

**VILLAGE OF DUNCAN, NEBRASKA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**September 30, 2024**

DRAFT

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska, as of September 30, 2024, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

#### Basis for Opinions

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

#### Emphasis of Matter – Basis of Accounting

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

## **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025, on our consideration of the Village of Duncan, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Duncan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Duncan, Nebraska's internal control over financial reporting and compliance.

Grand Island, Nebraska  
February 6, 2025

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2024**

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of the Village of Duncan, we offer readers of the Village of Duncan financial statements this narrative overview and analysis of the financial activities of the Village of Duncan for the fiscal year ended September 30, 2024.

**Financial Highlights**

- The assets of the Village of Duncan exceeded its liabilities at the close of the most recent fiscal year by \$250,596 (*net position*). Of this amount, \$134,561 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Village of Duncan’s governmental activities reported combined ending net position of \$252,260. Approximately 54.0 percent of this total amount, \$136,225, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$135,446, or 89.0 percent of total General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village of Duncan’s financial statements. The Village of Duncan’s financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the financial statements themselves.

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

The *statement of net position* presents information on all of the Village of Duncan’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Duncan is improving or deteriorating.

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2024**

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Both of the government-wide financial statements distinguish functions of the Village of Duncan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Duncan include general government, public safety, highways and streets, culture and recreation. The business-type activities of the Village of Duncan include the Water and Sewer Enterprise Funds.

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

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Duncan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Duncan can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Duncan maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Street Fund, both of which are considered to be major funds.

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

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

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

**Proprietary funds.** The Village of Duncan maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village of Duncan uses enterprise funds to account for its Water and Sewer Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Funds, both of which are considered to be major funds of the Village of Duncan.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-35 of this report.

**Other information.** In addition to the financial statements and accompanying notes, this report also presents certain *other information* concerning the Village of Duncan’s budgetary comparison schedules. Other information can be found on pages 36-37 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Village of Duncan, assets exceeded liabilities by \$250,596 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

	September 30, 2024			September 30, 2023		
	<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	\$ 252,260	\$ (1,664)	\$ 250,596	\$ 399,082	\$ (19,355)	\$ 379,727
Net Position:						
Restricted	\$ 116,035	\$ -	\$ 116,035	\$ 182,036	\$ -	\$ 182,036
Unrestricted	136,225	(1,664)	134,561	217,046	(19,355)	197,691
Total Net Position	<u>\$ 252,260</u>	<u>\$ (1,664)</u>	<u>\$ 250,596</u>	<u>\$ 399,082</u>	<u>\$ (19,355)</u>	<u>\$ 379,727</u>

A portion of the Village of Duncan’s net position (46.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$134,561) may be used to meet the government’s ongoing obligations to citizens and creditors.

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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

**Expenses and Program Revenues – Governmental Activities**

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 1,218	\$ 97,295	\$ 875	\$ 90,094
Public Safety	-	27,311	-	24,352
Public Works	-	110,464	-	46,266
Environment and Leisure	-	3,036	-	3,365
Capital Outlay	-	35,123	-	84,046
Debt Service	-	54,980	-	55,723
Total	<u>\$ 1,218</u>	<u>\$ 328,209</u>	<u>\$ 875</u>	<u>\$ 303,846</u>
Transfers Out	-	72,272	-	-
Total	<u>\$ 1,218</u>	<u>\$ 400,481</u>	<u>\$ 875</u>	<u>\$ 303,846</u>

**Revenues by Source – Governmental Activities**

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 768	0.30	\$ 723	0.28
Grants and Contributions	450	0.18	875	0.34
Property Taxes	45,540	17.95	44,373	17.11
Motor Vehicle Taxes	9,714	3.83	9,198	3.55
Franchise Taxes	63,924	25.20	68,316	26.35
Sales Taxes	49,001	19.32	58,291	22.48
Intergovernmental	76,544	30.18	73,761	28.45
Interest	192	0.07	461	0.18
Other	7,526	2.97	3,272	1.26
Total	<u>\$ 253,659</u>	<u>100.00 %</u>	<u>\$ 259,270</u>	<u>100.00 %</u>

Net position of the governmental activities decreased \$(146,822) during the year ended September 30, 2024.

**Business-type activities.** Business-type activities increased the Village of Duncan's net position by \$17,691. Key elements of this increase are as follows:

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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

<u>Function</u>	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 265,817	\$ 249,506	\$ 217,175	\$ 230,343
Sewer	84,636	155,528	89,570	62,625
Total	<u>\$ 350,453</u>	<u>\$ 405,034</u>	<u>\$ 306,745</u>	<u>\$ 292,968</u>

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

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2024</u>		<u>Year Ended September 30, 2023</u>	
Charges for Services	\$ 169,569	40.11 %	\$ 183,246	59.74 %
Grants and Contributions	180,884	42.79	123,499	40.26
Transfers In	72,272	17.10	-	-
	<u>\$ 422,725</u>	<u>100.00 %</u>	<u>\$ 306,745</u>	<u>100.00 %</u>

**Financial Analysis of the Government’s Funds**

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

**Governmental Funds.** The focus of the Village of Duncan’s *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Duncan’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village of Duncan’s governmental funds reported combined ending fund balance of \$252,260. Approximately 53.7 percent of this total amount (\$135,446) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted for street improvements (\$116,007), 2) restricted for community betterment (\$28), or 3) assigned for park and recreation (\$779).

The General Fund is the chief operating fund of the Village of Duncan. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$135,446, while total fund balance was \$136,253. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 89.0 percent of total General Fund expenditures, while total fund balance represents 89.5 percent of the same amount.

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

The fund balance of the Village of Duncan’s General Fund decreased by \$(146,118) and the Street Fund decreased \$(704) during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year was as follows: Water Fund – deficit of \$(62,269) and Sewer Fund – \$60,605. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$16,311 and Sewer Fund – increase of \$1,380. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Village of Duncan’s business-type activities.

**Budgetary Highlights**

There were no differences between the original budget and the final adopted budget for the year ended September 30, 2024.

**Capital Asset and Debt Administration**

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

- Woods rotary cutter mower - \$17,950
- 2018 Bombardier Can Am UTV - \$10,500
- Bumpy Road water line extension - \$135,038
- Water main looping construction in progress - \$19,610
- Sewer lining - \$91,230

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

	<b>Village of Duncan Outstanding Debt</b>					
	<b>September 30, 2024</b>			<b>September 30, 2023</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Note payable	\$ -	\$ 127,857	\$ 127,857	\$ -	\$ 144,716	\$ 144,716
Bonds payable	555,000	180,000	735,000	600,000	205,000	805,000
	<u>\$ 555,000</u>	<u>\$ 307,857</u>	<u>\$ 862,857</u>	<u>\$ 600,000</u>	<u>\$ 349,716</u>	<u>\$ 949,716</u>

The Village of Duncan’s total debt decreased by \$86,859 (9.1 percent) during the current fiscal year, due to scheduled payments.

**VILLAGE OF DUNCAN, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2024**

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The Village of Duncan does not have a bond rating.

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

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

- The Village's property tax asking for September 30, 2025 is \$61,520, an increase of \$22,130 (56.2 percent) over the prior year.
- At September 30, 2024 the Village had commitments totaling \$696,601 on the water main looping project.

Both of these factors were considered in preparing the Village of Duncan's budget for the year ending September 30, 2025.

**Request for Information**

This financial report is designed to provide a general overview of the Village of Duncan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, Village of Duncan, 906 8th Street, Duncan, NE 68634.

**VILLAGE OF DUNCAN**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

**September 30, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 134,629	\$ (1,664)	\$ 132,965
County treasurer cash	1,627	-	1,627
Total current assets	136,256	(1,664)	134,592
Noncurrent assets:			
Restricted cash and cash equivalents	116,004	-	116,004
<b>Total assets</b>	252,260	(1,664)	250,596
<b>LIABILITIES</b>			
	-	-	-
<b>NET POSITION</b>			
Restricted for:			
Street improvements	116,007	-	116,007
Community betterment	28	-	28
Unrestricted	136,225	(1,664)	134,561
<b>Total net position</b>	\$ 252,260	\$ (1,664)	\$ 250,596

See notes to financial statements.

**VILLAGE OF DUNCAN**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For the year ended September 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities</b>			
General government	\$ 97,295	\$ 768	\$ 450
Public safety	27,311	-	-
Public works	110,464	-	-
Environment and leisure	3,036	-	-
Capital outlay	35,123	-	-
Debt service	54,980	-	-
Total governmental activities	<u>328,209</u>	<u>768</u>	<u>450</u>
<b>Business-type activities</b>			
Water	249,506	84,933	-
Sewer	155,528	84,636	-
Total business-type activities	<u>405,034</u>	<u>169,569</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 733,243</u>	<u>\$ 170,337</u>	<u>\$ 450</u>

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (96,077)		\$ (96,077)
-	(27,311)		(27,311)
-	(110,464)		(110,464)
-	(3,036)		(3,036)
-	(35,123)		(35,123)
-	(54,980)		(54,980)
-	(326,991)	\$ -	(326,991)
180,884	-	16,311	16,311
-	-	(70,892)	(70,892)
180,884	-	(54,581)	(54,581)
<u>\$ 180,884</u>	(326,991)	(54,581)	(381,572)
General revenues:			
Taxes:			
Property	45,540	-	45,540
Motor vehicle	9,714	-	9,714
Franchise	63,924	-	63,924
Sales tax	49,001	-	49,001
State allocation	76,544	-	76,544
Miscellaneous	7,526	-	7,526
Interest income	192	-	192
Transfers	(72,272)	72,272	-
Total general revenues	180,169	72,272	252,441
Change in net position	(146,822)	17,691	(129,131)
Net position - September 30, 2023	399,082	(19,355)	379,727
Net position - September 30, 2024	<u>\$ 252,260</u>	<u>\$ (1,664)</u>	<u>\$ 250,596</u>

**VILLAGE OF DUNCAN**

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

**September 30, 2024**

	<u>General Fund</u>	<u>Street Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 134,657	\$ 115,976	\$ 250,633
County treasurer cash	1,596	31	1,627
<b>Total assets</b>	<b>\$ 136,253</b>	<b>\$ 116,007</b>	<b>\$ 252,260</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:	\$ -	\$ -	\$ -
Fund balances:			
Restricted for:			
Street improvements	-	116,007	116,007
Community betterment	28	-	28
Assigned for:			
Park and recreation	779	-	779
Unassigned	135,446	-	135,446
Total fund balances	136,253	116,007	252,260
<b>Total liabilities and fund balances</b>	<b>\$ 136,253</b>	<b>\$ 116,007</b>	<b>\$ 252,260</b>

See notes to financial statements.

**VILLAGE OF DUNCAN**

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

**For the year ended September 30, 2024**

	<u>General Fund</u>	<u>Street Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 41,551	\$ 3,989	\$ 45,540
Motor vehicle	9,714	-	9,714
Franchise	63,924	-	63,924
Sales tax	30,574	18,427	49,001
Intergovernmental	190	76,354	76,544
Rent	3,466	-	3,466
Grants and contributions	450	-	450
Licenses, fees, and permits	768	-	768
Interest income	192	-	192
Other	2,590	1,470	4,060
Total revenues	153,419	100,240	253,659
<b>EXPENDITURES</b>			
General government	97,295	-	97,295
Public safety	27,311	-	27,311
Public works	-	110,464	110,464
Environment and leisure	3,036	-	3,036
Capital outlay	24,623	10,500	35,123
Principal payments on debt	-	45,000	45,000
Interest on long-term debt	-	9,980	9,980
Total expenditures	152,265	175,944	328,209
<b>Excess (deficiency) of revenues     over expenditures</b>	1,154	(75,704)	(74,550)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from (to) other funds	(147,272)	75,000	(72,272)
<b>Net change in fund balances</b>	(146,118)	(704)	(146,822)
Fund balance - September 30, 2023	282,371	116,711	399,082
Fund balance - September 30, 2024	\$ 136,253	\$ 116,007	\$ 252,260

See notes to financial statements.

**VILLAGE OF DUNCAN**

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

**September 30, 2024**

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ (62,269)	\$ 60,605	\$ (1,664)
<b>LIABILITIES</b>			
	-	-	-
<b>NET POSITION</b>			
Unrestricted	\$ (62,269)	\$ 60,605	\$ (1,664)

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See notes to financial statements.

**VILLAGE OF DUNCAN**

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

**For the year ended September 30, 2024**

	Enterprise Funds		<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
<b>Operating revenues:</b>			
Sales	\$ 84,163	\$ 84,636	\$ 168,799
Other revenue	770	-	770
Total operating revenues	84,933	84,636	169,569
<b>Operating expenses:</b>			
Personnel	29,037	29,037	58,074
Utilities and telephone	4,419	1,566	5,985
Repairs and maintenance	1,253	736	1,989
Contracted services	5,886	2,516	8,402
Supplies	14,605	653	15,258
Professional fees	2,925	2,925	5,850
Insurance	5,314	5,314	10,628
Meetings, seminars, and dues	1,620	200	1,820
Other expenses	2,736	277	3,013
Total operating expenses	67,795	43,224	111,019
Operating income	17,138	41,412	58,550
<b>Nonoperating revenues (expenses):</b>			
Grant income	180,884	-	180,884
Capital outlay	(154,648)	(91,230)	(245,878)
Bond and loan principal	(25,000)	(16,859)	(41,859)
Interest expense	(2,063)	(2,810)	(4,873)
Loan administration fees	-	(1,405)	(1,405)
Total nonoperating revenues (expenses)	(827)	(112,304)	(113,131)
<b>Excess (deficiency) of revenues over expenditures</b>	16,311	(70,892)	(54,581)
<b>Other financing sources</b>			
Transfers from other funds	-	72,272	72,272
<b>Change in net position</b>	16,311	1,380	17,691
Net position - September 30, 2023	(78,580)	59,225	(19,355)
Net position - September 30, 2024	\$ (62,269)	\$ 60,605	\$ (1,664)

See notes to financial statements.

**VILLAGE OF DUNCAN**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS**

**For the year ended September 30, 2024**

	Enterprise Funds		<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 84,933	\$ 84,636	\$ 169,569
Payments to suppliers	(38,758)	(14,187)	(52,945)
Payments to employees	(29,037)	(29,037)	(58,074)
Net cash provided by operating activities	17,138	41,412	58,550
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from other funds	-	72,272	72,272
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of property and equipment	(154,648)	(91,230)	(245,878)
Grant proceeds	180,884	-	180,884
Principal paid on long-term debt	(25,000)	(16,859)	(41,859)
Interest paid on long-term debt	(2,063)	(2,810)	(4,873)
Fees paid on long-term debt	-	(1,405)	(1,405)
Net cash used by capital and related financing activities	(827)	(112,304)	(113,131)
Increase in cash and cash equivalents	16,311	1,380	17,691
Cash and cash equivalents - beginning of the year	(78,580)	59,225	(19,355)
Cash and cash equivalents - end of the year	\$ (62,269)	\$ 60,605	\$ (1,664)

See notes to financial statements.

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2024**

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

The financial statements of the Village of Duncan, Nebraska (Village) are prepared in accordance with the modified cash basis of accounting. The Village’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

**1. Financial Reporting Entity**

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

The Village’s financial reporting entity comprises the following:

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

**Blended Component Units**

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**1. Financial Reporting Entity, continued**

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the Village has no discretely presented component units.

**2. Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

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

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**2. Basis of Presentation, continued**

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

**Proprietary Funds**

*Enterprise Funds*

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<i>Major:</i>	
Governmental:	
General Fund	See above for description.
Street Fund	The Street Fund is a Special Revenue Fund that accounts for the Village's share of highway allocation from the State of Nebraska.

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**2. Basis of Presentation, continued**

**Major and Nonmajor Funds, continued**

Proprietary:

Enterprise:

Water and Sewer

See page 22 for description.

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

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

**Measurement Focus**

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

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

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

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

**Basis of Accounting**

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

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

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

**Estimates**

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

**Cash and Cash Equivalents**

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

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

**Cash and Cash Equivalents, continued**

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

**Capital Assets**

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

**Long-term Debt**

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

**Equity Classifications**

*Government-wide Statements*

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

- a. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position – All other net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

*Fund Financial Statements*

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

Effective October 1, 2010, the Village has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

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

**Equity Classifications, continued**

*Fund Financial Statements, continued*

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the Village Charter, Village Code, state or federal laws or externally imposed conditions by grantors or creditors.

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

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

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 14). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Village Board or the Assignment has been changed by Management. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

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

**Property Taxes**

The Village has the power to levy taxes each year sufficient to pay any judgment existing against the Village, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

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

**Property Taxes, continued**

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

Property taxes levied for 2023-2024 are recorded as revenue when received by the County.

**Sales and Use Tax**

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

**Operating Revenues and Expenses**

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

**Expenditures/Expenses**

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

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

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

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

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

**1. Fund Accounting Requirements**

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

**2. Deposit Laws and Regulations**

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

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

**3. Revenue Restrictions**

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**4. Debt Restrictions and Covenants**

*Bonds Payable*

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

**5. Budgetary Data**

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

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

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

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**5. Budgetary Data, continued**

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

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

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

**1. Cash**

**Deposits**

The Village's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2024. The categories of collateral are defined as follows:

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

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

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

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

**1. Cash, continued**

**Deposits, continued**

<b><u>Types of Deposits</u></b>	<b><u>Total Bank Balance</u></b>	<b><u>Category 1</u></b>	<b><u>Category 2</u></b>	<b><u>Category 3</u></b>	<b><u>Total Carrying Value</u></b>
Demand deposits and certificates of deposit	\$ 249,698	\$ 249,698	\$ -	\$ -	\$ <u>248,969</u>
Reconciliation to Government-wide Statement of Net Position:					
Primary Government –					
Unrestricted cash and cash equivalents					\$ 132,965
Restricted cash and cash equivalents					<u>116,004</u>
Total					\$ <u>248,969</u>

**2. Restricted Assets**

The governmental activities have restricted cash and cash equivalents of \$116,004. The General Fund has cash and cash equivalents of \$28 restricted for community betterment. The Street Fund has \$115,976 of cash and cash equivalents restricted for street improvements.

**3. Fund Equity**

The Water Fund a deficit net position of \$62,269 as of September 30, 2024. The Village plans to increase this net position in future years by transferring excess funds from other funds.

**4. Interfund Transactions**

The General Fund transferred \$75,000 to the Street Fund and \$72,272 to the Sewer Fund during the year ended September 30, 2024.

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

**NOTE D – OTHER NOTES**

**1. Risk Management**

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

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the Village's investments at September 30, 2024, are held by banks in the name of the Village.

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

***Concentration of Credit Risk.*** The Village's investment policy places no limit on the amount that may be invested in any one issuer. The Village did not have any certificates of deposit at September 30, 2024.

***Interest Rate Risk.*** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

***Foreign Currency Risk.*** This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Village's investments had no exposure to foreign currency risk and the Village held no investments denominated in foreign currency at September 30, 2024.

**2. Long-term Debt**

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

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

**NOTE D – OTHER NOTES, continued**

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

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended September 30, 2024:

<u>Type of Debt</u>	<u>Balance at October 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2024</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ (45,000)</u>	<u>\$ 555,000</u>	<u>\$ 45,000</u>
Business-type Activities:					
Note payable	\$ 144,716	\$ -	\$ (16,859)	\$ 127,857	\$ 17,198
Bonds payable	<u>205,000</u>	<u>-</u>	<u>(25,000)</u>	<u>180,000</u>	<u>25,000</u>
	<u>\$ 349,716</u>	<u>\$ -</u>	<u>\$ (41,859)</u>	<u>\$ 307,857</u>	<u>\$ 42,198</u>

**Governmental Activities**

As of September 30, 2024, the governmental long-term liabilities consisted of the following:

The Village issued highway allocation bonds, series 2018, dated July 17, 2018, with an original issue amount of \$255,000 to fund a street project. Principal is due in annual installments with interest from 1.90 to 3.00 percent due semiannually with final maturity May 15, 2028. The bond is paid from the Street Fund. \$ 105,000

The Village issued highway allocation bonds, series 2021, dated June 22, 2021, with an original issue amount of \$510,000 to fund a street project. Principal is due in annual installments with interest from 0.65 to 1.75 percent due semiannually with final maturity May 15, 2036. The bond is paid from the Street Fund. 450,000

Total	<u>\$ 555,000</u>
Current portion	\$ 45,000
Noncurrent portion	<u>510,000</u>
Total	<u>\$ 555,000</u>

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

**NOTE D – OTHER NOTES, continued**

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

**Business-type Activities**

As of September 30, 2024, the business-type long-term liabilities consisted of the following:

The Village issued general obligation water bonds, series 2020, dated June 8, 2021, with an original issue amount of \$255,000 to fund a water project. Principal is due in annual installments with interest from 0.75 to 1.25 percent due semiannually with final maturity June 15, 2031. The bond is paid from the Water Fund.	\$ 180,000
Note payable to the Nebraska Department of Environment and Energy, dated October 4, 2010, with original issue amount of \$310,958. Interest at 2.0 percent, fees at 1.0 percent, and principal is due semi-annually, with final maturity on June 15, 2031. Paid by the Sewer Fund.	<u>127,857</u>
Total	\$ <u>307,857</u>
Current portion	\$ 42,198
Noncurrent portion	<u>265,659</u>
Total	\$ <u>307,857</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2024, are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	Principal	Interest	Total
2025	\$ 45,000	\$ 9,213	\$ 54,213
2026	45,000	8,407	53,407
2027	45,000	7,578	52,578
2028	45,000	6,622	51,622
2029	45,000	5,550	50,550
2030-2034	230,000	19,313	249,313
2035-2036	100,000	2,625	102,625
	\$ 555,000	\$ 59,308	\$ 614,308

**VILLAGE OF DUNCAN, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**September 30, 2024**

**NOTE D – OTHER NOTES, continued**

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

Year Ending September 30,	Other Debt Issue			<u>Business-type Activities</u>			
	Principal	Interest	Total	Principal	Interest	Fees	Total
2025	\$ 25,000	\$ 1,875	\$ 26,875	\$ 17,198	\$ 2,472	\$ 1,236	\$ 20,906
2026	25,000	1,688	26,688	17,544	2,126	1,063	20,733
2027	25,000	1,500	26,500	17,896	1,773	887	20,556
2028	30,000	1,312	31,312	18,256	1,414	707	20,377
2029	25,000	938	25,938	18,623	1,047	523	20,193
2030-2031	50,000	937	50,937	38,340	963	481	39,784
	<u>\$ 180,000</u>	<u>\$ 8,250</u>	<u>\$ 188,250</u>	<u>\$ 127,857</u>	<u>\$ 9,795</u>	<u>\$ 4,897</u>	<u>\$ 142,549</u>

**3. Retirement**

The Village contributes to an employee retirement fund under a SIMPLE IRA Plan. All full-time employees are eligible to participate in the plan. The Village makes a matching contribution of 50 percent of the employees' contribution to the plan. Employees are fully vested in 100 percent of their own contributions and the employer contributions immediately. The Village contributed \$345 to employee retirement funds during the year ended September 30, 2024.

**4. Commitments**

**Construction**

At September 30, 2024, the Village had a \$152,600 contractual commitment to JEO Consulting for engineering fees on the water main looping project. The Village had paid \$136,120 on this contract as of September 30, 2024, leaving \$16,480 to be paid under the contractual obligation. This project was completed in December 2024.

At September 30, 2024, the Village had a \$680,121 contractual commitment to Obrist & Company, Inc. for construction on the water main looping project. The Village had not made any payments on this contract as of September 30, 2024, leaving \$680,121 to be paid under the contractual obligation. This project was completed in December 2024.

**5. Subsequent Events**

Management has evaluated subsequent events through February 6, 2025, the date on which the financial statements were available for issue.

**OTHER INFORMATION**

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**VILLAGE OF DUNCAN**

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

**Year ended September 30, 2024**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 39,000	\$ 41,551	\$ 2,551
Motor vehicle	9,675	9,714	39
Franchise	67,000	63,924	(3,076)
Sales	45,000	30,574	(14,426)
Intergovernmental	2,865	190	(2,675)
Rental fees	3,000	3,466	466
Grants and contributions	-	450	450
Licenses, fees, and permits	1,245	768	(477)
Interest income	650	192	(458)
Other	1,500	2,590	1,090
Total resources	169,935	153,419	(16,516)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Administrative:			
General government	80,300	121,918	41,618
Public safety:			
Fire	26,000	27,311	1,311
Environment and leisure:			
Parks and recreation	14,650	3,036	(11,614)
Total charges to appropriations	120,950	152,265	31,315
Resources over charges to appropriations	48,985	1,154	(47,831)
<b>OTHER FINANCING USES</b>			
Transfers to other funds	(201,558)	(147,272)	54,286
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS AND OTHER FINANCING USES</b>	<b>\$(152,573)</b>	<b>\$(146,118)</b>	<b>\$ 6,455</b>

**VILLAGE OF DUNCAN**

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

**Year ended September 30, 2024**

	<u>Budget (Original and Final)</u>	<u>Actual</u>	<u>Variances - Actual Over (Under) Final Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ -	\$ 3,989	\$ 3,989
Sales tax	11,000	18,427	7,427
Intergovernmental	76,982	76,354	(628)
Other	-	1,470	1,470
	<hr/>	<hr/>	<hr/>
Total resources	87,982	100,240	12,258
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	59,135	110,464	51,329
Capital outlay	75,500	10,500	(65,000)
Principal payments on debt	45,000	45,000	-
Interest payment on debt	9,980	9,980	-
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	189,615	175,944	(13,671)
Resources under chages to appropriations	(101,633)	(75,704)	25,929
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	104,250	75,000	(29,250)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<u>\$ 2,617</u>	<u>\$ (704)</u>	<u>\$ (3,321)</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Duncan, Nebraska, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village’s financial statements, and have issued our report thereon dated February 6, 2025. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the Village of Duncan, Nebraska, prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

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

#### Segregation of Duties

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

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

As part of obtaining reasonable assurance about whether the Village of Duncan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Village of Duncan's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village of Duncan's response to the findings identified in our audit and described above. The Village of Duncan's response to the findings identified in our audit is that due to the small size of the Village, it is impractical to further segregate duties. The Village of Duncan's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grand Island, Nebraska  
February 6, 2025