

CITY OF ALMA, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Nebraska, as of and for the year ended September 30, 2023, 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, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Nebraska, as of September 30, 2023, 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 Alma, 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 Alma, 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.

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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 Alma, 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 Alma, 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 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 Alma, Nebraska's basic financial statements. The nonmajor fund combining statements and the statement of revenue and expenditures by General Fund department are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, 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 February 15, 2024, on our consideration of the City of Alma, 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 Alma'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 Alma, Nebraska's internal control over financial reporting and compliance.

AMGL.P.C.

Grand Island, Nebraska
February 15, 2024

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

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

Financial Highlights

- The assets of the City of Alma exceeded its liabilities at the close of the most recent fiscal year by \$11,355,289 (*net position*). Of this amount, \$2,568,344 (*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 Alma governmental activities reported combined ending net position of \$7,908,004. Approximately 14.5 percent of this total amount, \$1,149,034, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$851,788, or 79.3 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 Alma’s basic financial statements. The City of Alma’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 Alma’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Alma’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 Alma 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).

Both of the government-wide financial statements distinguish functions of the City of Alma that are principally supported by taxes and intergovernmental revenues (*governmental activities*)

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

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 Alma include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the City of Alma include the Gas, Water, Sewer, Trash, Electric, Golf and RV Park 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 Alma, 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 Alma 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 Alma maintains five 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, and the Airport Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Proprietary funds. The City of Alma maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

wide financial statements. The City of Alma uses enterprise funds to account for its Gas, Water, Sewer, Trash, Electric, Golf and RV Park 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 Gas, Water, Sewer, Trash, Electric, Golf and RV Park Funds, all of which are considered to be major funds of the City of Alma.

The basic proprietary fund financial statements can be found on pages 20-23 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 24-54 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 Alma’s budgetary comparison schedules. Required supplementary information can be found on pages 55-58 of this report.

The nonmajor governmental funds combining statements and the statement of General Fund revenue and expenditures by department can be found on pages 59-61.

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 Alma, assets exceeded liabilities by \$11,355,289 at the close of the most recent fiscal year.

Summary Statements of Net Position

	<u>September 30, 2023</u>			<u>September 30, 2022</u>		
	<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	\$ 2,001,930	\$ 1,569,836	\$ 3,571,766	\$ 2,186,443	\$ 1,415,911	\$ 3,602,354
Capital Assets	7,880,919	2,873,068	10,753,987	7,632,348	2,862,838	10,495,186
Total Assets	<u>9,882,849</u>	<u>4,442,904</u>	<u>14,325,753</u>	<u>9,818,791</u>	<u>4,278,749</u>	<u>14,097,540</u>
Long-term Liabilities	1,612,051	772,601	2,384,652	1,837,386	850,367	2,687,753
Other Liabilities	362,794	223,018	585,812	265,023	201,242	466,265
Total Liabilities	<u>1,974,845</u>	<u>995,619</u>	<u>2,970,464</u>	<u>2,102,409</u>	<u>1,051,609</u>	<u>3,154,018</u>
Net Position:						
Net Investment in						
Capital Assets	6,043,533	2,022,685	8,066,218	5,572,673	1,926,013	7,498,686
Restricted	715,437	5,290	720,727	916,453	-	916,453
Unrestricted	1,149,034	1,419,310	2,568,344	1,227,256	1,301,127	2,528,383
Total Net Position	<u>\$ 7,908,004</u>	<u>\$ 3,447,285</u>	<u>\$ 11,355,289</u>	<u>\$ 7,716,382</u>	<u>\$ 3,227,140</u>	<u>\$ 10,943,522</u>

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

By far the largest portion of the City of Alma’s net position (71.0 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 Alma uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Alma’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 Alma’s net position (6.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,2568,344) 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 Alma is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities.

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	\$ 4,105	\$ 253,465	\$ 7,114	\$ 247,135
Public Safety	-	43,575	-	43,531
Public Works	-	259,853	100,972	224,239
Recreation	50,890	262,283	67,893	294,233
Airport	266,150	32,021	189,013	35,486
Economic Development	-	87,400	-	73,220
Interest	-	45,324	-	48,651
Depreciation	-	433,272	-	427,563
Total	<u>\$ 321,145</u>	<u>\$ 1,417,193</u>	<u>\$ 364,992</u>	<u>\$ 1,394,058</u>

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

Revenues by Source – Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 57,883	3.60 %	\$ 67,565	3.63 %
Operating Grants and Contributions	25,422	1.58	45,720	2.46
Capital Grants and Contributions	237,840	14.78	251,707	13.52
Property Taxes	305,768	19.01	314,731	16.90
Motor Vehicle Taxes	27,024	1.68	27,078	1.45
Sales Tax	480,199	29.85	481,873	25.88
Franchise Taxes	3,062	0.19	2,791	0.15
TIF Proceeds	80,887	5.03	64,915	3.49
State Allocation	247,945	15.41	258,791	13.90
Miscellaneous	29,111	1.81	103,507	5.56
Interest	29,039	1.80	8,657	0.46
Transfers	84,635	5.26	234,677	12.60
Total	<u>\$ 1,608,815</u>	<u>100.00 %</u>	<u>\$ 1,862,012</u>	<u>100.00 %</u>

Net position increased \$191,622 in the governmental activities during the year ended September 30, 2023.

Business-type activities. Business-type activities increased the City of Alma’s net position by \$220,145. Key elements of this increase are as follows:

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>
Gas	\$ 596,411	\$ 561,319	\$ 556,375	\$ 554,653
Water	319,166	282,391	329,704	321,436
Sewer	100,806	105,655	81,072	123,937
Trash	219,467	190,729	205,467	169,432
Electric	1,422	12,201	-	12,336
Golf	317,484	310,806	312,503	278,772
RV Park	61,347	33,758	66,047	41,470
Total	<u>1,616,103</u>	<u>1,496,859</u>	<u>1,551,168</u>	<u>1,502,036</u>
Interfund transfers	-	84,635	-	234,677
	<u>\$ 1,616,103</u>	<u>\$ 1,581,494</u>	<u>\$ 1,551,168</u>	<u>\$ 1,736,713</u>

CITY OF ALMA, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2023

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 1,613,505	89.56 %	\$ 1,536,168	88.02 %
Grants and Contributions	2,598	0.14	15,000	0.86
Franchise Fees	185,435	10.29	194,161	11.12
Interest	101	0.01	23	-
Total	<u>\$ 1,801,639</u>	<u>100.00 %</u>	<u>\$ 1,745,352</u>	<u>100.00 %</u>

Financial Analysis of the Government’s Funds

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

Governmental Funds. The focus of the City of Alma’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 Alma’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 Alma governmental funds reported combined ending fund balances of \$1,763,845. Approximately 48.3 percent of this total amount (\$851,788) 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 hospital bond debt service (\$229,798), 2) restricted for street improvements (\$469,007), 3) restricted for Federal programs (\$16,632), 4) assigned for airport (\$56,442), 5) nonspendable for inventory (\$13,028), or 6) assigned for budgetary stabilization (\$127,150).

The General Fund is the chief operating fund of the City of Alma. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$851,788, while total fund balance was \$978,938. 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 79.3 percent of total General Fund expenditures, while total fund balance represents 91.2 percent of that same amount.

The fund balance of the City of Alma’s General Fund decreased by \$73,323 and the fund balance of Street Fund decreased \$229,042 during the current fiscal year.

Proprietary funds. The City of Alma’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: Gas Fund – \$752,727, Water Fund – \$264,583, Sewer Fund – \$12,626, Trash Fund – \$126,441, Electric Fund – \$24,023, Golf Fund – \$38,913, and RV Park Fund – \$199,997. The change in

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

net position for the proprietary funds was as follows: Gas Fund – increase of \$35,092, Water Fund – increase of \$111,437, Sewer Fund – increase of \$20,904, Trash Fund – increase of \$28,738, Electric Fund – decrease of \$(5,844), Golf Fund – increase of \$2,229, and RV Park Fund – increase of \$27,589. Other factors concerning the finances of these seven funds have already been addressed in the discussion of the City of Alma's business-type activities.

Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets. The City of Alma's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$10,753,987 (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 \$10,000) during the current fiscal year included the following:

- City auditorium tuckpointing - \$271,500
- Ballfield fencing - \$10,000
- Downtown drainage improvements - \$159,983
- Airport runway lighting - \$227,160
- 2022 Ford F-150 - \$39,839
- Remote methane leak detector - \$23,113
- Grinder - \$41,274
- Well #5 rehab - \$35,125

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

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

	<u>Year Ended September 30, 2023</u>			<u>Year Ended September 30, 2022</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	\$ 163,751	\$ 242,856	\$ 406,607	\$ 163,751	\$ 242,856	\$ 406,607
Construction in Progress	-	-	-	41,400	-	41,400
Buildings and Improvements	4,736,456	393,166	5,129,622	4,441,119	424,386	4,865,505
Machinery and Equipment	376,702	396,030	772,732	430,934	308,907	739,841
Infrastructure	2,604,010	-	2,604,010	2,555,144	-	2,555,144
Distribution Systems	-	1,841,016	1,841,016	-	1,886,689	1,886,689
Total	<u>\$ 7,880,919</u>	<u>\$ 2,873,068</u>	<u>\$ 10,753,987</u>	<u>\$ 7,632,348</u>	<u>\$ 2,862,838</u>	<u>\$ 10,495,186</u>

Additional information on the City of Alma's capital assets can be found in Note C5 on pages 43-45 of this report.

Long-term debt. At the end of the current fiscal year, the City of Alma had total bonded debt and notes payable outstanding of \$2,687,769.

City of Alma's Outstanding Debt

	<u>Year Ended September 30, 2023</u>			<u>Year Ended September 30, 2022</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Bonds Payable	\$ 1,681,350	\$ 651,650	\$ 2,333,000	\$ 1,841,000	\$ 688,000	\$ 2,529,000
Notes Payable	23,952	198,733	222,685	45,103	248,825	293,928
Financing Agreement	132,084	-	132,084	173,572	-	173,572
Total	<u>\$ 1,837,386</u>	<u>\$ 850,383</u>	<u>\$ 2,687,769</u>	<u>\$ 2,059,675</u>	<u>\$ 936,825</u>	<u>\$ 2,996,500</u>

The City of Alma's total debt decreased by \$308,731 (10.3 percent) during the current fiscal year, due to scheduled payments.

The City of Alma does not have a bond rating.

Additional information on the City of Alma's long-term debt can be found in Note C7 on pages 46-50 of this report.

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

Economic Factors and Next Year's Budgets and Rates

- Property tax asking for the year ending September 30, 2024, is \$332,847, an increase of \$16,565 (5.2 percent) from the prior year. The general tax asking was \$253,057, an increase of \$16,565 (7.0 percent) and the pool bond debt service tax asking was \$79,790, the same as the prior year.

All of these factors were considered in preparing the City of Alma's budget for the 2024 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City of Alma'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 Administrator, City of Alma, P.O. Box 468, Alma, NE 68920.

CITY OF ALMA, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 592,745	\$ 859,798	\$ 1,452,543	\$ 5,044
Certificates of deposit	445,887	507,000	952,887	-
County treasurer cash	19,232	-	19,232	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	81,788	81,788	-
Unbilled revenue	-	9,848	9,848	-
Current portion of notes receivable	13,553	-	13,553	-
Lease	-	19,713	19,713	-
Property tax	5,712	-	5,712	-
Sales tax	86,063	-	86,063	-
Grants	24,140	-	24,140	-
Inventory	13,028	62,699	75,727	-
Total current assets	<u>1,200,360</u>	<u>1,540,846</u>	<u>2,741,206</u>	<u>5,044</u>
Noncurrent assets:				
Restricted cash and cash equivalents	215,028	28,990	244,018	-
Restricted certificates of deposit	499,469	-	499,469	-
Noncurrent portion of notes receivable	87,073	-	87,073	-
Capital assets:				
Land	163,751	242,856	406,607	-
Depreciable capital assets, net of depreciation	7,717,168	2,630,212	10,347,380	-
Net capital assets	<u>7,880,919</u>	<u>2,873,068</u>	<u>10,753,987</u>	<u>-</u>
Total noncurrent assets	<u>8,682,489</u>	<u>2,902,058</u>	<u>11,584,547</u>	<u>-</u>
Total assets	<u>9,882,849</u>	<u>4,442,904</u>	<u>14,325,753</u>	<u>5,044</u>
LIABILITIES				
Current liabilities:				
Accounts payable	114,722	71,668	186,390	-
Advance utility collections	-	14,694	14,694	-
Accrued expenses	22,737	35,154	57,891	-
Customer deposits	-	23,720	23,720	-
Current portion of long-term obligations	225,335	77,782	303,117	-
Total current liabilities	<u>362,794</u>	<u>223,018</u>	<u>585,812</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	1,612,051	772,601	2,384,652	-
Total liabilities	<u>1,974,845</u>	<u>995,619</u>	<u>2,970,464</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	6,043,533	2,022,685	8,066,218	-
Restricted for:				
Street improvements	469,007	-	469,007	-
Federal programs	16,632	5,290	21,922	-
Hospital bond debt service	229,798	-	229,798	-
Unrestricted	1,149,034	1,419,310	2,568,344	5,044
Total net position	<u>\$ 7,908,004</u>	<u>\$ 3,447,285</u>	<u>\$ 11,355,289</u>	<u>\$ 5,044</u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

STATEMENT OF ACTIVITIES

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	\$ 253,465	\$ 4,105	\$ -
Public safety	43,575	-	-
Public works	259,853	-	-
Environment and leisure	262,283	25,468	25,422
Airport	32,021	28,310	-
Economic development	87,400	-	-
Interest and fees on long-term debt	45,324	-	-
Depreciation - unallocated	433,272	-	-
Total governmental activities	1,417,193	57,883	25,422
Business-type activities:			
Gas	561,319	596,411	-
Water	282,391	319,166	-
Sewer	105,655	100,806	-
Trash	190,729	219,467	-
Electric	12,201	1,422	-
Golf	310,806	314,886	2,598
RV Park	33,758	61,347	-
Total business-type activities	1,496,859	1,613,505	2,598
Total primary government	\$ 2,914,052	\$ 1,671,388	\$ 28,020
Component unit:			
Community Redevelopment Authority	\$ 16,236	\$ -	\$ -

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (249,360)		\$ (249,360)	
-	(43,575)		(43,575)	
-	(259,853)		(259,853)	
-	(211,393)		(211,393)	
237,840	234,129		234,129	
-	(87,400)		(87,400)	
-	(45,324)		(45,324)	
-	(433,272)		(433,272)	
<u>237,840</u>	<u>(1,096,048)</u>	<u>\$ -</u>	<u>(1,096,048)</u>	
-	-	35,092	35,092	
-	-	36,775	36,775	
-	-	(4,849)	(4,849)	
-	-	28,738	28,738	
-	-	(10,779)	(10,779)	
-	-	6,678	6,678	
-	-	27,589	27,589	
<u>-</u>	<u>-</u>	<u>119,244</u>	<u>119,244</u>	
<u>\$ 237,840</u>	<u>(1,096,048)</u>	<u>119,244</u>	<u>(976,804)</u>	
<u>\$ -</u>				\$ (16,236)
General revenues:				
Taxes:				
Property	305,768	-	305,768	-
Motor vehicle	27,024	-	27,024	-
Sales tax	480,199	-	480,199	-
Franchise	3,062	185,435	188,497	-
TIF proceeds	80,887	-	80,887	17,026
State allocation	247,945	-	247,945	-
Miscellaneous	29,111	-	29,111	-
Interest income	29,039	101	29,140	13
Interfund transfers	84,635	(84,635)	-	-
Total general revenues	<u>1,287,670</u>	<u>100,901</u>	<u>1,388,571</u>	<u>17,039</u>
Change in net position	191,622	220,145	411,767	803
Net position - September 30, 2022	<u>7,716,382</u>	<u>3,227,140</u>	<u>10,943,522</u>	<u>4,241</u>
Net position - September 30, 2023	<u>\$ 7,908,004</u>	<u>\$ 3,447,285</u>	<u>\$ 11,355,289</u>	<u>\$ 5,044</u>

CITY OF ALMA, NEBRASKA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 538,377	\$ 198,067	\$ 54,368	\$ 16,961	\$ 807,773
Certificates of deposit	440,887	270,000	5,000	229,469	945,356
County treasurer cash	19,232	-	-	-	19,232
Receivables:					
Property tax	5,712	-	-	-	5,712
Sales tax	67,725	18,338	-	-	86,063
Grants	-	-	24,140	-	24,140
Inventory	-	-	13,028	-	13,028
	<u>\$ 1,071,933</u>	<u>\$ 486,405</u>	<u>\$ 96,536</u>	<u>\$ 246,430</u>	<u>\$ 1,901,304</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 81,083	\$ 6,573	\$ 27,066	\$ -	\$ 114,722
Payroll withholdings	157	-	-	-	157
Accrued payroll	4,079	4,015	-	-	8,094
Accrued interest payable	7,676	6,810	-	-	14,486
Total liabilities	<u>92,995</u>	<u>17,398</u>	<u>27,066</u>	<u>-</u>	<u>137,459</u>
Fund balances:					
Nonspendable:					
Inventory	-	-	13,028	-	13,028
Restricted for:					
Street improvements	-	469,007	-	-	469,007
Federal programs	-	-	-	16,632	16,632
Hospital bond debt service	-	-	-	229,798	229,798
Assigned for:					
Airport	-	-	56,442	-	56,442
Budgetary stabilization	127,150	-	-	-	127,150
Unassigned	851,788	-	-	-	851,788
Total fund balances	<u>978,938</u>	<u>469,007</u>	<u>69,470</u>	<u>246,430</u>	<u>1,763,845</u>
Total liabilities and fund balances	<u>\$ 1,071,933</u>	<u>\$ 486,405</u>	<u>\$ 96,536</u>	<u>\$ 246,430</u>	<u>\$ 1,901,304</u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

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

September 30, 2023

Total fund balances - governmental funds		\$ 1,763,845
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Notes receivable are not recorded as an asset in the fund financial statements.		100,626
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 \$12,703,569 and the accumulated depreciation is \$4,822,650.		7,880,919
Long-term liabilities, including bonds, note 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	\$ (1,681,350)	
Note payable	(23,952)	
Financing agreement payable	(132,084)	<u>(1,837,386)</u>
Total net position - governmental activities		<u><u>\$ 7,908,004</u></u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2023

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 305,768	\$ -	\$ -	\$ -	\$ 305,768
Motor vehicle	27,024	-	-	-	27,024
Sales tax	381,512	98,687	-	-	480,199
Franchise	3,062	-	-	-	3,062
TIF proceeds	80,887	-	-	-	80,887
Intergovernmental	60,431	187,514	-	-	247,945
Licenses and permits	5,849	-	-	-	5,849
Charges for services	22,938	-	12,500	-	35,438
Rent	6,635	-	15,810	-	22,445
Grants and donations	25,422	-	237,840	-	263,262
Loan collections	-	-	-	5,538	5,538
Interest income	26,378	-	-	2,661	29,039
Other income	14,579	5,222	1,900	-	21,701
Total revenues	<u>960,485</u>	<u>291,423</u>	<u>268,050</u>	<u>8,199</u>	<u>1,528,157</u>
EXPENDITURES					
General government	243,501	-	-	173	243,674
Public safety	43,575	-	-	-	43,575
Public works	10,502	249,351	-	-	259,853
Environment and leisure	262,283	-	-	-	262,283
Airport	-	-	32,021	-	32,021
Economic development	87,400	-	-	-	87,400
Capital outlay	286,800	167,883	227,160	-	681,843
Principal payments on debt	111,151	111,138	-	-	222,289
Interest on long-term debt	28,646	16,678	-	-	45,324
Total expenditures	<u>1,073,858</u>	<u>545,050</u>	<u>259,181</u>	<u>173</u>	<u>1,878,262</u>
Excess (deficiency) of revenues over expenditures	(113,373)	(253,627)	8,869	8,026	(350,105)
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	40,050	24,585	-	20,000	84,635
Net change in fund balances	(73,323)	(229,042)	8,869	28,026	(265,470)
Fund balances - September 30, 2022	<u>1,052,261</u>	<u>698,049</u>	<u>60,601</u>	<u>218,404</u>	<u>2,029,315</u>
Fund balances - September 30, 2023	<u>\$ 978,938</u>	<u>\$ 469,007</u>	<u>\$ 69,470</u>	<u>\$ 246,430</u>	<u>\$ 1,763,845</u>

See notes to financial statements.

CITY OF ALMA, 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, 2023

Total net change in fund balances - governmental funds	\$ (265,470)
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.	(3,977)
The forgiveness of notes receivable is reported as an expense in the statement of activities. Notes receivable are not reported in the governmental funds.	(9,791)
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 (\$681,843) exceeds depreciation expense (\$433,272) during the period.	248,571
Repayment of bond, note and financing agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>222,289</u>
Change in net position of governmental activities	<u><u>\$ 191,622</u></u>

See notes to financial statements.

CITY OF ALMA, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2023

	Enterprise Funds			
	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Trash Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 373,267	\$ 128,700	\$ (2,220)	\$ 112,206
Certificates of deposit	410,000	90,000	7,000	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	41,679	13,888	26,221
Lease	-	-	-	-
Unbilled revenue	2,747	5,819	1,282	-
Inventory	23,068	17,466	-	-
Total current assets	<u>809,082</u>	<u>283,664</u>	<u>19,950</u>	<u>138,427</u>
Noncurrent assets:				
Restricted cash and cash equivalents	10,600	11,840	6,550	-
Capital assets:				
Land	1,000	77,068	135,588	7,200
Distribution systems	222,693	2,307,957	623,258	-
Buildings and improvements	4,882	5,785	415,546	70,073
Equipment	163,186	255,912	207,020	611,572
Less accumulated depreciation	(240,123)	(1,496,248)	(665,353)	(431,072)
Net capital assets	<u>151,638</u>	<u>1,150,474</u>	<u>716,059</u>	<u>257,773</u>
Total noncurrent assets	<u>162,238</u>	<u>1,162,314</u>	<u>722,609</u>	<u>257,773</u>
Total assets	<u>971,320</u>	<u>1,445,978</u>	<u>742,559</u>	<u>396,200</u>
LIABILITIES				
Current liabilities:				
Accounts payable	30,388	7,455	2,216	9,983
Advance utility collections	14,694	-	-	-
Accrued payroll	10,365	7,799	2,913	1,765
Accrued interest payable	-	3,553	1,701	218
Sales tax payable	908	274	494	-
Customer deposits	10,600	6,550	6,550	20
Current portion of long-term obligations	-	17,150	21,243	29,999
Total current liabilities	<u>66,955</u>	<u>42,781</u>	<u>35,117</u>	<u>41,985</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	-	357,700	260,264	61,650
Total noncurrent liabilities	<u>-</u>	<u>357,700</u>	<u>260,264</u>	<u>61,650</u>
Total liabilities	<u>66,955</u>	<u>400,481</u>	<u>295,381</u>	<u>103,635</u>
NET POSITION				
Net investment in capital assets	151,638	775,624	434,552	166,124
Restricted	-	5,290	-	-
Unrestricted	752,727	264,583	12,626	126,441
Total net position	<u>\$ 904,365</u>	<u>\$ 1,045,497</u>	<u>\$ 447,178</u>	<u>\$ 292,565</u>

See notes to financial statements.

Enterprise Funds			
<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 5,180	\$ 27,592	\$ 215,073	\$ 859,798
-	-	-	507,000
-	-	-	81,788
19,713	-	-	19,713
-	-	-	9,848
-	22,165	-	62,699
<u>24,893</u>	<u>49,757</u>	<u>215,073</u>	<u>1,540,846</u>
-	-	-	28,990
-	22,000	-	242,856
364,798	-	-	3,518,706
-	470,969	131,091	1,098,346
-	286,508	21,047	1,545,245
(103,500)	(527,042)	(68,747)	(3,532,085)
<u>261,298</u>	<u>252,435</u>	<u>83,391</u>	<u>2,873,068</u>
<u>261,298</u>	<u>252,435</u>	<u>83,391</u>	<u>2,902,058</u>
<u>286,191</u>	<u>302,192</u>	<u>298,464</u>	<u>4,442,904</u>
-	6,638	14,988	71,668
-	-	-	14,694
-	2,114	-	24,956
870	100	-	6,442
-	1,992	88	3,756
-	-	-	23,720
<u>4,200</u>	<u>5,190</u>	<u>-</u>	<u>77,782</u>
<u>5,070</u>	<u>16,034</u>	<u>15,076</u>	<u>223,018</u>
<u>87,600</u>	<u>5,387</u>	<u>-</u>	<u>772,601</u>
<u>87,600</u>	<u>5,387</u>	<u>-</u>	<u>772,601</u>
<u>92,670</u>	<u>21,421</u>	<u>15,076</u>	<u>995,619</u>
169,498	241,858	83,391	2,022,685
-	-	-	5,290
<u>24,023</u>	<u>38,913</u>	<u>199,997</u>	<u>1,419,310</u>
<u>\$ 193,521</u>	<u>\$ 280,771</u>	<u>\$ 283,388</u>	<u>\$ 3,447,285</u>

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2023

	Enterprise Funds			
	Gas Fund	Water Fund	Sewer Fund	Trash Fund
Operating revenues:				
Charges for services	\$ 591,907	\$ 305,488	\$ 93,997	\$ 216,202
Franchise fees	-	-	-	-
Other revenue	4,504	13,678	6,809	3,265
Total operating revenues	<u>596,411</u>	<u>319,166</u>	<u>100,806</u>	<u>219,467</u>
Operating expenses:				
Purchased energy	310,236	-	-	-
Personnel services	195,214	101,683	40,005	60,309
Utilities and telephone	1,629	18,433	8,536	1,117
Repairs and maintenance	11,704	41,919	2,374	25,256
Supplies	510	5,768	739	549
Professional fees	8,823	9,034	6,339	6,384
Insurance and bonds	4,391	17,854	1,989	10,655
Fuel and transportation	2,061	2,258	409	11,310
Dues and fees	5,003	2,038	775	854
Contractual obligations	-	-	-	37,306
Miscellaneous	11,186	10,165	5,681	3,342
Depreciation	10,562	60,662	31,741	31,397
Total operating expenses	<u>561,319</u>	<u>269,814</u>	<u>98,588</u>	<u>188,479</u>
Operating income	35,092	49,352	2,218	30,988
Nonoperating revenues (expenses):				
Interest income	-	-	-	-
Contributions	-	-	-	-
Interest expense	-	(12,577)	(6,056)	(2,250)
Loan administration fees	-	-	(1,011)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(12,577)</u>	<u>(7,067)</u>	<u>(2,250)</u>
Income (loss) before interfund transfers	35,092	36,775	(4,849)	28,738
Interfund transfers:				
Transfers from (to) other funds	<u>-</u>	<u>74,662</u>	<u>25,753</u>	<u>-</u>
Change in net position	35,092	111,437	20,904	28,738
Net position - September 30, 2022	<u>869,273</u>	<u>934,060</u>	<u>426,274</u>	<u>263,827</u>
Net position - September 30, 2023	<u>\$ 904,365</u>	<u>\$ 1,045,497</u>	<u>\$ 447,178</u>	<u>\$ 292,565</u>

See notes to financial statements.

Enterprise Funds			
Electric Fund	Golf Fund	RV Park Fund	Total
\$ -	\$ 309,886	\$ 61,168	\$ 1,578,648
185,435	-	-	185,435
1,422	5,000	179	34,857
<u>186,857</u>	<u>314,886</u>	<u>61,347</u>	<u>1,798,940</u>
-	-	-	310,236
-	136,187	-	533,398
-	19,685	8,878	58,278
-	20,154	3,495	104,902
-	94,312	484	102,362
-	-	-	30,580
-	10,309	2,258	47,456
-	7,854	-	23,892
-	200	-	8,870
-	185	13,200	50,691
-	7,435	676	38,485
9,121	13,829	4,767	162,079
<u>9,121</u>	<u>310,150</u>	<u>33,758</u>	<u>1,471,229</u>
177,736	4,736	27,589	327,711
-	101	-	101
-	2,598	-	2,598
(3,080)	(656)	-	(24,619)
-	-	-	(1,011)
<u>(3,080)</u>	<u>2,043</u>	<u>-</u>	<u>(22,931)</u>
174,656	6,779	27,589	304,780
(180,500)	(4,550)	-	(84,635)
(5,844)	2,229	27,589	220,145
<u>199,365</u>	<u>278,542</u>	<u>255,799</u>	<u>3,227,140</u>
<u>\$ 193,521</u>	<u>\$ 280,771</u>	<u>\$ 283,388</u>	<u>\$ 3,447,285</u>

CITY OF ALMA, NEBRASKA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the Year Ended September 30, 2023

	Enterprise Funds	
	Gas Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 619,560	\$ 311,021
Payments to suppliers	(373,690)	(103,350)
Payments to employees	(193,183)	(100,332)
Net cash provided by operating activities	52,687	107,339
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	-	74,662
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(79,233)	(51,802)
Grants and contributions received	-	-
Principal payments on capital debt	-	(17,150)
Interest paid on capital debt	-	(12,740)
Loan administration fees on capital debt	-	-
Net cash used by capital and related financing activities	(79,233)	(81,692)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in restricted cash	350	(4,940)
Interest received	-	-
Net cash provided (used) by investing activities	350	(4,940)
Increase (decrease) in cash and cash equivalents	(26,196)	95,369
Cash and cash equivalents - beginning of the year	399,463	33,331
Cash and cash equivalents - end of the year	\$ 373,267	\$ 128,700

See notes to financial statements.

Enterprise Funds

<u>Sewer Fund</u>	<u>Trash Fund</u>	<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 94,407	\$ 208,537	\$ 186,144	\$ 314,886	\$ 61,347	\$ 1,795,902
(26,384)	(90,870)	-	(158,711)	(17,556)	(770,561)
(40,931)	(59,907)	-	(135,766)	-	(530,119)
<u>27,092</u>	<u>57,760</u>	<u>186,144</u>	<u>20,409</u>	<u>43,791</u>	<u>495,222</u>
25,753	-	(180,500)	(4,550)	-	(84,635)
(41,274)	-	-	-	-	(172,309)
-	-	-	2,598	-	2,598
(21,150)	(29,392)	(11,230)	(7,520)	-	(86,442)
(6,157)	(2,339)	(3,120)	(698)	-	(25,054)
<u>(1,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,011)</u>
(69,592)	(31,731)	(14,350)	(5,620)	-	(282,218)
350	-	-	-	-	(4,240)
-	-	-	101	-	101
<u>350</u>	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>(4,139)</u>
(16,397)	26,029	(8,706)	10,340	43,791	124,230
<u>14,177</u>	<u>86,177</u>	<u>13,886</u>	<u>17,252</u>	<u>171,282</u>	<u>735,568</u>
<u>\$ (2,220)</u>	<u>\$ 112,206</u>	<u>\$ 5,180</u>	<u>\$ 27,592</u>	<u>\$ 215,073</u>	<u>\$ 859,798</u>

CITY OF ALMA, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS, Continued**

For the Year Ended September 30, 2023

	Enterprise Funds	
	Gas Fund	Water Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 35,092	\$ 49,352
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	10,562	60,662
Change in assets and liabilities:		
Accounts receivable and unbilled revenue	8,805	(7,795)
Inventories	(10,374)	2,970
Accounts payable	(7,701)	1,126
Advance utility collections	14,694	-
Accrued payroll	2,031	1,351
Sales tax payable	(72)	23
Customer deposits	(350)	(350)
Net cash provided by operating activities	\$ 52,687	\$ 107,339

See notes to financial statements.

Enterprise Funds

<u>Sewer Fund</u>	<u>Trash Fund</u>	<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 2,218	\$ 30,988	\$ 177,736	\$ 4,736	\$ 27,589	\$ 327,711
31,741	31,397	9,121	13,829	4,767	162,079
(6,049)	(10,950)	(713)	-	-	(16,702)
-	-	-	(1,349)	-	(8,753)
440	5,903	-	2,728	11,372	13,868
-	-	-	-	-	14,694
(926)	402	-	421	-	3,279
18	-	-	44	63	76
(350)	20	-	-	-	(1,030)
<u>\$ 27,092</u>	<u>\$ 57,760</u>	<u>\$ 186,144</u>	<u>\$ 20,409</u>	<u>\$ 43,791</u>	<u>\$ 495,222</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

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CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Alma, 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 Alma, Nebraska, was incorporated in 1871. The City operates under a City Council form of government with an elected chief executive, Mayor, and an elected legislative body, Council, composed of four members. The Mayor is elected at large for a four-year term, and the four 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; gas; and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of Alma
Discretely Presented Component Unit:	Community Redevelopment Authority

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

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

Discretely Presented Component Units

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

Brief Description of Activities and Relationship
to the City:

Community Redevelopment Authority

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

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity 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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

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

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

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 27 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.
Airport	The Airport Fund is a Special Revenue Fund that accounts for airport operations.
Proprietary:	
Enterprise:	
Gas, Water, Sewer, Trash, Electric, Golf and RV Park	See above for description.

CITY OF ALMA, 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

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor:</i>	
Special Revenue: CDBG	Accounts for the City’s share of Community Development Block Grant Program.
Hospital Bond Sinking	Accounts for funds collected by the City for the hospital’s bonds debt service.

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.

CITY OF ALMA, 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

Measurement Focus, continued

- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity

Estimates

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

Cash and Investments

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

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

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

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.

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.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables, continued

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 recorded an allowance for uncollectible accounts of \$4,500 in the business-type activities.

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 \$5,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

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

The governmental funds infrastructure assets are capitalized under the prospective method, valued at cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Fund Financial Statements

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

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 ALMA, 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

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 ALMA, 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

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 cent – General operating costs
- 1/2 cent – Pool debt service
- 1/2 cent – Street and civic improvement and renovations

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. Eighty-two percent of the sales tax is recorded in the General Fund and used for budgeted operating expenses and pool debt service. The remaining eighteen percent is recorded in the Street Fund and used for budgeted expenses.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Sales and Use Tax, continued

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. As of October 1, 2006, sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

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 Harlan 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 expected to be collected within 60 days after September 30, 2023. 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 ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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 and Special Revenue Funds.

2. Deposit Laws and Regulations

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Deposit Laws and Regulations, continued

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 ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

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

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

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

1. Cash and Certificates of Deposit

Deposits

The City’s policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2023. The categories of collateral are defined as follows:

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

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

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

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 3,379,857	\$ 852,301	\$ 2,527,556	\$ -	\$ <u>3,153,961</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 1,452,543
Restricted cash and cash equivalents	244,018
Unrestricted certificates of deposit	952,887
Restricted certificates of deposit	<u>499,469</u>
Total Primary Government	3,148,917

Component Unit –

Unrestricted cash and cash equivalents	<u>5,044</u>
	\$ <u>3,153,961</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

2. Restricted Assets

The restricted assets as of September 30, 2023, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	\$ 215,028	\$ 28,990	\$ 244,018
Certificates of deposit	499,469	-	499,469
	<u>\$ 714,497</u>	<u>\$ 28,990</u>	<u>\$ 743,487</u>

The governmental activities' restricted assets as of September 30, 2023, consisted of \$468,067 in the Street Fund restricted for street improvements, \$16,632 in the CDBG Fund restricted for federal programs and \$229,798 in the Hospital Bond Sinking Fund restricted for hospital bond debt service.

The business-type activities restricted assets as of September 30, 2023, consisted of \$10,600 in the Gas Fund, \$6,550 in the Water Fund and \$6,550 in the Sewer Fund restricted for customer deposits. The Water Fund also has \$5,290 restricted for federal programs.

3. Accounts Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Receivables detail at September 30, 2023, is as follows:

	<u>Business-type Activities</u>
Accounts receivable	\$ 86,288
Allowance for doubtful accounts	<u>(4,500)</u>
Net accounts receivable	<u>\$ 81,788</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

4. Notes Receivable

The CDBG Fund has made six rehab loans. Notes receivable at September 30, 2023, consisted of the following:

Note for \$23,956 dated June 29, 2021; forgivable over five years through May 8, 2026. The note is non-interest bearing.	\$ 12,776
Note for \$22,063 dated May 27, 2021; due in 240 monthly payments of \$111.42 through June 1, 2041. The note bears interest at 2.0 percent.	19,994
Note for \$22,257 dated June 23, 2021; due in 240 monthly payments of \$112.22 through July 1, 2041. The note bears interest at 2.0 percent.	19,784
Note for \$18,641 dated June 24, 2021; due in 240 monthly payments of \$93.98 through July 1, 2041. The note bears interest at 2.0 percent.	16,931
Note for \$25,000 dated July 1, 2021; forgivable over five years through December 16, 2025. The note is non-interest bearing.	11,250
Note for \$24,999 dated December 24, 2018; due in 240 monthly payments of \$126.25 through January 1, 2039. The note bears interest at 2.0 percent.	<u>19,891</u>
Total governmental activities' notes receivable	\$ <u>100,626</u>
Current portion	\$ 13,553
Noncurrent portion	<u>87,073</u>
Total	\$ <u>100,626</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

5. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	<u>Balance at</u> <u>October 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2023</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 163,751	\$ -	\$ -	\$ -	\$ 163,751
Construction in progress	41,400	227,160	-	(268,560)	-
Total capital assets not being depreciated	<u>205,151</u>	<u>227,160</u>	<u>-</u>	<u>(268,560)</u>	<u>163,751</u>
Other capital assets being depreciated:					
Infrastructure	3,019,295	159,983	-	-	3,179,278
Building and improvements	7,676,303	276,800	-	268,560	8,221,663
Equipment	1,120,977	17,900	-	-	1,138,877
Total other capital assets at historical cost	<u>11,816,575</u>	<u>454,683</u>	<u>-</u>	<u>268,560</u>	<u>12,539,818</u>
Less accumulated depreciation for:					
Infrastructure	(464,151)	(111,117)	-	-	(575,268)
Building and improvements	(3,235,184)	(250,023)	-	-	(3,485,207)
Equipment	(690,043)	(72,132)	-	-	(762,175)
Total accumulated depreciation	<u>(4,389,378)</u>	<u>(433,272)</u> *	<u>-</u>	<u>-</u>	<u>(4,822,650)</u>
Other capital assets, net	<u>7,427,197</u>	<u>21,411</u>	<u>-</u>	<u>268,560</u>	<u>7,717,168</u>
Governmental activities capital assets, net	<u>\$ 7,632,348</u>	<u>\$ 248,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,880,919</u>

* Depreciation expense was incurred by the following governmental activities:

General Fund:

General government	\$ 12,308
Public safety	
Fire	8,015
Public works:	
Shop	1,370

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

5. Capital Assets, continued

Governmental Activities, continued

General Fund, continued:

Environment and leisure:

Community buildings	9,605
Library	2,215
Park	1,810
Pheasant Ridge trail	35,771
Pool	80,191
Recreation	<u>5,376</u>
Total environment and leisure	<u>134,968</u>

Total General Fund 156,661

Street Fund 88,095

Airport Fund 188,516

Total governmental activities depreciation expense \$ 433,272

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

5. Capital Assets, continued

	<u>Balance at</u> <u>October 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2023</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 242,856	\$ -	\$ -	\$ 242,856
Other capital assets being depreciated:				
Distribution systems	3,483,581	35,125	-	3,518,706
Buildings and improvements	1,098,346	-	-	1,098,346
Equipment	1,408,061	137,184	-	1,545,245
Total other capital assets at historical cost	5,989,988	172,309	-	6,162,297
Less accumulated depreciation for:				
Distribution systems	(1,596,892)	(80,798)	-	(1,677,690)
Buildings and improvements	(673,960)	(31,220)	-	(705,180)
Equipment	(1,099,154)	(50,061)	-	(1,149,215)
Total accumulated depreciation	(3,370,006)	(162,079) *	-	(3,532,085)
Other capital assets, net	2,619,982	10,230	-	2,630,212
Business-type activities capital assets, net	<u>\$ 2,862,838</u>	<u>\$ 10,230</u>	<u>\$ -</u>	<u>\$ 2,873,068</u>

* Depreciation expense was charged to functions as follows:

Gas	\$ 10,562
Water	60,662
Sewer	31,741
Trash	31,397
Electric	9,121
Golf	13,829
RV Park	4,767
Total business-type activities depreciation expense	<u>\$ 162,079</u>

6. Accounts Payable

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

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 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	\$ 1,841,000	\$ -	\$ (159,650)	\$ 1,681,350	\$ 158,650
Note payable	45,103	-	(21,151)	23,952	23,952
Financing agreement	173,572	-	(41,488)	132,084	42,733
	<u>\$ 2,059,675</u>	<u>\$ -</u>	<u>\$ (222,289)</u>	<u>\$ 1,837,386</u>	<u>\$ 225,335</u>
Business-type Activities:					
Bonds payable	\$ 688,000	\$ -	\$ (36,350)	\$ 651,650	\$ 36,350
Note payable	248,825	-	(50,092)	198,733	41,432
	<u>\$ 936,825</u>	<u>\$ -</u>	<u>\$ (86,442)</u>	<u>\$ 850,383</u>	<u>\$ 77,782</u>

Governmental Activities

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

General obligation swimming pool bonds, Series 2019, with an original issue amount of \$1,500,000. Interest rates range from 1.55 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2034. Paid by the General Fund. \$ 1,145,000

General obligation various purpose bonds, Series 2021, with an original issue amount of \$270,000. Interest rates range from 0.45 percent to 0.85 percent. Interest is due in semi-annual installments and principal is due in annual installments through April 15, 2028. Paid by the Street Fund. 190,000

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

7. Long-term Debt, continued

Governmental Activities, continued

Various purpose bonds, Series 2019, with an original issue amount of \$351,000. Interest at 3.25 percent is due in semi-annual installments and principal is due in annual installments through June 15, 2039. Paid by the Street Fund. 298,350

Various purpose refunding bonds, Series 2016, with an original issue amount of \$160,000. Interest rates range from 1.10 percent to 1.70 percent. Interest is due in semi-annual installments and principal is due in annual installments through September 1, 2026. Paid by the Street Fund. 48,000

On November 23, 2021, the City entered into a financing agreement with Kinetic Leasing for the purpose of financing a street sweeper. The original financed amount was \$219,996. Principal and interest at 3.00 percent are due in annual payments of \$46,695 through December 1, 2025. Paid by the Street Fund. 132,084

On April 28, 2022, the City entered into an agreement with Banner Capital Bank for the purpose of refinancing a loan for a pool slide. The original loan was \$65,578. Principal and interest at 2.99 percent are due in annual payments of \$22,500 through September 14, 2023 with a payment of \$23,314 due September 14, 2024. Paid by the General Fund. 23,952

\$ 1,837,386

Current portion \$ 225,335

Noncurrent portion 1,612,051

Total \$ 1,837,386

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

7. Long-term Debt, continued

Business-type Activities

As of September 30, 2023, the long-term debt payable from proprietary fund resources consisted of the following:

On July 19, 2004, the City entered into an agreement with Community Bank for the purpose of building a clubhouse. The original loan was \$255,000. Principal and interest at 4.00 percent are due in semi-annual payments of \$5,621 through July 15, 2025. Paid by the Golf Fund. \$ 10,577

Various purpose bonds, Series 2019, with an original issue amount of \$351,000. Interest at 3.25 percent is due in semi-annual installments and principal is due in annual installments through June 15, 2039. Paid by the Water and Electric Funds. 466,650

On May 3, 2017, the City entered into an agreement with the Nebraska Department of Environment and Energy for the sewer force main project. The original loan was \$132,056. The loan bears interest at 1.50 percent and has a fee of 1.00 percent. The loan is due in semi-annual payments with final maturity on June 15, 2037. Paid by the Sewer Fund. 96,507

On January 1, 2016, the City entered into an agreement with Nebraska Public Power District to acquire electric distribution system fringe area properties. The original loan was \$98,420. The note is non-interest bearing. Principal is due in quarterly payments of \$3,515 through March 15, 2023. Paid by the Electric Fund. -

General obligation bonds, Series 2019, with an original issue amount of \$245,000. Interest rates range from 1.70 percent to 2.65 percent. Interest is due in semi-annual installments and principal is due in annual installments through June 15, 2034. Paid by the Sewer Fund. 185,000

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

7. Long-term Debt, continued

Business-type Activities, continued

On June 22, 2021, the City entered into an agreement with Community Bank for a trash truck. The original loan was \$149,507. Principal and interest at 1.89 percent are due in annual payments of \$31,731 through August 15, 2026. Paid by the Trash Fund.

91,649

On February 6, 2014, the City entered into an agreement with First State Bank for the purpose of building a maintenance shed. The original loan was \$40,000. Principal and interest at 4.47 percent are due in annual payments of \$4,969 through September 1, 2023. Paid by the Golf Fund.

-

\$ 850,383

Current portion

\$ 77,782

Noncurrent portion

772,601

Total

\$ 850,383

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.	Governmental Activities			
	Direct Placement Debt		Other Debt Issues	
	Principal	Interest	Principal	Interest
2024	\$ 66,685	\$ 4,652	\$ 158,650	\$ 38,057
2025	44,015	2,681	159,600	35,539
2026	45,336	1,360	174,600	32,974
2027	-	-	150,600	29,704
2028	-	-	155,600	26,862
2029-2033	-	-	636,650	87,971
2034-2038	-	-	222,250	17,560
2039	-	-	23,400	761
	<u>\$ 156,036</u>	<u>\$ 8,693</u>	<u>\$ 1,681,350</u>	<u>\$ 269,428</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

7. Long-term Debt, continued

Year Ending September 30,	Business-type Activities				
	Direct Placement Debt			Other Debt Issues	
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 41,432	\$ 3,587	\$ 950	\$ 36,350	\$ 19,551
2025	42,289	2,730	887	39,400	18,602
2026	37,516	1,822	823	39,400	17,487
2027	6,529	1,138	759	39,400	16,371
2028	6,628	1,040	693	39,400	15,256
2029-2033	34,665	3,671	2,448	233,350	57,608
2034-2038	29,674	1,011	674	187,750	23,230
2039	-	-	-	36,600	1,190
	<u>\$ 198,733</u>	<u>\$ 14,999</u>	<u>\$ 7,234</u>	<u>\$ 651,650</u>	<u>\$ 169,295</u>

8. Interfund Transactions

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 341,939	\$ 301,889
Street Fund	65,000	40,415
Nonmajor Funds	20,000	-
Water Fund	74,662	-
Sewer Fund	30,000	4,247
Electric Fund	-	180,500
Golf Fund	<u>15,000</u>	<u>19,550</u>
Total operating transfers	<u>\$ 546,601</u>	<u>\$ 546,601</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City of Alma has a contributory defined contribution employees' pension plan in which the employees of the City participate. Eligible employees may contribute up to the maximum allowed by law and the City matches up to five percent. Employees are eligible to participate after they have attained the age of 21 and are considered full-time employees.

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

For the year ended September 30, 2023, the City's total payroll and covered payroll under the plan was \$642,833 and \$497,437, respectively. Both the City's contribution of \$24,872 and the covered employees' contribution of \$37,953 were made for the year ended September 30, 2023.

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, 2023, are held by the counterparties not in the name of the City. The underlying securities consist of cash, certificates of deposit, 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 certificates of deposit and money market funds, minimizing credit risk associated with the City's investment portfolio.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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. The certificate of deposit maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
October 2023	\$ 307,060
February 2024	369,386
March 2024	309,469
April 2024	40,000
July 2024	324,119
August 2024	102,322
	<u>\$ 1,452,356</u>

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, 2023, the City’s investments and certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
First State Bank	\$ 908,237
Banner Capital Bank	464,119
Community Bank	80,000
Totals	<u>\$ 1,452,356</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, 2023.

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

3. Tax Abatements

The Alma Community Redevelopment Authority (CRA), 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 CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CRA for the year ended September 30, 2023 is as follows:

<u>TIF Project:</u>	Years Remaining on <u>TIF Agreements</u>	2023 TIF <u>Valuation</u>	TIF Proceeds Received during the year <u>9-30-2023</u>
Bosselman's	14	\$ 547,307	\$ 9,772
Western Sky Phase 3	14	454,620	8,117
Western Sky Phase 2	13	274,175	4,896
Western Sky Phase 1	12	281,289	5,022
Tripe Motor	10	1,119,693	19,992
Alma Auto Parts	6	476,242	8,503
Harlan Lodging	0	2,330,474	<u>41,611</u>
			<u>\$ 97,913</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements

The City had the following interlocal agreements in effect as of September 30, 2023:

<u>Parties to Agreement</u>	<u>Term</u>	<u>Description</u>
Harlan County	October 1, 2022 - September 30, 2023	Agreement for law enforcement
Alma Public School	December 7, 2016 - indefinite	Maintenance of school tennis court
Alma Rural Fire Protection District	April 18, 2017 - indefinite	Fire and EMT services

5. Subsequent Events

Management has evaluated subsequent events through February 15, 2024, the date on which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALMA, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year Ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 313,150	\$ 308,705	\$ (4,445)
Motor vehicle	27,000	27,024	24
Sales	370,000	395,571	25,571
Franchise	3,500	3,062	(438)
TIF proceeds	68,000	80,887	12,887
Intergovernmental	66,667	60,431	(6,236)
Licenses and permits	6,460	5,849	(611)
Charges for services	17,391	22,938	5,547
Rent	6,604	6,635	31
Grants and contributions	29,870	25,422	(4,448)
Interest income	13,000	26,378	13,378
Other	23,700	14,579	(9,121)
	<hr/>	<hr/>	<hr/>
Total resources	945,342	977,481	32,139
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	269,810	239,716	(30,094)
Public safety	43,991	43,575	(416)
Public works	12,540	10,419	(2,121)
Environment and leisure	289,702	267,227	(22,475)
Economic development	76,000	87,400	11,400
Capital outlay	40,000	218,925	178,925
Principal payments on debt	111,190	111,151	(39)
Interest payments on debt	29,095	29,133	38
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	872,328	1,007,546	135,218
Resources over (under) charges to appropriations	73,014	(30,065)	(103,079)
OTHER FINANCING SOURCES			
Net transfers	20,500	40,050	19,550
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ 93,514</u>	<u>\$ 9,985</u>	<u>\$ (83,529)</u>

CITY OF ALMA, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
STREET FUND

Year Ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 80,000	\$ 93,113	\$ 13,113
Intergovernmental	182,096	187,514	5,418
Other income	<u>500</u>	<u>5,222</u>	<u>4,722</u>
Total resources	262,596	285,849	23,253
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	271,434	246,439	(24,995)
Capital outlay	214,359	167,883	(46,476)
Principal payments on debt	111,138	111,138	-
Interest payments on debt	<u>17,950</u>	<u>17,950</u>	<u>-</u>
Total charges to appropriations	<u>614,881</u>	<u>543,410</u>	<u>(71,471)</u>
Resources under charges to appropriations	(352,285)	(257,561)	94,724
OTHER FINANCING SOURCES			
Net transfers	<u>45,000</u>	<u>24,585</u>	<u>(20,415)</u>
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	<u>\$ (307,285)</u>	<u>\$ (232,976)</u>	<u>\$ 74,309</u>

CITY OF ALMA, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
AIRPORT FUND

Year Ended September 30, 2023

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Charges for services	\$ 13,065	\$ 12,500	\$ (565)
Rent	11,410	15,810	4,400
Grant income	198,000	213,700	15,700
Other income	<u>1,500</u>	<u>1,900</u>	<u>400</u>
Total resources	223,975	243,910	19,935
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Operating expenditures	51,975	35,391	(16,584)
Capital outlay	<u>180,150</u>	<u>200,338</u>	<u>20,188</u>
Total charges to appropriations	<u>232,125</u>	<u>235,729</u>	<u>3,604</u>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (8,150)</u>	<u>\$ 8,181</u>	<u>\$ 16,331</u>

CITY OF ALMA, NEBRASKA

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

Year Ended September 30, 2023

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>Airport Fund</u>
Sources/inflows of resources:			
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 977,481	\$ 285,849	\$ 243,910
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>(16,996)</u>	<u>5,574</u>	<u>24,140</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 960,485</u>	<u>\$ 291,423</u>	<u>\$ 268,050</u>
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 1,007,546	\$ 543,410	\$ 235,729
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>66,312</u>	<u>1,640</u>	<u>23,452</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,073,858</u>	<u>\$ 545,050</u>	<u>\$ 259,181</u>

SUPPLEMENTARY INFORMATION

CITY OF ALMA, NEBRASKA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Special Revenue Funds		
	<u>CDBG</u>	<u>Hospital Bond Sinking</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 16,632	\$ 329	\$ 16,961
Certificates of deposit	-	229,469	229,469
	-	229,469	229,469
Total assets	\$ 16,632	\$ 229,798	\$ 246,430
 LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Federal programs	16,632	-	16,632
Hospital bond debt service	-	229,798	229,798
	-	229,798	229,798
Total fund balances	16,632	229,798	246,430
Total liabilities and fund balances	\$ 16,632	\$ 229,798	\$ 246,430

CITY OF ALMA, NEBRASKA

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

For the Year Ended September 30, 2023

	Special Revenue Funds		
	<u>CDBG</u>	Hospital Bond <u>Sinking</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES			
Interest income	\$ 89	\$ 2,572	\$ 2,661
Loan collections	5,538	-	5,538
Total revenues	5,627	2,572	8,199
EXPENDITURES			
General government	163	10	173
Excess of revenues over expenditures	5,464	2,562	8,026
OTHER FINANCING SOURCES			
Transfers from other funds	-	20,000	20,000
Net change in fund balances	5,464	22,562	28,026
Fund balances - September 30, 2022	11,168	207,236	218,404
Fund balances - September 30, 2023	\$ 16,632	\$ 229,798	\$ 246,430

CITY OF ALMA, NEBRASKA

COMBINING STATEMENT OF REVENUES AND EXPENDITURES -

GENERAL FUND DEPARTMENTS

Year Ended September 30, 2023

	<u>Administrative</u>	<u>Fire</u>	<u>Police</u>	<u>Shop</u>
REVENUES				
Taxes:				
General property tax	\$ 228,611	\$ -	\$ -	\$ -
Motor vehicle tax	27,024	-	-	-
Sales tax	234,597	-	-	-
Franchise	3,062	-	-	-
TIF proceeds	80,887	-	-	-
Intergovernmental revenue:				
State assistance	55,004	-	-	-
Charges for services	-	-	-	-
Grants and donations	-	-	-	-
Licenses and permits	5,849	-	-	-
Rent	4,105	-	-	-
Interest income	26,378	-	-	-
Other receipts	8,815	-	-	-
Total revenues	<u>674,332</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Personnel services:				
Salaries and benefits	119,533	-	-	-
Operating expenses:				
Contracted services	-	-	41,616	-
Insurance	17,318	-	-	2,820
Professional fees	32,999	-	-	-
Fuel and transportation	-	-	-	-
Meetings, seminars, and dues	15,151	-	-	-
Repairs and maintenance	3,601	-	-	429
Printing, postage, and publications	8,103	-	-	-
Utilities and telephone	8,388	1,959	-	7,007
Total operating expenses	<u>85,560</u>	<u>1,959</u>	<u>41,616</u>	<u>10,256</u>
Supplies	5,499	-	-	246
Other expenses	32,909	-	-	-
Economic development	87,400	-	-	-
Capital outlay	5,300	-	-	-
Principal payments on debt	-	-	-	-
Interest payments	-	-	-	-
Total expenditures	<u>336,201</u>	<u>1,959</u>	<u>41,616</u>	<u>10,502</u>
Excess (deficiency) of revenues over expenditures before transfers	338,131	(1,959)	(41,616)	(10,502)
TRANSFERS FROM (TO) OTHER FUNDS	<u>(301,889)</u>	<u>1,959</u>	<u>41,616</u>	<u>10,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 36,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82)</u>

<u>Community Building</u>	<u>Park</u>	<u>Pool</u>	<u>Recreation</u>	<u>Library</u>	<u>Pheasant Ridge Trail</u>	<u>Total</u>
\$ -	\$ -	\$ 77,157	\$ -	\$ -	\$ -	\$ 305,768
-	-	-	-	-	-	27,024
-	-	146,915	-	-	-	381,512
-	-	-	-	-	-	3,062
-	-	-	-	-	-	80,887
-	-	5,427	-	-	-	60,431
-	-	21,641	-	1,297	-	22,938
1,077	-	825	-	23,520	-	25,422
-	-	-	-	-	-	5,849
2,530	-	-	-	-	-	6,635
-	-	-	-	-	-	26,378
3,845	-	269	-	1,650	-	14,579
<u>7,452</u>	<u>-</u>	<u>252,234</u>	<u>-</u>	<u>26,467</u>	<u>-</u>	<u>960,485</u>
-	-	46,426	-	59,607	-	225,566
-	11,150	-	-	-	-	52,766
6,607	3,837	11,910	2,584	4,344	-	49,420
2,500	-	-	-	-	-	35,499
-	-	-	-	-	-	-
-	-	1,940	-	2,855	-	19,946
19,909	1,522	9,627	2,017	1,590	134	38,829
-	-	-	-	91	-	8,194
<u>10,999</u>	<u>7,594</u>	<u>10,166</u>	<u>5,410</u>	<u>5,008</u>	<u>2,496</u>	<u>59,027</u>
40,015	24,103	33,643	10,011	13,888	2,630	263,681
2,823	580	16,029	620	7,809	31	33,637
-	139	1,844	76	2,009	-	36,977
-	-	-	-	-	-	87,400
271,500	-	-	10,000	-	-	286,800
-	-	111,151	-	-	-	111,151
-	-	28,646	-	-	-	28,646
<u>314,338</u>	<u>24,822</u>	<u>237,739</u>	<u>20,707</u>	<u>83,313</u>	<u>2,661</u>	<u>1,073,858</u>
(306,886)	(24,822)	14,495	(20,707)	(56,846)	(2,661)	(113,373)
<u>179,555</u>	<u>26,406</u>	<u>1,290</u>	<u>19,984</u>	<u>58,048</u>	<u>2,661</u>	<u>40,050</u>
<u>\$ (127,331)</u>	<u>\$ 1,584</u>	<u>\$ 15,785</u>	<u>\$ (723)</u>	<u>\$ 1,202</u>	<u>\$ -</u>	<u>\$ (73,323)</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Nebraska, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated February 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

SHAREHOLDERS:

Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
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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 Alma'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 Alma's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Alma's response to the findings identified in our audit and described above. The City of Alma'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 P.C.

Grand Island, Nebraska
February 15, 2024