

VILLAGE OF GARLAND
FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2021

VILLAGE OF GARLAND, NEBRASKA

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March 30, 2022

Independent Auditor's Report

Board of Trustees
Village of Garland
Garland, Nebraska 68360

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Garland, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village'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 the modified cash basis of accounting described in Note 1; this includes 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.

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

Independent Auditor's Report

Village of Garland, Nebraska

policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Garland, Nebraska, as of September 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Garland, Nebraska's basic financial statements. The supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 1 through 4 are the responsibility of management and were derived from and relate 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 described in the first sentence of this paragraph is fairly stated in all material respects in relation to the financial statements as a whole.

Schedules 5 through 6 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Independent Auditor's Report

Village of Garland, Nebraska

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of Village of Garland, 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 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 Village of Garland, Nebraska'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 Village of Garland, Nebraska's internal control over financial reporting and compliance.

ROMANS WIEMER ASSOCIATES
ROMANS, WIEMER & ASSOCIATES,
Certified Public Accountants, P.C.

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VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Total	Total September 30, 2021
<u>ASSETS</u>			
Current Assets:			
Deposits (Note 4)	\$ 388,418.77	\$ 45,566.66	\$ 433,985.43
Cash - County Treasurer	2,562.03		2,562.03
Total Current Assets	\$ 390,980.80	\$ 45,566.66	\$ 436,547.46
<u>LIABILITIES</u>			
	\$ 0.00	\$ 0.00	\$ 0.00
<u>NET POSITION</u>			
Fund Balances:			
Unrestricted	\$ 390,980.80	\$ 45,566.66	\$ 436,547.46

See Accompanying Notes to the Financial Statements

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Cash Receipts</u>		
	<u>Cash</u> <u>Disbursements</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>
Governmental Activities:			
Personal Services:			
Salaries & Taxes	\$ (26,423.38)		
Operating Disbursements:			
Professional Services	(11,107.04)		
Propane, Fuel and Oil	(8,149.41)		
Publications	(366.52)		
Insurance	(34,515.88)		
Repair and Maintenance	(32,847.96)		
Utilities	(9,356.29)		
Vehicle Expenses	(7,921.82)		
Telephone	(334.70)		
Dues and Subscriptions	(8,756.67)		
Miscellaneous	(7,717.50)		
Mileage	(1,355.96)		
Fire Department Expenses	(27,106.33)		
Supplies	(10,324.81)		
Capital Outlay:			
Equipment	(36,687.84)		
Improvements Other than			
Buildings	(101.37)		
Transfers	(20,972.18)		
Business Type Activities:			
Water Fund	(80,678.31)	\$ 90,613.16	
Sewer Fund	(40,417.79)	36,316.24	
Net Program (Disbursements) Receipts	<u>\$ (365,141.76)</u>	<u>\$ 126,929.40</u>	<u>\$ 0.00</u>
General Receipts:			
Local Receipts			
State Receipts			
Investment Income			
Donations			
Transfers			
Miscellaneous			
Total General Receipts			

See Accompanying Notes to the Financial Statements

Net Disbursements, Receipts and
Changes in Net Position

Governmental Activities	Business Type Activities	Total
\$ (26,423.38)		\$ (26,423.38)
(11,107.04)		(11,107.04)
(8,149.41)		(8,149.41)
(366.52)		(366.52)
(34,515.88)		(34,515.88)
(32,847.96)		(32,847.96)
(9,356.29)		(9,356.29)
(7,921.82)		(7,921.82)
(334.70)		(334.70)
(8,756.67)		(8,756.67)
(7,717.50)		(7,717.50)
(1,355.96)		(1,355.96)
(27,106.33)		(27,106.33)
(10,324.81)		(10,324.81)
(36,687.84)		(36,687.84)
(101.37)		(101.37)
(20,972.18)		(20,972.18)
	\$ 9,934.85	9,934.85
	(4,101.55)	(4,101.55)
<u>\$ (244,045.66)</u>	<u>\$ 5,833.30</u>	<u>\$ (238,212.36)</u>
\$ 130,079.76		\$ 130,079.76
59,959.17		59,959.17
1,889.05		1,889.05
40,762.26		40,762.26
20,972.18		20,972.18
16,498.27		16,498.27
<u>\$ 270,160.69</u>	<u>\$ 0.00</u>	<u>\$ 270,160.69</u>

See Accompanying Notes to the Financial Statements

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Program Cash Receipts	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions
Changes in Net Position			
Net Position - Beginning			
Net Position - Ending			

See Accompanying Notes to the Financial Statements

Net Disbursements, Receipts and
Changes in Net Position

<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ 26,115.03	\$ 5,833.30	\$ 31,948.33
364,865.77	39,733.36	404,599.13
<u>\$ 390,980.80</u>	<u>\$ 45,566.66</u>	<u>\$ 436,547.46</u>

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			
	General Fund	Fire Department Fund	Ball Park Fund	Street Fund
<u>RECEIPTS</u>				
Property Tax	\$ 38,794.84			
Motor Vehicle Tax	5,233.76			
Pro-rate Motor Vehicle Tax	112.17			
Property Tax Credit	2,260.70			
Personal Property Tax Credit	12.43			
In-Lieu-of Tax	1,839.64			
Homestead Exemption	4,056.00			
Seward County PPD	22,438.86			
Seward County Rural Fire Highway Allocation		\$ 47,331.83		\$ 35,502.32
Incentive				600.00
Equalization	5,007.65			
Licenses, Permits and Fees	1,225.00			
Refunds	6,774.53			
Miscellaneous	3,188.27	13,310.00		
Donations		34,616.93	\$ 6,145.33	
State Grant	18,849.20			
Interest	408.69	1,480.36		
Total Receipts	\$ 110,201.74	\$ 96,739.12	\$ 6,145.33	\$ 36,102.32
Other Financing Sources: Transfers from Other Funds				20,972.18
Total Receipts and Other Financing Sources	\$ 110,201.74	\$ 96,739.12	\$ 6,145.33	\$ 57,074.50
<u>DISBURSEMENTS</u>				
Personal Services: Salaries & Taxes	\$ 14,634.65			\$ 11,788.73
Operating Disbursements: Professional Services	11,107.04			
Propane, Fuel and Oil	7,200.00			949.41
Publications	366.52			
Insurance	34,515.88			
Repair and Maintenance	15,001.13		\$ 91.98	17,754.85
Utilities	3,764.16			5,592.13
(Continued)				

See Accompanying Notes to the Financial Statements

<u>Bank Building Fund</u>	<u>Total Governmental Funds</u>
	\$ 38,794.84
	5,233.76
	112.17
	2,260.70
	12.43
	1,839.64
	4,056.00
	22,438.86
	47,331.83
	35,502.32
	600.00
	5,007.65
	1,225.00
	6,774.53
	16,498.27
	40,762.26
	18,849.20
	1,889.05
\$ 0.00	\$ 249,188.51
	20,972.18
\$ 0.00	\$ 270,160.69
	\$ 26,423.38
	11,107.04
	8,149.41
	366.52
	34,515.88
	32,847.96
	9,356.29

See Accompanying Notes to the Financial Statements

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			
	General Fund	Fire Department Fund	Ball Park Fund	Street Fund
<u>DISBURSEMENTS</u> (Continued)				
Vehicle Expenses				\$ 7,921.82
Telephone	\$ 334.70			
Dues, Subscriptions and Licenses	8,756.67			
Miscellaneous	5,631.88		\$ 14.99	2,070.63
Mileage	1,036.56		259.48	59.92
Fire Department Expenses		\$ 27,106.33		
Supplies	9,549.62		102.90	672.29
Capital Outlay:				
Equipment		35,494.48	1,193.36	
Improvements other than Buildings			101.37	
Total Disbursements	<u>\$ 111,898.81</u>	<u>\$ 62,600.81</u>	<u>\$ 1,764.08</u>	<u>\$ 46,809.78</u>
Other Financing Uses:				
Transfers to Other Funds	20,972.18			
Total Disbursements and Other Financing Uses	<u>\$ 132,870.99</u>	<u>\$ 62,600.81</u>	<u>\$ 1,764.08</u>	<u>\$ 46,809.78</u>
Excess (Deficiency) of Receipts over Disbursements	\$ (22,669.25)	\$ 34,138.31	\$ 4,381.25	\$ 10,264.72
Modified Cash Basis Fund Balance - Beginning of Year	4,434.40	239,215.09	50,751.64	68,078.78
Modified Cash Basis Fund Balance - End of Year	<u>\$ (18,234.85)</u>	<u>\$ 273,353.40</u>	<u>\$ 55,132.89</u>	<u>\$ 78,343.50</u>
Assets				
Cash and Deposits	\$ (20,796.88)	\$ 273,353.40	\$ 55,132.89	\$ 78,343.50
County Treasurers' Balance	2,562.03			
Total Assets	<u>\$ (18,234.85)</u>	<u>\$ 273,353.40</u>	<u>\$ 55,132.89</u>	<u>\$ 78,343.50</u>

See Accompanying Notes to the Financial Statements

<u>Bank Building Fund</u>	<u>Total Governmental Funds</u>
	\$ 7,921.82
	334.70
	8,756.67
	7,717.50
	1,355.96
	27,106.33
	10,324.81
	36,687.84
	101.37
<u>\$ 0.00</u>	<u>\$ 223,073.48</u>
	20,972.18
<u>\$ 0.00</u>	<u>\$ 244,045.66</u>
<u>\$ 0.00</u>	<u>\$ 26,115.03</u>
<u>2,385.86</u>	<u>364,865.77</u>
<u>\$ 2,385.86</u>	<u>\$ 390,980.80</u>
<u>\$ 2,385.86</u>	<u>\$ 388,418.77</u>
	2,562.03
<u>\$ 2,385.86</u>	<u>\$ 390,980.80</u>

See Accompanying Notes to the Financial Statements

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			
	General Fund	Fire Department Fund	Ball Park Fund	Street Fund
Fund Balances				
Assigned		\$ 273,353.40	\$ 55,132.89	\$ 78,343.50
Unassigned	\$ (18,234.85)			
Total Fund Balances	\$ (18,234.85)	\$ 273,353.40	\$ 55,132.89	\$ 78,343.50

See Accompanying Notes to the Financial Statements

<u>Bank Building Fund</u>	<u>Total Governmental Funds</u>
\$ 2,385.86	\$ 409,215.65 (18,234.85)
<u>\$ 2,385.86</u>	<u>\$ 390,980.80</u>

VILLAGE OF GARLAND, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
PROPRIETARY FUNDS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Proprietary Funds</u>
<u>OPERATING RECEIPTS</u>			
Use Fees	\$ 83,417.53	\$ 34,418.39	\$ 117,835.92
Miscellaneous	2,139.35		2,139.35
Meter Deposits	659.00		659.00
Sales Tax	4,397.28	1,897.85	6,295.13
Total Receipts	<u>\$ 90,613.16</u>	<u>\$ 36,316.24</u>	<u>\$ 126,929.40</u>
<u>OPERATING DISBURSEMENTS</u>			
Personal Services	\$ 11,788.72	\$ 11,788.72	\$ 23,577.44
Operating Disbursements	7,034.51	3,025.64	10,060.15
Supplies	446.57	479.19	925.76
Repairs and Maintenance	5,587.82	1,309.90	6,897.72
Professional	8,049.81	1,269.02	9,318.83
Utilities	6,374.28		6,374.28
Debt Service: Principal	25,296.96	18,522.52	43,819.48
Debt Service: Interest	16,099.64	4,022.80	20,122.44
Total Operating Disbursements	<u>\$ 80,678.31</u>	<u>\$ 40,417.79</u>	<u>\$ 121,096.10</u>
Net Income (Loss)	\$ 9,934.85	\$ (4,101.55)	\$ 5,833.30
Beginning Balance	42,778.53	(3,045.17)	39,733.36
Ending Balance	<u>\$ 52,713.38</u>	<u>\$ (7,146.72)</u>	<u>\$ 45,566.66</u>
Represented by:			
Cash & Deposits	<u>\$ 52,713.38</u>	<u>\$ (7,146.72)</u>	<u>\$ 45,566.66</u>

See Accompanying Notes to the Financial Statements

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1

Summary of Significant Accounting Policies

Basis of Presentation - Fund Accounting - The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and disbursements. The various funds are summarized by type in the financial statements. The following fund types are used by the Village:

Governmental Fund Types - Governmental funds are those through which most general governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income. The following are the Village's governmental fund types:

General Fund - This fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - These funds are used to account for the proceeds of specific receipt sources that are legally restricted to disbursements for specified purposes.

Proprietary Fund Types - Proprietary funds are used to account for the Village's on-going organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following is the Village's proprietary fund type:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent of the governing body is that the costs (disbursements) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of receipts earned, disbursements incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Presentation - The Village adopted the provisions of Statement No. 34 ("Statement 34") of the Government Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

(Continued)

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1

Summary of Significant Accounting Policies (Continued)

Government-wide and fund financial statements – The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the Village's business type activities. Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. The Electric Fund, the Water Fund and the Sewer Fund are proprietary funds.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. The Village had no fiduciary funds.

Basis of Accounting - Governmental Funds and Proprietary Funds use the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, receipts and disbursements when they result from cash, certificate of deposit, investments and county treasurer cash transactions. 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 receipts (such as accounts receivable and receipts for billed or provided services not yet collected) and certain liabilities and their related disbursements (such as accounts payable and disbursements for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements. Under the modified cash basis of accounting, proceeds from the issuance of long-term debt are reflected
(Continued)

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1

Summary of Significant Accounting Policies (Continued)

as receipts and payment of long-term debt is recognized as disbursements. Capital Outlay is expensed.

Inventory - The Village does not record inventories. Items purchased are disbursed when acquired.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For the purpose of the statement of cash flows for the proprietary funds, cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash with 90 days of purchase.

Budget Procedures - The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to the annual budget hearing, the Village Clerk submits to the Village Board a proposed operating budget on the modified cash basis for the fiscal year commencing October 1. The modified cash basis operating budget includes proposed disbursements and the means of financing them.

Hearings are conducted to obtain taxpayer comments.

Prior to September 20, the budget is legally enacted through passage of an ordinance.

An all-purpose budget is used, therefore, detail is not available for disbursements. The original budget figures are presented on the statement of modified cash receipts and disbursements.

Total disbursements may not legally exceed total appropriations. Appropriations lapse at fiscal year-end, and any revisions require Board approval. No supplemental appropriations were made during the year.

The property tax requirement resulting from the budget process is utilized by the County Assessor to establish a tax levy, which attaches as an enforceable lien on property within the Village as of December 31, and is due as of that date. The first half of unpaid taxes is delinquent as of September 1; the second half becomes delinquent on May 1. The combined tax rate of the Village for the year ended September 30, 2021, subject to levy limits was \$0.394281 per \$100 of assessed valuation.

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2

Reporting Entity

The Village of Garland operates under the Board of Trustees form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, planning and zoning, and general administrative services.

The five-member group constitutes an on-going and separate legal entity, whose members are elected by the public. Funding is received from local, state and federal government sources and the Board must comply with certain requirements, but these other governmental bodies are not financially accountable for the Board. The Board has the power to adopt its own budget, designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

NOTE 3

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Trustees (the Village's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

(Continued)

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3

Fund Balance Reporting (Continued)

Committed Fund Balance Policy

The Village's Committed Fund Balance is fund balance reporting required by the Village Board, either because of a Village Board Policy in the Policy Manual, or because of motions that passed at Village Board meetings.

Assigned Fund Balance Policy

The Village's Assigned Fund Balance is fund balance reporting occurring by Village Board Administration authority, under the direction of the Board President.

Order of Fund Balance Spending Policy

The Village's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance, an unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First Non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

NOTE 4

Cash and Deposits

Deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed on the Statement of Net Position – Modified Cash Basis, as deposits.

	Bank Balance	Book Balance
<u>Cattle National Bank & Trust</u>		
Cash in Bank	\$ 127,317.50	\$ 126,728.82
Certificates of Deposit	33,903.21	33,903.21
	\$ 161,220.71	\$ 160,632.03

(Continued)

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4

Cash and Deposits (Continued)

	<u>Bank Balance</u>	<u>Book Balance</u>
<u>Jones National Bank & Trust</u>		
Cash in Bank	\$ 94,779.48	\$ 94,055.61
Certificates of Deposit	<u>179,297.79</u>	<u>179,297.79</u>
	<u>\$ 274,077.27</u>	<u>\$ 273,353.40</u>
 Total	 <u>\$ 435,297.98</u>	 <u>\$ 433,985.43</u>

At September 30, 2021, the Village had bank deposits of \$435,297.98. All of this balance was covered by federal depository insurance and/ or collateralized by U.S. Government securities subject to joint custody safe keeping receipts issued by the custodial financial institution, which was not the pledging institution. The amount covered by FDIC insurance would be classified as a Category 1 level of risk while the remaining amount would be classified as a Category 3 level of risk as described below.

The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes deposits that are insured or registered or for which securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered deposits for which the counter-party's trust department or agent in the Village's name holds the securities. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counter-party or by its trust department or agent but not in the Village's name.

The Village had no investments at September 30, 2021.

NOTE 5

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. During the year, the Village carried commercial insurance for Commercial Property, General Liability, Business Auto, Workers Compensation, Errors & Omissions, and Law Enforcement Liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6

Long-Term Liabilities

On November 30, 2004 the Village signed a loan contract with Nebraska Department of Environmental Quality for the purpose of the Village's lagoon project. The original amount of the contract was \$312,000 with 3.15% interest. On June 6, 2006 the contract was amended with an increase of \$50,000. The additional \$50,000 was added with an interest rate of 3.56%. This brought the total amount to \$362,000 and an average rate of 3.21%. Upon completion of the construction project, the total loan proceeds were \$331,950 with 3.17% interest. The \$331,950 loan amount was a decrease of \$30,050 from the original loan amount of \$362,000. The scheduled repayment is as follows:

<u>Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
12/15/2021	\$ 11,272.67	\$ 1,790.64	\$ 9,482.03
6/15/2022	11,272.67	1,640.35	9,632.32
12/15/2022	11,272.67	1,487.68	9,784.99
6/15/2023	11,272.66	1,332.58	9,940.08
12/15/2023	11,272.66	1,175.03	10,097.63
6/15/2024	11,272.67	1,014.99	10,257.68
12/15/2024	11,272.66	852.40	10,420.26
6/15/2025	11,272.66	687.24	10,585.42
12/15/2025	11,272.67	519.47	10,753.20
6/15/2026	11,272.67	349.02	10,923.65
12/15/2026	11,272.67	175.89	11,096.78
	<u>\$ 123,999.33</u>	<u>\$ 11,025.29</u>	<u>\$ 112,974.04</u>

The Village entered into a loan agreement dated March 16, 2015 with the Nebraska Department of Environmental Quality (NDEA). The loan was for NDEQ project No. D311575. The loan amount totaled \$1,148,937.00. This loan also includes DWSRF Loan Forgiveness of \$229,787.00 bringing the amount to be repaid down to \$919,150.00. The forgiveness of a portion of the principal of the loan became effective upon the completion of the project in accordance with the loan agreement. The loan carries an interest rate of 2%. Repayment of principal began in June of 2016. Interest will be collected semiannually beginning in June 2015. The remaining repayment schedule is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/15/2021	\$ 12,838.52	\$ 7,859.78	\$ 20,698.30
6/15/2022	12,966.91	7,731.39	20,698.30
12/15/2022	13,096.58	7,601.72	20,698.30
6/15/2023	13,227.54	7,470.76	20,698.30
12/15/2023	13,359.82	7,338.48	20,698.30
6/15/2024	13,493.42	7,204.88	20,698.30
12/15/2024	13,628.35	7,069.95	20,698.30
6/15/2025	13,764.64	6,933.66	20,698.30

(Continued)

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6

Long-Term Liabilities (Continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/15/2025	\$ 13,902.28	\$ 6,796.02	\$ 20,698.30
6/15/2026	14,041.30	6,657.00	20,698.30
12/15/2026	14,181.72	6,516.58	20,698.30
6/15/2027	14,323.54	6,374.76	20,698.30
12/15/2027	14,466.77	6,231.53	20,698.30
6/15/2028	14,611.44	6,086.86	20,698.30
12/15/2028	14,757.55	5,940.75	20,698.30
6/15/2029	14,905.13	5,793.17	20,698.30
12/15/2029	15,054.18	5,644.12	20,698.30
6/15/2030	15,204.72	5,493.58	20,698.30
12/15/2030	15,356.77	5,341.53	20,698.30
6/15/2031	15,510.34	5,187.96	20,698.30
12/15/2031	15,665.44	5,032.86	20,698.30
6/15/2032	15,822.09	4,876.21	20,698.30
12/15/2032	15,980.31	4,717.99	20,698.30
6/15/2033	16,140.12	4,558.18	20,698.30
12/15/2033	16,301.52	4,396.78	20,698.30
6/15/2034	16,464.53	4,233.77	20,698.30
12/15/2034	16,629.18	4,069.12	20,698.30
6/15/2035	16,795.47	3,902.83	20,698.30
12/15/2035	16,963.43	3,734.87	20,698.30
6/15/2036	17,133.06	3,565.24	20,698.30
12/15/2036	17,304.39	3,393.91	20,698.30
6/15/2037	17,477.43	3,220.87	20,698.30
12/15/2037	17,652.21	3,046.09	20,698.30
6/15/2038	17,828.73	2,869.57	20,698.30
12/15/2038	18,007.02	2,691.28	20,698.30
6/15/2039	18,187.09	2,511.21	20,698.30
12/15/2039	18,368.96	2,329.34	20,698.30
6/15/2040	18,552.65	2,145.65	20,698.30
12/15/2040	18,738.18	1,960.12	20,698.30
6/15/2041	18,925.56	1,772.74	20,698.30
12/15/2041	19,114.81	1,583.49	20,698.30
6/15/2042	19,305.96	1,392.34	20,698.30
12/15/2042	19,499.02	1,199.28	20,698.30
6/15/2043	19,694.01	1,004.29	20,698.30
12/15/2043	19,890.95	807.35	20,698.30
6/15/2044	20,089.86	608.44	20,698.30
12/15/2044	20,290.76	407.54	20,698.30
6/15/2045	20,463.31	204.63	20,667.94
	<u>\$ 785,977.57</u>	<u>\$ 207,510.47</u>	<u>\$ 993,488.04</u>

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6

Long-Term Liabilities (Continued)

Combined maturities of all debt for future years:

Year Ending September 30		
2022	\$	44,919.78
2023		46,049.19
2024		47,208.55
2025		48,398.67
2026		49,620.43
2027 – 2031		159,468.94
2032 – 2036		163,895.15
2037 – 2041		181,042.22
2042 – 2045		158,348.68
		\$ 898,951.61

NOTE 7

Changes in Long-Term Debt

	October 1, 2020	Borrowings	Payments	September 30, 2021
Loans	\$ 942,771.09	\$ 0.00	\$ 43,819.48	\$ 898,951.61

NOTE 8

Transfers

A transfer of \$9,025.88 was made from the General Fund to the Street Fund to cover the Highway Allocation required matching funds.

A transfer of \$11,946.30 was made from the General Fund to the Street Fund for street expenses.

NOTE 9

Subsequent Events

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

VILLAGE OF GARLAND, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10

Deficit Fund Balance

As of September 30, 2021, the General Fund and Sewer Fund had deficit balances of \$18,234.85 and \$7,146.72 respectively.

VILLAGE OF GARLAND, NEBRASKA
COMBINING STATEMENT OF MODIFIED CASH RECEIPTS BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund			
	General Fund	Fire Department Fund	Ball Park Fund	Bank Building Fund
<u>RECEIPTS</u>				
Property Tax	\$ 38,794.84			
Motor Vehicle Tax	5,233.76			
Pro-rate Motor Vehicle Tax	112.17			
Property Tax Credit	2,260.70			
Personal Property Tax Credit	12.43			
In-Lieu-of Tax	1,839.64			
Homestead Exemption	4,056.00			
Seward County PPD	22,438.86			
Seward County Rural Fire		\$ 47,331.83		
Equalization	5,007.65			
Licenses, Permits and Fees	1,225.00			
Refunds	6,774.53			
Miscellaneous	3,188.27	13,310.00		
Donations		34,616.93	\$ 6,145.33	
Grants	18,849.20			
Interest	408.69	1,480.36		
Total Receipts	<u>\$ 110,201.74</u>	<u>\$ 96,739.12</u>	<u>\$ 6,145.33</u>	<u>\$ 0.00</u>

<u>Total General Fund</u>	<u>Original & Final Budgeted Receipts</u>
\$ 38,794.84	\$ 42,574.00
5,233.76	3,700.00
112.17	75.00
2,260.70	
12.43	
1,839.64	2,000.00
4,056.00	
22,438.86	
47,331.83	
5,007.65	4,509.65
1,225.00	
6,774.53	
16,498.27	121,500.00
40,762.26	
18,849.20	
1,889.05	
<u>\$ 213,086.19</u>	<u>\$ 174,358.65</u>

VILLAGE OF GARLAND, NEBRASKA
COMBINING STATEMENT OF MODIFIED CASH DISBURSEMENTS, BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund			
	General Fund	Fire Department Fund	Ball Park Fund	Bank Building Fund
<u>DISBURSEMENTS</u>				
Personal Services:				
Salaries and Taxes	\$ 14,634.65			
Operating Disbursements:				
Professional Services	11,107.04			
Propane, Fuel and Oil	7,200.00			
Publications	366.52			
Insurance	34,515.88			
Repair and Maintenance	15,001.13		\$ 91.98	
Utilities	3,764.16			
Telephone	334.70			
Dues and Subscriptions	8,756.67			
Miscellaneous	5,631.88		14.99	
Mileage	1,036.56		259.48	
Supplies	9,549.62		102.90	
Fire Department Expenses		\$ 27,106.33		
Capital Outlay:				
Equipment		35,494.48	1,193.36	
Improvements other than Buildings			101.37	
Total Disbursements	\$ 111,898.81	\$ 62,600.81	\$ 1,764.08	\$ 0.00
Other Financing Uses:				
Transfers to Other Funds	20,972.18			
Total Disbursements and Other Financing Uses	<u>\$ 132,870.99</u>	<u>\$ 62,600.81</u>	<u>\$ 1,764.08</u>	<u>\$ 0.00</u>
Original & Final Budgeted Disbursements	<u>\$ 119,786.82</u>	<u>\$ 257,808.13</u>	<u>\$ 61,414.87</u>	<u>\$ 7,385.86</u>

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<u>Total General Fund</u>	
\$	14,634.65
	11,107.04
	7,200.00
	366.52
	34,515.88
	15,093.11
	3,764.16
	334.70
	8,756.67
	5,646.87
	1,296.04
	9,652.52
	27,106.33
	36,687.84
	<u>101.37</u>
\$	176,263.70
	<u>20,972.18</u>
\$	<u>197,235.88</u>
\$	<u><u>446,395.68</u></u>

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VILLAGE OF GARLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STREET FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original & Final Budget	Actual	Favorable (Unfavorable)
<u>RECEIPTS</u>			
Highway Allocation & Motor Vehicle Fees	\$ 29,590.00	\$ 35,502.32	\$ 5,912.32
Miscellaneous	1,000.00		(1,000.00)
Incentive	600.00	600.00	0.00
Total Receipts	\$ 31,190.00	\$ 36,102.32	\$ 4,912.32
Other Financing Sources:			
Transfers from Other Funds	8,000.00	20,972.18	12,972.18
Total Receipts and Other Financing Sources	\$ 39,190.00	\$ 57,074.50	\$ 17,884.50
<u>DISBURSEMENTS</u>			
Personal Services:			
Salaries		\$ 11,788.73	\$ (11,788.73)
Operating Disbursements:			
Propane, Fuel and Oil		949.41	(949.41)
Repair and Maintenance		17,754.85	(17,754.85)
Utilities		5,592.13	(5,592.13)
Vehicle Expenses		7,921.82	(7,921.82)
Miscellaneous	\$ 60,000.00	2,070.63	57,929.37
Mileage		59.92	(59.92)
Supplies		672.29	(672.29)
Capital Outlay:			
Equipment	966.33		966.33
Improvements other than Buildings	30,000.00		30,000.00
Total Disbursements	\$ 90,966.33	\$ 46,809.78	\$ 44,156.55

VILLAGE OF GARLAND, NEBRASKA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original & Final Budget	Water Fund	Sewer Fund
<u>OPERATING RECEIPTS</u>			
Use Fees	\$ 135,000.00	\$ 83,417.53	\$ 34,418.39
Miscellaneous		2,139.35	
Meter Deposits		659.00	
Sales Tax		4,397.28	1,897.85
	<hr/>	<hr/>	<hr/>
Total Operating Receipts	\$ 135,000.00	\$ 90,613.16	\$ 36,316.24
<u>OPERATING DISBURSEMENTS</u>			
Personal Services		\$ 11,788.72	\$ 11,788.72
Operating Disbursements	\$ 94,381.42	7,034.51	3,025.64
Supplies		446.57	479.19
Repairs and Maintenance		5,587.82	1,309.90
Professional		8,049.81	1,269.02
Utilities		6,374.28	
Capital Outlay	18,569.34		
Debt Service: Principal	43,819.49	25,296.96	18,522.52
Debt Service: Interest	20,122.44	16,099.64	4,022.80
	<hr/>	<hr/>	<hr/>
Total Operating Disbursements	\$ 176,892.69	\$ 80,678.31	\$ 40,417.79
Income Before Operating Transfers	\$ (41,892.69)	\$ 9,934.85	\$ (4,101.55)
Other Financing Sources (Uses):			
Operating Transfers In	\$ 21,500.00		
	<hr/>	<hr/>	<hr/>
Net Income	\$ (20,392.69)	\$ 9,934.85	\$ (4,101.55)

<u>Total Proprietary Funds</u>	<u>Favorable (Unfavorable)</u>
\$ 117,835.92	\$ (17,164.08)
2,139.35	2,139.35
659.00	659.00
6,295.13	6,295.13
<u>\$ 126,929.40</u>	<u>\$ (8,070.60)</u>
\$ 23,577.44	\$ (23,577.44)
10,060.15	84,321.27
925.76	(925.76)
6,897.72	(6,897.72)
9,318.83	(9,318.83)
6,374.28	(6,374.28)
0.00	18,569.34
43,819.48	0.01
20,122.44	0.00
<u>\$ 121,096.10</u>	<u>\$ 55,796.59</u>
<u>\$ 5,833.30</u>	<u>\$ 47,725.99</u>
<u>\$ 0.00</u>	<u>\$ (21,500.00)</u>
<u>\$ 5,833.30</u>	<u>\$ 26,225.99</u>

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VILLAGE OF GARLAND, NEBRASKA
COMBINED STATEMENT OF MODIFIED CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Unaudited)

	<u>Beginning Fund Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers In (Out)</u>
General Funds:				
General Fund	\$ 4,434.40	\$ 110,201.74	\$ 111,898.81	\$ (20,972.18)
Fire Department	239,215.09	96,739.12	62,600.81	
Ball Park Fund	50,751.64	6,145.33	1,764.08	
Bank Building Fund	2,385.86			
Special Revenue Funds:				
Street Fund	68,078.78	36,102.32	46,809.78	20,972.18
Proprietary Funds:				
Water Fund	42,778.53	90,613.16	80,678.31	
Sewer Fund	(3,045.17)	36,316.24	40,417.79	
Total	<u>\$ 404,599.13</u>	<u>\$ 376,117.91</u>	<u>\$ 344,169.58</u>	<u>\$ 0.00</u>

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<u>Receipts Over (Under) Disbursements</u>	<u>Ending Fund Balance</u>
\$ (22,669.25)	\$ (18,234.85)
34,138.31	273,353.40
4,381.25	55,132.89
	2,385.86
10,264.72	78,343.50
9,934.85	52,713.38
<u>(4,101.55)</u>	<u>(7,146.72)</u>
<u>\$ 31,948.33</u>	<u>\$ 436,547.46</u>

VILLAGE OF GARLAND, NEBRASKA
SCHEDULE OF COUNTY TREASURER'S FUNDS
SEWARD COUNTY TREASURER
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Unaudited)

	<u>General Fund</u>
Fund Balance, October 1, 2020	\$ 1,556.69
Receipts:	
Real and Personal Property Taxes	\$ 38,794.84
Motor Vehicle Tax	5,233.76
In-Lieu-of Tax	1,839.64
Property Tax Credit	2,260.70
Personal Property Tax Credit	12.43
Pro-rate Motor Vehicle Tax	112.17
Homestead	4,056.00
Total Receipts	\$ 52,309.54
	<u>\$ 53,866.23</u>
Disbursements:	
Village of Garland	\$ 51,304.20
Fund Balance, September 30, 2021	<u>\$ 2,562.03</u>

See Independent Auditor's Report

ROMANS, WIEMER & ASSOCIATES

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March 30, 2022

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

Board of Trustees
Village of Garland
Garland, Nebraska 68360

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, each major fund, and the aggregate remaining fund information of Village of Garland, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Village of Garland, Nebraska's basic financial statements and have issued our report thereon dated March 30, 2022. Our report disclosed that as described in Note 1 to the financial statements, the Village 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Garland, Nebraska'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 Village of Garland, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Garland, Nebraska'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 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.

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

Village of Garland, Nebraska

Our consideration of internal control 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 have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

Due to the size of Village of Garland, Nebraska, there is virtually no internal control structure design. While all the general transactions are approved by the Board of Trustees, adequate personnel are not available to assign responsibilities in such a way that different employees handle different parts of the same transaction. Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated activities.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Village of Garland, Nebraska's financial statements are free from 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 financial statements. 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 the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

As of September 30, 2021, the General Fund and Sewer Fund had deficit balances of \$18,234.85 and \$7,146.72 respectively.

Village of Garland, Nebraska's Responses to Findings

Village of Garland's responses to the findings identified in our audit are described below.

The Village recognizes that it does not have adequate in-house personnel to assign financial transactions to multiple employees because of the cost effectiveness of such actions. The Board of Trustees is aware of this deficiency, and will continue to monitor the situation. The elected board and staff have implemented some oversight measures to limit exposure where possible.

Funds will be transferred as they become available.

Village of Garland's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Village of Garland, Nebraska

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.

ROMANS WIEMER & ASSOCIATES
ROMANS, WIEMER & ASSOCIATES,
Certified Public Accountants, P.C.

RWA: klz