

**CITY OF ALMA, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### SHAREHOLDERS:

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alma, Nebraska, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-14 and 58-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alma, Nebraska's basic financial statements. The nonmajor fund combining statements and statement of revenues and expenditures by General Fund department are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or

to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards described above are 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 December 29, 2021, 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  
December 29, 2021

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

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**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, 2021.

**Financial Highlights**

- The assets of the City of Alma exceeded its liabilities at the close of the most recent fiscal year by \$10,466,929 (*net position*). Of this amount, \$2,226,892 (*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 funds reported combined ending net position of \$7,248,428. Approximately 14.1 percent of this total amount, \$1,022,497, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$859,267, or 96.5 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, 2021**

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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 15 and 16 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 17-20 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, 2021**

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 21-24 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 25-57 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 58-61 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 62-64.

**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 \$10,466,929 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

	<u>September 30, 2021</u>			<u>September 30, 2020</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	\$ 1,705,978	\$ 1,440,411	\$ 3,146,389	\$ 1,309,057	\$ 1,337,103	\$ 2,646,160
Capital Assets	7,766,723	2,944,403	10,711,126	6,867,032	2,762,840	9,629,872
Total Assets	<u>9,472,701</u>	<u>4,384,814</u>	<u>13,857,515</u>	<u>8,176,089</u>	<u>4,099,943</u>	<u>12,276,032</u>
Long-term Liabilities	1,841,000	921,237	2,762,237	2,056,315	881,742	2,938,057
Other Liabilities	383,273	245,076	628,349	209,331	226,551	435,882
Total Liabilities	<u>2,224,273</u>	<u>1,166,313</u>	<u>3,390,586</u>	<u>2,265,646</u>	<u>1,108,293</u>	<u>3,373,939</u>
Net Position:						
Net Investment in						
Capital Assets	5,700,495	1,913,134	7,613,629	4,630,627	1,801,894	6,432,521
Restricted	525,436	100,972	626,408	364,576	-	364,576
Unrestricted	1,022,497	1,204,395	2,226,892	915,240	1,189,756	2,104,996
Total Net Position	<u>\$ 7,248,428</u>	<u>\$ 3,218,501</u>	<u>\$ 10,466,929</u>	<u>\$ 5,910,443</u>	<u>\$ 2,991,650</u>	<u>\$ 8,902,093</u>

**CITY OF ALMA, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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By far the largest portion of the City of Alma’s net position (72.7 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 (6.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,226,892) 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**

<b><u>Function</u></b>	<b><u>Year Ended September 30, 2021</u></b>		<b><u>Year Ended September 30, 2020</u></b>	
	<b><u>Program Revenues</u></b>	<b><u>Program Expenses</u></b>	<b><u>Program Revenues</u></b>	<b><u>Program Expenses</u></b>
General Government	\$ 38,874	\$ 226,945	\$ 45,225	\$ 232,827
Public Safety	-	44,597	-	44,427
Public Works	-	209,191	-	186,876
Recreation	55,858	295,917	46,131	244,209
Airport	1,105,897	34,009	41,930	38,189
Economic Development	-	74,314	-	66,968
Interest	-	56,897	-	69,475
Depreciation	-	351,494	-	353,838
Total	<u>\$ 1,200,629</u>	<u>\$ 1,293,364</u>	<u>\$ 133,286</u>	<u>\$ 1,236,809</u>

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

**Revenues by Source – Governmental Activities**

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</u>		
Charges for Services	\$ 50,075	1.90	%	\$ 39,985	2.72	%
Operating Grants and Contributions	63,400	2.41		69,997	4.77	
Capital Grants and Contributions	1,087,154	41.31		23,304	1.59	
Property Taxes	335,782	12.76		302,294	20.59	
Motor Vehicle Taxes	28,564	1.08		29,781	2.03	
Sales Tax	477,278	18.14		441,697	30.08	
Franchise Taxes	3,356	0.13		3,547	0.24	
TIF Proceeds	67,536	2.57		65,209	4.44	
State Allocation	285,696	10.86		244,842	16.68	
Miscellaneous	60,511	2.30		27,726	1.89	
Interest	17,906	0.68		18,275	1.24	
Transfers	154,091	5.86		201,598	13.73	
Total	<u>\$ 2,631,349</u>	<u>100.00</u>	%	<u>\$ 1,468,255</u>	<u>100.00</u>	%

Net position increased \$1,337,985 in the governmental funds during the year ended September 30, 2021.

**Business-type activities.** Business-type activities increased the City of Alma's net position by \$226,851. Key elements of this increase are as follows:

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

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Gas	\$ 604,754	\$ 414,795	\$ 454,729	\$ 401,548
Water	262,387	365,883	322,868	321,555
Sewer	178,460	111,496	96,246	109,859
Trash	187,518	141,368	192,901	133,337
Electric	-	12,474	-	12,588
Golf	270,947	294,266	256,800	270,023
RV Park	72,153	35,246	66,515	43,226
Total	<u>1,576,219</u>	<u>1,375,528</u>	<u>1,390,059</u>	<u>1,292,136</u>
Interfund transfers	-	154,091	-	201,598
	<u>\$ 1,576,219</u>	<u>\$ 1,529,619</u>	<u>\$ 1,390,059</u>	<u>\$ 1,493,734</u>

**CITY OF ALMA, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 1,470,247	83.71 %	\$ 1,385,090	87.84 %
Grants and Contributions	105,972	6.03	4,969	0.31
Franchise Fees	180,238	10.26	186,781	11.85
Interest	13	-	31	-
Total	<u>\$ 1,756,470</u>	<u>100.00 %</u>	<u>\$ 1,576,871</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’s governmental funds reported combined ending fund balances of \$1,416,568. Approximately 56.1 percent of this total amount (\$794,535) 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 (\$186,784), 2) restricted for street improvements (\$336,249), 3) restricted for Federal programs (\$2,403), 4) nonspendable for inventory (\$11,706), or 5) assigned for budgetary stabilization (\$84,891).

The General Fund is the chief operating fund of the City of Alma. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$859,267, while total fund balance was \$944,158. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 96.5 percent of total General Fund expenditures, while total fund balance represents 106.0 percent of the same amount.

The fund balance of the City of Alma’s General Fund increased by \$201,998, the fund balance of Street Fund increased \$138,243, and the fund balance of the Airport Fund decreased by \$116,901 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.

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

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Unrestricted net position of the proprietary funds at the end of the year were as follows: Gas Fund – \$781,887, Water Fund – \$153,874, Sewer Fund – \$45,012, Trash Fund – \$61,694, Electric Fund – \$19,292, Golf Fund – deficit of \$(4,365), and RV Park Fund – \$147,001. The change in net position for the proprietary funds was as follows: Gas Fund – increase of \$189,959, Water Fund – decrease of \$(103,496), Sewer Fund – increase of \$86,964, Trash Fund – increase of \$46,150, Electric Fund – decrease of \$(25,252), Golf Fund – decrease of \$(4,381), and RV Park Fund – increase of \$36,907. 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, 2021.

**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, 2021, amounts to \$10,711,126 (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:

- Airport runway project - \$1,187,059
- Rotating siren - \$21,281
- Perkins 1106D generator - \$28,833
- Brugh Storage water main - \$20,000
- 2021 Peterbilt 520 trash truck - \$275,290
- Red building insulation - \$12,190

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

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

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</u>		
	<u>Governmental</u>		<u>Business-type</u>	<u>Governmental</u>		<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Land	\$ 163,751	\$ 242,856	\$ 406,607	\$ 163,751	\$ 242,856	\$ 406,607
Construction in Progress	-	-	-	101,008	-	101,008
Buildings and Improvements	4,671,641	449,800	5,121,441	4,876,120	467,705	5,343,825
Machinery and Equipment	268,404	341,193	609,597	302,544	85,050	387,594
Infrastructure	2,662,927	-	2,662,927	1,423,609	-	1,423,609
Distribution Systems	-	1,910,554	1,910,554	-	1,967,229	1,967,229
Total	<u>\$ 7,766,723</u>	<u>\$ 2,944,403</u>	<u>\$ 10,711,126</u>	<u>\$ 6,867,032</u>	<u>\$ 2,762,840</u>	<u>\$ 9,629,872</u>

Additional information on the City of Alma's capital assets can be found in Note C5 on pages 44-46 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 \$3,097,497.

**City of Alma's Outstanding Debt**

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</u>		
	<u>Governmental</u>		<u>Business-type</u>	<u>Governmental</u>		<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Bonds Payable	\$ 2,000,650	\$ 724,350	\$ 2,725,000	\$ 2,145,300	\$ 760,700	\$ 2,906,000
Notes Payable	65,578	306,919	372,497	91,105	200,246	291,351
Total	<u>\$ 2,066,228</u>	<u>\$ 1,031,269</u>	<u>\$ 3,097,497</u>	<u>\$ 2,236,405</u>	<u>\$ 960,946</u>	<u>\$ 3,197,351</u>

The City of Alma's total debt decreased by \$99,854 (3.1 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 47-52 of this report.

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

- Property tax asking for the year ending September 30, 2022, is \$310,222, the same as the prior year. The general tax asking was \$230,432 and the pool bond debt service tax asking was \$79,790, the same as the prior year.

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

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All of these factors were considered in preparing the City of Alma's budget for the 2022 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, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ (98,785)	\$ 678,427	\$ 579,642	\$ 4,289
Certificates of deposit	418,277	507,000	925,277	-
County treasurer cash	19,647	-	19,647	-
Receivables:				
Accounts, net of allowance for doubtful accounts	-	60,561	60,561	-
Unbilled revenue	-	10,268	10,268	-
Current portion of notes receivable	14,605	-	14,605	-
Lease	-	12,770	12,770	-
Property tax	8,837	-	8,837	-
Sales tax	73,808	-	73,808	-
Grants	618,850	-	618,850	-
Inventory	11,706	44,913	56,619	-
Total current assets	<u>1,066,945</u>	<u>1,313,939</u>	<u>2,380,884</u>	<u>4,289</u>
Noncurrent assets:				
Restricted cash and cash equivalents	252,273	126,472	378,745	-
Restricted certificates of deposit	270,000	-	270,000	-
Noncurrent portion of notes receivable	116,760	-	116,760	-
Capital assets:				
Land	163,751	242,856	406,607	-
Depreciable capital assets, net of depreciation	7,602,972	2,701,547	10,304,519	-
Net capital assets	<u>7,766,723</u>	<u>2,944,403</u>	<u>10,711,126</u>	<u>-</u>
Total noncurrent assets	<u>8,405,756</u>	<u>3,070,875</u>	<u>11,476,631</u>	<u>-</u>
<b>Total assets</b>	<u>9,472,701</u>	<u>4,384,814</u>	<u>13,857,515</u>	<u>4,289</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	140,259	80,281	220,540	-
Accrued expenses	17,786	29,263	47,049	-
Customer deposits	-	25,500	25,500	-
Current portion of long-term obligations	225,228	110,032	335,260	-
Total current liabilities	<u>383,273</u>	<u>245,076</u>	<u>628,349</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	1,841,000	921,237	2,762,237	-
<b>Total liabilities</b>	<u>2,224,273</u>	<u>1,166,313</u>	<u>3,390,586</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,700,495	1,913,134	7,613,629	-
Restricted for:				
Street improvements	336,249	-	336,249	-
Federal programs	2,403	100,972	103,375	-
Hospital bond debt service	186,784	-	186,784	-
Unrestricted	1,022,497	1,204,395	2,226,892	4,289
<b>Total net position</b>	<u>\$ 7,248,428</u>	<u>\$ 3,218,501</u>	<u>\$ 10,466,929</u>	<u>\$ 4,289</u>

See notes to financial statements.



**CITY OF ALMA, NEBRASKA**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ 226,945	\$ 4,104	\$ 34,770
Public safety	44,597	-	-
Public works	209,191	-	-
Environment and leisure	295,917	20,978	28,630
Airport	34,009	24,993	-
Economic development	74,314	-	-
Interest and fees on long-term debt	56,897	-	-
Depreciation - unallocated	351,494	-	-
Total governmental activities	1,293,364	50,075	63,400
<b>Business-type activities:</b>			
Gas	414,795	604,754	-
Water	365,883	262,387	-
Sewer	111,496	77,488	-
Trash	141,368	187,518	-
Electric	12,474	-	-
Golf	294,266	265,947	5,000
RV Park	35,246	72,153	-
Total business-type activities	1,375,528	1,470,247	5,000
<b>Total primary government</b>	\$ 2,668,892	\$ 1,520,322	\$ 68,400
<b>Component unit:</b>			
Community Redevelopment Authority	\$ -	\$ -	\$ -

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	
\$ -	\$ (188,071)		\$ (188,071)	
-	(44,597)		(44,597)	
-	(209,191)		(209,191)	
6,250	(240,059)		(240,059)	
1,080,904	1,071,888		1,071,888	
-	(74,314)		(74,314)	
-	(56,897)		(56,897)	
-	(351,494)		(351,494)	
<u>1,087,154</u>	<u>(92,735)</u>	\$ -	<u>(92,735)</u>	
-	-	189,959	189,959	
-	-	(103,496)	(103,496)	
100,972	-	66,964	66,964	
-	-	46,150	46,150	
-	-	(12,474)	(12,474)	
-	-	(23,319)	(23,319)	
-	-	36,907	36,907	
<u>100,972</u>	<u>-</u>	<u>200,691</u>	<u>200,691</u>	
<u>\$ 1,188,126</u>	<u>(92,735)</u>	<u>200,691</u>	<u>107,956</u>	
<u>\$ -</u>				\$ -
General revenues:				
Taxes:				
Property	335,782	-	335,782	-
Motor vehicle	28,564	-	28,564	-
Sales tax	477,278	-	477,278	-
Franchise	3,356	180,238	183,594	-
TIF proceeds	67,536	-	67,536	4,288
State allocation	285,696	-	285,696	-
Miscellaneous	60,511	-	60,511	-
Interest income	17,906	13	17,919	1
Interfund transfers	154,091	(154,091)	-	-
Total general revenues	<u>1,430,720</u>	<u>26,160</u>	<u>1,456,880</u>	<u>4,289</u>
Change in net position	<u>1,337,985</u>	<u>226,851</u>	<u>1,564,836</u>	<u>4,289</u>
Net position - September 30, 2020	<u>5,910,443</u>	<u>2,991,650</u>	<u>8,902,093</u>	<u>-</u>
Net position - September 30, 2021	<u>\$ 7,248,428</u>	<u>\$ 3,218,501</u>	<u>\$ 10,466,929</u>	<u>\$ 4,289</u>

**CITY OF ALMA, NEBRASKA**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**September 30, 2021**

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 465,946	\$ 63,086	\$ (564,731)	\$ 189,187	\$ 153,488
Certificates of deposit	413,277	270,000	5,000	-	688,277
County treasurer cash	19,647	-	-	-	19,647
Receivables:					
Property tax	8,837	-	-	-	8,837
Sales tax	57,505	16,303	-	-	73,808
Grants	-	-	618,850	-	618,850
Inventory	-	-	11,706	-	11,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 965,212</b>	<b>\$ 349,389</b>	<b>\$ 70,825</b>	<b>\$ 189,187</b>	<b>\$ 1,574,613</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 10,224	\$ 6,184	\$ 123,851	\$ -	\$ 140,259
Payroll withholdings	(2,328)	-	-	-	(2,328)
Accrued payroll	4,497	3,756	-	-	8,253
Accrued interest payable	8,661	3,200	-	-	11,861
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>21,054</b>	<b>13,140</b>	<b>123,851</b>	<b>-</b>	<b>158,045</b>
Fund balances:					
Nonspendable:					
Inventory	-	-	11,706	-	11,706
Restricted for:					
Street improvements	-	336,249	-	-	336,249
Federal programs	-	-	-	2,403	2,403
Hospital bond debt service	-	-	-	186,784	186,784
Assigned for:					
Budgetary stabilization	84,891	-	-	-	84,891
Unassigned	859,267	-	(64,732)	-	794,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b>944,158</b>	<b>336,249</b>	<b>(53,026)</b>	<b>189,187</b>	<b>1,416,568</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balances</b>	<b>\$ 965,212</b>	<b>\$ 349,389</b>	<b>\$ 70,825</b>	<b>\$ 189,187</b>	<b>\$ 1,574,613</b>
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See notes to financial statements.

**CITY OF ALMA, NEBRASKA**

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

**September 30, 2021**

<b>Total fund balances - governmental funds</b>		<b>\$ 1,416,568</b>
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.		131,365
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 \$11,752,038 and the accumulated depreciation is \$3,985,315.		7,766,723
Long-term liabilities, including bonds and notes 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	\$ (2,000,650)	
Notes payable	(65,578)	(2,066,228)
<b>Total net position - governmental activities</b>		<b>\$ 7,248,428</b>

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, 2021**

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 335,782	\$ -	\$ -	\$ -	\$ 335,782
Motor vehicle	28,564	-	-	-	28,564
Sales tax	383,907	93,371	-	-	477,278
Franchise	3,356	-	-	-	3,356
TIF proceeds	67,536	-	-	-	67,536
Intergovernmental	89,602	196,094	-	-	285,696
Licenses and permits	5,288	-	-	-	5,288
Charges for services	18,000	-	12,525	-	30,525
Rent	7,082	-	12,468	-	19,550
Grants and donations	69,650	-	1,080,904	-	1,150,554
Loan collections	-	-	-	3,726	3,726
Interest income	17,626	-	-	280	17,906
Bond proceeds	-	270,000	-	-	270,000
Other income	56,617	1,816	1,510	-	59,943
Total revenues	<u>1,083,010</u>	<u>561,281</u>	<u>1,107,407</u>	<u>4,006</u>	<u>2,755,704</u>
<b>EXPENDITURES</b>					
General government	256,162	-	-	1,389	257,551
Public safety	44,597	-	-	-	44,597
Public works	10,230	198,961	-	-	209,191
Environment and leisure	295,917	-	-	-	295,917
Airport	-	-	34,009	-	34,009
Economic development	74,314	-	-	-	74,314
Capital outlay	64,126	-	1,187,059	-	1,251,185
Bond issuance costs	-	5,995	-	-	5,995
Principal payments on debt	112,287	324,650	3,240	-	440,177
Interest on long-term debt	32,721	18,181	-	-	50,902
Total expenditures	<u>890,354</u>	<u>547,787</u>	<u>1,224,308</u>	<u>1,389</u>	<u>2,663,838</u>
<b>Excess (deficiency) of revenues over expenditures</b>	192,656	13,494	(116,901)	2,617	91,866
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	9,342	124,749	-	20,000	154,091
<b>Net change in fund balances</b>	201,998	138,243	(116,901)	22,617	245,957
Fund balances - September 30, 2020	<u>742,160</u>	<u>198,006</u>	<u>63,875</u>	<u>166,570</u>	<u>1,170,611</u>
Fund balances - September 30, 2021	<u>\$ 944,158</u>	<u>\$ 336,249</u>	<u>\$ (53,026)</u>	<u>\$ 189,187</u>	<u>\$ 1,416,568</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, 2021**

<b>Total net change in fund balances - governmental funds</b>	\$ 245,957
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.	(3,099)
The forgiveness of notes receivable is reported as an expense in the statement of activities. Notes receivable are not reported in the governmental funds.	(5,347)
Advances on notes receivable are reported in the governmental funds as expenditures, but the advances increase notes receivable in the statement of net position.	30,606
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 (\$1,251,185) exceeds depreciation expense (\$351,494).	899,691
Bond proceeds are reported as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(270,000)
Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>440,177</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 1,337,985</u></u>

See notes to financial statements.

**CITY OF ALMA, NEBRASKA**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**

**September 30, 2021**

	Enterprise Funds			
	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Trash Fund</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 367,199	\$ 59,801	\$ 36,182	\$ 64,214
Certificates of deposit	410,000	90,000	7,000	-
Receivables:				
Accounts, net of allowance for doubtful accounts	9,831	27,325	7,446	15,959
Lease	-	-	-	-
Unbilled revenue	3,409	5,396	1,463	-
Inventory	12,694	20,436	-	-
<b>Total current assets</b>	<u>803,133</u>	<u>202,958</u>	<u>52,091</u>	<u>80,173</u>
Noncurrent assets:				
Restricted cash and cash equivalents	10,800	7,350	108,322	-
Capital assets:				
Land	1,000	77,068	135,588	7,200
Distribution systems	222,693	2,236,084	605,863	-
Buildings and improvements	4,882	5,785	415,546	64,313
Equipment	78,997	234,279	165,746	611,572
Less accumulated depreciation	(226,074)	(1,376,315)	(604,900)	(367,480)
Net capital assets	<u>81,498</u>	<u>1,176,901</u>	<u>717,843</u>	<u>315,605</u>
<b>Total noncurrent assets</b>	<u>92,298</u>	<u>1,184,251</u>	<u>826,165</u>	<u>315,605</u>
<b>Total assets</b>	<u>895,431</u>	<u>1,387,209</u>	<u>878,256</u>	<u>395,778</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	14,425	38,324	1,837	16,302
Accrued payroll	5,854	5,282	2,858	1,403
Accrued interest payable	-	3,878	1,903	774
Sales tax payable	967	1,600	481	-
Customer deposits	10,800	7,350	7,350	-
Current portion of long-term obligations	-	17,150	21,059	28,479
<b>Total current liabilities</b>	<u>32,046</u>	<u>73,584</u>	<u>35,488</u>	<u>46,958</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	-	392,000	302,657	121,028
<b>Total liabilities</b>	<u>32,046</u>	<u>465,584</u>	<u>338,145</u>	<u>167,986</u>
<b>NET POSITION</b>				
Net investment in capital assets	81,498	767,751	394,127	166,098
Restricted	-	-	100,972	-
Unrestricted	781,887	153,874	45,012	61,694
<b>Total net position</b>	<u>\$ 863,385</u>	<u>\$ 921,625</u>	<u>\$ 540,111</u>	<u>\$ 227,792</u>

See notes to financial statements.

Enterprise Funds			
<u>Electric Fund</u>	<u>Golf Fund</u>	<u>RV Park Fund</u>	<u>Total</u>
\$ 7,472	\$ (6,882)	\$ 150,441	\$ 678,427
-	-	-	507,000
-	-	-	60,561
12,770	-	-	12,770
-	-	-	10,268
-	11,783	-	44,913
<u>20,242</u>	<u>4,901</u>	<u>150,441</u>	<u>1,313,939</u>
-	-	-	126,472
-	22,000	-	242,856
364,798	-	-	3,429,438
-	470,969	131,091	1,092,586
-	330,272	21,047	1,441,913
(85,260)	(543,147)	(59,214)	(3,262,390)
<u>279,538</u>	<u>280,094</u>	<u>92,924</u>	<u>2,944,403</u>
<u>279,538</u>	<u>280,094</u>	<u>92,924</u>	<u>3,070,875</u>
<u>299,780</u>	<u>284,995</u>	<u>243,365</u>	<u>4,384,814</u>
-	6,060	3,333	80,281
-	1,508	-	16,905
950	268	-	7,773
-	1,430	107	4,585
-	-	-	25,500
<u>18,260</u>	<u>25,084</u>	<u>-</u>	<u>110,032</u>
<u>19,210</u>	<u>34,350</u>	<u>3,440</u>	<u>245,076</u>
<u>103,030</u>	<u>2,522</u>	<u>-</u>	<u>921,237</u>
<u>122,240</u>	<u>36,872</u>	<u>3,440</u>	<u>1,166,313</u>
158,248	252,488	92,924	1,913,134
-	-	-	100,972
19,292	(4,365)	147,001	1,204,395
<u>\$ 177,540</u>	<u>\$ 248,123</u>	<u>\$ 239,925</u>	<u>\$ 3,218,501</u>



**CITY OF ALMA, NEBRASKA**

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

**For the Year Ended September 30, 2021**

	Enterprise Funds			
	Gas Fund	Water Fund	Sewer Fund	Trash Fund
<b>Operating revenues:</b>				
Charges for services	\$ 601,555	\$ 258,257	\$ 75,588	\$ 184,672
Franchise fees	-	-	-	-
Other revenue	3,199	4,130	1,900	2,846
Total operating revenues	<u>604,754</u>	<u>262,387</u>	<u>77,488</u>	<u>187,518</u>
<b>Operating expenses:</b>				
Purchased energy	227,075	-	-	-
Personnel services	139,311	155,996	42,114	53,258
Utilities and telephone	1,654	18,420	8,419	938
Repairs and maintenance	15,394	75,346	8,303	13,910
Supplies	1,680	5,520	822	1,277
Professional fees	7,665	9,515	4,661	2,191
Insurance and bonds	3,890	15,031	4,029	7,213
Fuel and transportation	1,206	2,322	-	10,046
Dues and fees	4,906	1,856	633	855
Contractual obligations	-	-	-	34,685
Miscellaneous	8,691	8,736	5,151	3,318
Depreciation	3,323	59,450	29,572	12,903
Total operating expenses	<u>414,795</u>	<u>352,192</u>	<u>103,704</u>	<u>140,594</u>
Operating income (loss)	189,959	(89,805)	(26,216)	46,924
<b>Nonoperating revenues (expenses):</b>				
Interest income	-	-	-	-
Grant income	-	-	100,972	-
Contributions	-	-	-	-
Interest expense	-	(13,691)	(6,660)	(774)
Loan administration fees	-	-	(1,132)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(13,691)</u>	<u>93,180</u>	<u>(774)</u>
Income (loss) before interfund transfers	189,959	(103,496)	66,964	46,150
<b>Interfund transfers:</b>				
Transfers from (to) other funds	-	-	20,000	-
<b>Change in net position</b>	189,959	(103,496)	86,964	46,150
Net position - September 30, 2020	<u>673,426</u>	<u>1,025,121</u>	<u>453,147</u>	<u>181,642</u>
Net position - September 30, 2021	<u>\$ 863,385</u>	<u>\$ 921,625</u>	<u>\$ 540,111</u>	<u>\$ 227,792</u>

See notes to financial statements.

Enterprise Funds			
Electric Fund	Golf Fund	RV Park Fund	Total
\$ -	\$ 265,838	\$ 71,848	\$ 1,457,758
180,238	-	-	180,238
-	109	305	12,489
<u>180,238</u>	<u>265,947</u>	<u>72,153</u>	<u>1,650,485</u>
-	-	-	227,075
-	149,198	-	539,877
-	20,612	8,905	58,948
-	17,444	3,301	133,698
-	75,970	556	85,825
-	-	-	24,032
-	8,155	2,166	40,484
-	4,355	-	17,929
-	200	-	8,450
-	-	13,200	47,885
-	2,848	315	29,059
9,121	13,890	6,803	135,062
<u>9,121</u>	<u>292,672</u>	<u>35,246</u>	<u>1,348,324</u>
171,117	(26,725)	36,907	302,161
-	13	-	13
-	-	-	100,972
-	5,000	-	5,000
(3,353)	(1,594)	-	(26,072)
-	-	-	(1,132)
<u>(3,353)</u>	<u>3,419</u>	<u>-</u>	<u>78,781</u>
167,764	(23,306)	36,907	380,942
(193,016)	18,925	-	(154,091)
(25,252)	(4,381)	36,907	226,851
<u>202,792</u>	<u>252,504</u>	<u>203,018</u>	<u>2,991,650</u>
<u>\$ 177,540</u>	<u>\$ 248,123</u>	<u>\$ 239,925</u>	<u>\$ 3,218,501</u>

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

**For the Year Ended September 30, 2021**

	Enterprise Funds	
	Gas Fund	Water Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 576,018	\$ 284,011
Payments to suppliers	(269,245)	(101,918)
Payments to employees	(144,100)	(165,222)
Net cash provided (used) by operating activities	162,673	16,871
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers from (to) other funds	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property and equipment	-	(57,978)
Grants and contributions received	-	-
Proceeds from issuance of capital debt	-	-
Principal payments on capital debt	-	(17,150)
Interest paid on capital debt	-	(13,854)
Loan administration fees on capital debt	-	-
Net cash provided (used) by capital and related financing activities	-	(88,982)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Increase in certificates of deposit	(50,000)	(50,000)
Increase in restricted cash	(1,750)	(1,125)
Interest received	-	-
Net cash provided (used) by investing activities	(51,750)	(51,125)
Increase (decrease) in cash and cash equivalents	110,923	(123,236)
Cash and cash equivalents - beginning of the year	256,276	183,037
Cash and cash equivalents - end of the year	\$ 367,199	\$ 59,801

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>
\$ 85,900	\$ 194,810	\$ 181,753	\$ 265,947	\$ 72,153	\$ 1,660,592
(30,194)	(60,926)	-	(125,719)	(27,903)	(615,905)
(43,722)	(57,324)	-	(152,407)	-	(562,775)
<u>11,984</u>	<u>76,560</u>	<u>181,753</u>	<u>(12,179)</u>	<u>44,250</u>	<u>481,912</u>
20,000	-	(193,016)	18,925	-	(154,091)
-	(287,480)	-	-	-	(345,458)
100,972	-	-	5,000	-	105,972
-	149,507	-	-	-	149,507
(20,969)	-	(18,260)	(22,805)	-	(79,184)
(6,848)	-	(3,393)	(1,824)	-	(25,919)
(1,132)	-	-	-	-	(1,132)
<u>72,023</u>	<u>(137,973)</u>	<u>(21,653)</u>	<u>(19,629)</u>	<u>-</u>	<u>(196,214)</u>
-	-	-	-	-	(100,000)
(102,097)	-	-	-	-	(104,972)
-	-	-	13	-	13
<u>(102,097)</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>(204,959)</u>
1,910	(61,413)	(32,916)	(12,870)	44,250	(73,352)
<u>34,272</u>	<u>125,627</u>	<u>40,388</u>	<u>5,988</u>	<u>106,191</u>	<u>751,779</u>
<u>\$ 36,182</u>	<u>\$ 64,214</u>	<u>\$ 7,472</u>	<u>\$ (6,882)</u>	<u>\$ 150,441</u>	<u>\$ 678,427</u>

**CITY OF ALMA, NEBRASKA**

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

**For the Year Ended September 30, 2021**

	Enterprise Funds	
	Gas Fund	Water Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 189,959	\$ (89,805)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	3,323	59,450
Change in assets and liabilities:		
Accounts receivable and unbilled revenue	(9,640)	20,499
Inventories	1,086	(2,102)
Accounts payable	1,914	37,333
Advance utility collections	(20,846)	-
Accrued payroll	(4,789)	(9,226)
Sales tax payable	(84)	(403)
Customer deposits	1,750	1,125
Net cash provided (used) by operating activities	\$ 162,673	\$ 16,871

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>
\$ (26,216)	\$ 46,924	\$ 171,117	\$ (26,725)	\$ 36,907	\$ 302,161
29,572	12,903	9,121	13,890	6,803	135,062
7,287	7,292	1,515	-	-	26,953
-	-	-	2,375	-	1,359
1,812	13,507	-	1,365	501	56,432
-	-	-	-	-	(20,846)
(1,608)	(4,066)	-	(3,209)	-	(22,898)
12	-	-	125	39	(311)
1,125	-	-	-	-	4,000
<u>\$ 11,984</u>	<u>\$ 76,560</u>	<u>\$ 181,753</u>	<u>\$ (12,179)</u>	<u>\$ 44,250</u>	<u>\$ 481,912</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS**

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**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2021**

**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, 2021**

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

**1. Financial Reporting Entity, continued**

**Blended Component Units**

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

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. 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, 2021**

**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, 2021**

**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:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<i>Major:</i>	
Governmental:	
General	See page 28 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 page above for description.

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**2. Basis of Presentation, continued**

**Major and Nonmajor Funds, continued**

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<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, 2021**

**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, 2021**

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

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

**Estimates**

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

**Cash and Investments**

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

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

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

**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, 2021**

**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 \$10,000 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 \$1,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

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

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Capital Assets, continued**

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, 2021**

**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, 2021**

**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 17). 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, 2021**

**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 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2020-2021 are recorded as revenue when expected to be collected within 60 days after September 30, 2021. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

**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, 2021**

**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, 2021**

**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, 2021**

**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 20, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- 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, 2021**

**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, 2021. The categories of collateral are defined as follows:

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

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

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

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 2,177,487	\$ 834,420	\$ 1,343,067	\$ -	\$ <u>2,157,953</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 579,642
Restricted cash and cash equivalents	378,745
Unrestricted certificates of deposit	925,277
Restricted certificates of deposit	<u>270,000</u>
Total Primary Government	2,153,664

Component Unit –

Unrestricted cash and cash equivalents	<u>4,289</u>
	\$ <u>2,157,953</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**2. Restricted Assets**

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Type of Restricted Assets:			
Cash and cash equivalents	\$ 252,273	\$ 126,472	\$ 378,745
Certificates of deposit	270,000	-	270,000
	<u>\$ 522,273</u>	<u>\$ 126,472</u>	<u>\$ 648,745</u>

The governmental activities' restricted assets as of September 30, 2021, consisted of \$333,086 in the Street Fund restricted for street improvements, \$2,403 in the CDBG Fund restricted for federal programs and \$186,784 in the Hospital Bond Sinking Fund restricted for hospital bond debt service.

The business-type activities restricted assets as of September 30, 2021, consisted of \$10,800 in the Gas Fund, \$7,350 in the Water Fund and \$7,350 in the Sewer Fund restricted for customer deposits. The Sewer Fund also has restricted assets of \$100,972 that are restricted for federal programs.

**3. Accounts Receivable**

Accounts receivable of the business-type activities consist of utilities receivable. Receivables detail at September 30, 2021, is as follows:

	<u>Business-type Activities</u>
Accounts receivable	\$ 70,561
Allowance for doubtful accounts	<u>(10,000)</u>
Net accounts receivable	<u>\$ 60,561</u>



**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**4. Notes Receivable**

The CDBG Fund has made eight rehab loans. Notes receivable at September 30, 2021, consisted of the following:

Note for \$15,501 dated November 9, 2005; due in 240 monthly payments of \$64.59 through November 1, 2025. The note is non-interest bearing.	\$ 2,769
Note for \$10,000 dated August 31, 2005; due in 240 monthly payments of \$41.67 through October 1, 2025. The note is non-interest bearing.	450
Note for \$23,956 dated June 29, 2021; forgivable over five years through May 8, 2026. The note is non-interest bearing.	22,359
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.	21,837
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.	22,043
Note for \$18,641 dated June 24, 2021; due in 240 monthly payments of \$93.98 through August 2, 2021. The note bears interest at 2.0 percent.	18,483
Note for \$25,000 dated July 1, 2021; forgivable over five years through December 16, 2025. The note is non-interest bearing.	21,249
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>22,175</u>
Total governmental activities notes receivable	\$ <u>131,365</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**4. Notes Receivable, continued**

Current portion	\$ 14,605
Noncurrent portion	<u>116,760</u>
Total	<u>\$ 131,365</u>

**5. Capital Assets**

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

	<u>Balance at</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2021</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 163,751	\$ -	\$ -	\$ -	\$ 163,751
Construction in progress	<u>101,008</u>	<u>1,187,059</u>	<u>-</u>	<u>(1,288,067)</u>	<u>-</u>
Total capital assets not being depreciated	264,759	1,187,059	-	(1,288,067)	163,751
Other capital assets being depreciated:					
Infrastructure	1,731,228	-	-	1,288,067	3,019,295
Building and improvements	7,615,630	42,845	-	-	7,658,475
Equipment	<u>889,236</u>	<u>21,281</u>	<u>-</u>	<u>-</u>	<u>910,517</u>
Total other capital assets at historical cost	10,236,094	64,126	-	1,288,067	11,588,287
Less accumulated depreciation for:					
Infrastructure	(307,619)	(48,749)	-	-	(356,368)
Building and improvements	(2,739,510)	(247,324)	-	-	(2,986,834)
Equipment	<u>(586,692)</u>	<u>(55,421)</u>	<u>-</u>	<u>-</u>	<u>(642,113)</u>
Total accumulated depreciation	<u>(3,633,821)</u>	<u>(351,494) *</u>	<u>-</u>	<u>-</u>	<u>(3,985,315)</u>
Other capital assets, net	<u>6,602,273</u>	<u>(287,368)</u>	<u>-</u>	<u>1,288,067</u>	<u>7,602,972</u>
Governmental activities capital assets, net	<u>\$ 6,867,032</u>	<u>\$ 899,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,766,723</u>

CITY OF ALMA, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

5. Capital Assets, continued

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

General Fund:

General government	\$ 10,768
Public safety	
Fire	7,127
Public works:	
Shop	2,740
Environment and leisure:	
Community buildings	6,670
Library	2,215
Park	2,970
Pheasant Ridge trail	35,788
Pool	78,052
Recreation	<u>3,793</u>
Total environment and leisure	<u>129,488</u>
Total General Fund	150,123
Street Fund	71,892
Airport Fund	<u>129,479</u>
Total governmental activities depreciation expense	\$ <u>351,494</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**5. Capital Assets, continued**

	<u>Balance at</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>September 30, 2021</u>
<b><u>Business-type Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 242,856	\$ -	\$ -	\$ 242,856
Other capital assets being depreciated:				
Distribution systems	3,409,438	20,000	-	3,429,438
Buildings and improvements	1,080,396	12,190	-	1,092,586
Equipment	<u>1,157,478</u>	<u>284,435</u>	<u>-</u>	<u>1,441,913</u>
Total other capital assets at historical cost	5,647,312	316,625	-	5,963,937
Less accumulated depreciation for:				
Distribution systems	(1,442,209)	(76,675)	-	(1,518,884)
Buildings and improvements	(612,691)	(30,095)	-	(642,786)
Equipment	<u>(1,072,428)</u>	<u>(28,292)</u>	<u>-</u>	<u>(1,100,720)</u>
Total accumulated depreciation	<u>(3,127,328)</u>	<u>(135,062)</u> *	<u>-</u>	<u>(3,262,390)</u>
Other capital assets, net	<u>2,519,984</u>	<u>181,563</u>	<u>-</u>	<u>2,701,547</u>
Business-type activities capital assets, net	<u>\$ 2,762,840</u>	<u>\$ 181,563</u>	<u>\$ -</u>	<u>\$ 2,944,403</u>

\* Depreciation expense was charged to functions as follows:

Gas	\$ 3,323
Water	59,450
Sewer	29,572
Trash	12,903
Electric	9,121
Golf	13,890
RV Park	<u>6,803</u>
Total business-type activities depreciation expense	<u>\$ 135,062</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**6. Accounts Payable**

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

**7. Long-term Debt**

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

<u>Type of Debt</u>	<u>Balance at October 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and notes payable	<u>\$ 2,236,405</u>	<u>\$ 270,000</u>	<u>\$ (440,177)</u>	<u>\$ 2,066,228</u>	<u>\$ 225,228</u>
Business-type Activities:					
Bonds and notes payable	<u>\$ 960,946</u>	<u>\$ 149,507</u>	<u>\$ (79,184)</u>	<u>\$ 1,031,269</u>	<u>\$ 110,032</u>

**Governmental Activities**

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

Bonds and notes payable:

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.

\$ 1,325,000

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Governmental Activities, continued**

Bonds and notes payable, continued:

Various purpose bonds, Series 2013, with an original issue amount of \$510,000. Interest rates range from 0.45 percent to 2.85 percent. Interest is due in semi-annual installments and principal is due in annual installments through April 15, 2028. These bonds were refunded during the year ended September 30, 2021. Paid by the Street Fund.	-
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.	270,000
The City entered into a loan agreement with the State of Nebraska Department of Aeronautics for the repayment of funds borrowed under the State of Nebraska Department of Aeronautics Revolving Hangar Loan Program. The State loaned the City \$145,600 to be repaid over a period of 180 months at \$810 per month. Paid by the Airport Fund.	-
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.	325,650
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.	80,000

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Governmental Activities, continued**

Bonds and notes payable, continued:

On April 10, 2018, the City entered into an agreement with Banner Capital Bank for the purpose of purchasing a mower. The original loan was \$11,550. Principal and interest at 3.25 percent are due in monthly payments of \$338 through April 10, 2021. Paid by the General Fund.

-

On September 14, 2015, the City entered into an agreement with Banner Capital Bank for the purpose of building a pool slide. The original loan was \$192,000. Principal and interest at 2.99 percent are due in annual payments of \$22,500 through September 14, 2021 with a balloon payment of \$86,123 due September 14, 2022. Paid by the General Fund.

65,578

Total governmental activities bonds and notes payable \$ 2,066,228

Current portion \$ 225,228

Noncurrent portion 1,841,000

Total \$ 2,066,228

**Business-type Activities**

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

Bonds and notes payable:

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 3.00 percent are due in semi-annual payments of \$9,830 through June 19, 2022. Paid by the Golf Fund.

\$ 20,389

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Business-type Activities, continued**

Bonds and notes payable, 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 Water and Electric Funds. 509,350

On May 3, 2017, the City entered into an agreement with the Nebraska Department of Environmental Quality 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. 108,716

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. 21,090

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. 215,000

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. 149,507



**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Business-type Activities, continued**

Bonds and notes payable, continued:

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.

	7,217
Total business-type activity bonds and notes payable	\$ <u>1,031,269</u>
Current portion	\$ 110,032
Noncurrent portion	<u>991,237</u>
Total	<u>\$ 1,031,269</u>

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

Year Ending <u>September 30,</u>	Governmental Activities			
	Direct Placement Debt		Other Debt Issues	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 65,578	\$ 1,963	\$ 159,650	\$ 42,466
2023	-	-	159,650	40,528
2024	-	-	158,650	38,057
2025	-	-	159,600	35,539
2026	-	-	174,600	32,974
2027-2031	-	-	678,850	119,039
2032-2036	-	-	441,400	39,319
2037-2039	-	-	68,250	4,500
	<u>\$ 65,578</u>	<u>\$ 1,963</u>	<u>\$ 2,000,650</u>	<u>\$ 352,422</u>

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**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		
	Principal	Interest	Fees	Principal	Interest	
2022	\$ 73,682	\$ 5,687	\$ 1,072	\$ 36,350	\$ 21,449	
2023	45,146	3,893	1,011	36,350	20,500	
2024	36,243	3,155	950	36,350	19,551	
2025	36,905	2,494	887	39,400	18,602	
2026	37,449	1,821	823	39,400	17,487	
2027-2031	33,644	4,692	3,128	211,150	70,329	
2032-2036	36,254	2,082	1,388	218,600	36,288	
2037-2039	7,596	86	57	106,750	7,038	
	<u>\$ 306,919</u>	<u>\$ 23,910</u>	<u>\$ 9,316</u>	<u>\$ 724,350</u>	<u>\$ 211,244</u>	

**8. Interfund Transactions**

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 188,075	\$ 178,733
Street Fund	124,749	-
Nonmajor Funds	20,000	-
Water Fund	20,000	-
Electric Fund	-	193,016
Golf Fund	<u>37,000</u>	<u>18,075</u>
Total operating transfers	<u>\$ 389,824</u>	<u>\$ 389,824</u>

**9. Fund Equity**

The Airport Fund had a deficit fund balance of \$53,026 as of September 30, 2021. The City plans to increase fund balance in future years from operations and by transferring excess funds from other funds.

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**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, 2021, the City's total payroll and covered payroll under the plan was \$654,742 and \$478,913, respectively. Both the City's contribution of \$23,946 and the covered employees' contribution of \$34,759 were made for the year ended September 30, 2021.

**2. Risk Management**

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2021, are held by the counterparties not in the name of the City. The underlying securities consist of cash, 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, 2021

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The certificate of deposit maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
October 2021	\$ 301,354
February 2022	202,418
March 2022	80,000
April 2022	40,000
July 2022	155,616
October 2022	100,000
January 2023	315,889
	<u>\$ 1,195,277</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, 2021, the City’s investments and certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
First State Bank	\$ 659,388
Banner Capital Bank	455,889
Community Bank	80,000
Totals	<u>\$ 1,195,277</u>

*Foreign Currency Risk.* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2021.

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**3. Commitments and Contingencies**

**Leases**

On November 15, 2018, the City entered into a five-year lease for a copier from Eakes Office Plus. Rent of \$189 is due monthly through October 2024.

Rent expense was \$2,266 for the year ended September 30, 2021. The following payments are due under the leases:

<u>Year Ending</u> <u>September 30,</u>	
2022	\$ 2,266
2023	2,266
2024	189
2025	-
2026	-
	<u>\$ 4,721</u>

**Contingencies**

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

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements**

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

<b><u>Parties to Agreement</u></b>	<b><u>Term</u></b>	<b><u>Description</u></b>
Harlan County	October 1, 2020 - September 30, 2021	Agreement for law enforcement
Alma Public School	September 2012 - September 2022	Educational recreational facilities
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. 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.

**CITY OF ALMA, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**5. Tax Abatements, continued**

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

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2021 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2021</u>
Western Sky	14	\$ 237,736	\$ 4,533
Tripe Motor	12	964,085	18,381
Alma Auto Parts	8	201,062	3,833
Harlan Lodging	0	2,045,858	39,007
Auto Creations	0	157,357	3,000
Tripe Motor	0	161,004	<u>3,070</u>
			<u>\$ 71,824</u>

**6. Subsequent Events**

Management has evaluated subsequent events through December 29, 2021, 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, 2021**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 307,150	\$ 335,653	\$ 28,503
Motor vehicle	27,000	28,564	1,564
Sales	295,000	389,115	94,115
Franchise	3,500	3,356	(144)
TIF proceeds	69,050	67,536	(1,514)
Intergovernmental	88,222	89,602	1,380
Licenses and permits	8,670	5,288	(3,382)
Charges for services	14,650	18,000	3,350
Rent	4,104	7,082	2,978
Grants and contributions	34,750	79,476	44,726
Interest income	8,000	17,626	9,626
Other	8,500	56,617	48,117
	<hr/>	<hr/>	<hr/>
Total resources	868,596	1,097,915	229,319
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
General government	349,439	250,366	(99,073)
Public safety	45,596	44,334	(1,262)
Public works	10,980	10,218	(762)
Environment and leisure	257,503	296,834	39,331
Economic development	92,300	74,314	(17,986)
Capital outlay	89,730	64,126	(25,604)
Principal payments on debt	112,287	112,287	-
Interest payments on debt	33,157	33,153	(4)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	990,992	885,632	(105,360)
Resources over (under) charges to appropriations	(122,396)	212,283	334,679
<b>OTHER FINANCING SOURCES</b>			
Net transfers	50,846	9,342	(41,504)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<u>\$ (71,550)</u>	<u>\$ 221,625</u>	<u>\$ 293,175</u>

**CITY OF ALMA, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE -**  
**STREET FUND**

**Year Ended September 30, 2021**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Sales tax	\$ 80,000	\$ 96,304	\$ 16,304
Intergovernmental	168,310	196,094	27,784
Bond proceeds	-	270,000	270,000
Other income	500	1,816	1,316
	248,810	564,214	315,404
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	264,213	195,166	(69,047)
Capital outlay	1,335	-	(1,335)
Bond issuance costs	-	5,995	5,995
Principal payments on debt	64,650	324,650	260,000
Interest payments on debt	19,766	21,626	1,860
	349,964	547,437	197,473
Resources over (under) charges to appropriations	(101,154)	16,777	117,931
<b>OTHER FINANCING SOURCES</b>			
Net transfers	101,154	124,749	23,595
	101,154	124,749	23,595
<b>RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS</b>	\$ -	\$ 141,526	\$ 141,526

**CITY OF ALMA, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE -**  
**AIRPORT FUND**

**Year Ended September 30, 2021**

	Budget (Original and <u>Final</u> )	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Charges for services	\$ 15,537	\$ 12,525	\$ (3,012)
Rent	13,723	12,468	(1,255)
Grant income	1,188,892	462,054	(726,838)
Other income	-	1,510	1,510
	1,218,152	488,557	(729,595)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Operating expenditures	42,623	32,819	(9,804)
Capital outlay	1,208,208	1,063,490	(144,718)
Principal payments on debt	3,240	3,240	-
	1,254,071	1,099,549	(154,522)
	<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS</b>	<b>\$ (610,992)</b>	<b>\$ (575,073)</b>
	<b>\$ (35,919)</b>	<b>\$ (610,992)</b>	<b>\$ (575,073)</b>

**CITY OF ALMA, NEBRASKA**

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

**Year Ended September 30, 2021**

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>Airport Fund</u>
<b>Sources/inflows of resources:</b>			
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 1,097,915	\$ 564,214	\$ 488,557
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>(14,905)</u>	<u>(2,933)</u>	<u>618,850</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,083,010</u>	<u>\$ 561,281</u>	<u>\$ 1,107,407</u>
<b>Uses/outflows of resources:</b>			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules	\$ 885,632	\$ 547,437	\$ 1,099,549
Differences - budget to GAAP:			
Cash to accrual adjustments	<u>4,722</u>	<u>350</u>	<u>124,759</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 890,354</u>	<u>\$ 547,787</u>	<u>\$ 1,224,308</u>

**SUPPLEMENTARY INFORMATION**

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

**September 30, 2021**

	Special Revenue Funds		
	CDBG	Hospital Bond Sinking	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,403	\$ 186,784	\$ 189,187
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Federal programs	2,403	-	2,403
Hospital bond debt service	-	186,784	186,784
Total fund balances	2,403	186,784	189,187
<b>Total liabilities and fund balances</b>	<b>\$ 2,403</b>	<b>\$ 186,784</b>	<b>\$ 189,187</b>

**CITY OF ALMA, NEBRASKA**

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

**For the Year Ended September 30, 2021**

	Special Revenue Funds		
	<u>CDBG</u>	Hospital Bond <u>Sinking</u>	Total Nonmajor Governmental <u>Funds</u>
<b>REVENUES</b>			
Interest income	\$ -	\$ 280	\$ 280
Loan collections	3,726	-	3,726
Total revenues	3,726	280	4,006
<b>EXPENDITURES</b>			
General government	1,389	-	1,389
<b>Excess of revenues over expenditures</b>	2,337	280	2,617
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	-	20,000	20,000
<b>Net change in fund balances</b>	2,337	20,280	22,617
Fund balances - September 30, 2020	66	166,504	166,570
Fund balances - September 30, 2021	\$ 2,403	\$ 186,784	\$ 189,187

**CITY OF ALMA, NEBRASKA**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -**

**GENERAL FUND DEPARTMENTS**

**Year Ended September 30, 2021**

	<u>Administrative</u>	<u>Fire</u>	<u>Police</u>	<u>Shop</u>
<b>REVENUES</b>				
Taxes:				
General property tax	\$ 249,484	\$ -	\$ -	\$ -
Motor vehicle tax	28,564	-	-	-
Sales tax	237,586	-	-	-
Franchise	3,356	-	-	-
TIF proceeds	67,536	-	-	-
Intergovernmental revenue:				
State assistance	82,711	-	-	-
Charges for services	-	-	-	-
Grants and donations	34,770	-	-	-
Licenses and permits	5,288	-	-	-
Rent	4,104	-	-	-
Interest income	17,626	-	-	-
Other receipts	32,224	-	-	-
Total revenues	<u>763,249</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Personnel services:				
Salaries and benefits	111,255	-	-	-
Operating expenses:				
Law enforcement	-	-	41,616	-
Insurance	1,668	-	-	2,265
Professional fees	20,932	-	-	-
Fuel and transportation	-	-	-	-
Meetings, seminars, and dues	10,351	-	-	-
Repairs and maintenance	3,219	755	-	182
Printing, postage, and publications	4,865	-	-	-
Utilities and telephone	6,043	2,226	-	6,495
Total operating expenses	<u>47,078</u>	<u>2,981</u>	<u>41,616</u>	<u>8,942</u>
Supplies	12,639	-	-	1,288
Other expenses	159,504	-	-	-
Capital outlay	-	21,281	-	-
Principal payments on debt	-	-	-	-
Interest payments	-	-	-	-
Total expenditures	<u>330,476</u>	<u>24,262</u>	<u>41,616</u>	<u>10,230</u>
Excess (deficiency) of revenues over expenditures before transfers	432,773	(24,262)	(41,616)	(10,230)
<b>TRANSFERS FROM (TO) OTHER FUNDS</b>	<u>(374,503)</u>	<u>23,999</u>	<u>41,616</u>	<u>10,218</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 58,270</u>	<u>\$ (263)</u>	<u>\$ -</u>	<u>\$ (12)</u>



Community Building	Park	Pool	Recreation	Library	Pheasant Ridge Trail	Total
\$ -	\$ -	\$ 86,298	\$ -	\$ -	\$ -	\$ 335,782
-	-	-	-	-	-	28,564
-	-	146,321	-	-	-	383,907
-	-	-	-	-	-	3,356
-	-	-	-	-	-	67,536
-	-	6,001	-	890	-	89,602
-	-	17,083	-	917	-	18,000
6,250	-	150	-	28,480	-	69,650
-	-	-	-	-	-	5,288
2,978	-	-	-	-	-	7,082
-	-	-	-	-	-	17,626
21,784	8	984	-	1,617	-	56,617
<u>31,012</u>	<u>8</u>	<u>256,837</u>	<u>-</u>	<u>31,904</u>	<u>-</u>	<u>1,083,010</u>
-	13,035	51,321	-	56,591	-	232,202
-	-	-	-	-	-	41,616
4,634	2,667	9,139	2,917	3,079	-	26,369
-	-	-	-	-	-	20,932
-	454	-	-	-	-	454
-	-	121	-	3,174	-	13,646
34,274	1,327	28,871	2,936	1,842	5,614	79,020
294	-	192	-	84	-	5,435
<u>11,097</u>	<u>8,221</u>	<u>6,359</u>	<u>1,331</u>	<u>5,951</u>	<u>2,542</u>	<u>50,265</u>
50,299	12,669	44,682	7,184	14,130	8,156	237,737
1,106	1,588	16,537	145	10,663	-	43,966
398	-	5,115	-	2,298	-	167,315
42,845	-	-	-	-	-	64,126
-	2,337	109,950	-	-	-	112,287
-	27	32,694	-	-	-	32,721
<u>94,648</u>	<u>29,656</u>	<u>260,299</u>	<u>7,329</u>	<u>83,682</u>	<u>8,156</u>	<u>890,354</u>
(63,636)	(29,648)	(3,462)	(7,329)	(51,778)	(8,156)	192,656
<u>207,258</u>	<u>30,437</u>	<u>-</u>	<u>7,312</u>	<u>54,841</u>	<u>8,164</u>	<u>9,342</u>
<u>\$ 143,622</u>	<u>\$ 789</u>	<u>\$ (3,462)</u>	<u>\$ (17)</u>	<u>\$ 3,063</u>	<u>\$ 8</u>	<u>\$ 201,998</u>

**SINGLE AUDIT REPORTS**

**CITY OF ALMA, NEBRASKA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended September 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<b><u>Department of Housing and Urban Development</u></b>			
Passed Through the Nebraska Department of Economic Development: Community Development Block Grants	14.228	47-6006072	\$ 29,347
<b><u>Department of Homeland Security</u></b>			
Passed Through Nebraska Emergency Management Association: Disaster Grants - Public Assistance	97.036	47-6006072	2,040
<b><u>Department of Transportation</u></b>			
Passed Through Nebraska Department of Transportation: COVID-19 - Airport Improvement Program	20.106	47-6006072	29,000
Airport Improvement Program	20.106	47-6006072	1,051,904
Total Airport Improvement Program			<u>1,080,904</u> *
<b>Total Expenditures of Federal Awards</b>			<b><u><u>\$ 1,112,291</u></u></b>

\* Major program

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant and loan activity of the City of Alma, Nebraska, and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

The City has not elected to use the 10 percent de minimis cost rate.

**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 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, 2021, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 29, 2021.

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

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

**SHAREHOLDERS:**  
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2021-001 that we consider to be significant deficiencies.

### **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**

The City of Alma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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  
December 29, 2021





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Alma, Nebraska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City of Alma, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Alma, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Alma, Nebraska's compliance.

**SHAREHOLDERS:**

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## Opinion on Each Major Federal Program

In our opinion, the City of Alma, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the City of Alma, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

AMGL, P.C.

Grand Island, Nebraska  
December 29, 2021

**CITY OF ALMA, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2021**

1. A summary of auditor's results:
  - (i) Unmodified opinions were issued on all opinion units of the City of Alma, Nebraska, as of September 30, 2021.
  - (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*." The deficiency is not reported as a material weakness.
  - (iii) The audit disclosed no instances of noncompliance which are material to the financial statements of the City of Alma, Nebraska.
  - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Alma, Nebraska.
  - (v) An unmodified opinion was issued on compliance for major programs.
  - (vi) The audit did not disclose any audit findings which are required to be reported under 2 CFR section 200.516(a).
  - (vii) Major Program: CFDA #20.106 – Airport Improvement Program.
  - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
  - (ix) The City of Alma, Nebraska, did not qualify as a low-risk auditee.



**CITY OF ALMA, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued**

**Year ended September 30, 2021**

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

2021-001

Condition: There is not adequate segregation of duties.

Criteria: Adequate segregation of duties should be in place to ensure internal control over cash receipts, disbursements, and recording of transactions.

Cause: There are a limited number of accounting personnel.

Effect: Because of the lack of segregation, the same employees may participate in multiple facets of a transaction.

Recommendation: Management should remain aware of this lack of segregation and continue diligence in oversight and review of transactions.

Views of Responsible Officials and Planned Corrective Actions: It is impractical to further segregate duties due to the limited number of accounting personnel. However, management will continue to review/oversight of transactions.

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in 2 CFR section 200.516(a).

None

**CITY OF ALMA, NEBRASKA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended September 30, 2021**

There were no prior audit findings for the year ended September 30, 2020.