,288	\$ 669,288

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

NOTE D – OTHER NOTES, continued

2. Long-term Debt, continued

Year Ending September 30,	<u>Business-type Activities</u>						
	<u>Other Debt Issue</u>			<u>Direct Placement Debt</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Total</u>
2024	\$ 25,000	\$ 2,063	\$ 27,063	\$ 16,859	\$ 2,810	\$ 1,405	\$ 21,074
2025	25,000	1,875	26,875	17,198	2,472	1,236	20,906
2026	25,000	1,687	26,687	17,544	2,126	1,063	20,733
2027	25,000	1,500	26,500	17,896	1,773	887	20,556
2028	30,000	1,313	31,313	18,256	1,414	707	20,377
2029-2031	75,000	1,875	76,875	56,963	2,009	1,005	59,977
	<u>\$ 205,000</u>	<u>\$ 10,313</u>	<u>\$ 215,313</u>	<u>\$ 144,716</u>	<u>\$ 12,604</u>	<u>\$ 6,303</u>	<u>\$ 163,623</u>

3. Commitments

Construction

At September 30, 2023, the Village had a \$166,100 contractual commitment to JEO Consulting for engineering fees on the water main looping project. The Village had paid \$124,100 on this contract as of September 30, 2023, leaving \$42,000 to be paid under the contractual obligation. This project is expected to be completed in 2024.

At September 30, 2023, the Village had a \$29,800 contractual commitment to JEO Consulting for engineering fees on the Bumpy Road water line extension project. The Village had paid \$26,200 on this contract as of September 30, 2023, leaving \$3,600 to be paid under the contractual obligation. This project was completed in November 2023.

At September 30, 2023, the Village had a \$125,512 contractual commitment to Obrist & Company, Inc. for construction on the Bumpy Road water line extension project. The Village had not made any payments on this contract as of September 30, 2023, leaving \$125,512 to be paid under the contractual obligation. This project was completed in November 2023.

At September 30, 2023, the Village had a \$94,391 contractual commitment to Johnson's Service for the sewer lining project. The Village had paid \$0 on this contract as of September 30, 2023, leaving \$94,391 to be paid under the contractual obligation. This project is expected to be completed in 2024.

VILLAGE OF DUNCAN, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, continued
September 30, 2023

4. Subsequent Events

Management has evaluated subsequent events through April 3, 2024, the date on which the financial statements were available for issue.

On December 11, 2023, the Village approved a \$680,121 bid from Obrist & Company, Inc. for the water main looping project.

DRAFT

OTHER INFORMATION

DRAFT

VILLAGE OF DUNCAN

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GENERAL FUND**

Year ended September 30, 2023

	<u>Budget</u> (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 39,000	\$ 40,867	\$ 1,867
Motor vehicle	9,800	9,198	(602)
Franchise	65,000	68,316	3,316
Sales	36,000	46,452	10,452
Intergovernmental	2,865	196	(2,669)
Rental fees	3,000	1,684	(1,316)
Grants and contributions	-	875	875
Licenses, fees, and permits	1,095	723	(372)
Interest income	-	461	461
Other	4,000	1,538	(2,462)
Total resources	160,760	170,310	9,550
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Administrative:			
General government	137,525	145,465	7,940
Public safety:			
Fire	26,000	24,352	(1,648)
Environment and leisure:			
Parks and recreation	9,000	3,365	(5,635)
Total charges to appropriations	172,525	173,182	657
Resources under charges to appropriations	(11,765)	(2,872)	8,893
OTHER FINANCING USES			
Transfers to other funds	-	(12,051)	(12,051)
RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES	\$ (11,765)	\$ (14,923)	\$ (3,158)

VILLAGE OF DUNCAN

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
STREET FUND**

Year ended September 30, 2023

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ -	\$ 3,506	\$ 3,506
Sales tax	17,000	11,839	(5,161)
Intergovernmental	71,169	73,565	2,396
Other	-	50	50
	88,169	88,960	791
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	54,375	46,266	(8,109)
Capital outlay	-	28,675	28,675
Principal payments on debt	45,000	45,000	-
Interest payment on debt	10,723	10,723	-
	110,098	130,664	20,566
Resources under chages to appropriations	(21,929)	(41,704)	(19,775)
OTHER FINANCING SOURCES			
Transfers from other funds	-	12,051	12,051
	-	12,051	12,051
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	\$ (21,929)	\$ (29,653)	\$ (7,724)

**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 Chairman and Members of the Village Board
Village of Duncan, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village’s financial statements, and have issued our report thereon dated April 3, 2024. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the Village of Duncan, Nebraska, prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 Village of Duncan'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*.

Village of Duncan's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Duncan's response to the findings identified in our audit and described above. The Village of Duncan's response to the findings identified in our audit is that due to the small size of the Village, it is impractical to further segregate duties. The Village of Duncan'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.

Grand Island, Nebraska
April 3, 2024