

City of Beatrice, Nebraska

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2022

Prepared by: Administration & Finance
Tobias J. Tempelmeyer
City Administrator & General Manager

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CITY OF BEATRICE, NEBRASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022
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SECTION 1

INTRODUCTORY SECTION



BEATRICE

CITY • BOARD OF PUBLIC WORKS

CITY HALL

400 Ella Street | Beatrice, NE 68310
Phone: 402.228.5200 Fax: 402.228.2312

SERVICE CENTER

500 North Commerce Street | Beatrice, NE 68310
Phone: 402.228.5211 Fax: 402.223.5181

March 10, 2023

To the Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska:

The Revised Statutes of Nebraska, Chapter 19, require that all cities of the first-class publish within six months of the close of each fiscal year a complete set of financial statements. These financial statements shall be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants and shall be presented in conformity with accounting principles generally accepted in the United States of America. Therefore, we hereby issue the annual comprehensive financial report of the City of Beatrice for the fiscal year ended September 30, 2022.

This report consists of management's representation concerning the finances of the City of Beatrice. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Beatrice has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Beatrice's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

FORVIS, LLP, a firm of licensed certified public accountants, has audited the City of Beatrice's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Beatrice for the fiscal year ended September 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Beatrice's financial statements for the fiscal year ended September 30, 2022 are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 10, 2023

The independent audit of the financial statements of the City of Beatrice was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports can be found immediately following the statistical section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussions and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Beatrice's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Beatrice, founded in 1857 and incorporated in 1873, is located in Southeast Nebraska, just 39 miles south of Lincoln, the State Capital. The City of Beatrice is the county seat for Gage County and provides some county-wide services. The City of Beatrice currently occupies a land area of eight square miles and serves a population of 12,261. The City of Beatrice is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Beatrice, is a City of the First-Class, and operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight council members. The governing council is responsible for legislative and policy making decisions including passing ordinances, adopting the budget and approving appointments by the Mayor for those positions of the city whom he is directed to appoint by ordinance, resolution or general law. The council members are elected on a nonpartisan basis and serve four-year staggered terms with four council members elected every two years. The Mayor is elected to serve a four-year term. A City Administrator is appointed by the Mayor and confirmed by the City Council.

The City provides a full range of municipal services including police and fire protection; rescue, including confined space and hazardous materials, and ambulance services; construction and maintenance of streets and infrastructure; electric, water and water pollution control utilities; a free public library; a system of parks; solid waste management; planning and zoning; garbage collection services, and administrative services. Each employee retirement group is overseen by a body to employees selected by the employees and they work closely with Ameritas on all compliance and fiduciary requirements. The City also provides for a municipal airport which is governed by a separately elected board.

The biennial budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City Administrator by June 1st prior to the start of the next biennial budget cycle. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 30th. The appropriated budget is adopted on a per fund basis and budgetary control for internal purposes is exercised at the department level. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. This information can be found in the attached schedules for each fund starting on page 71.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Beatrice operates.

Local Economy

The City of Beatrice is located on a four-lane expressway just 39 miles south of Nebraska's state capital, Lincoln, and is the site of the Homestead National Historical Park. Beatrice continues to provide a diverse economical mix of agriculture, light industry, health-related services, and general government for the retail area of Southeast Nebraska. The City unemployment rate at September 30, 2022 was 2%, which is slightly lower than the State of Nebraska rate of 2.2% and continued to be lower than the national rate of 3.5%.

Tax revenues in 2022 were up 8% from 2021. The property tax levy for fiscal year 2022 was 0.008295 cent lower than the property tax levy in 2021. Assessed valuation for Real Property increased \$23,187,775, or 3.5%, and total assessed valuations increased \$27,451,106 and personal property assessed valuations increased \$4,263,331. This resulted in an increase in property tax revenue recognized of 3.4%. Sales tax revenues reflect an increase of 10.3% from 2021. The sales tax revenues are due in part to the recently voter approved ½ cent sales tax for the construction of a new fire station and an increase on taxable sales. Occupation tax revenue increased 11.9% in 2022.

The City Council continues to support economic development efforts to promote and market the industrial climate for Beatrice and Gage County. The City of Beatrice maintains a Local Economic Development Plan, funded with utility revenues, up to a maximum of \$300,000, as approved by the voters. This plan was extended to 2029 by a vote of the citizens of Beatrice in May 2022.

The City has been active in developing the Gage County Industrial Park and recruiting and building a diverse mix of manufacturing and commercial industries. The area's top private industries are manufacturing, trade, and utilities and makeup over one-third of the area's employment, totaling 3,000 employees. The largest non-manufacturers include government, education, and healthcare services, employing 2,500.

In 2022, the City secured a \$7,500,000 State Revolving Fund loan to complete significant upgrades to our water distribution system, including purchasing 172 acres to serve as a City well field in the future. The City also welcomed several new retail and service businesses in 2022. The City continues to progressively recruit new businesses and developments to town while working with existing businesses to grow and expand.

Financial Planning and Initiatives

The City Council annually reviews the financial budget which includes projected annual capital improvements for the succeeding 5-year period. The Council participates in goal-setting sessions and sets strategic objectives for the coming year. The goals and objectives relate to the organization structure, services being provided to the patrons of the City, examining revenue changes, public communications and capital projects.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 10, 2023

The City of Beatrice approves and submits a one and six year street improvement plan to the State of Nebraska. This plan has enabled the City to maintain an excellent infrastructure of streets, bridges and storm sewers. Thirty percent (30%) of the City's 1% sales tax is allocated each year to the Street fund to be combined with state highway allocation dollars for funding these improvements.

The City continued to see the benefits of changing their electrical provider. The electrical cost savings enabled the City to go another year without an electrical rate increase.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beatrice, Nebraska, for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the 31st consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this report on a timely basis could not have been accomplished without the dedication and efficiency of the entire staff of the Finance and Administration Department. I would also like to thank the Mayor and City Council for their support in planning and conducting the financial operations of the City of Beatrice in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Tobias J. Tempelmeyer', with a long horizontal flourish extending to the right.

Tobias J. Tempelmeyer
City Administrator and General Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Beatrice
Nebraska**

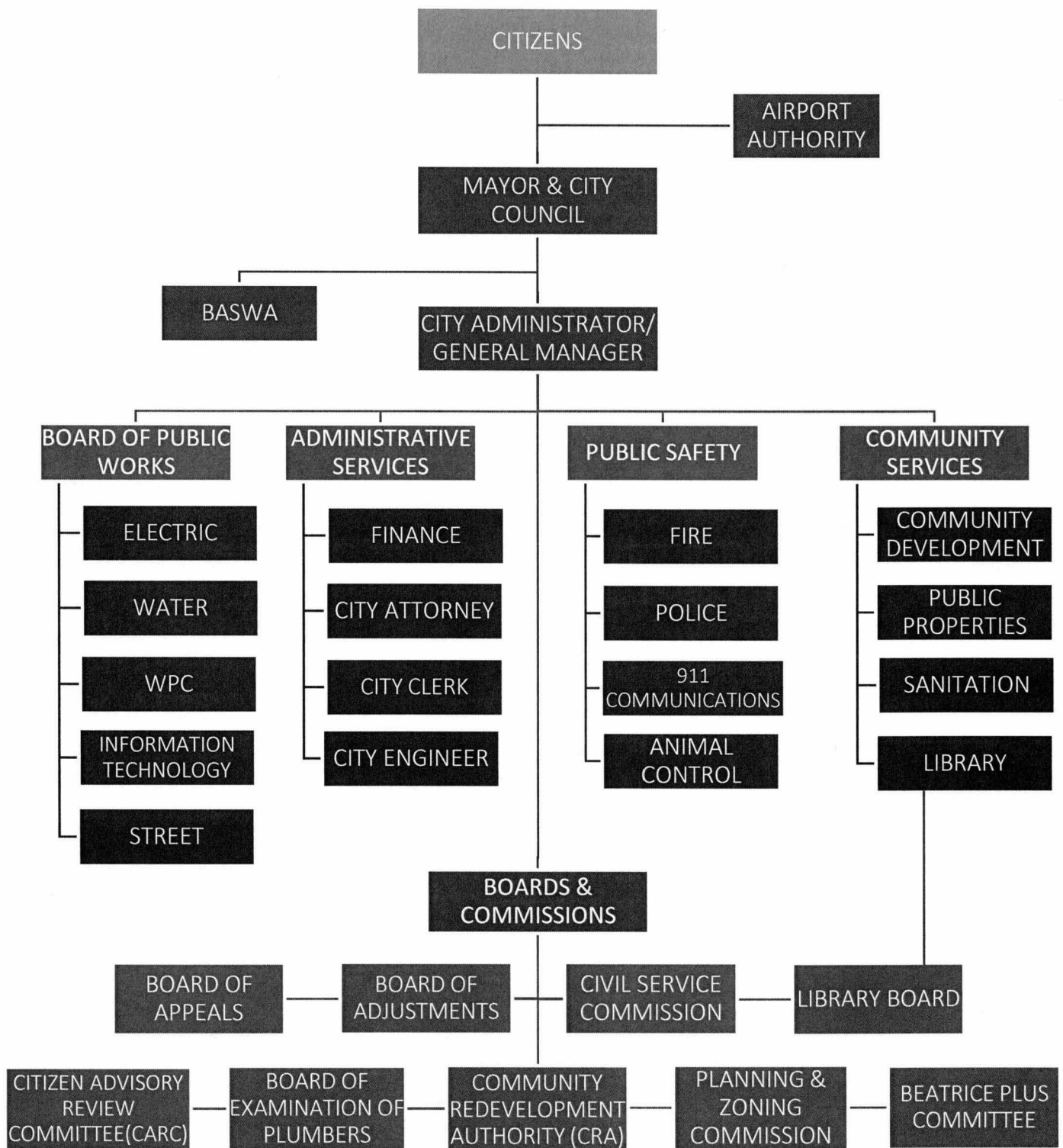
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2022**

MAYOR
Stan Wirth

CITY COUNCILMEMBERS

Gary Barnard
Ted Fairbanks
Rich Kerr
Tim Fralin

Robert Morgan
Richard Clabaugh
Michael McLain
Joe Billesbach

CITY ADMINISTRATOR & GENERAL MANAGER
Tobias Tempelmeyer

CITY OFFICIALS

Hannah Bell
Erin Saathoff
Bruce Lang
Brian Daake
Mark Pethoud
Joanne Neemann
Taylor Rivera
Rob Mierau
James Burroughs
Jason Moore

Pat Feist
Steve Kelley

Finance Director
City Clerk
Police Chief
Fire Chief
Director of Public Properties
Library Director
City Attorney
Community Development Director
City Engineer; WPC Chief Plant Operator
Street Superintendent; Landfill
Superintendent; Sanitation Superintendent
Electric Superintendent
Water Superintendent

SECTION 2

FINANCIAL SECTION

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Beatrice, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska (City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Beatrice Public Library Foundation, a discretely presented component unit of the City of Beatrice, Nebraska, which represent 15 percent, 16 percent and 1 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Beatrice Public Library Foundation is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Beatrice, 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. The financial statements of the Beatrice Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As described in Note A to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, consisting of combining and individual nonmajor fund financial statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. Additionally, the combining and individual fund statements and schedules for the Beatrice Public Library Foundation were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2021 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated March 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023, on our consideration of City'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 City'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 City's internal control over financial reporting and compliance.

FORVIS, LLP

Lincoln, Nebraska
March 10, 2023

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

As management of the City of Beatrice, Nebraska, we offer readers of the City of Beatrice's financial statements this narrative overview and analysis of the financial activities of the City of Beatrice for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section on pages ix to xii of this report.

FINANCIAL HIGHLIGHTS

The City of Beatrice's assets exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$106,965,856. Of this amount, \$22,068,607 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice's total net position increased \$9,161,335 or 9.4%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$16,078,820, an increase of \$2,860,644 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$8,156,279, or 75.6% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, decreased \$834,196 during the current fiscal year. The City issued debt during the year totaling \$1,243,296 and annual debt obligations of \$2,633,689 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$556,197.

Effective October 1, 2021, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Comparative 2021 financial information presented herein has not been restated for the adoption of GASB 87 because the basic financial statements present single year financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Beatrice's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Beatrice's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the City of Beatrice is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Beatrice 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 City of Beatrice include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City of Beatrice include electric distribution, water pumping and distribution, sewage collection and treatment, solid waste management, and sanitation.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The government-wide financial statements include not only the City of Beatrice itself (known as the primary government), but also the Beatrice Area Solid Waste Agency, a legally separate entity. The Beatrice Area Solid Waste Agency, although legally separate, functions for all practical purposes as a department of the City of Beatrice, and therefore has been included as an integral part of the primary government. The Beatrice Airport Authority and the Community Redevelopment Authority are determined to be discretely presented component units and included due to the fiscal dependency on the City for any allocation of tax revenues. The Beatrice Library Foundation, also a discretely presented component unit, is included due to the financial support it provides the Beatrice Public Library. The government-wide financial statements can be found on pages 15 to 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Beatrice, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Beatrice can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven 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 balance for the General Fund, Street Fund, and Public Safety Capital Improvements Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The City of Beatrice adopts an annual appropriated budget using the General All-Purpose Fund tool for all governmental funds except for the bonded districts nonmajor debt service fund. A budgetary comparison statement has been provided for to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18 to 21 of this report.

City of Beatrice, Nebraska
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September 30, 2022

Proprietary Funds

The City of Beatrice maintains six different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Beatrice uses enterprise funds to account for its electric, water, and water pollution control utilities and its solid waste management and sanitation services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Beatrice's various functions. The City of Beatrice uses internal service funds to account for its self-insured employee benefits. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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 Electric, Water, Water Pollution Control, Sanitation, and Beatrice Area Solid Waste Agency funds which are considered to be major funds of the City of Beatrice. The proprietary fund financial statements also show the data for the Self-insured Group Insurance Fund, an internal service fund. The basic proprietary fund financial statements can be found on pages 22 to 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Beatrice's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 27 to 28 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 29 to 70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 71 to 72 of this report, followed by other supplementary information including nonmajor combining balance sheets and statements and schedules of individual fund information in further detail.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Beatrice, assets exceeded liabilities and deferred inflows of resources by \$106,965,856 at the close of the most recent fiscal year. By far the largest portion of the City of Beatrice's net position (72%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Beatrice uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Beatrice's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

City of Beatrice's Net Position
(expressed in thousands)
September 30, 2022 and 2021

	Governmental activities		Business-type activities		Total	
	2022	2021*	2022	2021*	2022	2021*
ASSETS						
Current and other assets	\$ 21,679	\$ 17,956	\$ 22,737	\$ 17,482	\$ 44,416	\$ 35,438
Capital assets	50,102	49,665	40,734	39,584	90,836	89,249
TOTAL ASSETS	71,781	67,621	63,471	57,066	135,252	124,687
LIABILITIES						
Long-term liabilities noncurrent	7,920	9,024	10,499	9,621	18,419	18,645
Other liabilities	4,614	4,508	3,430	3,729	8,044	8,237
TOTAL LIABILITIES	12,534	13,532	13,929	13,350	26,463	26,882
DEFERRED INFLOWS OF RESOURCES						
Deferred lease arrangements	437	-	1,387	-	1,824	-
TOTAL DEFERRED INFLOWS OF RESOURCES	437	-	1,387	-	1,824	-
NET POSITION						
Net investment in capital assets	41,380	38,714	35,770	34,339	77,150	73,053
Restricted	7,057	6,154	691	886	7,748	7,040
Unrestricted	10,373	9,221	11,695	8,490	22,068	17,711
TOTAL NET POSITION	\$ 58,810	\$ 54,089	\$ 48,156	\$ 43,715	\$ 106,966	\$ 97,804

* Not restated for adoption of GASB 87

An additional portion of the City of Beatrice's net position (7.2%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$22,068,607 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Beatrice is able to report positive balances in all three categories of net position for the government as a whole.

There was an increase of \$4,720,930 in net position reported in connection with the City of Beatrice's governmental activities. Business-type activities increased the City of Beatrice's net position by \$4,440,405. A breakdown of these activities is as follows:

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City of Beatrice's Changes in Net Position
(expressed in thousands)
For the years ended September 30, 2022 and 2021

	Governmental activities		Business-type activities		Total	
	2022	2021*	2022	2021*	2022	2021*
REVENUES						
Program Revenues						
Charges for services	\$ 7,036	\$ 6,443	\$ 27,770	\$ 26,173	\$ 34,806	\$ 32,616
Operating grants and contributions	2,361	3,530	-	-	2,361	3,530
Capital grants and contributions	2,162	2,299	179	39	2,341	2,338
General revenues						
Taxes	9,460	8,742	-	-	9,460	8,742
Unrestricted intergovernmental	1,224	1,097	-	-	1,224	1,097
Insurance and settlement recoveries	1,365	-	-	-	1,365	-
Other revenue	238	481	1,429	546	1,667	1,027
TOTAL REVENUES	23,846	22,592	29,378	26,758	53,224	49,350
EXPENSES						
General government	5,971	4,953	-	-	5,971	4,953
Public safety	8,452	7,556	-	-	8,452	7,556
Highways and streets	2,667	2,592	-	-	2,667	2,592
Culture and recreation	1,899	1,716	-	-	1,899	1,716
Interest on long-term debt	136	112	-	-	136	112
Electric	-	-	15,928	17,906	15,928	17,906
Water	-	-	2,519	2,365	2,519	2,365
Water pollution control (WPC)	-	-	1,852	1,625	1,852	1,625
Solid waste management	-	-	1,981	1,580	1,981	1,580
Sanitation	-	-	2,657	2,171	2,657	2,171
TOTAL EXPENSES	19,125	16,929	24,937	25,647	44,062	42,576
CHANGE IN NET POSITION	4,721	5,663	4,441	1,111	9,162	6,774
NET POSITION, Beginning of Year	54,089	48,426	43,715	42,604	97,804	91,030
NET POSITION, End of Year	\$ 58,810	\$ 54,089	\$ 48,156	\$ 43,715	\$ 106,966	\$ 97,804

* Not restated for adoption of GASB 87

Governmental Activities

Tax revenues increased 8% in 2022 from the previous year. This includes property tax, sales tax, and occupation tax revenues. The property tax levy to fund the necessary operations of the government and capital projects for 2022 decreased 2.1%, and property valuations increased by 3.85%, resulting in an increase in property tax revenue recognized of 3.4%. Sales tax revenues collected increased \$555,015 in 2022 as compared to 2021 with an increase of 9.9% in sales. Occupation taxes from utilities, which are based upon gross sales, increased 15% in 2022. The lodging occupation tax brought in \$117,421 in 2022 as compared to \$115,684 in 2021. More information on tax revenue history can be found in Table 3 of the Statistical Section.

Unrestricted intergovernmental revenues, which include county motor vehicle taxes, state aid, and municipal equalization funding (MEF), increased \$127,354 in 2022. The formula to calculate MEF aid figures the City's need, based upon population, less resources however that aid is reduced 20% for each cent the city's non-bond levy is less than the state-wide average levy, making this a funding source that can vary greatly from year to year. In 2022 the City's MEF revenue was \$926,005 as compared to \$797,142 in 2021; the City's calculation was above the state-wide average for both fiscal years. County motor vehicle taxes decreased .5% in 2022 from the previous year.

City of Beatrice, Nebraska
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September 30, 2022

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance. Highway allocation dollars, which are a major funding source to maintain the street fund, decreased 6% from 2022 to 2021; a portion of these funds are also allocated for capital projects. The police department operates a victim assistance program and school resource program with matching assistance from the local school district. Interlocal agreements also provide funding for the 911 communications center and ambulance services. The library continues to receive funding assistance from the county and state aid.

Capital grants and contributions vary from year to year. During 2022 the City continued to receive grant funding through the Mutual Finance Organization (MFO) Assistance Act for fire and EMS equipment and facility improvements, and various smaller grants for public safety equipment. State funding and sales tax provided for street improvements. The City received payments from the Federal Emergency Management Agency for assistance with cleanup efforts following a wind storm in December of 2021 and a hail storm in June of 2022. FEMA funds were also received for assistance with the 2019 flood damage cleanup. Community Development Block Grant funds and private contributions provided for trail improvements, including a bathroom along Chief Standing Bear Trail. In 2021 and 2022, ARPA funds were received and in 2022, \$93,711 in ARPA funds were expended and therefore recognized as revenue. The additional revenue remains as unearned revenue. Private contributions assisted towards park recreational improvements, including the resurfacing of tennis courts into pickleball courts at Chautauqua Park. Private contributions continue to provide for the purchase of library materials and building improvements.

Expenses increased 13% in 2022 as compared to 2021. Changes in General Government can vary from year to year due to changes in economic development and grant expenses, and Internal Service Funds activity. Changes to expenses for other activities in 2022 as compared to 2021 are as follows: public safety increased 11.9% as compared to the prior year, streets increased 2.9%, and culture and recreation increased 10.7%.

Business-Type Activities

Charges for services for business-type activities increased 6.1% in 2022 from 2021 with the City taking over the sanitation fund services. The Electric fund, which distributes purchased power, did not increase rates during 2022, and revenue increased 1.8%. The Electric fund expenses decreased 12.4% due to the expense for electric energy purchased during the polar vortex in February 2021. The Water fund increased rates 10 cents per 1,000 gallons of residential and commercial sales and the Water Pollution Control fund increased rates 25 cents per 1,000 gallons of residential and commercial sales for 2022. Revenue increased 7.4% and 6.5% respectively, and expenses increased 6.5% and 14% respectively. Sanitation fund revenue increased 29.7% and expenses increased 22%, as 2022 was the first full year of the City operating the hauling service. The Beatrice Area Solid Waste Agency fund revenues increased 16.2%, due to an increase in customer landfill and construction demolition sales with the 2 storms that affected Beatrice and the surrounding area in 2022.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City of Beatrice's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Beatrice's financing requirements. In particular, unrestricted fund balances (made up of unassigned and assigned balances) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

As of the end of the current fiscal year, the City of Beatrice's governmental funds reported a combined ending fund balance of \$16,078,820, which is an increase of \$2,860,644 in comparison with the prior year. Of this amount, 38.8% of this balance is unassigned and is available for spending at the City's discretion (\$6,243,170). The City's unassigned balance increased \$2,582,029 from the prior year. The remainder of the fund balance is either restricted, committed, or assigned to indicate that it is restricted for particular purposes (\$7,099,824), committed for particular purposes (\$1,776,198), or assigned by management for particular purposes (\$959,628).

The General fund is the chief operating fund of the City of Beatrice. At the end of the current fiscal year, the unrestricted fund balance (made up of unassigned, assigned, and committed balances) of the General Fund was \$8,156,279; an increase from 2021 of \$1,466,656. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 75.6% of total General fund expenditures.

General fund revenues decreased 2.2% from the previous year. Tax revenues increased 6.9% due to an increase in sales tax and property tax revenue, as discussed on page 9. Intergovernmental revenue available to fund general operations includes interlocal agreements to provide 911 and EMS services, state aid, and federal grant assistance funding. Revenue for intergovernmental decreased 29.6% due to Federal CARES funds that were received in 2021. Municipal equalization funds and interlocal 911 dispatch aid increased in 2022, and the City received \$60,089 in Federal FEMA funds, as well as recognized \$93,711 of ARPA funds. Charges for services increased 13.5% due to increases in administration miscellaneous charges and services, police charges, water park charges, and library charges. The City began dispatching for Richardson County in August of 2021 and providing security services to our community hospital in September of 2021. Miscellaneous revenue increased 46% due to insurance proceeds received for hail damage of Police vehicles and an increase in private donations for public properties improvements. Revenues that decreased in 2022 from 2021 include ambulance charges, camping receipts, and parking fines.

General fund expenditures in 2022 increased 8.8% from the previous year due to an increase in personal services, capital outlay expenditures, and the cost of supplies. Transfers in remained stable from 2022 to 2021, which is from the 911 surcharge and E911 wireless funds collected and distributed to the General fund for the operation of the 911 communications center. Transfers out to fund capital projects in 2022 were \$1,392,091, as compared to \$285,170 in 2021 as CARES funds received in 2021 were expended from the Capital Improvement fund.

The fund balance restricted for the Street fund at year end was \$2,696,916 an increase of \$797,736 from 2021. In 2022, total revenues increased 7.8% from 2021. Sales tax revenues increased 10%, total state aid decreased 5.8%, and the street fund received \$56,775 in federal disaster assistance payments to repair salt shed damage due to the 2021 wind storm, as well as additional funds for the 2019 flood damage. Expenditures decreased 17.7% from the previous year. Non-capital operational expenditures increased 4.8% from 2021 and capital outlay expenditures in 2022 were also lower, at \$1,178,997 as compared to \$1,673,661 in 2021. Several capital outlay projects were carried forward into 2023 due to availability of contractors, and the work to repair the hail damage will begin in 2023.

The fund balance in the Public Safety capital improvements capital projects fund at year end was \$643,419, which included \$121,307 restricted for the new fire station and \$522,112 committed for public safety equipment. The expenditures in this fund decreased \$5,866,410 from 2021 to 2022 as construction of the new fire station was completed. This fund also accounts for the expenditure of major public safety equipment purchased with bond proceeds, MFO state funding and other available grants.

Nonmajor governmental funds include four special revenue funds, three debt service funds, and a capital project fund. The combined fund balance for these funds at the end of the fiscal year was \$3,882,206 which was restricted, committed, or assigned for each fund's specific purposes. The Economic Development fund, which had a restricted fund balance of \$1,586,679, an increase of \$199,467 from 2021, received \$312,381 in revenue to support the local economic development plan and expenditures included funding towards a joint economic development organization, land purchase, and professional services for land development; economic development loans were awarded in the amount of \$282,048 with \$104,553 paid back or forgiven during the fiscal year. The Community Development Block Grant fund balance restricted for Revolving Loans of \$90,981 decreased \$66,578 from 2021 due to grant distributions of \$71,805 in 2022. The Keno fund balance increased to \$242,585 as compared to \$102,796 in 2021, due to an increase of 15% in keno proceeds. No funds were transferred out for

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community better projects in 2022. The 911 Surcharge fund had a fund balance of \$122,541 at the end of 2022 and accounts for the collection of local 911 surcharge taxes and the collection of state wireless E911 funds, which must be expended on specific associated costs. In 2022 \$72,270 was transferred to the General fund for support of the 911 communications center operations. The debt service funds balance at year-end of \$1,736,897 is restricted for the respective debt service requirements funded with either a special levy or voter-approved sales tax. Capital Improvement funds fund balance at year end included \$102,523 in funds assigned for subsequent years' expenditures. Capital expenditures totaling \$746,795 in 2022 were funded with various revenue sources including grants, private donations, lease proceeds, and a transfer in of general fund revenues. More information on these capital assets is discussed later in this report.

Proprietary Funds

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

The unrestricted net position of the Electric, Water, Water Pollution Control, Beatrice Area Solid Waste Agency (BASWA), and Sanitation enterprise funds at the end of the year amounted to \$11,695,372, which is an increase of \$3,205,428 from 2021. The Electric fund increased \$2,297,762; the Water Fund increased \$140,493; the Water Pollution Control fund increased \$572,213; the BASWA fund increased \$136,674; and the Sanitation Fund increased \$58,286. Restricted net position for debt service was \$690,567 at year end as compared to \$886,062 in 2021. Net investment in capital assets increased from \$34,339,202 in FY2021 to \$35,769,674 in FY2022. Extension and replacement of capital assets is discussed later in this report. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Beatrice's business-type activities.

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget of expenditures for governmental funds amounted to an increase in appropriations of \$907,720 and can be briefly summarized as follows: \$557,520 in the General fund for equipment upgrades, personnel additions, ARPA expenditures, and grant expenditures; \$280,000 in the Street fund for street improvement projects not completed and machinery not purchased in FY2021 and therefore paid in FY2022; \$13,000 in the Keno fund for the increase in gross proceeds; \$51,000 in the Unbonded Assessment fund for Street improvements assessed to the property owners; and in the Capital Improvements fund \$6,200 to account for the cost of the trail project and an increase in MFO distributions. All governmental funds reported a positive variance of total expenditures as compared to total budget. Large variances are further explained here; in the Street fund the capital outlay was under budget by \$682,503, however there were \$682,503 in obligated expenditures for projects that were not completed until after the fiscal year end; the Capital Improvements fund was under budget by \$607,091 largely due to ball field improvements being carried forward to the next year; the Public Safety Capital Improvements fund was under budget by \$1,833,954 due to the new fire station project that was not completed and will be carried forward to the next fiscal year; and both the Economic Development fund and the Community Development Block Grant funds must budget for possible development projects, which can vary greatly from year to year, and for FY2022 were under budget \$1,782,458 and \$986,252 respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Beatrice's investment in capital assets for its governmental and business type activities as of September 30, 2022, amounts to capital assets (net of accumulated depreciation) of \$83,418,583, construction in progress of \$62,248, and land of \$7,354,921. This investment in capital assets includes land, buildings and park facilities, improvements other than buildings, machinery and equipment, a system of roads, highways, bridges, storm sewers, sanitary sewers, water mains, and an electrical system. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 1.8% percent (a 0.9% increase for governmental activities and a 2.9% increase for business-type activities).

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September 30, 2022

City of Beatrice's Capital Assets (net of depreciation, except land)
(expressed in thousands)
September 30, 2022 and 2021

	Governmental activities		Business-Type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,820	\$ 5,818	\$ 1,535	\$ 225	\$ 7,355	\$ 6,043
Buildings and system	18,906	18,638	16,658	16,367	35,564	35,005
Improvements other than bldgs	6,709	6,231	70,184	68,806	76,893	75,037
Machinery and equipment	13,839	13,231	12,857	12,713	26,696	25,944
Infrastructure	41,418	40,472	-	-	41,418	40,472
Construction in progress	-	-	62	93	62	93
Less accumulated depreciation	(36,590)	(34,724)	(60,562)	(58,621)	(97,152)	(93,345)
TOTAL	\$ 50,102	\$ 49,666	\$ 40,734	\$ 39,583	\$ 90,836	\$ 89,249

Major changes in capital assets in the governmental activities during fiscal year 2022 include: construction costs for a new fire station, installation of new pedestrian bridge railing, Hannibal Park diamonds 2 & 3 and batting cage improvements, creation of pickleball courts, creation of a kayak launch, construction of a bathroom and parking lot for trail system, upgrades to gun range, several street reconstructions, armor coating, and roof improvements for salt shed. Equipment purchases included: a new rescue truck, 2 dump trucks, a backhoe loader, several computers and laptops, power load system, equipment for the new fire station, radios, down payment for new back-up dispatch console, tasers, body cameras, 5 police vehicles, and 2 heat pumps.

Major changes in capital assets in the business-type activities during fiscal year 2022 include: in the Electric Fund continuation of 12.5 KV conversions, replacement of underground cable, new transformers, new services and extensions for residential and commercial developments, a new track loader, a tree cutter, an updated gas pump system, aerial photos of the City, an inserter, computer equipment, and a mass notification system; in the Water Fund water main projects in 2022 included replacement of old mains in the areas of Mary St – Sumner to Sherman, 18th Street, and Irving Street Apartments, new land for wells, engineering services for the Big Blue River water transmission line crossing and water system improvements, metering, a backhoe loader, and a portable air compressor; in the Water Pollution Control Fund projects included continued construction costs of the dewatering project at the disposal plant, sanitary sewer extension at 14th & Lincoln Street, RBS repairs, grit handling system evaluation, lift station #1 & #5 evaluation study, pump installation at lift station #8, and sanitary sewer improvements at South 13th Street; in the BASWA fund continuation of costs for the site investigation for a future MSW landfill site and a new portable litter vacuum; and in the Sanitation fund additional waste carts, recycling carts, dumpsters, and roll-offs.

Additional information on the City of Beatrice's capital assets can be found in note E on pages 55 to 56 of this report.

Long-Term Obligations

At the end of the current fiscal year the City of Beatrice, not including component units, had total bonded debt outstanding of \$11,590,000. Of this amount, \$8,175,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Beatrice's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term obligations included \$1,631,898 in note payables – direct borrowing and financing agreements, \$2,095,343 for compensated absences, and \$5,903,000 for closure post-closure costs.

During the current fiscal year, the City of Beatrice did not issue any new bonds and paid annual bond maturities of \$2,280,000 thereby decreasing the bonded debt \$2,280,000. Notes payable were issued in the amount of \$1,243,296 for land purchase for a future well field and water distribution improvements.

The Beatrice Airport Authority, a component unit of the City of Beatrice, paid off their bonded debt and therefore had no outstanding debt as of September 30, 2022.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Additional information on the City of Beatrice's long-term debt can be found on pages 58 to 62 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice for September 2022 is 2%, which compares favorably to the state average unemployment rate of 2.2% and the national average of 3.5%.

Sales tax revenue can be affected year to year by tax incentives offered to local business that receive tax credits, thereby reducing the sales tax remitted to the City. Sales tax revenue prior to any tax credits better reflects the retail economy, which for the calendar year 2022 increased 9.9% when compared to 2021.

Economic development continued to be a focus for the City in 2022. City and County officials provide combined support for an economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. Voters approved an extension of the Economic Development Plan to continue to be funded by utility revenues until 2029. Funds from this plan allowed for an expansion of a local landscaping business, the creation of a new dog boarding business, and new housing. Gage County Industrial Park continues to develop and expand with land being sold for a future business site.

The City of Beatrice approved a budget plan that included both fiscal year 2022 and fiscal year 2023. That budget presented a balanced budget of operating revenues to meet expenditure needs and fund various capital projects, along with a plan to replenish general fund cash reserves. For fiscal year 2023, general fund tax revenue projections included a 10% increase in the general property tax requirements and 6.5% increase in sales tax revenue. The general fund levy increased from .349039 to .357804 and the debt service levy decreased from .03398591 to 0. State aid allocations decreased due to municipal equalization funds decreasing in 2023. Other operating grants remained the same.

Major capital projects for the 2023 fiscal year include: addition of a back-up dispatch console, various street improvements, ballfield improvements, masonry work for the police department, new roof for the library, ADA playground, Pioneer trail extension, Highway 136 reroute study, a new transfer ambulance, public safety equipment, and computer equipment. Some projects are contingent upon receiving grant or donation funding.

In fiscal year 2023, the City proposed a zero rate increase for the Electric and Water utility funds. An increase of 25 cents per 1,000 gallons of residential and commercial sales has been adopted for 2023 for the Water Pollution Control utility fund. The Sanitation fund approved a \$2 rate increase in 2023. The Beatrice Area Solid Waste Agency also established small rate increases in 2023. Projected revenues should be sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Beatrice's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Beatrice, 400 Ella Street, Beatrice, NE 68310.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION
September 30, 2022
With comparative totals for September 30, 2021

	Primary Government				2022
	Governmental Activities	Business-Type Activities	2022 Total	2021 Total	Component Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 15,655,180	\$ 10,022,650	\$ 25,677,830	\$ 19,832,431	\$ 1,172,274
Cash on deposit - county treasurer	104,308	-	104,308	153,215	3,938
Accounts receivable	875,720	1,089,168	1,964,888	1,124,196	42,180
Assessments receivable	47,486	-	47,486	-	-
Unbilled and accrued revenues	-	1,920,738	1,920,738	1,892,405	-
Due from other governments	1,305,202	-	1,305,202	1,130,516	-
Lease receivable	13,254	81,366	94,620	-	129,546
Accrued interest receivable	1,361	4,994	6,355	1,292	4,314
Inventories	-	1,665,011	1,665,011	1,189,725	63,212
Prepaid expenses	-	24,620	24,620	21,593	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	99,515	-	99,515	89,421	9,318
Loans receivable	154,708	-	154,708	116,340	-
Total Current Assets	18,266,839	14,808,547	33,075,386	25,561,239	1,424,782
Noncurrent Assets					
Investments	2,263,953	2,068,793	4,332,746	4,581,555	1,486,644
Collateral deposit	-	150,000	150,000	150,000	-
Restricted Cash and Cash Equivalents					
Debt service account	-	119,351	119,351	132,500	4,176
Customer and developer deposits	-	137,602	137,602	134,037	-
Grants and capital projects	-	-	-	11,301	65,229
Restricted Investments					
Debt service reserve account	-	583,904	583,904	775,749	-
Customer deposits	-	307,264	307,264	304,026	-
Grants and capital projects	-	-	-	-	117,103
Closure and post-closure account	-	3,226,549	3,226,549	3,195,786	-
Total Restricted Assets	-	4,374,670	4,374,670	4,553,399	186,508
Capital Assets					
Land	5,820,050	1,534,871	7,354,921	6,043,140	1,321,356
Construction in progress	-	62,248	62,248	93,458	-
Capital assets, net of accumulated depreciation	44,281,695	39,136,888	83,418,583	83,112,129	7,872,993
Net Capital Assets	50,101,745	40,734,007	90,835,752	89,248,727	9,194,349
Other Assets					
Loans receivable, net of current portion	707,268	-	707,268	592,128	-
Lease receivable, net of current portion	441,382	1,335,389	1,776,771	-	611,972
Total Noncurrent Assets	53,514,348	48,662,859	102,177,207	99,125,809	11,479,473
Total Assets	\$ 71,781,187	\$ 63,471,406	\$ 135,252,593	\$ 124,687,048	\$ 12,904,255

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 September 30, 2022
 With comparative totals for September 30, 2021

	Primary Government				2022
	Governmental	Business-Type	2022	2021	Component
	Activities	Activities	Total	Total	Units
Liabilities					
Current Liabilities					
Accounts payable	\$ 656,945	\$ 1,672,574	\$ 2,329,519	\$ 3,063,670	\$ 2,749
Claims incurred but not reported	278,834	-	278,834	132,844	-
Accrued compensated absences	514,953	353,770	868,723	775,640	19,081
Sales tax payable	-	20	20	11	-
Accrued interest payable	42,673	12,664	55,337	71,768	5,008
Accrued payroll	-	72,584	72,584	55,172	-
Other accrued liabilities	-	3,092	3,092	2,370	-
Unearned revenue	2,086,165	-	2,086,165	1,088,760	-
Customer and developer deposits	-	416,845	416,845	413,495	-
Current maturities of long-term debt	1,034,235	898,770	1,933,005	2,633,663	-
Total Current Liabilities	4,613,805	3,430,319	8,044,124	8,237,393	26,838
Noncurrent Liabilities, Net of Current Portion					
Compensated absences	594,085	632,535	1,226,620	1,266,506	67,415
Revenue bonds	-	2,680,000	2,680,000	3,415,000	-
Tax supported and general obligation bonds	7,200,000	-	7,200,000	8,175,000	-
Notes payable - direct borrowing	-	1,222,574	1,222,574	-	-
Notes payable - direct financing arrangements	125,860	60,459	186,319	388,628	-
Closure and post-closure costs	-	5,903,000	5,903,000	5,400,000	-
Total Noncurrent Liabilities	7,919,945	10,498,568	18,418,513	18,645,134	67,415
Total Liabilities	12,533,750	13,928,887	26,462,637	26,882,527	94,253
Deferred Inflows of Resources					
Deferred lease arrangements	437,194	1,386,906	1,824,100	-	686,412
Total Deferred Inflows of Resources	437,194	1,386,906	1,824,100	-	686,412
Net Position					
Net investment in capital assets	41,379,857	35,769,674	77,149,531	73,053,239	9,194,349
Restricted net position					
Restricted for economic development	1,586,679	-	1,586,679	1,387,212	-
Restricted for library capital improvements	-	-	-	-	-
Restricted for new fire station	121,307	-	121,307	564,804	-
Restricted for debt service	1,738,727	690,567	2,429,294	2,233,441	4,176
Restricted revolving loan fund	90,981	-	90,981	157,559	-
Restricted for E911 public safety	122,541	-	122,541	97,452	-
Restricted for streets	2,696,916	-	2,696,916	1,899,180	-
Restricted for storm water management	-	-	-	-	-
Restricted for Library Foundation	-	-	-	-	209,475
Restricted for gas plant long-term obligation	700,000	-	700,000	700,000	-
Unrestricted net position	10,373,235	11,695,372	22,068,607	17,711,634	2,669,245
Total Net Position	\$ 58,810,243	\$ 48,155,613	\$ 106,965,856	\$ 97,804,521	\$ 12,077,245

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF ACTIVITIES
For the year ended September 30, 2022
With comparative totals for the year ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position				2022 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2022 Total	2021 Total	
Primary Government:									
Governmental Activities									
General government	\$ 5,971,274	\$ 5,072,452	\$ -	\$ 64,270	\$ (834,552)	\$ -	\$ (834,552)	\$ 432,268	\$ -
Public safety	8,452,114	1,650,548	1,431,140	234,931	(5,135,495)	-	(5,135,495)	(3,559,678)	-
Highways and streets	2,667,329	34,255	904,019	1,214,429	(514,626)	-	(514,626)	(377,938)	-
Culture and recreation	1,898,701	279,085	25,251	422,604	(1,171,761)	-	(1,171,761)	(1,039,959)	-
Interest on long-term debt	135,850	-	-	-	(135,850)	-	(135,850)	(111,403)	-
Total Governmental Activities	19,125,268	7,036,340	2,360,410	1,936,234	(7,792,284)	-	(7,792,284)	(4,656,710)	-
Business-type Activities									
Electric	15,928,396	17,435,709	-	131,518	-	1,638,831	1,638,831	(746,132)	-
Water	2,518,904	2,908,700	-	41,577	-	431,373	431,373	343,524	-
Water pollution control	1,852,424	2,330,902	-	6,000	-	484,478	484,478	579,271	-
BASWA	1,981,039	2,349,347	-	-	-	368,308	368,308	442,773	-
Sanitation	2,656,713	2,745,489	-	-	-	88,776	88,776	(54,495)	-
Total Business-type Activities	24,937,476	27,770,147	-	179,095	-	3,011,766	3,011,766	564,941	-
Total Primary Government	44,062,744	34,806,485	2,360,410	2,115,329	(7,792,284)	3,011,766	(4,780,518)	(4,091,769)	-
Component Units:									
Beatrice Airport Authority	1,002,093	649,575	32,000	256,468					(64,050)
Beatrice Public Library Foundation	62,709	-	-	-					(62,709)
Total Component Units	\$ 1,064,802	\$ 649,575	\$ 32,000	\$ 256,468					(126,759)
General Revenues									
Taxes									
Property tax					2,862,710	-	2,862,710	2,769,584	134,211
Sales tax					5,936,084	-	5,936,084	5,381,069	-
Occupation tax					661,567	-	661,567	591,410	-
Unrestricted intergovernmental					1,224,343	-	1,224,343	1,096,989	417
Insurance and settlement recoveries					1,591,086	-	1,591,086	-	681,454
Miscellaneous revenues					201,607	1,150,382	1,351,989	878,536	10,301
Lease revenue and interest on leases					-	124,379	124,379	-	-
Unrestricted investment earnings					35,817	153,878	189,695	148,950	(94,633)
Total General Revenues					12,513,214	1,428,639	13,941,853	10,866,538	731,750
Change in Net Position					4,720,930	4,440,405	9,161,335	6,774,769	604,991
Net Position, Beginning of Year					54,089,313	43,715,208	97,804,521	91,029,752	11,472,254
Net Position, End of Year					\$ 58,810,243	\$ 48,155,613	\$ 106,965,856	\$ 97,804,521	\$ 12,077,245

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022
With comparative totals for September 30, 2021

	2022					2021
	General Fund	Streets Fund	Public Safety Capital Improvements Fund	Other Governmental Funds	Total	Total
Assets						
Cash and cash equivalents	\$ 7,534,712	\$ 2,509,211	\$ 759,072	\$ 2,829,152	\$ 13,632,147	\$ 11,036,297
Investments	2,263,953	-	-	-	2,263,953	2,560,879
Cash on deposit - county treasurer	96,838	-	-	7,470	104,308	153,215
Accounts receivable	784,716	59,314	-	31,690	875,720	502,300
Due from other funds	-	49,626	-	-	49,626	-
Taxes receivable	84,472	-	-	15,043	99,515	89,421
Due from other governments	679,471	342,618	-	283,113	1,305,202	1,130,516
Lease receivable	447,702	-	-	6,934	454,636	-
Accrued interest receivable	756	-	-	605	1,361	-
Assessments receivable	-	-	-	47,486	47,486	-
Loans receivable	-	-	-	861,976	861,976	708,468
In-lieu of assessments receivable	-	-	-	10,105	10,105	10,105
Total Assets	\$ 11,892,620	\$ 2,960,769	\$ 759,072	\$ 4,093,574	\$ 19,706,035	\$ 16,191,201
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 257,213	\$ 254,670	\$ 115,653	\$ 29,409	\$ 656,945	\$ 1,501,760
Unearned revenue	2,086,165	-	-	-	2,086,165	1,088,760
Due to other funds	-	-	-	49,626	49,626	-
Accrued interest payable	-	-	-	38,176	38,176	43,698
Total Liabilities	2,343,378	254,670	115,653	117,211	2,830,912	2,634,218
Deferred Inflows of Resources						
Deferred lease arrangements	437,194	-	-	-	437,194	-
Unavailable revenue	255,769	9,183	-	94,157	359,109	338,807
Total Deferred Inflows of Resources	692,963	9,183	-	94,157	796,303	338,807
Fund Balance						
Restricted for:						
Economic development	-	-	-	1,586,679	1,586,679	1,387,212
Library capital improvements	-	-	-	-	-	-
New fire station	-	-	121,307	-	121,307	564,804
Debt service	-	-	-	1,781,400	1,781,400	1,396,960
Revolving loan fund	-	-	-	90,981	90,981	157,559
E911 public safety	-	-	-	122,541	122,541	97,452
Streets	-	2,696,916	-	-	2,696,916	1,899,180
Storm water management	-	-	-	-	-	-
Gas plant long-term obligation	700,000	-	-	-	700,000	700,000
Committed for:						
Library capital improvements	-	-	-	-	-	-
Public safety equipment	-	-	522,112	-	522,112	170,886
Public safety pensions	1,011,501	-	-	-	1,011,501	1,317,110
Community betterment	-	-	-	242,585	242,585	102,796
Assigned for:						
Subsequent years' expenditures	857,105	-	-	102,523	959,628	1,763,076
Unassigned, reported in:						
General fund	6,287,673	-	-	-	6,287,673	3,661,141
Capital projects funds	-	-	-	(44,503)	(44,503)	-
Total Fund Balance	8,856,279	2,696,916	643,419	3,882,206	16,078,820	13,218,176
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,892,620	\$ 2,960,769	\$ 759,072	\$ 4,093,574		

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET - CONTINUED
GOVERNMENTAL FUNDS
September 30, 2022
With comparative totals for September 30, 2021

	2022 Total	2021 Total
Fund Balance Governmental Funds	\$ 16,078,820	\$ 13,218,176
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.	\$ 50,101,745	\$ 49,664,715
Internal service funds are used by management to charge the costs for fleet management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,744,199	1,632,512
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	359,109	338,807
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds as follows:		
Accrued interest on long-term debt	(4,497)	(5,883)
Bonds payable	(8,175,000)	(9,390,000)
Notes payable - direct financing arrangements	(185,095)	(242,164)
Compensated absences	(1,109,038)	(1,126,850)
Net Position of Governmental Activities	<u>\$ 58,810,243</u>	<u>\$ 54,089,313</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the year ended September 30, 2022
 With comparative totals for the year ended September 30, 2021

	2022					2021 Total
	General Fund	Streets Fund	Public Safety Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds	
Revenues						
Taxes						
Property tax	\$ 2,559,060	\$ -	\$ -	\$ 249,444	\$ 2,808,504	\$ 2,785,537
Sales tax	3,564,817	888,807	-	1,482,460	5,936,084	5,381,069
Occupation tax	661,567	-	-	-	661,567	591,410
Licenses and permits	253,757	-	-	-	253,757	187,356
Intergovernmental	2,537,752	2,109,265	387,851	52,209	5,087,077	5,701,880
Charges for services	2,474,091	34,255	-	97,359	2,605,705	2,303,536
Keno proceeds	-	-	-	170,135	170,135	148,041
Special assessments	-	-	-	4,733	4,733	-
Interest	(144,331)	-	725	2,425	(141,180)	259,908
Miscellaneous	271,639	-	-	534,308	805,946	783,978
Total Revenues	<u>12,178,352</u>	<u>3,032,327</u>	<u>388,576</u>	<u>2,593,073</u>	<u>18,192,328</u>	<u>18,142,714</u>
Expenditures						
Current						
General government	1,738,155	-	-	273,134	2,011,289	1,972,034
Public safety	7,440,504	-	-	-	7,440,504	6,911,875
Highways and streets	-	1,281,333	-	-	1,281,333	1,222,654
Culture and recreation	1,230,041	-	-	-	1,230,041	1,132,924
Debt Service						
Principal	-	4,238	-	1,267,831	1,272,069	900,000
Interest	-	718	-	142,041	142,759	137,832
Bond issuance costs	-	-	-	-	-	24,525
Capital outlay	372,943	1,174,041	1,042,181	881,813	3,470,978	9,538,180
MFO payments - other entities	-	-	303,365	-	303,365	124,568
Total Expenditures	<u>10,781,643</u>	<u>2,460,330</u>	<u>1,345,546</u>	<u>2,564,819</u>	<u>17,152,338</u>	<u>21,964,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,396,709	571,997	(956,970)	28,254	1,039,990	(3,821,878)
Other Financing Sources (Uses)						
Sale of capital assets	24,421	-	-	205,147	229,568	68,269
Insurance and settlement recoveries	1,365,347	225,739	-	-	1,591,086	709,234
Bond and lease issuances	-	-	-	-	-	2,725,000
Transfers in	72,270	-	864,699	527,392	1,464,361	377,839
Transfers out	(1,392,091)	-	-	(72,270)	(1,464,361)	(377,839)
Total Other Financing Sources	<u>69,947</u>	<u>225,739</u>	<u>864,699</u>	<u>660,269</u>	<u>1,820,654</u>	<u>3,502,503</u>
Net Change in Fund Balance	1,466,656	797,736	(92,271)	688,523	2,860,644	(319,375)
Fund Balance, Beginning of Year	<u>7,389,623</u>	<u>1,899,180</u>	<u>735,690</u>	<u>3,193,683</u>	<u>13,218,176</u>	<u>13,537,551</u>
Fund Balance, End of Year	<u>\$ 8,856,279</u>	<u>\$ 2,696,916</u>	<u>\$ 643,419</u>	<u>\$ 3,882,206</u>	<u>\$ 16,078,820</u>	<u>\$ 13,218,176</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balance - total governmental funds	\$ 2,860,644	\$ (319,375)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period as follows:		
Capital outlays	3,179,213	9,421,191
Depreciation expense	(2,697,043)	(2,454,460)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.	20,302	14,741
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	1,275,194	(1,766,643)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This includes the change in compensated absences.	17,812	45,032
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(46,879)	(89,540)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>111,687</u>	<u>812,350</u>
Change in Net Position of Governmental Activities	<u>\$ 4,720,930</u>	<u>\$ 5,663,296</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 September 30, 2022
 With comparative totals for September 30, 2021

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Sanitation	2022 Total	2021 Total	2022 Total	2021 Total
Current Assets									
Cash and cash equivalents	\$ 4,502,255	\$ 1,715,772	\$ 2,603,253	\$ 1,143,816	\$ 57,554	\$ 10,022,650	\$ 7,078,059	\$ 2,023,033	\$ 1,718,075
Accounts receivable	542,323	69,794	73,293	231,455	172,303	1,089,168	574,615	-	47,281
Unbilled and accrued revenues	1,422,933	296,098	201,707	-	-	1,920,738	1,892,405	-	-
Lease receivable	-	81,366	-	-	-	81,366	-	-	-
Inventories	1,069,472	595,539	-	-	-	1,665,011	1,189,725	-	-
Prepaid expenses	11,444	7,993	5,183	-	-	24,620	21,593	-	-
Interest receivable	95	4,899	-	-	-	4,994	1,292	-	-
Total Current Assets	7,548,522	2,771,461	2,883,436	1,375,271	229,857	14,808,547	10,757,689	2,023,033	1,765,356
Noncurrent Assets									
Investments	1,550,484	518,309	-	-	-	2,068,793	2,020,676	-	-
Collateral deposit	150,000	-	-	-	-	150,000	150,000	-	-
Restricted Cash and Cash Equivalents									
Customer deposits	137,602	-	-	-	-	137,602	134,037	-	-
Debt service account	-	-	-	-	119,351	119,351	132,500	-	-
Capital projects	-	-	-	-	-	-	11,301	-	-
Restricted Investments									
Debt service reserve account	78,632	78,632	67,399	359,241	-	583,904	775,749	-	-
Customer deposits	307,264	-	-	-	-	307,264	304,026	-	-
Closure and post-closure costs	-	-	-	3,226,549	-	3,226,549	3,195,786	-	-
Lease receivable	-	1,335,389	-	-	-	1,335,389	-	-	-
Capital Assets									
Land	65,058	1,410,775	16,588	-	42,450	1,534,871	225,386	-	-
Construction in progress	62,248	-	-	-	-	62,248	93,458	-	-
Buildings and improvements	1,692,414	269,958	14,211,463	-	484,080	16,657,915	16,367,125	-	-
Improvements other than buildings	31,327,876	20,867,738	9,773,698	8,214,849	-	70,184,161	68,806,034	-	-
Machinery and equipment	5,031,081	1,327,732	1,829,295	2,461,646	2,207,299	12,857,053	12,713,468	-	-
Total Capital Assets	38,178,677	23,876,203	25,831,044	10,676,495	2,733,829	101,296,248	98,205,471	-	-
Less accumulated depreciation	(22,155,655)	(14,482,291)	(16,986,003)	(6,509,422)	(428,870)	(60,562,241)	(58,621,459)	-	-
Net Capital Assets	16,023,022	9,393,912	8,845,041	4,167,073	2,304,959	40,734,007	39,584,012	-	-
Total Noncurrent Assets	18,247,004	11,326,242	8,912,440	7,752,863	2,424,310	48,662,859	46,308,087	-	-
Total Assets	\$ 25,795,526	\$ 14,097,703	\$ 11,795,876	\$ 9,128,134	\$ 2,654,167	\$ 63,471,406	\$ 57,065,776	\$ 2,023,033	\$ 1,765,356

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
September 30, 2022
With comparative totals for September 30, 2021

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Sanitation	2022 Total	2021 Total	2022 Total	2021 Total
Liabilities									
Current Liabilities									
Accounts payable	\$ 1,300,945	\$ 190,604	\$ 41,696	\$ 35,880	\$ 103,449	\$ 1,672,574	\$ 1,561,910	\$ -	\$ -
Claims incurred but not reported	-	-	-	-	-	-	-	278,834	132,844
Accrued compensated absences	168,483	94,654	36,167	29,818	24,648	353,770	312,573	-	-
Accrued payroll	35,415	14,823	6,724	6,003	9,619	72,584	55,172	-	-
Sales tax payable	20	-	-	-	-	20	11	-	-
Accrued interest payable	900	900	771	9,047	1,046	12,664	22,187	-	-
Other accrued liabilities	1,939	809	344	-	-	3,092	2,370	-	-
Customer and developer deposits	416,845	-	-	-	-	416,845	413,495	-	-
Current maturities of long-term debt	68,250	88,972	58,500	418,048	265,000	898,770	1,361,594	-	-
Total Current Liabilities	1,992,797	390,762	144,202	498,796	403,762	3,430,319	3,729,312	278,834	132,844
Noncurrent Liabilities, Net of Current Portion									
Compensated absences	348,940	221,549	35,873	20,955	5,218	632,535	602,723	-	-
Revenue bonds	70,000	70,000	60,000	280,000	2,200,000	2,680,000	3,415,000	-	-
Notes payable - direct borrowing	-	1,222,574	-	-	-	1,222,574	-	-	-
Notes payable - direct financing arrangements	-	-	-	60,459	-	60,459	203,533	-	-
Closure and post-closure cost	-	-	-	5,903,000	-	5,903,000	5,400,000	-	-
Total Noncurrent Liabilities	418,940	1,514,123	95,873	6,264,414	2,205,218	10,498,568	9,621,256	-	-
Total Liabilities	2,411,737	1,904,885	240,075	6,763,210	2,608,980	13,928,887	13,350,568	278,834	132,844
Deferred Inflows of Resources									
Deferred lease arrangements	-	1,386,906	-	-	-	1,386,906	-	-	-
Total Deferred Inflows of Resources	-	1,386,906	-	-	-	1,386,906	-	-	-
Net Position									
Net investment in capital assets	15,881,026	7,930,652	8,709,471	3,408,566	(160,041)	35,769,674	34,339,202	-	-
Restricted for debt service	77,708	77,732	66,628	350,194	118,305	690,567	886,062	-	-
Unrestricted	7,425,055	2,797,528	2,779,702	(1,393,836)	86,923	11,695,372	8,489,944	1,744,199	1,632,512
Total Net Position	\$ 23,383,789	\$ 10,805,912	\$ 11,555,801	\$ 2,364,924	\$ 45,187	\$ 48,155,613	\$ 43,715,208	\$ 1,744,199	\$ 1,632,512

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the year ended September 30, 2022
 With comparative totals for the year ended September 30, 2021

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Sanitation	2022 Total	2021 Total	2022 Total	2021 Total
Operating Revenues									
Charges for services	\$ 17,435,709	\$ 2,908,700	\$ 2,330,902	\$ 2,349,347	\$ 2,745,489	\$ 27,770,147	\$ 26,172,750	\$ 3,860,263	\$ 3,610,073
Reinsurance coverage reimbursements	-	-	-	-	-	-	-	43,566	113,439
Total Operating Revenues	17,435,709	2,908,700	2,330,902	2,349,347	2,745,489	27,770,147	26,172,750	3,903,829	3,723,512
Operating Expenses									
Electric energy purchased	10,651,101	-	-	-	-	10,651,101	12,903,577	-	-
Operating and maintenance expenses	1,513,889	1,173,991	771,523	-	1,347,037	4,806,440	3,786,033	-	-
Customer accounting expenses	206,240	123,775	77,528	-	-	407,543	385,805	-	-
Engineering services	376,594	35,004	35,004	-	-	446,602	426,868	-	-
Administrative and general expense	997,763	540,063	312,743	889,727	-	2,740,296	2,511,292	-	-
Depreciation	1,456,455	595,423	591,009	430,568	286,776	3,360,231	3,103,743	-	-
Municipal expenses	723,007	63,906	27,757	-	-	814,670	791,616	-	-
Operating contracts	-	-	-	628,154	997,246	1,625,400	1,676,689	-	-
Health insurance claims paid	-	-	-	-	-	-	-	2,830,784	2,042,441
Insurance premiums	-	-	-	-	-	-	-	584,719	531,278
Payflex expenses	-	-	-	-	-	-	-	276,443	238,885
Other services and charges	-	-	-	-	-	-	-	104,346	100,362
Total Operating Expenses	15,925,049	2,532,162	1,815,564	1,948,449	2,631,059	24,852,283	25,585,623	3,796,292	2,912,966
Operating Income	1,510,660	376,538	515,338	400,898	114,430	2,917,864	587,127	107,537	810,546
Nonoperating Revenues (Expenses)									
Investment earnings	66,429	26,295	21,612	39,542	-	153,878	120,096	4,150	1,804
Gain (loss) on disposal of capital asset	-	24,786	(32,675)	-	-	(7,889)	39,939	-	-
Miscellaneous revenues	663,298	254,208	93,795	131,803	7,278	1,150,382	426,436	-	-
Lease revenue and interest on leases	-	124,379	-	-	-	124,379	-	-	-
Interest expense	(3,347)	(11,528)	(4,185)	(32,590)	(25,654)	(77,304)	(74,304)	-	-
Bond issuance cost	-	-	-	-	-	-	(27,300)	-	-
Total Nonoperating Revenues (Expenses)	726,380	418,140	78,547	138,755	(18,376)	1,343,446	484,867	4,150	1,804
Income (Expense) Before Contributions	2,237,040	794,678	593,885	539,653	96,054	4,261,310	1,071,994	111,687	812,350
Capital Contributions	131,518	41,577	6,000	-	-	179,095	39,479	-	-
Change in Net Position	2,368,558	836,255	599,885	539,653	96,054	4,440,405	1,111,473	111,687	812,350
Net Position, Beginning of Year	21,015,231	9,969,657	10,955,916	1,825,271	(50,867)	43,715,208	42,603,735	1,632,512	820,162
Net Position, End of Year	\$ 23,383,789	\$ 10,805,912	\$ 11,555,801	\$ 2,364,924	\$ 45,187	\$ 48,155,613	\$ 43,715,208	\$ 1,744,199	\$ 1,632,512

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Sanitation	2022 Total	2021 Total	2022 Total	2021 Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 16,100,362	\$ 2,847,510	\$ 2,263,282	\$ 2,266,219	\$ 2,656,246	\$ 26,133,619	\$ 26,419,560	\$ 3,951,110	\$ 3,722,642
Cash received from collection of sales tax	1,093,642	-	-	-	-	1,093,642	-	-	-
Cash paid to suppliers for goods and services	(11,733,119)	(1,099,724)	(726,345)	(570,446)	(1,501,121)	(15,630,755)	(18,683,252)	(3,650,302)	(2,915,748)
Cash paid for remittance of sales tax	(1,093,632)	-	-	-	-	(1,093,632)	-	-	-
Cash paid to employees for services	(1,680,625)	(921,850)	(492,031)	(414,444)	(857,408)	(4,366,358)	(3,853,671)	-	-
Net cash provided by operating activities	2,686,628	825,936	1,044,906	1,281,329	297,717	6,136,516	3,882,637	300,808	806,894
Cash Flows from Noncapital Financing Activities									
Other miscellaneous receipts	663,298	254,208	93,795	131,803	7,278	1,150,382	426,436	-	-
Cash Flows from Capital and Related Financing Activities									
Principal payments on long-term debt	(68,250)	(176,790)	(284,960)	(566,620)	(265,000)	(1,361,620)	(905,391)	-	-
Proceeds from long-term debt	-	-	-	-	-	-	2,702,700	-	-
Net transfer to bond refunding agent	-	-	-	-	-	-	-	-	-
Interest paid on long-term debt	(3,726)	(12,795)	(6,364)	(38,238)	(25,704)	(86,827)	(80,443)	-	-
Capital contributions	131,518	41,577	6,000	-	-	179,095	39,479	-	-
Proceeds from sales of capital assets	-	-	-	-	-	-	40,815	-	-
Purchases of capital assets	(1,456,901)	(2,391,600)	(491,467)	(267,657)	(83,944)	(4,691,569)	(8,679,845)	-	-
Proceeds from issuance of notes payable	-	1,243,296	-	-	-	1,243,296	-	-	-
Principal payments received on lease receivable	-	68,391	-	-	-	68,391	-	-	-
Interest payments received on lease receivable	-	22,344	-	-	-	22,344	-	-	-
Net cash used in capital and related financing activities	(1,397,359)	(1,205,577)	(776,791)	(872,515)	(374,648)	(4,626,890)	(6,882,685)	-	-
Cash Flows From Investing Activities									
Purchases of investments	(98,163)	(10,302)	(1,496)	(1,073,409)	-	(1,183,370)	(1,513,339)	-	-
Sales and maturities of investments	53,620	61,707	128,746	1,056,924	-	1,300,997	2,311,475	-	-
Interest received	66,545	26,272	21,612	31,642	-	146,071	122,529	4,150	1,804
Net cash provided by investing activities	22,002	77,677	148,862	15,157	-	263,698	920,665	4,150	1,804
Net Change in Cash and Cash Equivalents	1,974,569	(47,756)	510,772	555,774	(69,653)	2,923,706	(1,652,947)	304,958	808,698
Cash and Cash Equivalents, Beginning of Year	2,665,288	1,763,528	2,092,481	588,042	246,558	7,355,897	9,008,844	1,718,075	909,377
Cash and Cash Equivalents, End of Year	<u>\$ 4,639,857</u>	<u>\$ 1,715,772</u>	<u>\$ 2,603,253</u>	<u>\$ 1,143,816</u>	<u>\$ 176,905</u>	<u>\$ 10,279,603</u>	<u>\$ 7,355,897</u>	<u>\$ 2,023,033</u>	<u>\$ 1,718,075</u>
Composition of Cash and Cash Equivalents									
Cash and cash equivalents	\$ 4,502,255	\$ 1,715,772	\$ 2,603,253	\$ 1,143,816	\$ 57,554	\$ 10,022,650	\$ 7,078,059	\$ 2,023,033	\$ 1,718,075
Restricted cash and cash equivalents	137,602	-	-	-	119,351	256,953	277,838	-	-
Total Cash and Cash Equivalents	<u>\$ 4,639,857</u>	<u>\$ 1,715,772</u>	<u>\$ 2,603,253</u>	<u>\$ 1,143,816</u>	<u>\$ 176,905</u>	<u>\$ 10,279,603</u>	<u>\$ 7,355,897</u>	<u>\$ 2,023,033</u>	<u>\$ 1,718,075</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Sanitation	2022 Total	2021 Total	2022 Total	2021 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:									
Operating income	\$ 1,510,660	\$ 376,538	\$ 515,338	\$ 400,898	\$ 114,430	\$ 2,917,864	\$ 587,127	\$ 107,537	\$ 810,546
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:									
Depreciation	1,456,455	595,423	591,009	430,568	286,776	3,360,231	3,103,743	-	-
Changes in operating assets and liabilities:									
Accounts receivable	(250,805)	(29,953)	(61,424)	(83,128)	(89,243)	(514,553)	1,139,265	47,281	(870)
Unbilled and accrued revenues	9,100	(31,237)	(6,196)	-	-	(28,333)	(892,455)	-	-
Materials and supplies inventory	(288,487)	(186,799)	-	-	-	(475,286)	(140,806)	-	-
Prepaid expenses	(2,001)	(532)	(494)	-	-	(3,027)	(3,918)	-	-
Accounts payable	206,742	82,545	1,362	24,036	(30,567)	284,118	(47,958)	-	-
Accrued compensated absences	32,977	16,853	3,290	4,332	13,557	71,009	(33,983)	-	-
Customer and developer deposits	3,350	-	-	-	-	3,350	(6,180)	-	-
Closure and post-closure care	-	-	-	503,000	-	503,000	285,000	-	-
Other accrued liabilities	8,637	3,098	2,021	1,623	2,764	18,143	(107,198)	145,990	(2,782)
Total adjustments	<u>1,175,968</u>	<u>449,398</u>	<u>529,568</u>	<u>880,431</u>	<u>183,287</u>	<u>3,218,652</u>	<u>3,295,510</u>	<u>193,271</u>	<u>(3,652)</u>
Net cash provided by operating activities	<u>\$ 2,686,628</u>	<u>\$ 825,936</u>	<u>\$ 1,044,906</u>	<u>\$ 1,281,329</u>	<u>\$ 297,717</u>	<u>\$ 6,136,516</u>	<u>\$ 3,882,637</u>	<u>\$ 300,808</u>	<u>\$ 806,894</u>
Supplemental Disclosure for NonCash Capital Activities:									
Purchase of capital assets on account	\$ 3,746	\$ 81,714	\$ 17,070	\$ -	\$ -	\$ 102,530	\$ 275,984	\$ -	\$ -
Trade-in value for purchase of capital asset	\$ -	\$ 44,500	\$ -	\$ -	\$ -	\$ 44,500	\$ -	\$ -	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2022
 With comparative totals for September 30, 2021

	Custodial Fund	
	2022	2021
Assets		
Restricted Assets		
Cash and cash equivalents	\$ -	\$ 1,873
Cash on deposit - County Treasurer	18,411	116,829
Total Assets	<u>\$ 18,411</u>	<u>\$ 118,702</u>
Liabilities		
Due to Developer	\$ 18,411	\$ 118,702
Total Liabilities	<u>\$ 18,411</u>	<u>\$ 118,702</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the years ended September 30, 2022
 With comparative totals for September 30, 2021

	Custodial Fund	
	2022	2021
Additions		
Tax Increment Financing	\$ 498,513	\$ 522,164
Total Additions	<u>498,513</u>	<u>522,164</u>
Deductions		
Developer TIF Payments	498,513	510,987
Refund to County Treasurer	-	11,177
Total Deductions	<u>498,513</u>	<u>522,164</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the City of Beatrice (the "City") is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management, which is responsible for their integrity and objectivity. The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

The City of Beatrice was founded in 1857, incorporated in 1873, was chartered as a first-class city in 1893, and since 1957 has operated under the Mayor-Council form of government to provide the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, parks, recreation, public improvements, planning and zoning, electric service, water service, water pollution control, and general administrative services. The City is a municipal corporation governed by an elected mayor and eight-member council.

1. Financial Reporting Entity

These financial statements present the financial statements of the City as the primary government. In determining the financial reporting entity, the City has considered all potential component units for which it is financially accountable, including other organizations which are fiscally dependent on the City, or the significance of their relationship with the City are such that exclusion would make the financial statements misleading or incomplete. The Governmental Accounting Standards Board ("GASB") has set forth criteria to be considered in determining financial accountability, which was used in making this evaluation.

The City's financial reporting entity is comprised as follows:

Primary Government:	City of Beatrice
Blended Component Unit:	Beatrice Area Solid Waste Agency
Discretely Presented Component Units:	Beatrice Airport Authority Community Redevelopment Authority Beatrice Public Library Foundation, Inc.

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria as set forth by GASB. Blended component units either (1) have a governing body that is the same or substantially the same as the primary government and there is a financial benefit or burden between the primary government and the component unit or management of the primary government have operational responsibility for the activities of the component unit, or (2) the total debt outstanding of the component unit is expected to be repaid entirely or almost entirely with the resources of the primary

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

Blended Component Unit - Continued

government. The City has one blended component unit, as follows, which is blended into the financial statements of the City by appropriate activity type to compose the primary government presentation.

Beatrice Area Solid Waste Agency – The Beatrice Area Solid Waste Agency (“BASWA”) is a joint entity between the City of Beatrice, Gage County, Nebraska, and seven smaller communities whose purpose is to provide for operation of a solid waste disposal facility. The BASWA governing body is substantively the same as the City’s primary government and includes the Mayor, eight City Council members, and two Gage County Board members, with the City holding the voting majority. A management agreement exists between BASWA and the City in which the City undertakes the operation and management of the facilities, as agent acting on behalf of the Agency. BASWA has a September 30 fiscal year end.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria as stated by GASB. The following are the discretely presented component units:

Beatrice Airport Authority – The Beatrice Airport Authority was established to provide for the operations of the Beatrice Airport. The governing body is elected by voters of the City. The City is considered financially accountable for the Airport, as the City approves the Airport Authority’s annual budgetary request for tax levies and debt issuances, and the City would ultimately be responsible for the debt of the Airport Authority if such revenues are insufficient to meet the Airport Authority’s obligations. Information included in this financial statement is from the Airport Authority’s fiscal year end of September 30.

Community Redevelopment Authority – The Community Redevelopment Authority (“CRA”) receives and distributes tax increment financing funds. These funds are deposited with the City Treasurer as ex-officio treasurer of the authority without any commingling of the money with other City funds. The CRA has a separate governing body that is appointed by the City. The potential exists for the authority to request tax levies from the City. Based on the provisions included within GASB Statement No. 84, *Fiduciary Activities*, the CRA is presented as a custodial fund within the Fiduciary Fund financial

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

Discretely Presented Component Units – Continued

statements. Information included in this financial statement is from the CRA's fiscal year end of September 30.

Beatrice Public Library Foundation, Inc. – The Beatrice Public Library Foundation, Inc. (the "Foundation") has a separate governing body and is not fiscally dependent upon the City; however, the sole purpose of the entity is to provide funds for the financial support of the Beatrice Public Library. The Foundation makes an annual contribution from its investment earnings to the City for the purchase of library materials and remits any bequests for specific projects to benefit the library. The Foundation also donates money for certain capital improvement projects of the library. The amounts included in the City's 2022 financial statements are amounts as of and for the Foundation's fiscal year ended July 31, 2022.

Complete financial statements for the Beatrice Airport Authority and Beatrice Public Library Foundation, Inc. may be obtained from the City Finance Director, City of Beatrice, 400 Ella Street, Beatrice, NE 68310. The Community Redevelopment Authority does not issue separate financial statements.

2. Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize interfund activities. All interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, 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 expenses of a given function or segment is offset by program revenues. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Government-wide Financial Statements - Continued

segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City. *General revenues* of the City include taxes and other items which are properly excluded from the program revenues.

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds, which are comprised of individual 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, deferred outflows and inflows of resources, liabilities, fund balance or net position, revenues, and expenditures/expenses. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (i.e. General Fund) or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, 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 and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those legally or administratively required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, intergovernmental revenues, licenses, permits, charges for services and interest income.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation – Continued

Governmental Funds - Continued

Street Fund – The Street Fund is a special revenue fund used to account for operation of the street department. Revenues are provided by the City's share of state gasoline taxes, in addition to the required match from the City. State law requires these taxes to be used to construct and maintain roads, streets and improvements, and for the street program administration.

Public Safety Capital Improvements Fund – The Public Safety Capital Improvements Fund is a capital projects fund used to account for and report financial resources that are restricted or committed to expenditures for the acquisition of fixed assets or construction of major capital facilities for police, fire and rescue services.

Additionally, the City reports the following non-major fund types:

Special Revenue Funds – The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These nonmajor funds consist of the Community Development Block Grant (CDBG), economic development, keno, and 911 surcharges.

Debt Service Funds – The Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. These nonmajor funds consist of general obligation, bonded districts, and unbonded assessments.

Capital Projects Funds – The Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition of fixed assets or construction of major capital facilities not being financed by proprietary funds. The nonmajor fund consists of a capital improvements fund.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Proprietary Funds - Continued

and internal service funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds – Enterprise Funds are used to account for operations for which a fee is charged to external users. It is required to be used to account for operations that are either (a) financed with debt that is secured solely by a pledge of the net revenues from the fees or charges of the activity; or (b) required by laws or regulations stipulating that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than taxes or similar revenues; or (c) where pricing policies of the activity establish fees and charges designed to recover its costs.

Internal Service Funds – Internal Service Funds account for operations that provide services to other departments of the City, or to other governmental units on a cost reimbursement basis. The City's internal service fund consists of a self-insured health care fund which provides insurance to the employees of the City's other departments.

The City reports the following major proprietary funds:

Electric Fund – The Electric Fund accounts for the revenues and expenses of the electric utility. The electric utility purchases electricity wholesale and retails it to the residents of the City.

Water Fund – The Water Fund accounts for the revenues and expenses of the water utility. The water utility pumps, transmits, stores, and distributes water to the residents of the City.

Water Pollution Control Fund – The Water Pollution Control Fund is used to account for the revenues and expenses of the water pollution control utility. The water pollution control utility provides for the collection and treatment services of waste water for the residents of the City.

Beatrice Area Solid Waste Agency Fund – The Beatrice Area Solid Waste Agency Fund accounts for revenues and expenses for the maintenance and operation of a solid waste facility servicing Beatrice, Gage County, and surrounding cities and villages that enter into service agreements with the Agency. The City of Beatrice undertakes to operate and

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Statement Presentation – Continued

Proprietary Funds - Continued

manage the facilities, as agent acting on behalf of the Agency. The City contracts with a private contractor for operation of the recycling center.

Sanitation Fund – The Sanitation Fund is used to account for the revenues and expenses of the garbage collection utility. The garbage collection utility provides for the collection of residential and commercial garbage for the residents of the City, as well as, residential and commercial customers in Gage County and surrounding cities and villages that enter into service agreements with the City.

Fiduciary Funds

Custodial Funds – The Community Redevelopment Authority has the potential to request tax levies from the City.

Prior-Year Summarized Financial Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2021, from which the summarized information was derived. Summarized information for the year ended September 30, 2021 has not been updated for the adoption of GASB Statement No. 87, *Leases*.

3. Measurement Focus and Basis of Accounting

The government-wide financial statements include governmental and business-type activities which are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as the eligibility requirements imposed by the provider have been met.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

Governmental fund financial statements are prepared on the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, including interest on long-term debt, as well as expenditures on other long-term liabilities (i.e. accrued compensated absences, registered warrants, etc.) are only recorded when payment is due. Capital assets are recognized as expenditures in the period incurred.

Property taxes, sales taxes, highway user fees, interdepartmental charges, and interdepartmental revenues are all considered to be susceptible to accrual. Special assessments are recorded as revenues in the year the assessment become current. Annual installments not yet due are reflected as special assessment receivables and deferred inflows of resources.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, 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.

5. Income Taxes

The Internal Revenue Service has determined that the Beatrice Public Library Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Beatrice Public Library Foundation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Beatrice Public Library Foundation

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Income Taxes - Continued

continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax laws, and new authoritative rulings.

6. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, equity in pooled cash, and original investments with maturities of three months or less from the date of acquisition. The County Treasurer's cash represents revenues collected by Gage County but not yet remitted to the City at September 30, 2022.

The City may invest in certificates of deposits, money market funds, and U.S. treasury bills, notes, or bonds, at financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by securities held in the City's name in the form of pledged securities, guaranteed by the full faith and credit of the U.S. Government and other similar obligations of the U.S. Government or its agencies.

Investments in the government and enterprise funds are carried at fair value based on quoted market prices.

7. Receivables

In the financial statements, receivables consist of all revenues earned at year end and not yet received. Receivables not received within 60 days of fiscal year end in the governmental funds are deferred as unavailable revenues. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ambulance billings, CDBG loans, economic development loans, sales tax, highway user fees, and property taxes. Business-type activities report utility billings as their major receivable.

8. Lease Receivable

The City is a lessor for certain noncancellable leases for the use of certain land, buildings, and towers, and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Lease Receivable - Continued

date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease terms.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Inventories and Prepaid Items

Inventories are stated at cost. Cost is determined by the first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

10. Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. Restricted assets are primarily related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

11. Collateral Deposit

The Electric fund of the City is a transmission dependent utility of certain regional transmission organizations. The collateral deposit represents funds remitted to a regional transmission organization as a form of financial assurance to secure the City's performance under the terms and conditions of the respective tariffs related to the purchase of transmission service, market services, ancillary services and related products or services.

12. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, drainage systems, street lights, and similar items).

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Capital Assets - Continued

Government-wide Statements

In the government-wide financial statements, capital assets are capitalized, whether owned by governmental activities or business-type activities, and depreciated in the government-wide financial statements. Capital assets, including infrastructure are defined as assets with an initial cost of \$500 or more and an estimated useful life of more than five years.

Capital assets are stated at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, if any, are reported at acquisition value. The accounting for property, plant, and equipment and accumulated depreciation in the Electric, Water, and Water Pollution Control enterprise funds is recorded at cost less retirements in the manner prescribed by the Federal Energy Regulatory Commission and/or the National Association of Railroad and Utilities Commissioners.

Major expenditures for capital assets which substantially extend the useful lives of the asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized. When capital assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in income.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 - 10 years
Office and computer equipment	5 - 10 years
Tools and work equipment	5 - 15 years
Electric load management system	10 years
Electric distribution system	25 years
Water wells and transmission	25 years
Water storage and distribution	25 years
Water pollution control disposal plant	25 years
Sewer collection lines and lift stations	25 years
Buildings	15 - 50 years
Infrastructure	5 - 50 years

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Capital Assets - Continued

Fund Financial Statements

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

13. Compensated Absences

City and Beatrice Public Works employees earn sick leave at the rate of one day per month, except fire captains and fire union employees that earn 16 hours per month, and earn hours of vacation per pay period based on years of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Non-union city employees, union police employees, and Beatrice Public Works employees will be paid 50% of any unused sick leave hours in excess of 1,040 (maximum) on January 1 of each year. Fire captains and union fire employees will be paid 25% of any unused sick leave hours in excess of 1,460 (maximum) on January 1 of each year, up to a maximum of 48 hours. Non-union city and Beatrice Public Works employees can carry up to 240 hours in vacation leave at calendar year end and fire captains and union employees (police and fire) can carry over the amount they earned in the previous year based on their years of service. Non-union and Beatrice Public Works employees are allowed to sell back 80 hours of vacation at calendar year end.

All accumulated vacation is payable upon separation from the City, as long as written notice is given two weeks prior to separation. Upon separation from employment, non-union city employees and Beatrice Public Works employees will receive 50% of any accumulated unused sick leave hours, and upon death or reaching the age of 55, employees shall be compensated for 75% of any accumulated unused sick leave. Fire captains, union police and fire employees, and Beatrice Public Works employees hired after October 1, 2008, do not receive any payout of sick leave upon separation from employment. For fire captains and union police and fire employees hired before October 1, 2008, they will be paid out as follows: fire captains and union fire employees upon separation from employment will receive 50% of any accumulated unused sick leave hours, up to maximum of 540 hours, and upon retirement or death shall be compensated for 75% of any accumulated unused sick leave hours, up to a maximum of 780 hours; union police employees, which have been employed at least five years, will receive 50% of any accumulated unused sick leave hours, up to a maximum of 360 hours upon separation or 520 hours upon death or retirement upon the age of 60 years or older.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Compensated Absences – Continued

Compensatory time rather than overtime compensation may be given. No employee shall accrue more than 120 hours of compensatory time for hours worked. All accumulated compensatory time is paid to the employee upon his or her termination.

The amounts of unpaid vacation and compensatory time accumulated by City employees are accrued as expenses when incurred in proprietary funds and reported as a fund liability. In the governmental funds the amount expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources, are reported as long-term liabilities in the Statement of Net Position and an expense in the Statement of Activities for these amounts.

14. Long-Term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations of the City consist primarily of accrued compensated absences, notes payable, bonds payable, and closure/post-closure costs.

Fund Financial Statements

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest or other long-term obligation is reported as expenditures. The accounting for the proprietary funds is the same as is in the government-wide statements.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Net Position and Fund Balance Classification

Net Position Classification

Net Position is shown in the government-wide, proprietary, and fiduciary fund financial statements. Net position is required to be classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investments in capital assets.

Restricted net position – This component of net position consists of restricted assets, reduced by liabilities related to those assets, 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.

Unrestricted net position – This component of net position consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the “restricted” or “net investment in capital assets” components of net position.

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

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories and prepaid items within this classification as they are not in spendable form.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources by either (a) externally imposed by creditors (such as through

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Net Position and Fund Balance Classification - Continued

Fund Balance Classification – Continued

a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to ordinances adopted by the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same action employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the Council delegating this responsibility to the City Treasurer through the budgetary process.

Unassigned – This classification includes the residual fund balance. Only the General Fund can report a positive unassigned balance.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The City records encumbrances in the form of an approved purchase order when the item is ordered or a contract is entered into. Those encumbrances outstanding at year end are included in restricted, committed, or assigned fund balances, as appropriate. Encumbrances can be made in any fund and do not lapse at year end.

16. Interfund Transactions

During the course of normal operations the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management. External transactions and

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. Interfund Transactions – Continued

reimbursements are appropriately accounted for as fund revenues and expenditures/expenses, or adjustments thereto, in the funds involved.

The General Fund and enterprise funds provide services for each other. Amounts charged for these services are recorded as revenue and expenditures/operating expenses in the respective funds.

17. Property Taxes

Property taxes are recorded as a receivable when levied. Based on past experience, the uncollected portion has been deemed immaterial to the City's financial statements. The portion of the taxes not collected within 60 days after fiscal period end is recorded as unavailable revenue, a deferred inflow of resources, in the governmental fund financials.

Property tax revenues are recognized in the accounting period when they become susceptible to accrual; that is, when they become both "measurable" and "available" to finance expenditures.

Property tax calendar:

Levy date	October 15
Tax bills mailed	December 1
Due date	December 31
First installment payment delinquent	May 1
Second installment payment delinquent	September 1
Lien date	January 1

Property taxes are billed and collected by the County Treasurer of Gage County, Nebraska. The City is permitted to levy taxes up to \$0.499934 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended September 30, 2022 was \$.349039 per \$100 of assessed valuation. The City has a tax margin of \$0.150895 per \$100 of assessed valuation and could raise taxes by \$1,116,598, based on the present assessed valuation of \$739,982,981, before the limit is reached.

18. Sales and Use Tax

On November 4, 1986, the citizens of the City voted in favor of a 1% city sales tax, effective April 1, 1987. A resolution adopted by the City Council stated that 30% of the sales tax

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Sales and Use Tax - Continued

revenue was to be used for street improvements and maintenance, and 70% for property tax relief. As of October 1, 2006, sales tax collected on the sale of motor vehicles is reserved for street fund expenditures as required by LB904.

On November 3, 1992, the citizens of the City voted in favor of an additional 1/2% City sales tax, effective April 1, 1993. A resolution adopted by the City Council stated that 50% of the proceeds up to a maximum annual amount of \$250,000 was to be used for the purpose of financing the economic development program to create jobs and ensure the economic stability and vitality for a ten-year period ending March 31, 2003, and the remainder of the proceeds derived on and before March 30, 2003, and 100% of the proceeds derived after March 31, 2003, was to be used for property tax relief. On November 3, 1998, voters approved to extend the effective dates of this resolution to March 31, 2013. On May 15, 2012, voters approved to continue the economic development program, to be funded \$250,000 annually from the General Fund, and the 1/2% sales tax collected after March 31, 2013, is 100% for property tax relief. On May 10, 2022, voters approved to extend the effective dates of the Economic Development program to March 31, 2029.

On November 6, 2018, the citizens of the City voted in favor of an additional 1/2% City sales tax, effective April 1, 2019, to be used solely for the purposes of financing, refinancing, acquiring, constructing, improving, equipping, furnishing, operating and maintaining a new fire station. The additional 1/2% tax shall be imposed for not more than ten years or until the final payment of bonds, including refunding bonds, to which such tax is pledged, whichever is later.

The local merchants collect the sales tax and remit it to the Nebraska Department of Revenue by the 25th of the following month. The Department of Revenue remits the sales tax to the City of Beatrice (net of a collection fee) within 30 days after they receive it.

19. 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 by character and function for the governmental funds and by operating and non-operating for the proprietary funds. In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

20. New Accounting Standards

During 2022, the City implemented the provisions of the following new accounting standards:

GASB Statement No. 87, *Leases*. As a lessor, the City recognizes a lease receivable and deferred inflow of resources that will be recognized over the term of the lease. Adoption of GASB 87 had no effect on beginning net position or fund balances as of October 1, 2021 or on the previously reported change in net position or fund balances.

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include: Special Revenue, Capital Projects, and Debt Service.

2. Deposit Laws and Regulations

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

State law requires collateralization of all deposits with federal depository insurance or with pledged securities, the types of which are specifically identified in the Statutes, having an aggregate value at least equal to the amount of the deposits. Any cash deposits or certificates of deposit in excess of the Federal Deposit Insurance Corporation (FDIC) limits are insured by collateral held by the pledging institution in the City's name.

Statutes authorize the City Treasurer (Finance Director) to deposit all money collected, received, or held by the Treasurer in state and national banks of approved and responsible standing. Statutes also authorize the City Treasurer to purchase certificates of deposit from banks selected as depositories of City funds.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

2. Deposit Laws and Regulations - Continued

For the security of the funds so deposited, the City Treasurer shall require each depository bank to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the City and be approved by the Mayor. Such bond shall be deposited with the City Finance Director.

In-lieu-of the bond requirement, any bank making application to become a depository of the City may deposit security with the City Finance Director as provided in State Statute 16-715. Provided, that the penal sum of said bond of the sum of said pledge of assets shall be of the value equal to or greater than the amount of the deposit in excess of that portion of said deposit insured by the FDIC.

The City Treasurer shall not have on deposit in any bank at any time more than either (1) the maximum amount of the bond given by said bank if the bank gives a surety bond, nor in any bank giving a personal bond, more than one-half of the amount of the bond of such bank, and the amounts on deposit any time with any such bank shall not in either case exceed the paid-up capital stock and surplus of such bank; or (2) ninety percent of the par value of the securities furnished by said bank in cases where the bank deposits securities approved by the City Treasurer in-lieu-of a bond.

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources by state or local requirements.

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.

5. Budgetary Data

An appropriated budget is adopted each fiscal period for the General, Special Revenue, Debt Service, and Capital Projects Funds on the modified accrual basis, further modified by the encumbrance method of accounting to provide a meaningful comparison of actual results with the budgets. Commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. An appropriated budget is adopted each fiscal period for each Enterprise Fund and Internal Service Fund on the accrual basis which is consistent with GAAP.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

5. Budgetary Data - Continued

There were no differences between the City's budgetary basis and GAAP basis for the governmental funds as of September 30, 2022.

The City follows these procedures in establishing the budgetary data reflected in the financial statements: 1) Prior to September 10, the City Administrator submitted to the Mayor and City Council a proposed operating budget for the fiscal period commencing October 1, 2021, and ending September 30, 2022 that includes proposed expenditures and the means of financing them; 2) Public hearings are conducted to obtain taxpayer comments; 3) Prior to September 20, the budget is legally enacted through passage of an ordinance.

The City Council approves, by ordinance, total budget appropriations for the General, Special Revenue, Debt Service, with the exception of Bonded Districts, and Capital Project funds. The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter total appropriations of any fund must be approved by the City Council.

The City Council adopts by ordinance the total City budget; by resolution, on a fund basis; and the budgetary control for internal purposes is exercised at the department level. The City Council must approve any supplemental appropriations to a fund. Unused appropriations lapse at period end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the fiscal period.

NOTE C. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the Board of Public Works, Beatrice Area Solid Waste Agency, and Beatrice Airport Authority. Each fund's portion of this pool is displayed on their respective combining balance sheets as "Cash and cash equivalents" and "Investments." The deposits and investments of the aforementioned funds are held separately from those of other City funds. The City's funds are deposited in non-interest bearing accounts, interest bearing accounts, and non-negotiable certificates of deposit at state and national banks.

The Board of Public Works maintains certificates of deposits, money market accounts for restricted assets for customer deposits and its various debt accounts including the Bond Payment Account and the Debt Service Reserve Account. The Airport Authority maintains restricted cash and cash equivalents to be used for future debt service. These accounts are identified on the

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE C. CASH AND INVESTMENTS - CONTINUED

balance sheet as "Restricted Cash and Cash Equivalents" or "Restricted Investments" in the financial statements.

1. Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's cash deposits, including certificates of deposit, are insured up to \$250,000 for each depositor (City and Beatrice Public Works), per insured financial institution, for each ownership category by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2022, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of pledged securities.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2022, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

Beatrice Public Library Foundation

At July 31, 2022, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$250,610, which equals the amount included in the financial statements. The Federal Deposit Insurance Corporation insures amounts up to \$250,000 at each financial institution. At July 31, 2022, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2022, money market accounts held in brokerage accounts were \$172,642.

2. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy requires that market conditions and investment securities be analyzed

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE C. CASH AND INVESTMENTS - CONTINUED

2. Interest Rate Risk - Continued

to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

3. Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City of Beatrice controls this risk by adopting a policy that establishes requirements for the investment of City funds that the City invest its surplus funds only in certificates of deposit in local financial institutions, which have a place of business in Beatrice, Nebraska, and in securities of the United States government.

4. Concentration of Credit Risk

The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2022, the City's significant investment concentrations are as follows:

Certificates of deposit	
Pinnacle Bank	31.90%
Security First Bank	49.20%

5. Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City has no investments denominated in foreign currency at September 30, 2022.

6. Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposits and investment balances as of September 30, 2022:

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE C. CASH AND INVESTMENTS - CONTINUED

6. Summary of Deposit and Investment Balances - Continued

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Totals</u>	<u>Component Units</u>
Cash on deposit	\$ 104,308	\$ 18,411	\$ 122,719	\$ 3,938
Demand deposits	26,294,025	-	26,294,025	991,069
Time deposits	7,079,720	-	7,079,720	250,610
Investments	1,011,501	-	1,011,501	1,603,747
Totals	<u>\$ 34,489,554</u>	<u>\$ 18,411</u>	<u>\$ 34,507,965</u>	<u>\$ 2,849,364</u>

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Totals</u>	<u>Component Units</u>
Cash and cash equivalents	\$ 25,677,830	\$ -	\$ 25,677,830	\$ 1,172,274
Cash on deposit	104,308	-	104,308	3,938
Investments	4,332,746	-	4,332,746	1,486,644
Restricted Assets:				
Cash and cash equivalents	256,953	-	256,953	69,405
Cash on deposit	-	18,411	18,411	-
Investments	4,117,717	-	4,117,717	117,103
	<u>\$ 34,489,554</u>	<u>\$ 18,411</u>	<u>\$ 34,507,965</u>	<u>\$ 2,849,364</u>

As of September 30, 2022, the Beatrice Airport Authority had cash on deposit with the Gage County Treasurer of \$3,938 and demand deposits of \$991,069. The Beatrice Public Library Foundation, Inc. had time deposits of \$250,610 and investments of \$1,603,747 as of July 31, 2022.

See further information on the City's and Foundation's investments on the following pages.

Investments

At September 30, 2022, the City had the following investments, maturities, and credit ratings:

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE C. CASH AND INVESTMENTS - CONTINUED

6. Summary of Deposit and Investment Balances - Continued

Investments – Continued

	September 30, 2022						Fair Value Hierarchy Level
Type	Carrying Value	Maturities in Years			Ratings		
		Less than 1	1 - 5	6 - 10	Moody's	S&P	
Primary Government:							
Certificates of Deposit	\$ 7,079,720	\$ 3,467,597	\$ 3,612,123	-	Not rated	Not rated	N/A
Mutual Funds	1,011,501	1,011,501	-	-	Not rated	Not rated	Level 2
Total Primary Government	\$ 8,091,221	\$ 4,479,098	\$ 3,612,123	\$ -			

7. Library Foundation Investments

The carrying amounts, market value, unrealized gains, and unrealized losses for the Beatrice Public Library Foundation at July 31, 2022, were as follows:

	Cost	Gain	Loss	Fair Value	Fair Value Hierarchy Level
Investments Stated at Fair Value					
Unrestricted					
Governmental agencies	\$ 11,116	\$ -	\$ 6,799	\$ 4,317	Level 1
Common stock	863,825	286,163	-	1,149,988	Level 1
Corporate bonds	173,719	-	1,264	172,455	Level 1
Foreign bonds	4,963	19	-	4,982	Level 1
Government bonds	42,791	-	1,253	41,538	Level 1
Mutual Funds	87,063	-	17,162	69,901	Level 1
Preferred stock	50,182	-	6,719	43,463	Level 1
Total unrestricted	<u>1,233,659</u>	<u>286,182</u>	<u>33,197</u>	<u>1,486,644</u>	
Restricted					
Governmental agencies					
Government Asset Backed/ CMO	1,579	-	296	1,283	Level 1
Common stock	29,974	-	2,852	27,122	Level 1
Corporate bonds	25,014	9	-	25,023	Level 1
Mutual funds	40,038	-	5,918	34,120	Level 1
Preferred stock	34,476	-	4,921	29,555	Level 1
Total restricted	<u>131,081</u>	<u>9</u>	<u>13,987</u>	<u>117,103</u>	
Total	<u>\$ 1,364,740</u>	<u>\$ 286,191</u>	<u>\$ 47,184</u>	<u>\$ 1,603,747</u>	

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE C. CASH AND INVESTMENTS - CONTINUED

8. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The tables displayed on page 52 present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at year-end.

The City's investment in certificates of deposit are carried at cost, and thus are not included within the fair value hierarchy.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2022, consist of the following:

Fund	Taxes	Accounts	Lease Receivable	Loans Receivable	Special Assessments	Accrued Interest	Gross Receivables	Allowance	Net
General	\$ 818,776	\$ 856,323	\$ 447,702	\$ -	\$ -	\$ 756	\$ 2,123,557	\$ (126,440)	\$ 1,997,117
Street	170,631	231,301		-	-	-	401,932	-	401,932
Electric	-	1,984,915		-	-	95	1,985,010	(19,659)	1,965,351
Water	-	378,784	1,416,755	-	-	4,899	1,800,438	(12,892)	1,787,546
WPC	-	281,049		-	-	-	281,049	(6,049)	275,000
BASWA	-	231,455		-	-	-	231,455	-	231,455
Sanitation	-	172,303		-	-	-	172,303	-	172,303
Nonmajor							-		-
Special Revenue	-	-	6,934	1,306,759	-	2	1,313,695	(444,783)	868,912
Debt Service	298,156	10,105		-	47,486	603	356,350	-	356,350
Capital Projects	-	31,690		-	-	-	31,690	-	31,690
Internal Service	-	-		-	-	-	-	-	-
Total Primary Government	<u>\$ 1,287,563</u>	<u>\$ 4,177,925</u>	<u>\$ 1,871,391</u>	<u>\$ 1,306,759</u>	<u>\$ 47,486</u>	<u>\$ 6,355</u>	<u>\$ 8,697,479</u>	<u>\$ (609,823)</u>	<u>\$ 8,087,656</u>
Beatrice Airport Authority	9,318	42,180	695,173	-	-	4,314	750,985	-	750,985
Total Component Units	<u>\$ 9,318</u>	<u>\$ 42,180</u>	<u>\$ 695,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,314</u>	<u>\$ 750,985</u>	<u>\$ -</u>	<u>\$ 750,985</u>

The General Fund's accounts receivables are primarily made up of ambulance service receivables from numerous individuals; the Street Fund's accounts receivables are grant funds and highway user fees from the State of Nebraska; the enterprise fund's (Electric, Water, Water Pollution Control, BASWA, and Sanitation) accounts receivables are primarily made up of charges for services provided to external customers and an accrual for estimated customer usage for the period between the last billing date and the end of the period. The Beatrice Airport Authority's accounts receivable is made up of customer charges for fuel and facility rents. The accounts receivable above also include interfund receivables. See footnote G for further information on these interfund receivables/ payables.

1. Lease Receivable

The City leases certain land, buildings, and towers to various third parties, the terms of which expire through 2044. Payments increase annually based upon scheduled lease payments stated in the related agreements. The leases were measured at lease commencement. Revenue recognized under lease contracts during the years ended September 30, 2022 was \$279,141, which includes both lease revenue and interest. This revenue is included within charges for services and miscellaneous revenues in the statement of activities.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE E. CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 5,817,754	\$ 2,296	\$ -	\$ -	\$ 5,820,050
Total capital assets, not being depreciated	<u>5,817,754</u>	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>5,820,050</u>
Capital assets, being depreciated:					
Buildings and improvements	18,637,935	267,803	-	-	18,905,738
Improvements other than buildings	6,230,615	477,929	-	-	6,708,544
Machinery and equipment	13,230,697	1,485,289	(876,700)	-	13,839,286
Infrastructure	40,472,091	945,896	-	-	41,417,987
Total capital assets, being depreciated	<u>78,571,338</u>	<u>3,176,917</u>	<u>(876,700)</u>	<u>-</u>	<u>80,871,555</u>
Less: accumulated depreciation					
Buildings and improvements	(4,504,341)	(469,836)	-	-	(4,974,177)
Improvements other than buildings	(3,979,009)	(151,325)	-	-	(4,130,334)
Machinery and equipment	(8,357,722)	(873,129)	831,560	-	(8,399,291)
Infrastructure	(17,883,305)	(1,202,753)	-	-	(19,086,058)
Total accumulated depreciation	<u>(34,724,377)</u>	<u>(2,697,043)</u>	<u>831,560</u>	<u>-</u>	<u>(36,589,860)</u>
Total capital assets, being depreciated, net	<u>43,846,961</u>	<u>479,874</u>	<u>(45,140)</u>	<u>-</u>	<u>44,281,695</u>
Governmental activities capital assets, net	<u>\$ 49,664,715</u>	<u>\$ 482,170</u>	<u>\$ (45,140)</u>	<u>\$ -</u>	<u>\$ 50,101,745</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 225,386	\$ 1,309,485	\$ -	\$ -	1,534,871
Construction in progress	93,458	62,248	-	(93,458)	62,248
Total capital assets, not being depreciated	<u>318,844</u>	<u>1,371,733</u>	<u>-</u>	<u>(93,458)</u>	<u>1,597,119</u>
Capital assets, being depreciated:					
Buildings and improvements	16,367,125	290,790	-	-	16,657,915
Improvements other than buildings	68,806,034	2,332,745	(1,048,076)	93,458	70,184,161
Machinery and equipment	12,713,468	567,347	(423,762)	-	12,857,053
Total capital assets, being depreciated	<u>97,886,627</u>	<u>3,190,882</u>	<u>(1,471,838)</u>	<u>93,458</u>	<u>99,699,129</u>
Less: accumulated depreciation					
Buildings and improvements	(10,383,752)	(362,057)	-	-	(10,745,809)
Improvements other than buildings	(41,709,965)	(2,055,503)	1,040,116	-	(42,725,352)
Machinery and equipment	(6,527,742)	(942,671)	379,333	-	(7,091,080)
Total accumulated depreciation	<u>(58,621,459)</u>	<u>(3,360,231)</u>	<u>1,419,449</u>	<u>-</u>	<u>(60,562,241)</u>
Total capital assets, being depreciated, net	<u>39,265,168</u>	<u>(169,349)</u>	<u>(52,389)</u>	<u>-</u>	<u>39,136,888</u>
Business-type activities capital assets, net	<u>\$ 39,584,012</u>	<u>\$ 1,202,384</u>	<u>\$ (52,389)</u>	<u>\$ -</u>	<u>\$ 40,734,007</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE E. CAPITAL ASSETS AND DEPRECIATION - CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2022:

Governmental Activities:

General government	\$ 49,417
Public safety	709,636
Highway and streets	1,404,062
Culture and recreation	533,928
Total depreciation expense	<u>\$ 2,697,043</u>

Business-Type Activities:

Electric	\$ 1,456,455
Water	595,423
Water Pollution Control	591,009
Sanitation	286,776
BASWA	430,568
Total depreciation expense	<u>\$ 3,360,231</u>

Capital assets activity for the Beatrice Airport Authority for the year ended September 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Beatrice Airport Authority:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,321,356	\$ -	\$ -	\$ 1,321,356
Capital assets, being depreciated:				
Buildings and improvements	1,833,090	13,073	-	1,846,163
Improvements other than buildings	12,936,742	330,011	-	13,266,753
Machinery and equipment	447,288	9,628	-	456,916
Total capital assets, being depreciated	15,217,120	352,712	-	15,569,832
Less: accumulated depreciation				
Buildings and improvements	(1,571,019)	(35,866)	-	(1,606,885)
Improvements other than buildings	(5,562,419)	(249,524)	-	(5,811,943)
Machinery and equipment	(308,146)	(18,463)	-	(326,609)
Total accumulated depreciation	(7,441,584)	(303,853)	-	(7,745,437)
Total capital assets, being depreciated, net	7,775,538	48,859	-	7,824,395
Beatrice Airport Authority capital assets, net	<u>\$ 9,096,894</u>	<u>\$ 48,859</u>	<u>\$ -</u>	<u>\$ 9,145,751</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$48,598 as of July 31, 2022.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE F. RESTRICTED ASSETS

Certain assets of the City's enterprise funds and component units have 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. These assets are reported as restricted assets. The following table summarizes the restricted assets by purpose for each fund or component unit as of September 30, 2022, except for the Foundation which are as of July 31, 2022.

	Customer and Developer Deposits	Debt Service	Closure and Postclosure Account	Donor/ Grantor Restrictions	Total
Enterprise Funds					
Electric	\$ 444,866	\$ 78,632	\$ -	\$ -	\$ 523,498
Water	-	78,632	-	-	78,632
Water Pollution Control	-	67,399	-	-	67,399
BASWA	-	359,241	3,226,549	-	3,585,790
Sanitation	-	119,351	-	-	119,351
Total Enterprise Funds	<u>\$ 444,866</u>	<u>\$ 703,255</u>	<u>\$ 3,226,549</u>	<u>\$ -</u>	<u>\$ 4,374,670</u>
Component Units					
Beatrice Airport Authority	\$ -	\$ 4,176	\$ -	\$ -	\$ 4,176
Beatrice Library Foundation, Inc.	-	-	-	182,332	182,332
Total Component Units	<u>\$ -</u>	<u>\$ 4,176</u>	<u>\$ -</u>	<u>\$ 182,332</u>	<u>\$ 186,508</u>

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2022:

	Transfers Out		Transfers In		
	General Fund		Public Safety Cap. Imp. Fund	Other Governmental Funds	Total
General Fund	\$ -		\$ 864,699	\$ 527,392	\$ 1,392,091
Other Governmental Funds	72,270		-	-	72,270
Total	<u>\$ 72,270</u>		<u>\$ 864,699</u>	<u>\$ 527,392</u>	<u>\$ 1,464,361</u>

During the year ended September 30, 2022, the 911 surcharge fund transferred \$72,270 to the general fund; the general fund transferred \$527,392 to the capital improvements fund and \$864,699 to the public safety capital improvements fund.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE H. DEFICIT NET POSITION FUND BALANCES

At September 30, 2022, the Unbonded Assessments Debt Service Fund had a deficit fund balance of \$44,503 due to special assessments that were assessed during the year but not available or collected within 60 days of the end of the current fiscal period and thus considered unavailable revenue.

NOTE I. LONG-TERM OBLIGATIONS

The City issues tax anticipation and revenue bonds to finance the acquisition and construction of major capital assets. Bonded indebtedness is also entered into to advance refund revenue bonds. The tax anticipation and general obligation bonds are repaid with property taxes and certain sales tax collections recorded in the debt service fund and the revenue bonds are repaid from pledged revenues derived from the acquired or constructed assets. The City has pledged its full faith and credit as collateral for the bonds.

The City has entered into a notes payable – direct borrowing agreement with the Nebraska Department of Environment and Energy (NDEE) consisting of two separate contracts totaling \$7,550,000. The interest rate is 0%. During the year ended September 30, 2022, the City incurred project costs totaling \$1,243,296 resulting in a recognition of a project payable of \$1,243,296 under Contract D311685. The remaining available funds totaling \$6,306,704 are not reflected as long-term debt until projects costs have been incurred and loan disbursement is made by NDEE.

The City has entered into notes payable – direct financing agreements to finance the acquisition of various equipment and the installation of overhead field lighting. The interest rates on these agreements range from 1.25% to 3.95% and are payable through 2025. The agreements are collateralized by the equipment financed with the borrowing and include several instances which would constitute an event of default under the agreement, including, but not limited to, payment or other defaults, insolvency, and material adverse change in the City's financial condition. Under the agreements, in the event of such default, the lender has the ability to take possession of the collateral or also declare any outstanding indebtedness immediately due and payable.

The Beatrice Airport Authority, a component unit of the City, issues bonds to finance the purchase of land, construction of improvements to the airport facility, and construction of certain runway extension improvements. These bonds are payable from property taxes, together with revenues from the rental property of the Airport Authority. These bonds were paid in full during fiscal year 2022.

Long-term bonded debt of the City's primary government was comprised of the following individual issues:

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE I. LONG-TERM OBLIGATIONS

Original Amount	Issued ¹	Issue	Interest Rates	When Due ¹	Date Callable ¹	9/30/2022 Outstanding
Governmental Activities:						
Tax Supported and General Obligation Bonds:						
\$ 7,075,000	2020	Fire Station Bonds	1.55 - 2.30%	2021 to 2030	2025	\$ 5,755,000
\$ 2,725,000	2021	Fire Station Bonds	0.25 - 1.10%	2022 to 2030	2026	<u>2,420,000</u>
		Total Public Safety Bonds				<u>\$ 8,175,000</u>
Business-Type Activities:						
Combined Utilities Revenue Bonds:						
\$ 2,040,000	2013	Combined Utilities Revenue Refunding Bonds	0.40 - 2.30%	2014 to 2024	2018	<u>\$ 395,000</u>
		Total Combined Utilities Bonds				<u>\$ 395,000</u>
City Sanitation Revenue Bonds:						
\$ 2,730,000	2021	Revenue Bonds	0.45 - 1.50%	2022 to 2031	2026	<u>\$ 2,465,000</u>
						<u>\$ 2,465,000</u>
Beatrice Area Solid Waste Agency (BASWA) Revenue Bonds:						
\$ 1,250,000	2017	BASWA Facilities Revenue Bonds	1.10 - 2.55%	2017 to 2024	2023	\$ 460,000
\$ 825,000	2016	BASWA Facilities Revenue Refunding Bonds	0.75 - 1.75%	2017 to 2024	2021	<u>95,000</u>
		Total BASWA Bonds				<u>\$ 555,000</u>

¹ Fiscal year

All of the long-term bond issues of the City's primary government are serial bonds with principal due annually and interest due semi-annually.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations activity for the year ended September 30, 2022, for the City and its component units was as follows:

	<u>Beginning Balance *</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax supported bonds	\$ 9,390,000	\$ -	\$ (1,215,000)	\$ 8,175,000	\$ 975,000
Notes payable-direct financing agreements	242,164	-	(57,069)	185,095	59,235
Compensated absences	<u>1,126,850</u>	<u>579,128</u>	<u>(596,940)</u>	<u>1,109,038</u>	<u>514,953</u>
	<u>10,759,014</u>	<u>579,128</u>	<u>(1,869,009)</u>	<u>9,469,133</u>	<u>1,549,188</u>
Business-Type Activities:					
Revenue bonds payable	4,480,000	-	(1,065,000)	3,415,000	735,000
Notes payable-direct borrowing	-	1,243,296	-	1,243,296	20,722
Notes payable-direct financing agreement	500,127	-	(296,620)	203,507	143,048
Compensated absences	915,296	403,043	(332,034)	986,305	353,770
Closure and post-closure costs	<u>5,400,000</u>	<u>503,000</u>	<u>-</u>	<u>5,903,000</u>	<u>-</u>
	<u>11,295,423</u>	<u>2,149,339</u>	<u>(1,693,654)</u>	<u>11,751,108</u>	<u>1,252,540</u>
Primary Government	<u>\$22,054,437</u>	<u>\$2,728,467</u>	<u>\$ (3,562,663)</u>	<u>\$21,220,241</u>	<u>\$2,801,728</u>
Component Units:					
Airport Authority:					
Bonds payable	\$ 80,000	\$ -	\$ (80,000)	\$ -	\$ -
Compensated absences	86,463	17,636	(17,603)	86,496	19,081
Component Units	<u>\$ 166,463</u>	<u>\$ 17,636</u>	<u>\$ (97,603)</u>	<u>\$ 86,496</u>	<u>\$ 19,081</u>

* Restated due to adoption of GASB 87

The City's governmental funds' compensated absences will be liquidated primarily by the General Fund and the proprietary funds' compensated absences will be liquidated by the fund where the personnel costs are incurred. The Beatrice Airport Authority's compensated absences will be liquidated by its general fund. See footnote L for information about the City's closure and post-closure costs.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Annual requirements to pay principal and interest to maturity on outstanding long-term obligations are as follows:

Governmental Activities						
Fiscal Year Ending September 30	Tax Supported		Notes Payable -			
	Bonds		Direct Financing			
	Principal	Interest	Agreements			
			Principal	Interest		
2023	\$ 975,000	\$ 121,249	\$ 59,325	\$ 7,317		
2024	985,000	108,883	61,670	4,972		
2025	1,000,000	95,735	64,100	2,534		
2026	1,010,000	81,542	-	-		
2027	1,025,000	66,106	-	-		
2028-2031	3,180,000	90,554	-	-		
	<u>\$ 8,175,000</u>	<u>\$ 564,069</u>	<u>\$ 185,095</u>	<u>\$ 14,823</u>		
Business-Type Activities						
Fiscal Year Ending September 30	Revenue Bonds		Notes Payable -		Notes Payable -	
			Direct Borrowing		Direct Financing	
	Principal	Interest	Principal	Interest	Agreements	
					Principal	Interest
2023	\$ 735,000	\$ 37,450	\$ 20,722	\$ -	\$ 143,048	\$ 7,087
2024	745,000	31,829	41,444	-	60,459	2,124
2025	270,000	20,915	41,444	-	-	-
2026	270,000	18,755	41,444	-	-	-
2027	275,000	16,233	41,444	-	-	-
2028-2052	1,120,000	31,594	1,056,798	-	-	-
	<u>\$ 3,415,000</u>	<u>\$ 156,776</u>	<u>\$ 1,243,296</u>	<u>\$ -</u>	<u>\$ 203,507</u>	<u>\$ 9,211</u>

The notes payable – direct financing agreements are all collateralized by the equipment financed with the borrowing. The agreements include several instances which would constitute an event of default under the agreement, including, but not limited to, payment or other defaults, insolvency, and material adverse change in the City's financial condition. Under the agreements, in the event of such default, the lender has the ability to take possession of the collateral or also declare any outstanding indebtedness immediately due and payable.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Community Redevelopment Authority – Developer ‘Purchased’ Tax Increment Financing

Developer purchased special tax increment financing allows the CRA, with approval from the affected tax jurisdictions, to create special districts to enable public / private improvements within those districts that will generate public/ private-sector development. The CRA has entered into agreements with developers, which freezes the tax base at the predevelopment level, and the taxes generated from the incremental increases in assessed value are remitted to the developer. The agreements between the CRA and the developers expressly limit the CRA’s commitment for debt repayment to the incremental tax collected during the specified term. At the end of the term, the tax jurisdiction (i.e. City, County, School District, etc.) collects on the increased property values.

The CRA’s responsibility for this liability is limited only to the remittance of paid taxes, thus these notes and bonds are not reflected in the CRA’s financial statements. The developer financing can be either CRA issued bonds, for which the CRA is only liable for remittance of paid taxes in the special district, or privately issued debt of the developer. At September 30, 2022, there were approximately \$7,387,202 of developer purchased tax increment financing notes and bonds outstanding.

NOTE J. EMPLOYEES’ RETIREMENT PLANS

The employees of the City are covered by several retirement plans. The City participates in the following employee retirement plans:

<u>Name of Plan</u>	<u>Type of Plan</u>
Police and Firefighters	Defined Contribution Plan
Non-Uniformed Employees	Defined Contribution Plan
Board of Public Works	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan

The Police and Firefighters plan, the Non-Uniformed Employees plan, and the Board of Public Works plan are administered by trustees independent of the City, thus the assets and liabilities related to these plans are not included in the financial statements. The Deferred Compensation plan is administered by trustees independent of the City, thus the assets and liabilities related to this plan are not included in the financial statements. During 2021, the City adopted GASB 84, Fiduciary Activities, and GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 and determined that none

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

of the employee retirement plans listed above meet the criteria to be reported as Fiduciary Activities in the City's financial statements. The City does not issue separate, audited financial reports of the retirement plans noted above.

1. Police and Firefighters

Plan Description

On December 20, 1965, the City of Beatrice adopted a contributory pension plan to provide retirement benefits for regularly employed police officers and firefighters. The plan was originally created as a defined benefit plan, but was converted to a defined contribution plan on January 1, 1984. City Code assigns the authority to establish and amend benefit provisions of the plan to the City Council.

Police – Members of the Police can retire at age 60 and above with 21 or more years of service if employed prior to November 18, 1965. Members, aged 55 to 59 and those over the age of 60 employed on or after November 18, 1965, can retire with 25 or more years of service. The plan also provides death and disability benefits. A member is 40% vested after two years of service, 60% after four years, 80% after five years, and 100% after seven years. At September 30, 2022, there were 30 total participants (active and inactive) in this portion of the plan.

Firefighters – Firefighters can retire at age 55 with 21 or more years of service. Their plan also provides for death and disability benefits. A member is 40% vested after 4 years of service, plus 20% for each year thereafter up to 100%. At September 30, 2022, there were 33 total participants (active and inactive) in this portion of the plan.

Pre-1984 – Police and firefighters hired prior to January 1, 1984, participate in the defined contribution plan, but are entitled to receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. There are no active participants in this plan however four retired firefighters, or their beneficiary, continue to receive monthly benefit payments under this arrangement as of September 30, 2022. The City obtained an actuarial study for this arrangement, as of October 1, 2022, which noted the assets held for future benefit payments for these individuals exceeded the actuarial value of projected future benefit payments, thus no obligation exists for the City as of September 30, 2022.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

1. Police and Firefighters - Continued

Contribution Requirements and Contributions Made

Police – The contribution rate for police employees is 7% of gross compensation, with the City also providing a 7% matching contribution. Both the City and covered employees made the required contributions, amounting to \$114,434 for the City and \$114,434 for the employees, for 2022.

Firefighters – The contribution rate for firefighter employees is 6.5% of base pay, with the City also providing a 13.0% matching contribution. Both the City and the covered employees made the required contributions, amounting to \$72,825 for the City and use of \$125,650 (total \$198,475) in forfeitures, and \$99,237 for the employees, for 2022.

2. Non-Uniformed Employees

Plan Description

On August 1, 1967, the City of Beatrice adopted a contributory pension plan to provide retirement benefits for regularly employed and appointed employees of the City. City Code assigns the authority to establish and amend benefit provisions of the various plans to the City Council. This plan also covers employees of the Airport Authority of the City of Beatrice. The plan is a defined contribution plan. The employees are eligible to participate in the plan after completing six months of full-time service and reaching age 19. The employee is always 100% vested in his or her plan contributions, plus any earnings. Employer contributions plus any earnings generated shall be vested with the employee at a rate of 25% each year, with 100% vesting upon completion of 4 or more years of plan participation. At September 30, 2022, there were 54 participants (active and inactive) in this plan.

Contribution Requirements and Contributions Made

The contribution rate for the non-uniformed employees is 6.0% of base pay, with the City also providing a 6.0% matching contribution. Both the City and the covered employees made the required contributions, amounting to \$131,808 for the City and \$131,808 for the employees, for 2022.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

3. Board of Public Works

Plan Description

The City of Beatrice Board of Public Works (BPW) has adopted a defined contribution plan available to all employees with six months of service and who have attained the age of 19. Eligible employees are required to join the Plan on the first day of the month coinciding with or next following the date on which the eligibility requirements are met. The employee is always 100% vested in his or her plan contributions, plus any earnings. Employer contributions plus any earnings generated shall be vested with the employee at a rate of 25% each year, with 100% vesting upon completion of 4 or more years of plan participation. At September 30, 2022, there were 56 participants (active and inactive) in this plan. Plan provisions and contribution requirements are established by and may be amended by the Board of Public Works.

Contribution Requirements and Contributions Made

Through payroll deductions, the employee is required to make pre-tax contributions of 6% of compensation, as a condition of participating in the Plan. The Board of Public Works will make a contribution of 6% of the employee's annual compensation to the Plan. Both the Board of Public Works and covered employees made the required contributions, amounting to \$197,232 for the Board of Public Works, and \$197,232 for the employees, for 2022.

4. Deferred Compensation Plan

City and Board of Public Works employees have the option of participating in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan allows employees to defer a portion of current salary to future years, but the deferred balance is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability. All amounts of compensation deferred under the plan, including income attributed to such amounts, are placed in a trust which is not the property of the City or Board of Public Works. Employees made contributions of \$163,250 to the plan in 2022.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. These liability exposures continue to be insured through an A+ rated insurance company. Settled claims in the past three years have not exceeded the commercial coverages.

The City is exposed to various risks of loss related to medical claims of employees and dependents. The City established a Self-Insured Group Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured Group Insurance Fund provides coverage for up to a maximum of \$100,000 per person annually for medical claims.

The City funds its self-insurance program on an "incurred loss" basis. All funds of the City participate in the program and make payments to the Self-Insured Group Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-period claims. The Fund has a claims liability of \$278,834 reported at September 30, 2022.

The change in the Fund's claims liability amount in fiscal 2022 was as follows:

	<u>2022</u>
Beginning claims liability	\$ 132,844
Charges	2,976,774
Claims paid and changes in estimate	<u>(2,830,784)</u>
Ending claims liability	<u>\$ 278,834</u>

NOTE L. COMMITMENTS AND CONTINGENCIES

1. General

The City participates in some federal and state assisted grant programs. Federal and state financial assistance programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

At September 30, 2022, approximately 75% of the full-time, regular City's employees are represented by a Union. All existing labor contracts involving City employees have been negotiated to cover a period through September 2022.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE L. COMMITMENTS AND CONTINGENCIES - CONTINUED

1. General - Continued

The City is a defendant in a number of lawsuits and claims in its normal course of operations. Management is currently of the opinion that ultimate settlement of such lawsuits and claims will not have a materially adverse effect on the financial statements.

The City of Beatrice is identified as a Potentially Responsible Party as defined by the Comprehensive Environmental Compensation and Liability Act of 1980 by reason of current ownership of property with the presence of contamination. The City's exposure was up to 25% of the total clean-up costs, with the City incurring approximately \$2 million in costs, plus other professional services and legal fees for a total overall cost of \$2.5 million. In 2018, the City reached a settlement agreement with the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property to reimburse the City \$650,000 for costs previously incurred by the City. The cleanup was completed in 2019 and the property is now subject to an Environmental Covenant limiting the use and activity and shall be inspected annually until August 26, 2050. The City has accepted responsibility to perform the long-term obligations, for which costs are not known and are not estimable. In January 2021, a settlement with Centel Corporation was reached in which Centel Corporation agreed to pay to the City \$700,000, to be placed in a dedicated and segregated fund for the sole use of maintaining compliance with the Environmental Covenant until the allocation agreement is terminated. This amount is recorded as restricted fund balance in the Governmental Funds Balance Sheet and as restricted net position in the Statement of Net Position at September 30, 2022.

The City invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

2. Closure and Postclosure Care Cost

The Beatrice Area Solid Waste Agency, a fund of the City, owns and operates both a municipal solid waste landfill and a construction and demolition debris landfill. State and federal laws and regulations require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the municipal solid waste landfill and five subsequent years on the construction and demolition debris landfill. Although certain closure and postclosure care costs will be paid only near or after

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost - Continued

the date that the landfills stop accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of September 30, 2022.

At September 30, 2022, the City incurred a liability of approximately \$5,782,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 78% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$1,630,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 7 years).

At September 30, 2022, the City incurred a liability of approximately \$121,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 10.7% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$1,013,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 80 years). The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revisions of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The City also owns a municipal solid waste disposal area which discontinued operations in 1998, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas mitigation, and general site maintenance. In 2017, when cell 5 was constructed between this area and the current solid waste landfill the cost for closure and postclosure care were combined into the current landfill liability. Any unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded when incurred.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2022, the City holds investments of \$3,226,549 for these purposes. These are reported as restricted assets on the balance sheet. The City expects interest earnings to cover future inflation costs, however if any additional postclosure care requirements are determined, they may need to be covered by charges to future landfill users or future tax revenue.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

3. Power Purchase Agreement

During 2018, the City entered into a power purchase agreement to purchase energy from the Cottonwood Wind Project (the Project). The Project is currently rated to produce approximately 16.1 megawatts of energy, and the power purchase agreement requires the City to purchase the entire output from the Project over a period of 25 years. Payments made under the agreement during 2022 totaled \$1,412,484.

NOTE M. TAX ABATEMENTS

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in Neb.Rev.Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains accessible to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project, which must not exceed a 15-year period. For the ended September 30, 2022, the City abated \$99,772 in property tax revenue under the tax increment financing program.

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. The statute for these Acts are found in Neb. Rev. Stat. SS 77-4101. Businesses that qualify must be involved in research, data processing, finance or insurance, manufacturing, technology-related services or a headquarters operation. The Act is available to businesses transporting, wholesaling, storing, or selling products, but not to retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits, but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to requalify. For the year ended September 30, 2022, the City abated \$26,453 in sales tax revenue under these two programs.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE N. SUBSEQUENT EVENTS

On October 17, 2022, the City Council approved a resolution declaring the Airport Authority's corporate existence to cease as all of its liabilities and bonds have been met, paid in full, or otherwise discharged and the City has assumed responsibility for managing the airport operations.

REQUIRED SUPPLEMENTARY INFORMATION

City of Beatrice, Nebraska
GENERAL FUND
MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Taxes					
Property tax	\$ 2,563,255	\$ 2,563,255	\$ 2,559,060	\$ (4,195)	\$ 2,530,961
Sales tax	2,600,000	2,600,000	3,564,817	964,817	3,227,656
Occupation tax	574,000	574,000	661,567	87,567	591,410
Licenses and permits	195,100	195,100	253,757	58,657	187,356
Intergovernmental	3,463,562	3,482,082	2,537,752	(944,330)	3,290,051
Charges for services	2,300,638	2,300,638	2,474,091	173,453	2,178,121
Interest	25,000	25,000	(144,331)	(169,331)	252,695
Miscellaneous	183,932	259,932	271,639	11,707	185,674
Total Revenues	<u>11,905,487</u>	<u>12,000,007</u>	<u>12,178,352</u>	<u>178,345</u>	<u>12,443,924</u>
Expenditures					
General government	1,862,333	2,213,853	1,838,578	375,275	1,569,605
Public safety	7,388,432	7,574,432	7,496,468	77,964	7,006,161
Culture and recreation	1,391,508	1,411,508	1,446,597	(35,089)	1,331,034
Total Expenditures	<u>10,642,273</u>	<u>11,199,793</u>	<u>10,781,643</u>	<u>418,150</u>	<u>9,906,800</u>
Excess of Revenues Over Expenditures	1,263,214	800,214	1,396,709	596,495	2,537,124
Other Financing Sources (Uses)					
Insurance and settlement recoveries	500	60,500	1,365,347	1,304,847	709,234
Sales of capital assets	5,000	5,000	24,421	19,421	18,165
Transfers in	73,000	73,000	72,270	(730)	72,270
Transfers out	(1,508,500)	(1,508,500)	(1,392,091)	116,409	(285,170)
Total Other Financing Sources (Uses)	<u>(1,430,000)</u>	<u>(1,370,000)</u>	<u>69,947</u>	<u>1,439,947</u>	<u>514,499</u>
Excess Financing of Revenues and Other Sources Over Expenditures	<u>\$ (166,786)</u>	<u>\$ (569,786)</u>	<u>\$ 1,466,656</u>	<u>\$ 2,036,442</u>	<u>\$ 3,051,623</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Taxes					
Sales tax	\$ 660,000	\$ 660,000	\$ 888,807	\$ 228,807	\$ 808,146
Intergovernmental:					
State shared revenue	1,979,511	1,979,511	2,052,490	72,979	2,171,434
Federal grants	-	-	56,775	56,775	12,757
Total Intergovernmental	1,979,511	1,979,511	2,109,265	129,754	2,184,191
Charges for services	28,010	28,010	34,255	6,245	29,345
Miscellaneous	-	-	-	-	500
Total Revenues	<u>2,667,521</u>	<u>2,667,521</u>	<u>3,032,327</u>	<u>364,806</u>	<u>3,022,182</u>
Expenditures					
Personal services	904,853	904,853	891,960	12,893	863,590
Other services and charges	117,200	117,200	106,126	11,074	87,076
Supplies	293,000	293,000	283,247	9,753	271,988
Capital outlay	1,576,544	1,856,544	1,174,041	682,503	1,673,661
Debt service	4,956	4,956	4,956	-	-
Total Expenditures	<u>2,896,553</u>	<u>3,176,553</u>	<u>2,460,330</u>	<u>716,223</u>	<u>2,896,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(229,032)	(509,032)	571,997	1,081,029	125,867
Other Financing Sources					
Sales of capital assets	-	-	-	-	30,002
Insurance and settlement recoveries	-	-	225,739	225,739	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>225,739</u>	<u>225,739</u>	<u>30,002</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (229,032)</u>	<u>\$ (509,032)</u>	<u>\$ 797,736</u>	<u>\$ 1,306,768</u>	<u>\$ 155,869</u>

See independent auditor's report.

City of Beatrice
GENERAL FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 7,534,712	\$ 5,132,055
Investments	2,263,953	2,560,879
Cash on deposit - county treasurer	96,838	140,914
Accounts receivable	784,716	352,933
Taxes receivable	84,472	75,066
Due from other governments	679,471	571,048
Lease receivable	447,702	-
Accrued interest receivable	756	-
Total Assets	<u>\$ 11,892,620</u>	<u>\$ 8,832,895</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable and accrued expenses	\$ 257,213	\$ 125,284
Unearned Revenue	2,086,165	1,088,760
Total Liabilities	<u>\$ 2,343,378</u>	<u>\$ 1,214,044</u>
Deferred Inflows of Resources		
Deferred lease arrangements	437,194	-
Unavailable revenues	255,769	229,228
Total Deferred Inflows of Resources	<u>692,963</u>	<u>229,228</u>
Fund Balance		
Restricted for gas plant long-term obligation	700,000	700,000
Committed for public safety pensions	1,011,501	1,317,110
Assigned for subsequent years' expenditures	857,105	1,711,372
Unassigned	6,287,673	3,661,141
Total Fund Balance	<u>8,856,279</u>	<u>7,389,623</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,892,620</u>	<u>\$ 8,832,895</u>

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Taxes					
Property tax	\$ 2,317,255	\$ 2,317,255	\$ 2,280,090	\$ (37,165)	\$ 2,268,591
Homestead exemption allocation	140,000	140,000	151,669	11,669	139,565
Property tax credit	100,000	100,000	120,942	20,942	115,376
Interest on delinquent taxes	6,000	6,000	6,359	359	7,429
City sales tax	2,600,000	2,600,000	3,564,817	964,817	3,227,656
Utilities occupation tax	450,000	450,000	520,596	70,596	451,441
Beer and liquor occupation tax	21,000	21,000	21,035	35	22,205
Lodging occupation tax	100,000	100,000	117,421	17,421	115,684
Miscellaneous occupation tax	3,000	3,000	2,515	(485)	2,080
Total Taxes	5,737,255	5,737,255	6,785,444	1,048,189	6,350,027
Licenses and Permits					
Bicycle licenses	100	100	10	(90)	35
Pet licenses	4,500	4,500	4,363	(137)	3,712
Plumbers' licenses	500	500	1,436	936	350
Building permits	175,000	175,000	233,232	58,232	164,319
Plumbing permits	6,000	6,000	3,535	(2,465)	7,637
Mechanical permits	3,000	3,000	840	(2,160)	1,145
Miscellaneous permits	6,000	6,000	10,341	4,341	10,158
Total Licenses and Permits	195,100	195,100	253,757	58,657	187,356
Intergovernmental					
Motor vehicle tax	275,000	275,000	290,048	15,048	291,742
County library aid	23,000	23,000	23,000	-	23,000
Interlocal 911 dispatch aid	719,356	719,356	722,013	2,657	570,744
County ambulance service	180,000	180,000	180,000	-	180,000
Intergovernmental-school officer	89,437	89,437	90,850	1,413	87,684
Other intergovernmental	7,000	7,000	7,000	-	7,000
Municipal equalization funds	947,902	947,902	926,005	(21,897)	797,142
Victim assistance grants	122,251	122,251	125,926	3,675	82,750
Library state aid	2,500	2,500	2,251	(249)	2,250
Pro-Rate motor vehicle	6,500	6,500	7,568	1,068	7,362
Law Enforcement Trans Reimb	-	-	570	570	-
Other federal grants	-	-	60,089	60,089	11,021
Federal - CARES grants	-	-	-	-	1,159,765
Library grants	-	-	-	-	44,232
Federal funds police assistance	4,000	16,000	8,721	(7,279)	19,240
American Rescue Plan Act	1,086,616	1,093,136	93,711	(999,425)	6,119
CDBG downtown revitalization	-	-	-	-	-
Total Intergovernmental	3,463,562	3,482,082	2,537,752	(944,330)	3,290,051
Charges for Services					
Publication cost income	500	500	484	(16)	284
Administration miscellaneous charges	1,000	1,000	19,935	18,935	1,357
Administration services	145,904	145,904	147,991	2,087	91,425
BASWA management services	27,476	27,476	27,474	(2)	26,676
Management and legal services	366,618	366,618	370,288	3,670	359,550

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	
Charges for Services (Continued)					
CDBG administration fees	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	\$ -
Recycling agreement fees	-	-	-	-	-
Restitution - fees and damages	2,500	2,500	3,653	1,153	752
Community development miscellaneous charges	2,000	2,000	1,125	(875)	3,225
Recover demolition charges	10,000	10,000	19,208	9,208	8,799
Police charges	219,300	219,300	213,802	(5,498)	20,135
Fire charges	11,400	11,400	12,802	1,402	10,998
Ambulance charges	2,018,000	2,018,000	2,091,586	73,586	2,160,772
Ambulance contracted adjustments	(800,000)	(800,000)	(747,202)	52,798	(788,931)
Public safety miscellaneous charges	16,940	16,940	14,716	(2,224)	12,124
Opioids Settlement	-	-	5,369	5,369	-
Stop program charges	2,000	2,000	520	(1,480)	1,120
Land use agreements	17,200	17,200	28,667	11,467	17,895
Auditorium use fee	33,000	33,000	27,854	(5,146)	26,386
Water park admissions	85,000	85,000	79,015	(5,985)	73,003
Water park concessions and sales	31,500	31,500	38,046	6,546	30,957
Swim lessons	5,000	5,000	3,150	(1,850)	3,960
Mowing fees	11,000	11,000	6,272	(4,728)	5,901
Camping receipts	65,000	65,000	77,338	12,338	90,543
Farm income	8,000	8,000	10,593	2,593	8,953
Public properties miscellaneous charges	3,500	3,500	1,892	(1,608)	1,113
Library use fees	5,500	5,500	5,006	(494)	3,073
Library copying fees	3,500	3,500	4,883	1,383	3,335
Library miscellaneous charges	3,500	3,500	7,634	4,134	2,466
Parking fines and rents	1,500	1,500	740	(760)	965
School fines and fees	2,800	2,800	1,250	(1,550)	1,285
Total Charges for Services	<u>2,300,638</u>	<u>2,300,638</u>	<u>2,474,091</u>	<u>173,453</u>	<u>2,178,121</u>
Interest					
Interest earnings	25,000	25,000	(144,331)	(169,331)	252,695
Miscellaneous					
Lease income - BASWA	68,882	68,882	68,880	(2)	66,876
Donations	5,000	5,000	-	(5,000)	660
Donations - Beatrice plus program	26,000	26,000	26,496	496	25,800
Police donations	14,000	70,000	70,222	222	25,615
Fire donations	7,000	7,000	3,500	(3,500)	13,309
Water park donations	2,000	2,000	2,365	365	1,875
Public properties donations	25,000	45,000	62,367	17,367	14,517
Library donations	10,000	10,000	9,745	(255)	9,180
Library donations - foundation	25,000	25,000	27,693	2,693	22,263
Sidewalk program	1,050	1,050	371	(679)	5,580
Total Miscellaneous	<u>183,932</u>	<u>259,932</u>	<u>271,639</u>	<u>11,707</u>	<u>185,674</u>
Total Revenues	<u>\$ 11,905,487</u>	<u>\$ 12,000,007</u>	<u>\$ 12,178,352</u>	<u>\$ 178,345</u>	<u>\$ 12,443,924</u>

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
General Government					
Administration					
Personal services	\$ 986,389	\$ 1,046,389	\$ 1,053,744	\$ (7,355)	\$ 931,643
Other services and charges	142,100	142,100	148,673	(6,573)	120,746
Supplies	7,350	7,350	9,128	(1,778)	8,503
Capital outlay	83,000	314,520	100,423	214,097	10,950
Contingency	120,000	120,000	18,707	101,293	37,233
Contractual services	184,565	244,565	191,493	53,072	151,906
Total Administration	1,523,404	1,874,924	1,522,168	352,756	1,260,981
Community Development					
Personal services	228,549	228,549	231,425	(2,876)	226,725
Other services and charges	103,480	103,480	80,340	23,140	78,999
Supplies	6,200	6,200	4,645	1,555	2,900
Capital outlay	700	700	-	700	-
Total Community Development	338,929	338,929	316,410	22,519	308,624
Total General Government	1,862,333	2,213,853	1,838,578	375,275	1,569,605
Public Safety					
Police					
Personal services	3,618,115	3,696,115	3,740,650	(44,535)	3,335,641
Other services and charges	342,410	357,410	340,722	16,688	292,635
Supplies	77,500	77,500	99,197	(21,697)	73,958
Capital outlay	60,098	128,098	48,798	79,300	82,528
Contractual services	60,000	60,000	65,240	(5,240)	61,300
Contingencies	3,000	3,000	1,500	1,500	2,000
Total Police	4,161,123	4,322,123	4,296,107	26,016	3,848,062
Fire and Rescue					
Personal services	2,724,519	2,724,519	2,762,172	(37,653)	2,682,192
Other services and charges	342,890	367,890	302,647	65,243	327,831
Supplies	144,900	144,900	128,376	16,524	136,318
Capital outlay	15,000	15,000	7,166	7,834	11,758
Total Fire and Rescue	3,227,309	3,252,309	3,200,361	51,948	3,158,099
Total Public Safety	7,388,432	7,574,432	7,496,468	77,964	7,006,161

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Totals
Culture and Recreation					
Public Properties					
Personal services	\$ 470,511	\$ 470,511	\$ 455,868	\$ 14,643	\$ 449,002
Other services and charges	131,415	131,415	150,820	(19,405)	102,941
Supplies	144,300	144,300	161,190	(16,890)	137,956
Capital outlay	62,200	82,200	112,317	(30,117)	43,369
Contractual services	80,000	80,000	63,346	16,654	47,144
Total Public Properties	<u>888,426</u>	<u>908,426</u>	<u>943,541</u>	<u>(35,115)</u>	<u>780,412</u>
Library					
Personal services	317,795	317,795	328,716	(10,921)	328,762
Other services and charges	65,715	65,715	57,897	7,818	60,425
Supplies	10,900	10,900	12,204	(1,304)	6,694
Capital outlay	108,672	108,672	104,239	4,433	154,741
Total Library	<u>503,082</u>	<u>503,082</u>	<u>503,056</u>	<u>26</u>	<u>550,622</u>
Total Culture and Recreation	<u>1,391,508</u>	<u>1,411,508</u>	<u>1,446,597</u>	<u>(35,089)</u>	<u>1,331,034</u>
Total Expenditures	<u>10,642,273</u>	<u>11,199,793</u>	<u>10,781,643</u>	<u>418,150</u>	<u>9,906,800</u>
Excess of Revenues Over Expenditures	1,263,214	800,214	1,396,709	596,495	2,537,124
Other Financing Sources (Uses)					
Insurance and settlement recoveries	500	60,500	1,365,347	1,304,847	709,234
Sale of capital assets	5,000	5,000	24,421	19,421	18,165
Transfers in	73,000	73,000	72,270	(730)	72,270
Transfers out	(1,508,500)	(1,508,500)	(1,392,091)	116,409	(285,170)
Total Other Financing Sources (Uses)	<u>(1,430,000)</u>	<u>(1,370,000)</u>	<u>69,947</u>	<u>1,439,947</u>	<u>514,499</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (166,786)</u>	<u>\$ (569,786)</u>	1,466,656	<u>\$ 2,036,442</u>	3,051,623
Fund Balance, Beginning of Year, as previously reported			<u>7,389,623</u>		<u>4,338,000</u>
Fund Balance, End of Year			<u>\$ 8,856,279</u>		<u>\$ 7,389,623</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 2,509,211	\$ 1,629,996
Accounts receivable	59,314	13,367
Due from other governments	342,618	321,531
Due from other funds	<u>49,626</u>	<u>-</u>
Total Assets	<u><u>\$ 2,960,769</u></u>	<u><u>\$ 1,964,894</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 254,670</u>	<u>\$ 65,714</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>9,183</u>	<u>-</u>
Fund Balance		
Restricted for Streets	<u>2,696,916</u>	<u>1,899,180</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 2,960,769</u></u>	<u><u>\$ 1,964,894</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Taxes					
Sales tax	\$ 660,000	\$ 660,000	\$ 888,807	\$ 228,807	\$ 808,146
Intergovernmental					
State shared revenue	1,979,511	1,979,511	2,052,490	72,979	2,171,434
Federal grants	-	-	56,775	56,775	12,757
Total Intergovernmental	1,979,511	1,979,511	2,109,265	129,754	2,184,191
Charges for services	28,010	28,010	34,255	6,245	29,345
Miscellaneous	-	-	-	-	500
Total Revenues	2,667,521	2,667,521	3,032,327	364,806	3,022,182
Expenditures					
Personal Services					
Salaries	597,062	597,062	581,897	15,165	565,017
Social security	38,470	38,470	36,778	1,692	35,739
Retirement	27,218	27,218	27,237	(19)	26,360
Health and life insurance	194,400	194,400	195,400	(1,000)	194,400
Workmen's compensation	47,703	47,703	50,648	(2,945)	42,074
Total Personal Services	904,853	904,853	891,960	12,893	863,590
Other Services and Charges					
Insurance	26,500	26,500	24,238	2,262	24,850
Maintenance and repairs	29,500	29,500	36,365	(6,865)	18,123
Rentals	16,000	16,000	14,093	1,907	18,532
Training and transportation	2,500	2,500	1,509	991	723
Communications	3,500	3,500	2,902	598	3,433
Miscellaneous	39,200	39,200	27,019	12,181	21,415
Total Other Services and Charges	117,200	117,200	106,126	11,074	87,076
Supplies					
Operating supplies	90,000	90,000	88,243	1,757	84,783
Repairs and maintenance supplies	203,000	203,000	195,004	7,996	187,205
Total Supplies	293,000	293,000	283,247	9,753	271,988
Capital Outlay					
Buildings	-	-	-	-	107,790
Improvements other than buildings	1,453,000	1,453,000	783,050	669,950	1,543,716
Machinery and equipment	123,544	403,544	390,991	12,553	22,155
Total Capital Outlay	1,576,544	1,856,544	1,174,041	682,503	1,673,661
Debt Service					
Principal	4,238	4,238	4,238	-	-
Interest	718	718	718	-	-
Total Debt Service	4,956	4,956	4,956	-	-
Total Expenditures	\$ 2,896,553	\$ 3,176,553	\$ 2,460,330	\$ 716,223	\$ 2,896,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (229,032)	\$ (509,032)	\$ 571,997	\$ 1,081,029	\$ 125,867

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Other Financing Sources					
Lease issuance	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of capital assets	-	-	-	-	30,002
Insurance and settlement recoveries	-	-	225,739	225,739	-
Total Other Financing Sources	-	-	225,739	225,739	30,002
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (229,032)</u>	<u>\$ (509,032)</u>	797,736	<u>\$ 1,306,768</u>	155,869
Fund Balance, Beginning of Year			<u>1,899,180</u>		<u>1,743,311</u>
Fund Balance, End of Year			<u>\$ 2,696,916</u>		<u>\$ 1,899,180</u>

See independent auditor's report.

City of Beatrice, Nebraska
PUBLIC SAFETY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	<u>\$ 759,072</u>	<u>\$ 1,952,926</u>
Total Assets	<u>\$ 759,072</u>	<u>\$ 1,952,926</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 115,653</u>	<u>\$ 1,217,236</u>
Fund Balance		
Restricted for New fire station	121,307	564,804
Committed for Public safety equipment	<u>522,112</u>	<u>170,886</u>
Total Fund Balance	<u>643,419</u>	<u>735,690</u>
Total Liabilities and Fund Balance	<u>\$ 759,072</u>	<u>\$ 1,952,926</u>

See independent auditor's report.

City of Beatrice, Nebraska
PUBLIC SAFETY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Intergovernmental	\$ 210,000	\$ 390,000	\$ 387,851	\$ (2,149)	\$ 226,895
Interest earnings	-	-	725	725	4,909
Donations and other revenue	-	-	-	-	110,177
Total Revenues	<u>210,000</u>	<u>390,000</u>	<u>388,576</u>	<u>(1,424)</u>	<u>341,981</u>
Expenditures					
Capital Projects					
Police facility improvements	60,000	60,000	16,960	43,040	-
New fire station	1,800,000	1,800,000	187,458	1,612,542	6,564,861
Police equipment	392,500	392,500	274,557	117,943	66,660
Fire equipment	621,000	621,000	563,206	57,794	431,342
MFO payments - other entities	126,000	306,000	303,365	2,635	124,568
Debt service					
Bond issuance cost	-	-	-	-	24,525
Total Expenditures	<u>2,999,500</u>	<u>3,179,500</u>	<u>1,345,546</u>	<u>1,833,954</u>	<u>7,211,956</u>
Deficiency of Revenues Under Expenditures	<u>(2,789,500)</u>	<u>(2,789,500)</u>	<u>(956,970)</u>	<u>1,832,530</u>	<u>(6,869,975)</u>
Other Financing Sources					
Bond issuance	-	-	-	-	2,725,000
Transfers in	841,500	841,500	864,699	23,199	31,977
Total Other Financing Sources	<u>841,500</u>	<u>841,500</u>	<u>864,699</u>	<u>23,199</u>	<u>2,756,977</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u><u>\$(1,948,000)</u></u>	<u><u>\$(1,948,000)</u></u>	<u>(92,271)</u>	<u><u>\$ 1,855,729</u></u>	<u>(4,112,998)</u>
Fund Balance, Beginning of Year			<u>735,690</u>		<u>4,848,688</u>
Fund Balance, End of Year			<u><u>\$ 643,419</u></u>		<u><u>\$ 735,690</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2022
 With comparative totals for September 30, 2021

	2022				2021
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 1,197,711	\$ 1,528,918	\$ 102,523	\$ 2,829,152	\$ 2,321,320
Cash on deposit - county treasurer	-	7,470	-	7,470	12,301
Accounts receivable	-	-	31,690	31,690	136,000
Due from other governments	-	283,113	-	283,113	237,937
Taxes receivable	-	15,043	-	15,043	14,355
Assessments receivable	-	47,486	-	47,486	-
Loans receivable	861,976	-	-	861,976	708,468
In-lieu-of assessments	-	10,105	-	10,105	10,105
Accrued interest receivable	2	603	-	605	-
Lease receivable	6,934	-	-	6,934	-
Total Assets	<u>\$ 2,066,623</u>	<u>\$ 1,892,738</u>	<u>\$ 134,213</u>	<u>\$ 4,093,574</u>	<u>\$ 3,440,486</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable and accrued expense	\$ 17,719	\$ -	\$ 11,690	\$ 29,409	\$ 93,526
Due to other funds	-	49,626	-	49,626	-
Accrued interest payable	-	38,176	-	38,176	43,698
Total Liabilities	<u>17,719</u>	<u>87,802</u>	<u>11,690</u>	<u>117,211</u>	<u>137,224</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>6,118</u>	<u>68,039</u>	<u>20,000</u>	<u>94,157</u>	<u>109,579</u>
Fund Balance					
Restricted for:					
Economic development	1,586,679	-	-	1,586,679	1,387,212
Debt service	-	1,781,400	-	1,781,400	1,396,960
Revolving loan fund	90,981	-	-	90,981	157,559
E-911 public safety	122,541	-	-	122,541	97,452
Committed for:					
Community betterment	242,585	-	-	242,585	102,796
Assigned for:					
Subsequent years' expenditures	-	-	102,523	102,523	51,704
Unassigned	-	(44,503)	-	(44,503)	-
Total Fund Balance	<u>2,042,786</u>	<u>1,736,897</u>	<u>102,523</u>	<u>3,882,206</u>	<u>3,193,683</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,066,623</u>	<u>\$ 1,892,738</u>	<u>\$ 134,213</u>	<u>\$ 4,093,574</u>	<u>\$ 3,440,486</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022				2021
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ -	\$ 249,444	\$ -	\$ 249,444	\$ 254,576
Sales tax	-	1,482,460	-	1,482,460	1,345,267
Intergovernmental	4,183	722	47,304	52,209	743
Charges for services	97,359	-	-	97,359	96,070
Keno proceeds	170,135	-	-	170,135	148,041
Special assessments	-	4,733	-	4,733	-
Interest	2,035	390	-	2,425	2,303
Donations and other revenue	311,390	-	222,918	534,308	487,627
Total Revenues	<u>585,102</u>	<u>1,737,749</u>	<u>270,222</u>	<u>2,593,073</u>	<u>2,334,627</u>
Expenditures					
General government	273,134	-	-	273,134	413,379
Capital outlay	147,078	49,626	685,109	881,813	498,310
Debt Service:					
Principal	-	1,215,000	52,831	1,267,831	900,000
Interest	-	133,186	8,855	142,041	137,832
Total Expenditures	<u>420,212</u>	<u>1,397,812</u>	<u>746,795</u>	<u>2,564,819</u>	<u>1,949,521</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>164,890</u>	<u>339,937</u>	<u>(476,573)</u>	<u>28,254</u>	<u>385,106</u>
Other Financing Sources (Uses)					
Sale of capital assets	205,147	-	-	205,147	20,102
Bond and lease issuances	-	-	-	-	-
Transfers in	-	-	527,392	527,392	273,592
Transfers out	(72,270)	-	-	(72,270)	(92,669)
Total Other Financing Sources (Uses)	<u>132,877</u>	<u>-</u>	<u>527,392</u>	<u>660,269</u>	<u>201,025</u>
Net Change in Fund Balance	<u>297,767</u>	<u>339,937</u>	<u>50,819</u>	<u>688,523</u>	<u>586,131</u>
Fund Balance, Beginning of Year	<u>1,745,019</u>	<u>1,396,960</u>	<u>51,704</u>	<u>3,193,683</u>	<u>2,607,552</u>
Fund Balance, End of Year	<u>\$ 2,042,786</u>	<u>\$ 1,736,897</u>	<u>\$ 102,523</u>	<u>\$ 3,882,206</u>	<u>\$ 3,193,683</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2022
with comparative totals for September 30, 2021

	2022					2021
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Total	Total
Assets						
Cash and cash equivalents	\$ 751,387	\$ 72,491	\$ 251,292	\$ 122,541	\$ 1,197,711	\$ 1,045,201
Loans receivable	843,486	18,490	-	-	861,976	708,468
Accrued interest receivable	2	-	-	-	2	-
Lease receivable	6,934	-	-	-	6,934	-
Total Assets	<u>\$ 1,601,809</u>	<u>\$ 90,981</u>	<u>\$ 251,292</u>	<u>\$ 122,541</u>	<u>\$ 2,066,623</u>	<u>\$ 1,753,669</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 9,012	\$ -	\$ 8,707	\$ -	\$ 17,719	\$ 8,650
Deferred Inflows of Resources						
Deferred lease arrangements	6,118	-	-	-	6,118	-
Fund Balance						
Restricted for:						
Economic development	1,586,679	-	-	-	1,586,679	1,387,212
Revolving loan fund	-	90,981	-	-	90,981	157,559
Storm water management	-	-	-	-	-	-
E911 public safety	-	-	-	122,541	122,541	97,452
Committed for:						
Community betterment	-	-	242,585	-	242,585	102,796
Total Fund Balance	<u>1,586,679</u>	<u>90,981</u>	<u>242,585</u>	<u>122,541</u>	<u>2,042,786</u>	<u>1,745,019</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,601,809</u>	<u>\$ 90,981</u>	<u>\$ 251,292</u>	<u>\$ 122,541</u>	<u>\$ 2,066,623</u>	<u>\$ 1,753,669</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022					2021
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Total	Total
Revenues						
Intergovernmental	\$ -	\$ 4,183	\$ -	\$ -	\$ 4,183	\$ -
Charges for services	-	-	-	97,359	97,359	96,070
Keno proceeds	-	-	170,135	-	170,135	148,041
Interest	991	1,044	-	-	2,035	2,303
Miscellaneous	311,390	-	-	-	311,390	272,742
Total Revenues	<u>312,381</u>	<u>5,227</u>	<u>170,135</u>	<u>97,359</u>	<u>585,102</u>	<u>519,156</u>
Expenditures						
General government	170,983	71,805	30,346	-	273,134	413,379
Capital outlay	147,078	-	-	-	147,078	9,509
Total Expenditures	<u>318,061</u>	<u>71,805</u>	<u>30,346</u>	<u>-</u>	<u>420,212</u>	<u>422,888</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,680)	(66,578)	139,789	97,359	164,890	96,268
Other Financing Sources (Uses)						
Sale of capital assets	205,147	-	-	-	205,147	20,102
Transfers out	-	-	-	(72,270)	(72,270)	(92,669)
Total Other Financing Sources (Uses)	<u>205,147</u>	<u>-</u>	<u>-</u>	<u>(72,270)</u>	<u>132,877</u>	<u>(72,567)</u>
Net Change in Fund Balance	199,467	(66,578)	139,789	25,089	297,767	23,701
Fund Balance, Beginning of Year	<u>1,387,212</u>	<u>157,559</u>	<u>102,796</u>	<u>97,452</u>	<u>1,745,019</u>	<u>1,721,318</u>
Fund Balance, End of Year	<u>\$ 1,586,679</u>	<u>\$ 90,981</u>	<u>\$ 242,585</u>	<u>\$ 122,541</u>	<u>\$ 2,042,786</u>	<u>\$ 1,745,019</u>

See independent auditor's report.

City of Beatrice, Nebraska
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Interest	\$ 500	\$ 500	\$ 991	\$ 491	\$ 804
Miscellaneous	265,000	265,000	311,390	46,390	272,742
Total Revenues	265,500	265,500	312,381	46,881	273,546
Expenditures					
Economic development	170,000	170,000	170,983	(983)	168,066
Capital outlay	1,930,519	1,930,519	147,078	1,783,441	9,509
Total Expenditures	2,100,519	2,100,519	318,061	1,782,458	177,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,835,019)	(1,835,019)	(5,680)	1,829,339	95,971
Other Financing Sources					
Sale of capital assets	20,000	20,000	205,147	185,147	20,102
Bond issuance	1,000,000	1,000,000	-	(1,000,000)	-
Total Other Financing Sources	1,020,000	1,020,000	205,147	(814,853)	20,102
Excess of Revenues and Other Financing Sources Over Expenditures	\$ (815,019)	\$ (815,019)	199,467	\$ 1,014,486	116,073
Fund Balance, Beginning of Year			1,387,212		1,271,139
Fund Balance, End of Year			\$ 1,586,679		\$ 1,387,212

See independent auditor's report.

City of Beatrice, Nebraska
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
Intergovernmental	\$ 925,000	\$ 925,000	\$ 4,183	\$ (920,817)	\$ -
Interest	200	200	129	(71)	242
Interest on loans	175	175	915	740	1,257
Total Revenues	<u>925,375</u>	<u>925,375</u>	<u>5,227</u>	<u>(920,148)</u>	<u>1,499</u>
Expenditures					
Grant distributions	925,000	925,000	71,805	853,195	214,834
Re-use loans	123,057	123,057	-	123,057	-
Total Expenditures	<u>1,058,057</u>	<u>1,058,057</u>	<u>71,805</u>	<u>986,252</u>	<u>214,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (132,682)</u>	<u>\$ (132,682)</u>	(66,578)	<u>\$ 66,104</u>	(213,335)
Fund Balance, Beginning of Year			<u>157,559</u>		<u>370,894</u>
Fund Balance, End of Year			<u>\$ 90,981</u>		<u>\$ 157,559</u>

See independent auditor's report.

City of Beatrice, Nebraska
 KENO/LOTTERY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2021 Actual
Keno proceeds	\$ 100,000	\$ 113,000	\$ 170,135	\$ 57,135
Expenditures				
Other services and charges	17,800	30,800	30,346	454
Excess of Revenues Over Expenditures	82,200	82,200	139,789	57,589
Other Financing Uses				
Transfers out	(9,000)	(9,000)	-	9,000
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ 73,200</u>	<u>\$ 73,200</u>	139,789	<u>\$ 66,589</u>
Fund Balance, Beginning of Year			102,796	1,472
Fund Balance, End of Year			<u>\$ 242,585</u>	<u>\$ 102,796</u>

See independent auditor's report.

City of Beatrice, Nebraska
 911 SURCHARGE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Revenues					
911 service surcharge	\$ 24,000	\$ 24,000	\$ 25,089	\$ 1,089	\$ 23,800
E911 wireless surcharge	73,000	73,000	72,270	(730)	72,270
Total Revenues	<u>97,000</u>	<u>97,000</u>	<u>97,359</u>	<u>359</u>	<u>96,070</u>
Other Financing Uses					
Transfers out	<u>(73,000)</u>	<u>(73,000)</u>	<u>(72,270)</u>	<u>730</u>	<u>(72,270)</u>
Excess of Revenues Over Other Financing Uses	<u>\$ 24,000</u>	<u>\$ 24,000</u>	25,089	<u>\$ 1,089</u>	23,800
Fund Balance, Beginning of Year			<u>97,452</u>		<u>73,652</u>
Fund Balance, End of Year			<u>\$ 122,541</u>		<u>\$ 97,452</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	2022				2021
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Total
Assets					
Cash and cash equivalents	\$ 1,523,795	\$ -	\$ 5,123	\$ 1,528,918	\$ 1,185,539
Cash on deposit - county treasurer	7,470	-	-	7,470	12,301
Taxes receivable	15,043	-	-	15,043	14,355
Assessments receivable:					
Current	-		47,486	47,486	-
Accrued interest receivable	-	-	603	603	-
In-lieu-of assessments	-	10,105	-	10,105	10,105
Due from other governments	283,113	-	-	283,113	237,937
Total Assets	\$ 1,829,421	\$ 10,105	\$ 53,212	\$ 1,892,738	\$ 1,460,237
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accrued interest payable	\$ 38,176	\$ -	\$ -	\$ 38,176	\$ 43,698
Due to other funds	-	-	49,626	49,626	-
Total Liabilities	38,176	-	49,626	87,802	43,698
Deferred Inflows of Resources					
Unavailable revenue	9,845	10,105	48,089	68,039	19,579
Fund Balance					
Restricted for debt service	1,781,400	-	-	1,781,400	1,396,960
Unassigned	-	-	(44,503)	(44,503)	-
Total Fund Balance	1,781,400	-	(44,503)	1,736,897	1,396,960
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,829,421	\$ 10,105	\$ 53,212	\$ 1,892,738	\$ 1,460,237

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				2021
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Taxes					
Property taxes	\$ 249,444	\$ -	\$ -	\$ 249,444	\$ 254,576
Sales taxes	1,482,460	-	-	1,482,460	1,345,267
Intergovernmental	722	-	-	722	743
Special assessments	-	-	4,733	4,733	-
Interest on assessments	-	-	390	390	-
Total Revenues	<u>1,732,626</u>	<u>-</u>	<u>5,123</u>	<u>1,737,749</u>	<u>1,600,586</u>
Expenditures					
Capital projects:					
Public infrastructure	-	-	49,626	49,626	-
Debt service:					
Interest	133,186	-	-	133,186	137,832
Principal	1,215,000	-	-	1,215,000	900,000
Total Expenditures	<u>1,348,186</u>	<u>-</u>	<u>49,626</u>	<u>1,397,812</u>	<u>1,037,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>384,440</u>	<u>-</u>	<u>(44,503)</u>	<u>339,937</u>	<u>562,754</u>
Fund Balance, Beginning of Year	<u>1,396,960</u>	<u>-</u>	<u>-</u>	<u>1,396,960</u>	<u>834,206</u>
Fund Balance, End of Year	<u>\$ 1,781,400</u>	<u>\$ -</u>	<u>\$ (44,503)</u>	<u>\$ 1,736,897</u>	<u>\$ 1,396,960</u>

See independent auditor's report.

City of Beatrice, Nebraska
 GENERAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2021 Actual
Property taxes	\$ 249,000	\$ 249,000	\$ 249,444	\$ 444
Sales taxes	1,104,176	1,104,176	1,482,460	378,284
Intergovernmental	533	533	722	189
Total Revenues	<u>1,353,709</u>	<u>1,353,709</u>	<u>1,732,626</u>	<u>378,917</u>
Expenditures				
Debt Service:				
Interest	138,709	138,709	133,186	5,523
Principal	1,215,000	1,215,000	1,215,000	-
Total Expenditures	<u>1,353,709</u>	<u>1,353,709</u>	<u>1,348,186</u>	<u>5,523</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	384,440	<u>\$ 384,440</u>
Fund Balance, Beginning of Year			<u>1,396,960</u>	<u>834,206</u>
Fund Balance, End of Year			<u>\$ 1,781,400</u>	<u>\$ 1,396,960</u>

See independent auditor's report.

City of Beatrice, Nebraska
 UNBONDED ASSESSMENTS DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2021 Actual
Revenues				
Special assessments	\$ -	\$ -	\$ 4,733	\$ 4,733
Interest on assessments	-	-	390	390
Total Revenues	-	-	5,123	5,123
Expenditures				
Capital outlay	-	-	-	-
Public infrastructure	-	51,000	49,626	1,374
Other services and charges	-	-	-	-
Total Expenditures	-	51,000	49,626	1,374
Other Financing Sources				
Transfers in	-	51,000	-	(51,000)
Total Other Finance Sources	-	51,000	-	(51,000)
Excess (Deficiency) of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ -	(44,503)	\$ (44,503)
Fund Balance, Beginning of Year			-	-
Fund Balance, End of Year			\$ (44,503)	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	2022		2021
	Capital Improvements	Total	Total
Assets			
Cash and cash equivalents	\$ 102,523	\$ 102,523	\$ 90,580
Accounts receivable	31,690	31,690	136,000
Total Assets	<u>\$ 134,213</u>	<u>\$ 134,213</u>	<u>\$ 226,580</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	\$ 11,690	\$ 11,690	\$ 84,876
Total Liabilities	<u>11,690</u>	<u>11,690</u>	<u>84,876</u>
Deferred Inflows of Resources			
Unavailable revenues	<u>20,000</u>	<u>20,000</u>	<u>90,000</u>
Fund Balance			
Assigned for:			
Subsequent years' expenditures	<u>102,523</u>	<u>102,523</u>	<u>51,704</u>
Total Fund Balance	<u>102,523</u>	<u>102,523</u>	<u>51,704</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 134,213</u>	<u>\$ 134,213</u>	<u>\$ 226,580</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022		2021
	Capital Improvements	Total	Total
Revenues			
Intergovernmental	\$ 47,304	\$ 47,304	\$ -
Interest	-	-	-
Donations and other revenue	222,918	222,918	214,885
Total Revenues	<u>270,222</u>	<u>270,222</u>	<u>214,885</u>
Expenditures			
Capital outlay	746,795	746,795	488,801
Total Expenditures	<u>746,795</u>	<u>746,795</u>	<u>488,801</u>
Deficiency of Revenues Under Expenditures	<u>(476,573)</u>	<u>(476,573)</u>	<u>(273,916)</u>
Other Financing Sources			
Bond and lease proceeds	-	-	-
Transfers in	527,392	527,392	273,592
Total Other Financing Sources	<u>527,392</u>	<u>527,392</u>	<u>273,592</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>50,819</u>	<u>50,819</u>	<u>(324)</u>
Fund Balances, Beginning of Year	<u>51,704</u>	<u>51,704</u>	<u>52,028</u>
Fund Balances, End of Year	<u>\$ 102,523</u>	<u>\$ 102,523</u>	<u>\$ 51,704</u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2021 Actual
Revenues				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 47,304	\$ (102,696)
Donations and other revenue	521,686	521,686	222,918	(298,768)
Total Revenues	<u>671,686</u>	<u>671,686</u>	<u>270,222</u>	<u>(401,464)</u>
Expenditures				
Capital Projects				
Public building improvements	39,000	39,000	65,564	(26,564)
Police facility improvements	7,500	7,500	3,873	3,627
Library renovation	160,000	160,000	16,685	143,315
Community revitalization	-	-	-	-
Trail improvements	119,000	125,200	123,241	1,959
Park other improvements	65,000	65,000	76,624	(11,624)
Ball field improvements	535,000	535,000	274,151	260,849
Public properties equipment	75,000	75,000	36,234	38,766
Computer equipment	165,500	165,500	88,737	76,763
Debt Service				
Principal	52,831	52,831	52,831	-
Interest	8,855	8,855	8,855	-
Total Expenditures	<u>1,347,686</u>	<u>1,353,886</u>	<u>746,795</u>	<u>607,091</u>
Deficiency of Revenues Under Expenditures	<u>(676,000)</u>	<u>(682,200)</u>	<u>(476,573)</u>	<u>205,627</u>
Other Financing Sources				
Transfers in	676,000	676,000	527,392	(148,608)
Total Other Financing Sources	<u>676,000</u>	<u>676,000</u>	<u>527,392</u>	<u>(148,608)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (6,200)</u>	50,819	<u>\$ 57,019</u>
Fund Balance, Beginning of Year			<u>51,704</u>	<u>52,012</u>
Fund Balance, End of Year			<u>\$ 102,523</u>	<u>\$ 51,704</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,502,255	\$ 2,531,251
Accounts receivable	542,323	291,518
Unbilled and accrued revenues	1,422,933	1,432,033
Inventories	1,069,472	780,985
Prepaid expenses	11,444	9,443
Interest receivable	95	211
Total Current Assets	<u>7,548,522</u>	<u>5,045,441</u>
Noncurrent Assets		
Investments	1,550,484	1,510,924
Collateral deposit	<u>150,000</u>	<u>150,000</u>
Restricted cash and cash equivalents		
Customer deposits	<u>137,602</u>	<u>134,037</u>
Total Restricted Cash and Cash Equivalents	137,602	134,037
Restricted investments		
Debt service reserve account	78,632	76,887
Customer deposits	<u>307,264</u>	<u>304,026</u>
Total Restricted Investments	385,896	380,913
Capital Assets		
Land	65,058	65,058
Construction in progress	62,248	93,458
Buildings and improvements	1,692,414	1,584,595
Improvements other than building	31,327,876	31,163,240
Machinery and equipment	<u>5,031,081</u>	<u>4,905,569</u>
	38,178,677	37,811,920
Less accumulated depreciation	<u>(22,155,655)</u>	<u>(21,757,578)</u>
Net Capital Assets	16,023,022	16,054,342
Total Noncurrent Assets	<u>18,247,004</u>	<u>18,230,216</u>
Total Assets	<u>\$ 25,795,526</u>	<u>\$ 23,275,657</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,300,945	\$ 1,125,969
Accrued compensated absences	168,483	155,433
Accrued payroll	35,415	27,240
Sales tax payable	20	11
Accrued interest payable	900	1,279
Other accrued liabilities	1,939	1,486
Customer deposits	416,845	413,495
Current portion of long-term debt	68,250	68,250
Total Current Liabilities	<u>1,992,797</u>	<u>1,793,163</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	348,940	329,013
Revenue bonds	70,000	138,250
Total noncurrent liabilities	<u>418,940</u>	<u>467,263</u>
Total Liabilities	<u>2,411,737</u>	<u>2,260,426</u>
Net Position		
Net investment in capital assets	15,881,026	15,812,330
Restricted for debt service	77,708	75,608
Unrestricted	7,425,055	5,127,293
Total Net Position	<u>23,383,789</u>	<u>21,015,231</u>
Total Liabilities and Net Position	<u>\$ 25,795,526</u>	<u>\$ 23,275,657</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Totals
Operating Revenues					
Charges for services	\$ 16,555,190	\$ 16,555,190	\$ 17,435,709	\$ 880,519	\$ 17,128,788
Operating Expenses					
Electric energy purchased	10,920,000	10,920,000	10,651,101	268,899	12,903,577
Operating and maintenance expense	1,506,334	1,506,334	1,513,889	(7,555)	1,357,869
Customer accounting expenses	233,582	233,582	206,240	27,342	198,689
Engineering services	339,209	339,209	376,594	(37,385)	358,108
Administrative and general expense	998,003	998,003	997,763	240	974,580
Municipal expenses	693,685	693,685	723,007	(29,322)	699,337
Depreciation	1,435,000	1,435,000	1,456,455	(21,455)	1,436,494
Total operating expenses	16,125,813	16,125,813	15,925,049	200,764	17,928,654
Operating Income (Loss)	429,377	429,377	1,510,660	1,081,283	(799,866)
Nonoperating Revenues (Expenses)					
Investment earnings	41,700	41,700	66,429	24,729	51,739
Miscellaneous revenues	201,300	201,300	663,298	461,998	244,231
Gain on disposal of capital asset	-	-	-	-	26,857
Interest expense	(3,726)	(3,726)	(3,347)	379	(4,602)
Total nonoperating revenues	239,274	239,274	726,380	487,106	318,225
Income (Loss) Before Contributions	668,651	668,651	2,237,040	1,568,389	(481,641)
Capital Contributions	-	-	131,518	131,518	31,479
Change in Net Position	\$ 668,651	\$ 668,651	2,368,558	\$ 1,699,907	(450,162)
Net Position, Beginning of Year			21,015,231		21,465,393
Net Position, End of Year			\$ 23,383,789		\$ 21,015,231

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from customers	\$ 16,100,362	\$ 17,347,157
Cash received from collection of sales tax	1,093,642	-
Cash paid to suppliers for goods and services	(11,733,119)	(15,000,592)
Cash paid for remittance of sales tax	(1,093,632)	-
Cash paid to employees for services	(1,680,625)	(1,662,551)
Net cash provided by operating activities	<u>2,686,628</u>	<u>684,014</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>663,298</u>	<u>244,231</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(68,250)	(66,500)
Interest paid on long-term debt	(3,726)	(4,923)
Capital contributions	131,518	31,479
Proceeds from sales of capital assets	-	27,179
Purchases of capital assets	(1,456,901)	(1,467,823)
Net cash used in capital and related financing activities	<u>(1,397,359)</u>	<u>(1,480,588)</u>
Cash Flows From Investing Activities		
Purchases of investments	(98,163)	(315,167)
Sales and maturities of investments	53,620	798,732
Interest received	66,545	52,130
Net cash provided by investing activities	<u>22,002</u>	<u>535,695</u>
Net Change in Cash and Cash Equivalents	1,974,569	(16,648)
Cash and Cash Equivalents, Beginning of Year	2,665,288	2,681,936
Cash and Cash Equivalents, End of Year	<u>\$ 4,639,857</u>	<u>\$ 2,665,288</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 4,502,255	\$ 2,531,251
Restricted cash and cash equivalents	137,602	134,037
Total cash and cash equivalents	<u>\$ 4,639,857</u>	<u>\$ 2,665,288</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 1,510,660	\$ (799,866)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,456,455	1,436,494
Changes in operating assets and liabilities:		
Accounts receivable	(250,805)	942,149
Unbilled and accrued revenues	9,100	(723,780)
Materials and supplies inventory	(288,487)	(51,728)
Prepaid expenses	(2,001)	(1,663)
Accounts payable	206,742	(63,723)
Compensated absences	32,977	14,271
Customer and development deposits	3,350	(6,180)
Other accrued liabilities	8,637	(61,960)
Total adjustments	<u>1,175,968</u>	<u>1,483,880</u>
Net cash provided by operating activities	<u>\$ 2,686,628</u>	<u>\$ 684,014</u>
Supplemental Disclosure for NonCash Activities:		
Purchase of capital assets on account	\$ 3,746	\$ 35,512

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,715,772	\$ 1,763,528
Accounts receivable	69,794	39,841
Unbilled and accrued revenues	296,098	264,861
Lease receivable	81,366	-
Inventories	595,539	408,740
Prepaid expenses	7,993	7,461
Interest receivable	4,899	1,081
Total Current Assets	<u>2,771,461</u>	<u>2,485,512</u>
Noncurrent Assets		
Investments	518,309	509,752
Restricted Investments		
Debt service reserve account	78,632	138,594
Lease receivable	1,335,389	-
Capital Assets		
Land	1,410,775	101,290
Buildings and improvements	269,958	229,974
Improvements other than building	20,867,738	20,076,126
Machinery and equipment	1,327,732	1,212,200
	<u>23,876,203</u>	<u>21,619,590</u>
Less accumulated depreciation	(14,482,291)	(14,073,399)
Net Capital Assets	9,393,912	7,546,191
Total Noncurrent Assets	<u>11,326,242</u>	<u>8,194,537</u>
Total Assets	<u>\$ 14,097,703</u>	<u>\$ 10,680,049</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 190,604	\$ 81,301
Accrued compensated absences	94,654	88,522
Accrued payroll	14,823	11,913
Accrued interest payable	900	2,167
Other accrued liabilities	809	621
Current portion of long-term debt	88,972	176,790
Total Current Liabilities	<u>390,762</u>	<u>361,314</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	221,549	210,828
Revenue bonds	70,000	138,250
Notes payable - direct borrowing	1,222,574	-
Total Long-term Liabilities	<u>1,514,123</u>	<u>349,078</u>
Total Liabilities	<u>1,904,885</u>	<u>710,392</u>
Deferred Inflows of Resources		
Deferred lease arrangements	1,386,906	-
Total Deferred Inflows of Resources	<u>1,386,906</u>	<u>-</u>
Net Position		
Net investment in capital assets	7,930,652	7,176,195
Restricted for debt service	77,732	136,427
Unrestricted	2,797,528	2,657,035
Total Net Position	<u>10,805,912</u>	<u>9,969,657</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 14,097,703</u>	<u>\$ 10,680,049</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Totals
Operating Revenues					
Charges for services	\$ 2,716,500	\$ 2,716,500	\$ 2,908,700	\$ 192,200	\$ 2,709,019
Operating Expenses					
Operating and maintenance expense	1,135,516	1,135,516	1,173,991	(38,475)	1,034,095
Customer accounting expenses	125,259	125,259	123,775	1,484	113,050
Engineering services	35,000	35,000	35,004	(4)	34,380
Administrative and general expense	518,943	518,943	540,063	(21,120)	523,375
Municipal expenses	58,000	58,000	63,906	(5,906)	72,148
Depreciation	575,000	575,000	595,423	(20,423)	580,516
Total operating expenses	<u>2,447,718</u>	<u>2,447,718</u>	<u>2,532,162</u>	<u>(84,444)</u>	<u>2,357,564</u>
Operating Income	268,782	268,782	376,538	107,756	351,455
Nonoperating Revenues (Expenses)					
Investment earnings	16,500	16,500	26,295	9,795	10,385
Gain on disposal of capital asset	-	-	24,786	24,786	-
Miscellaneous revenues	5,367,100	5,367,100	254,208	(5,112,892)	158,048
Lease revenue and interest on leases	-	-	124,379	124,379	-
Interest expense	<u>(5,246)</u>	<u>(5,246)</u>	<u>(11,528)</u>	<u>(6,282)</u>	<u>(7,931)</u>
Total nonoperating revenues	<u>5,378,354</u>	<u>5,378,354</u>	<u>418,140</u>	<u>(4,960,214)</u>	<u>160,502</u>
Income Before Contributions	5,647,136	5,647,136	794,678	(4,852,458)	511,957
Capital Contributions	<u>-</u>	<u>-</u>	<u>41,577</u>	<u>41,577</u>	<u>-</u>
Change in Net Position	<u>\$ 5,647,136</u>	<u>\$ 5,647,136</u>	836,255	<u>\$ (4,810,881)</u>	511,957
Net Position, Beginning of Year			<u>9,969,657</u>		<u>9,457,700</u>
Net Position, End of Year			<u>\$ 10,805,912</u>		<u>\$ 9,969,657</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,847,510	\$ 2,714,530
Cash paid to suppliers for goods and services	(1,099,724)	(993,636)
Cash paid to employees for services	(921,850)	(914,528)
Net cash provided by operating activities	<u>825,936</u>	<u>806,366</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>254,208</u>	<u>158,048</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(176,790)	(118,340)
Interest paid on long-term debt	(12,795)	(8,662)
Capital contributions	41,577	-
Purchases of capital assets	(2,391,600)	(801,330)
Proceeds from issuance of notes payable - direct borrowing	1,243,296	-
Principal payments received on lease receivable	68,391	-
Interest payments received on lease receivable	22,344	-
Net cash used in capital and related financing activities	<u>(1,205,577)</u>	<u>(928,332)</u>
Cash Flows From Investing Activities		
Purchases of investments	(10,302)	(511,501)
Sales and maturities of investments	61,707	500,000
Interest received	26,272	10,055
Net cash provided by (used in) investing activities	<u>77,677</u>	<u>(1,446)</u>
Net Change in Cash and Cash Equivalents	(47,756)	34,636
Cash and Cash Equivalents, Beginning of Year	<u>1,763,528</u>	<u>1,728,892</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,715,772</u></u>	<u><u>\$ 1,763,528</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 1,715,772</u>	<u>\$ 1,763,528</u>
Total cash and cash equivalents	<u><u>\$ 1,715,772</u></u>	<u><u>\$ 1,763,528</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 376,538	\$ 351,455
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	595,423	580,516
Changes in operating assets and liabilities:		
Accounts receivable	(29,953)	97,188
Unbilled and accrued receivable	(31,237)	(91,677)
Materials and supplies inventory	(186,799)	(89,078)
Prepaid expenses	(532)	(1,171)
Accounts payable	82,545	14,254
Compensated absences	16,853	(26,661)
Other accrued liabilities	3,098	(28,460)
Total adjustments	<u>449,398</u>	<u>454,911</u>
Net cash provided by operating activities	<u><u>\$ 825,936</u></u>	<u><u>\$ 806,366</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ 81,714	\$ 54,956
Trace-in value for purchase of capital assets	\$ 44,500	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,603,253	\$ 2,092,481
Accounts receivable	73,293	11,869
Unbilled and accrued revenues	201,707	195,511
Prepaid expenses	5,183	4,689
Total Current Assets	<u>2,883,436</u>	<u>2,304,550</u>
Noncurrent Assets		
Restricted Investments		
Debt service reserve account	67,399	194,649
Capital Assets		
Land	16,588	16,588
Buildings and improvements	14,211,463	14,083,821
Improvements other than building	9,773,698	9,584,191
Machinery and equipment	1,829,295	2,023,168
	<u>25,831,044</u>	<u>25,707,768</u>
Less accumulated depreciation	(16,986,003)	(16,565,779)
Net Capital Assets	<u>8,845,041</u>	<u>9,141,989</u>
Total Noncurrent Assets	<u>8,912,440</u>	<u>9,336,638</u>
Total Assets	<u>\$11,795,876</u>	<u>\$11,641,188</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 41,696	\$ 205,065
Accrued compensated absences	36,167	29,772
Accrued payroll	6,724	4,784
Accrued interest payable	771	2,950
Other accrued liabilities	344	263
Current portion of long-term debt	58,500	284,960
Total Current Liabilities	<u>144,202</u>	<u>527,794</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	35,873	38,978
Revenue bonds	60,000	118,500
Total Noncurrent Liabilities	<u>95,873</u>	<u>157,478</u>
Total Liabilities	<u>240,075</u>	<u>685,272</u>
Net Position		
Net investment in capital assets	8,709,471	8,556,728
Restricted for debt service	66,628	191,699
Unrestricted	2,779,702	2,207,489
Total Net Position	<u>11,555,801</u>	<u>10,955,916</u>
Total Liabilities and Net Position	<u>\$11,795,876</u>	<u>\$11,641,188</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Totals
Operating Revenues					
Charges for services	\$ 2,252,000	\$ 2,252,000	\$ 2,330,902	\$ 78,902	\$ 2,195,891
Operating Expenses					
Operating and maintenance expense	764,155	764,155	771,523	(7,368)	678,257
Customer accounting expenses	81,373	81,373	77,528	3,845	74,066
Engineering services	35,000	35,000	35,004	(4)	34,380
Administrative and general expense	311,706	311,706	312,743	(1,037)	301,691
Municipal expenses	20,500	20,500	27,757	(7,257)	20,131
Depreciation	660,000	660,000	591,009	68,991	518,838
Total operating expenses	<u>1,872,734</u>	<u>1,872,734</u>	<u>1,815,564</u>	<u>57,170</u>	<u>1,627,363</u>
Operating Income	379,266	379,266	515,338	136,072	568,528
Nonoperating Revenues (Expenses)					
Investment earnings	21,800	21,800	21,612	(188)	16,786
Gain (loss) on disposal of capital asset	-	-	(32,675)	(32,675)	13,636
Miscellaneous revenues	22,500	22,500	93,795	71,295	20,525
Interest expense	<u>(6,364)</u>	<u>(6,364)</u>	<u>(4,185)</u>	<u>2,179</u>	<u>(10,893)</u>
Total nonoperating revenues	<u>37,936</u>	<u>37,936</u>	<u>78,547</u>	<u>40,611</u>	<u>40,054</u>
Income Before Contributions	417,202	417,202	593,885	176,683	608,582
Capital Contributions	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>8,000</u>
Change in Net Position	<u>\$ 417,202</u>	<u>\$ 417,202</u>	599,885	<u>\$ 182,683</u>	616,582
Net Position, Beginning of Year			<u>10,955,916</u>		<u>10,339,334</u>
Net Position, End of Year			<u>\$ 11,555,801</u>		<u>\$ 10,955,916</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,263,282	\$ 2,205,151
Cash paid to suppliers for goods and services	(726,345)	(629,218)
Cash paid to employees for services	(492,031)	(532,255)
Net cash provided by operating activities	<u>1,044,906</u>	<u>1,043,678</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>93,795</u>	<u>20,525</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(284,960)	(165,160)
Interest paid on long-term debt	(6,364)	(12,021)
Capital contributions	6,000	8,000
Proceeds from sales of capital assets	-	13,636
Purchases of capital assets	(491,467)	(3,604,138)
Net cash used in capital and related financing activities	<u>(776,791)</u>	<u>(3,759,683)</u>
Cash Flows From Investing Activities		
Purchases of investments	(1,496)	(1,551)
Sales and maturities of investments	128,746	766,394
Interest received	21,612	19,158
Net cash provided by investing activities	<u>148,862</u>	<u>784,001</u>
Net Change in Cash and Cash Equivalents	510,772	(1,911,479)
Cash and Restricted Cash, Beginning of Year	2,092,481	4,003,960
Cash and Restricted Cash, End of Year	<u>\$ 2,603,253</u>	<u>\$ 2,092,481</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 2,603,253</u>	<u>\$ 2,092,481</u>
Total cash and cash equivalents	<u>\$ 2,603,253</u>	<u>\$ 2,092,481</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 515,338	\$ 568,528
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	591,009	518,838
Changes in operating assets and liabilities:		
Accounts receivable	(61,424)	86,258
Unbilled and accrued revenues	(6,196)	(76,998)
Prepaid expenses	(494)	(1,084)
Accounts payable	1,362	9,133
Compensated absences	3,290	(42,592)
Other accrued liabilities	2,021	(18,405)
Total adjustments	<u>529,568</u>	<u>475,150</u>
Net cash provided by operating activities	<u>\$ 1,044,906</u>	<u>\$ 1,043,678</u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ 17,070	\$ 181,801

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2022
 With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,143,816	\$ 588,042
Accounts receivable	231,455	148,327
Total Current Assets	<u>1,375,271</u>	<u>736,369</u>
Noncurrent Assets		
Restricted investments		
Debt service reserve account	359,241	365,619
Closure and post-closure account	3,226,549	3,195,786
Total Restricted Assets	<u>3,585,790</u>	<u>3,561,405</u>
Property, Plant and Equipment		
Buildings and improvements other than buildings	8,214,849	7,982,477
Machinery and equipment	2,461,646	2,433,831
	<u>10,676,495</u>	<u>10,416,308</u>
Less accumulated depreciation	(6,509,422)	(6,082,609)
Net Capital Assets	<u>4,167,073</u>	<u>4,333,699</u>
Total Noncurrent Assets	<u>7,752,863</u>	<u>7,895,104</u>
Total Assets	<u>\$ 9,128,134</u>	<u>\$ 8,631,473</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2022
 With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 35,880	\$ 15,559
Accrued compensated absences	29,818	26,142
Accrued payroll	6,003	4,380
Accrued interest payable	9,047	14,695
Current maturities of long term-debt	418,048	566,594
Total Current Liabilities	<u>498,796</u>	<u>627,370</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	20,955	20,299
Revenue bonds	280,000	555,000
Notes payable - direct borrowings	60,459	203,533
Closure and post-closure cost	5,903,000	5,400,000
Total Noncurrent Liabilities	<u>6,264,414</u>	<u>6,178,832</u>
Total Liabilities	<u>6,763,210</u>	<u>6,806,202</u>
Net Position		
Net investment in capital assets	3,408,566	3,004,857
Restricted for debt service	350,194	350,924
Unrestricted	(1,393,836)	(1,530,510)
Net Position	<u>2,364,924</u>	<u>1,825,271</u>
Total Liabilities and Net Position	<u>\$ 9,128,134</u>	<u>\$ 8,631,473</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Operating Revenues					
Other government user fees	\$ 94,505	\$ 94,505	\$ 94,505	\$ -	\$ 94,505
Gate fees	1,286,000	1,286,000	1,703,205	417,205	1,198,754
Garbage service fees	400,000	400,000	402,552	2,552	620,170
Compost fees	154,000	154,000	148,378	(5,622)	108,001
Recycling income	1,000	1,000	707	(293)	1,081
Total Operating Revenues	<u>1,935,505</u>	<u>1,935,505</u>	<u>2,349,347</u>	<u>413,842</u>	<u>2,022,511</u>
Operating Expenses					
Personal services	390,634	390,634	420,399	(29,765)	367,028
Other services and charges	316,434	316,434	304,099	12,335	225,281
Supplies	138,450	138,450	165,229	(26,779)	119,337
Contractual services	122,358	122,358	125,154	(2,796)	119,667
Depreciation and amortization	450,000	450,000	430,568	19,432	425,697
Landfill closure and post-closure care	300,000	300,000	503,000	(203,000)	285,000
Total Operating Expenses	<u>1,717,876</u>	<u>1,717,876</u>	<u>1,948,449</u>	<u>(230,573)</u>	<u>1,542,010</u>
Operating Income	<u>217,629</u>	<u>217,629</u>	<u>400,898</u>	<u>183,269</u>	<u>480,501</u>
Nonoperating Revenues (Expenses)					
Miscellaneous revenue	500	500	131,803	131,303	4
Investment earnings	41,500	41,500	39,542	(1,958)	41,186
Interest expense	-	-	(32,590)	(32,590)	(37,728)
Total nonoperating revenues	<u>42,000</u>	<u>42,000</u>	<u>138,755</u>	<u>96,755</u>	<u>3,462</u>
Change in Net Position	<u>\$ 259,629</u>	<u>\$ 259,629</u>	<u>539,653</u>	<u>\$ 280,024</u>	<u>483,963</u>
Net Position, Beginning of Year			<u>1,825,271</u>		<u>1,341,308</u>
Net Position, End of Year			<u>\$ 2,364,924</u>		<u>\$ 1,825,271</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022	2021
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,266,219	\$ 2,060,086
Cash paid to suppliers for goods and services	(570,446)	(471,506)
Cash paid to employees for services	(414,444)	(367,566)
Net cash provided by operating activities	<u>1,281,329</u>	<u>1,221,014</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>131,803</u>	<u>4</u>
Cash Flows from Capital and Related Financing Activities		
Principal payments on bonds	(270,000)	(265,000)
Principal payments on notes	(296,620)	(290,391)
Interest paid on long-term debt	(38,238)	(42,783)
Purchases of capital assets	(267,657)	(156,011)
Net cash used in capital and related financing activities	<u>(872,515)</u>	<u>(754,185)</u>
Cash Flows from Investing Activities		
Interest received	31,642	41,186
Sales and maturities of investments	1,056,924	246,349
Purchases of investments	(1,073,409)	(685,120)
Net cash provided by (used in) investing activities	<u>15,157</u>	<u>(397,585)</u>
Net Change in Cash and Cash Equivalents	555,774	69,248
Cash and Cash Equivalents, Beginning of Year	<u>588,042</u>	<u>518,794</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,143,816</u>	<u>\$ 588,042</u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	<u>\$ 1,143,816</u>	<u>\$ 588,042</u>
Reconciliation of Net Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 400,898	\$ 480,501
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation and amortization	430,568	425,697
Changes in operating assets and liabilities:		
Accounts receivable	(83,128)	37,575
Accounts payable	24,036	(7,221)
Compensated absences	4,332	4,690
Other accrued liabilities	1,623	(5,228)
Closure / post-closure liabilities	503,000	285,000
Total adjustments	<u>880,431</u>	<u>740,513</u>
Net cash provided by operating activities	<u>\$ 1,281,329</u>	<u>\$ 1,221,014</u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ -	\$ 3,715

See independent auditor's report.

City of Beatrice, Nebraska
 SANITATION ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2022
 With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 57,554	\$ 102,757
Accounts receivable	172,303	83,060
Total Current Assets	<u>229,857</u>	<u>185,817</u>
Noncurrent Assets		
Restricted cash and cash equivalents		
Debt service account	119,351	132,500
Capital Projects	-	11,301
Total Restricted Assets	<u>119,351</u>	<u>143,801</u>
Property, Plant and Equipment		
Land	42,450	42,450
Buildings and improvements other than buildings	484,080	468,735
Machinery and equipment	2,207,299	2,138,700
	<u>2,733,829</u>	<u>2,649,885</u>
Less accumulated depreciation	(428,870)	(142,094)
Net Capital Assets	<u>2,304,959</u>	<u>2,507,791</u>
Total Noncurrent Assets	<u>2,424,310</u>	<u>2,651,592</u>
Total Assets	<u>\$ 2,654,167</u>	<u>\$ 2,837,409</u>

See independent auditor's report.

City of Beatrice, Nebraska
 SANITATION ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2022
 With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 103,449	\$ 134,016
Accrued compensated absences	24,648	12,704
Accrued payroll	9,619	6,855
Accrued interest payable	1,046	1,096
Current portion of long-term debt	<u>265,000</u>	<u>265,000</u>
Total Current Liabilities	403,762	419,671
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	5,218	3,605
Revenue bonds	<u>2,200,000</u>	<u>2,465,000</u>
Total Noncurrent Liabilities	<u>2,205,218</u>	<u>2,468,605</u>
Total Liabilities	<u>2,608,980</u>	<u>2,888,276</u>
Net Position		
Net investment in capital assets	(160,041)	(210,908)
Restricted for debt service	118,305	131,404
Unrestricted	<u>86,923</u>	<u>28,637</u>
Net Position	<u>45,187</u>	<u>(50,867)</u>
Total Liabilities and Net Position	<u><u>\$ 2,654,167</u></u>	<u><u>\$ 2,837,409</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 SANITATION ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2022
 With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Totals
Operating Revenues					
Garbage service fees	2,157,000	2,415,000	2,429,981	14,981	1,927,937
Recycling income	62,000	122,000	123,711	1,711	46,473
Roll-off customer fees	260,000	260,000	191,797	(68,203)	142,131
Total Operating Revenues	<u>2,479,000</u>	<u>2,797,000</u>	<u>2,745,489</u>	<u>(51,511)</u>	<u>2,116,541</u>
Operating Expenses					
Personal services	852,449	885,449	873,729	11,720	399,935
Other services and charges	145,921	190,921	167,681	23,240	133,053
Supplies	187,500	327,500	305,627	21,873	182,824
Contractual services	884,000	984,000	997,246	(13,246)	1,272,022
Depreciation and amortization	160,000	160,000	286,776	(126,776)	142,198
Total Operating Expenses	<u>2,229,870</u>	<u>2,547,870</u>	<u>2,631,059</u>	<u>(83,189)</u>	<u>2,130,032</u>
Operating Income (Loss)	<u>249,130</u>	<u>249,130</u>	<u>114,430</u>	<u>(134,700)</u>	<u>(13,491)</u>
Nonoperating Revenues (Expenses)					
Miscellaneous revenue	2,000	2,000	7,278	5,278	3,628
Loss on disposal of capital asset	-	-	-	-	(554)
Investment earnings	1,000	1,000	-	(1,000)	-
Bond issuance expense	-	-	-	-	(27,300)
Interest expense	(25,704)	(25,704)	(25,654)	50	(13,150)
Total nonoperating expenses	<u>(22,704)</u>	<u>(22,704)</u>	<u>(18,376)</u>	<u>4,328</u>	<u>(37,376)</u>
Change in Net Position	<u>\$ 226,426</u>	<u>\$ 226,426</u>	96,054	<u>\$ (130,372)</u>	(50,867)
Net Position, Beginning of Year			<u>\$ (50,867)</u>		<u>\$ -</u>
Net Position, End of Year			<u>\$ 45,187</u>		<u>\$ (50,867)</u>

See independent auditor's report.

City of Beatrice, Nebraska
SANITATION ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,656,246	\$ 2,092,636
Cash paid to suppliers for goods and services	(1,501,121)	(1,588,300)
Cash paid to employees for services	(857,408)	(376,771)
Net cash provided by operating activities	<u>297,717</u>	<u>127,565</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>7,278</u>	<u>3,628</u>
Cash Flows from Capital and Related Financing Activities		
Interest paid on long-term debt	(25,704)	(12,054)
Proceeds on long-term debt	-	2,702,700
Principal payments on bonds	(265,000)	-
Purchases of capital assets	(83,944)	(2,650,543)
Net cash provided by (used in) capital and related financing activities	<u>(374,648)</u>	<u>40,103</u>
Net Change in Cash and Cash Equivalents	(69,653)	171,296
Cash and Cash Equivalents, Beginning of Year	<u>246,558</u>	<u>75,262</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 176,905</u></u>	<u><u>\$ 246,558</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 57,554	\$ 102,757
Restricted cash and cash equivalents	119,351	143,801
	<u><u>\$ 176,905</u></u>	<u><u>\$ 246,558</u></u>
Reconciliation of Net Income (Loss) to Net Cash		
Provided by (used in) Operating Activities		
Operating income (loss)	\$ 114,430	\$ (13,491)
Adjustments to reconcile operating income (loss) to net cash provided		
by (used in) operating activities:		
Depreciation and amortization	286,776	142,198
Changes in operating assets and liabilities:		
Accounts receivable	(89,243)	(23,905)
Accounts payable	(30,567)	(401)
Compensated absences	13,557	16,309
Other accrued liabilities	2,764	6,855
Total adjustments	<u>183,287</u>	<u>141,056</u>
Net cash provided by (used in) operating activities	<u><u>\$ 297,717</u></u>	<u><u>\$ 127,565</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF NET POSITION
September 30, 2022
With comparative totals for September 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,023,033	\$ 1,718,075
Accounts receivable	<u>-</u>	<u>47,281</u>
Total Assets	<u><u>\$ 2,023,033</u></u>	<u><u>\$ 1,765,356</u></u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Claims incurred but not reported	<u>\$ 278,834</u>	<u>\$ 132,844</u>
Net Position		
Unrestricted	<u>1,744,199</u>	<u>1,632,512</u>
Total Liabilities and Net Position	<u><u>\$ 2,023,033</u></u>	<u><u>\$ 1,765,356</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2021 Actual
Operating Revenues					
Charges for services	\$ 3,957,400	\$ 3,957,400	\$ 3,860,263	\$ (97,137)	\$ 3,610,073
Reinsurance coverage reimbursements	75,000	75,000	43,566	(31,434)	113,439
Total Operating Revenues	4,032,400	4,032,400	3,903,829	(128,571)	3,723,512
Operating Expenses					
Health insurance claims paid	3,079,380	3,079,380	2,830,784	248,596	2,042,441
Insurance premiums	587,320	587,320	584,719	2,601	531,278
Payflex expenses	253,000	253,000	276,443	(23,443)	238,885
Other services and charges	114,200	114,200	104,346	9,854	100,362
Total Operating Expenses	4,033,900	4,033,900	3,796,292	237,608	2,912,966
Operating Income	(1,500)	(1,500)	107,537	109,037	810,546
Nonoperating Revenues (Expenses)					
Interest income	1,500	1,500	4,150	2,650	1,804
Change in Net Position	-	-	111,687	111,687	812,350
Net Position, Beginning of Year			1,632,512		820,162
Net Position, End of Year			\$ 1,744,199		\$ 1,632,512

See independent auditor's report.

City of Beatrice, Nebraska
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022
With comparative totals for September 30, 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from users	\$ 3,951,110	\$ 3,722,642
Cash paid to suppliers for services	<u>(3,650,302)</u>	<u>(2,915,748)</u>
Net cash provided by operating activities	300,808	806,894
Cash Flows From Investing Activities		
Interest received	<u>4,150</u>	<u>1,804</u>
Net Change in Cash and Cash Equivalents	<u>304,958</u>	<u>808,698</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,718,075</u>	<u>909,377</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,023,033</u></u>	<u><u>\$ 1,718,075</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 107,537	\$ 810,546
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	47,281	(870)
Claims incurred but not reported	145,990	(2,782)
Total adjustments	<u>193,271</u>	<u>(3,652)</u>
Net cash provided by operating activities	<u><u>\$ 300,808</u></u>	<u><u>\$ 806,894</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 September 30, 2022

	Beatrice Airport Authority	Beatrice Public Library Foundation	Total Component Units
Assets			
Current Assets			
Cash and cash equivalents	\$ 986,893	\$ 185,381	\$ 1,172,274
Cash on deposit - county treasurer	3,938	-	3,938
Accounts receivable	42,180	-	42,180
Taxes receivable	9,318	-	9,318
Lease receivable	129,546	-	129,546
Accrued interest receivable	4,314	-	4,314
Inventories	63,212	-	63,212
Total Current Assets	<u>1,239,401</u>	<u>185,381</u>	<u>1,424,782</u>
Noncurrent Assets			
Investments	-	1,486,644	1,486,644
Restricted Assets			
Cash and cash equivalents	4,176	65,229	69,405
Investments	-	117,103	117,103
Total Restricted Assets	<u>4,176</u>	<u>182,332</u>	<u>186,508</u>
Lease receivable	<u>565,627</u>	<u>-</u>	<u>611,972</u>
Capital Assets			
Land	1,321,356	-	1,321,356
Capital assets, net of accumulated depreciation	7,824,395	48,598	7,872,993
Net capital assets	<u>9,145,751</u>	<u>48,598</u>	<u>9,194,349</u>
Total Noncurrent Assets	<u>9,715,554</u>	<u>1,717,574</u>	<u>11,479,473</u>
Total Assets	<u><u>\$ 10,954,955</u></u>	<u><u>\$ 1,902,955</u></u>	<u><u>\$ 12,904,255</u></u>
Liabilities, Deferred Inflow of Resources, and Fund Balance			
Current Liabilities			
Accounts payable	\$ 2,749	\$ -	\$ 2,749
Accrued wages payable	5,008	-	5,008
Accrued compensated absences	19,081	-	19,081
Total Current Liabilities	<u>26,838</u>	<u>-</u>	<u>26,838</u>
Noncurrent Liabilities, Net of Current Portion			
Compensated absences	<u>67,415</u>	<u>-</u>	<u>67,415</u>
Total Noncurrent Liabilities	<u>67,415</u>	<u>-</u>	<u>67,415</u>
Total Liabilities	<u>94,253</u>	<u>-</u>	<u>94,253</u>
Deferred Inflows of Resources			
Deferred lease arrangements	<u>686,412</u>	<u>-</u>	<u>686,412</u>
Total Deferred Inflows of Resources	<u>686,412</u>	<u>-</u>	<u>686,412</u>
Net Position			
Net investment in capital assets	9,145,751	48,598	9,194,349
Restricted for debt service	4,176	-	4,176
Restricted for Library Foundation	-	209,475	209,475
Unrestricted net position	<u>1,024,363</u>	<u>1,644,882</u>	<u>2,669,245</u>
Total Net Position	<u>10,174,290</u>	<u>1,902,955</u>	<u>12,077,245</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 10,954,955</u></u>	<u><u>\$ 1,902,955</u></u>	<u><u>\$ 12,857,910</u></u>

1: Beatrice Library Foundation, Inc.'s financial information is as of its fiscal year end July 31, 2022.

See independent auditor's report.

CITY OF BEATRICE, NEBRASKA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the year ended September 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Beatrice Airport Authority	Beatrice Public Library Foundation, Inc.	Total
Expenses						
<u>Functions/Programs</u>						
Beatrice Airport Authority:						
Airport operations	\$ 1,000,606	\$ 649,575	\$ 32,000	\$ 256,468	\$ (62,563)	\$ (62,563)
Interest on long-term debt	1,487	-	-	-	(1,487)	(1,487)
Total Beatrice Airport Authority	<u>1,002,093</u>	<u>649,575</u>	<u>32,000</u>	<u>256,468</u>	<u>(64,050)</u>	<u>(64,050)</u>
Beatrice Public Library Foundation, Inc.:						
Foundation operations	62,709	-	-	-	(62,709)	(62,709)
Total Component Units	<u>\$ 1,064,802</u>	<u>\$ 649,575</u>	<u>\$ 32,000</u>	<u>\$ 256,468</u>	<u>(64,050)</u>	<u>(126,759)</u>
General Revenues						
Property tax				134,211	-	134,211
Unrestricted intergovernmental				417		417
Tax increment financing				-	-	-
Insurance recoveries				681,454	-	681,454
Miscellaneous revenues				1,168	9,133	10,301
Investment earnings				526	(95,159)	(94,633)
Total General Revenues				<u>817,776</u>	<u>(86,026)</u>	<u>731,750</u>
Change in Net Position				753,726	(148,735)	604,991
Net Position, Beginning of Year				9,420,564	2,051,690	11,472,254
Net Position, End of Year				<u>\$ 10,174,290</u>	<u>\$ 1,902,955</u>	<u>\$ 12,077,245</u>

1: Beatrice Library Foundation, Inc.'s financial information is for its fiscal year ended July 31, 2022.

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2022
 With comparative totals for September 30, 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 986,893	\$ 353,598
Cash on deposit - county treasurer	3,938	8,969
Accounts receivable	42,180	22,317
Taxes receivable	9,318	8,281
Lease receivable	129,546	-
Accrued interest receivable	4,314	-
Inventories	63,212	46,338
Total Current Assets	<u>1,239,401</u>	<u>439,503</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents - debt service	4,176	55,948
Total Restricted Assets	<u>4,176</u>	<u>55,948</u>
Lease receivable	<u>565,627</u>	<u>-</u>
Capital Assets		
Land	1,321,356	1,321,356
Capital assets, net of accumulated depreciation	<u>7,824,395</u>	<u>7,775,536</u>
Total Capital Assets	<u>9,145,751</u>	<u>9,096,892</u>
Total Noncurrent Assets	<u>9,715,554</u>	<u>9,152,840</u>
Total Assets	<u><u>\$ 10,954,955</u></u>	<u><u>\$ 9,592,343</u></u>
Liabilities, Deferred Inflows or Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 2,749	\$ 1,591
Accrued wages payable	5,008	2,972
Accrued interest payable	-	753
Compensated absences	19,081	19,906
Current maturities of long-term debt	-	80,000
Total Current Liabilities	<u>26,838</u>	<u>105,222</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	67,415	66,557
Total Noncurrent Liabilities	<u>67,415</u>	<u>66,557</u>
Total Liabilities	<u>94,253</u>	<u>171,779</u>
Deferred Inflows of Resources		
Deferred lease arrangements	686,412	-
Total Deferred Inflows of Resources	<u>686,412</u>	<u>-</u>
Net Position		
Net investment in capital assets	9,145,751	9,016,892
Restricted for debt service	4,176	55,195
Unrestricted net position	<u>1,024,363</u>	<u>348,477</u>
Total net position	<u>10,174,290</u>	<u>9,420,564</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 10,954,955</u></u>	<u><u>\$ 9,592,343</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2022
 With comparative totals for the year ended September 30, 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Property taxes	\$ 134,211	\$ 184,762
Intergovernmental revenue	32,417	13,549
Rent and use fees	216,145	199,607
Gas, oil, and jet fuel sales	361,616	152,780
Farm income	71,814	69,699
Interest income	526	463
Insurance recoveries	681,454	-
Miscellaneous revenues	1,168	1,104
Total Operating Revenues	<u>1,499,351</u>	<u>621,964</u>
Operating Expenses		
Airport operations	1,000,606	780,958
Interest on long-term debt	1,487	3,535
Total Operating Expenses	<u>1,002,093</u>	<u>784,493</u>
Income Before Capital Contributions	497,258	(162,529)
Capital Contributions	<u>256,468</u>	<u>14,386</u>
Change in Net Position	753,726	(148,143)
Net Position, Beginning of Year	<u>9,420,564</u>	<u>9,568,707</u>
Net Position, End of Year	<u><u>\$ 10,174,290</u></u>	<u><u>\$ 9,420,564</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENT OF NET POSITION
 July 31, 2022
 With comparative totals for July 31, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 185,381	\$ 221,868
Total Current Assets	<u>185,381</u>	<u>221,868</u>
Noncurrent Assets		
Investments	1,486,644	1,597,708
Cash and cash equivalents - restricted	65,229	65,161
Investments - restricted	117,103	118,355
Capital assets (net of accumulated depreciation of \$-0- in 2022 and 2021)	<u>48,598</u>	<u>48,598</u>
Total Noncurrent Assets	<u>1,717,574</u>	<u>1,829,822</u>
Total Assets	<u>\$ 1,902,955</u>	<u>\$ 2,051,690</u>
Liabilities		
Current Liabilities		
Accrued liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Net Position		
Net investment in capital assets	48,598	48,598
Restricted for Library Foundation	209,475	216,200
Unrestricted net position	<u>1,644,882</u>	<u>1,786,892</u>
Total Net Position	<u>1,902,955</u>	<u>2,051,690</u>
Total Liabilities and Net Position	<u>\$ 1,902,955</u>	<u>\$ 2,051,690</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENT OF ACTIVITIES
 For the year ended July 31, 2022
 With comparative totals for the year ended July 31, 2021

	2022	2021
Support and Revenue		
Gifts and bequests	\$ 9,133	\$ 7,549
Investment income	50,041	41,760
Gain on sale of assets	29,512	47,270
Unrealized gain (loss) on assets	(174,712)	158,356
Miscellaneous contributions	-	38
Total Support and Revenue	<u>(86,026)</u>	<u>254,973</u>
Expenses		
Professional fees	24,467	16,869
Supplies and miscellaneous	549	255
Library support	37,693	27,417
Total Expenses	<u>62,709</u>	<u>44,541</u>
Change in Net Position	(148,735)	210,432
Net Position, Beginning of Year	<u>2,051,690</u>	<u>1,841,258</u>
Net Position, End of Year	<u><u>\$ 1,902,955</u></u>	<u><u>\$ 2,051,690</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY SOURCE
 September 30, 2022
 With comparative totals for September 30, 2021

	2022	2021
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 5,820,050	\$ 5,817,754
Buildings	18,905,738	18,637,935
Improvements other than buildings	6,708,544	6,230,615
Machinery and equipment	13,839,286	13,230,697
Infrastructure	41,417,987	40,472,091
Total	<u>\$ 86,691,605</u>	<u>\$ 84,389,092</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General obligation bonds	\$ 16,331,828	\$ 15,886,157
Federal and state grants	13,557,293	12,985,161
General fund revenues	49,847,228	48,696,561
Donations	6,955,256	6,821,213
Total Investment in Governmental Funds Capital Assets	<u>\$ 86,691,605</u>	<u>\$ 84,389,092</u>

Note:

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2022
 With comparative totals for September 30, 2021

Function and Activity	2022					2021 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
GENERAL GOVERNMENT						
Administration	\$ -	\$ -	\$ -	\$ 492,220	\$ -	\$ 492,220
Legal	-	-	-	5,692	-	5,692
Community development	-	-	-	106,290	-	106,290
Total General Government	-	-	-	604,202	-	604,202
PUBLIC SAFETY						
Police	76,500	16,960	151,353	3,365,002	-	3,609,815
Fire and rescue	995,238	8,678,932	504,453	4,851,919	-	15,030,542
Total Public Safety	1,071,738	8,695,892	655,806	8,216,921	-	18,640,357
CULTURE AND RECREATION						
Public properties	4,647,734	5,576,392	5,970,534	1,513,112	-	17,707,772
Library	100,578	4,020,034	82,204	670,814	-	4,873,630
Total Culture and Recreation	4,748,312	9,596,426	6,052,738	2,183,926	-	22,581,402
STREETS AND TRAILS	-	613,420	-	2,810,896	40,387,617	43,811,933
STORM WATER MANAGEMENT	-	-	-	23,341	1,030,370	1,053,711
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 5,820,050</u>	<u>\$ 18,905,738</u>	<u>\$ 6,708,544</u>	<u>\$ 13,839,286</u>	<u>\$ 41,417,987</u>	<u>\$ 86,691,605</u>
						<u>\$ 84,389,092</u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 September 30, 2022

Function and Activity	Governmental Funds Capital Assets 10/1/21	Additions	Deductions	Governmental Funds Capital Assets 9/30/22
GENERAL GOVERNMENT				
Administration	\$ 440,399	\$ 51,821	\$ -	\$ 492,220
Legal	5,692	-	-	5,692
Community development	110,794	-	(4,504)	106,290
Total General Government	<u>556,885</u>	<u>51,821</u>	<u>(4,504)</u>	<u>604,202</u>
PUBLIC SAFETY				
Police	3,580,975	367,690	(338,850)	3,609,815
Fire and rescue	14,669,088	747,093	(385,639)	15,030,542
Total Public Safety	<u>18,250,063</u>	<u>1,114,783</u>	<u>(724,489)</u>	<u>18,640,357</u>
CULTURE AND RECREATION				
Public properties	17,139,751	600,771	(32,750)	17,707,772
Library	4,861,988	37,702	(26,060)	4,873,630
Total Culture and Recreation	<u>22,001,739</u>	<u>638,473</u>	<u>(58,810)</u>	<u>22,581,402</u>
STREETS AND TRAILS	42,526,694	1,374,136	(88,897)	43,811,933
STORM WATER MANAGEMENT	<u>1,053,711</u>	<u>-</u>	<u>-</u>	<u>1,053,711</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 84,389,092</u>	<u>\$ 3,179,213</u>	<u>\$ (876,700)</u>	<u>\$ 86,691,605</u>

See independent auditor's report.

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SECTION 3

STATISTICAL SECTION

This part of the City of Beatrice's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 – 5
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, property taxes.	6 – 9
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10 – 13
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	14 – 15
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	16 – 18

CITY OF BEATRICE, NEBRASKA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 1

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in capital assets	\$ 28,702,717	\$ 28,986,067	\$ 29,927,397	\$ 30,825,043	\$ 33,303,732	\$ 35,613,362	\$ 36,321,755	\$ 33,165,271	\$ 38,714,037	\$ 41,379,857
Restricted	3,151,861	3,076,005	3,750,366	4,003,388	4,050,739	3,211,376	3,753,842	8,704,602	6,153,586	7,057,151
Unrestricted	2,313,002	2,693,041	2,982,107	3,192,413	1,744,032	3,061,270	2,859,417	5,351,206	9,221,690	10,373,235
Total Governmental Activities Net Position	\$ 34,167,580	\$ 34,755,113	\$ 36,659,870	\$ 38,020,844	\$ 39,098,503	\$ 41,886,008	\$ 42,935,014	\$ 47,221,079	\$ 54,089,313	\$ 58,810,243
Business-type Activities										
Net Investment in capital assets	\$ 22,413,044	\$ 23,166,370	\$ 24,047,909	\$ 25,423,188	\$ 27,814,977	\$ 28,432,099	\$ 29,208,662	\$ 30,577,284	\$ 34,339,202	\$ 35,769,674
Restricted	635,176	618,842	629,955	579,207	721,481	704,205	724,649	743,580	886,062	690,567
Unrestricted	7,975,780	7,326,777	7,393,322	7,475,616	8,089,978	9,249,129	10,448,562	11,282,871	8,489,944	11,695,372
Total Business-type Activities Net Position	\$ 31,024,000	\$ 31,111,989	\$ 32,071,186	\$ 33,478,011	\$ 36,626,436	\$ 38,385,433	\$ 40,381,873	\$ 42,603,735	\$ 43,715,208	\$ 48,155,613
Primary Government										
Net Investment in capital assets	\$ 51,115,761	\$ 52,152,437	\$ 53,975,306	\$ 56,248,231	\$ 61,118,709	\$ 64,045,461	\$ 65,530,417	\$ 63,742,555	\$ 73,053,239	\$ 77,149,531
Restricted	3,787,037	3,694,847	4,380,321	4,582,595	4,772,220	3,915,581	4,478,491	9,448,182	7,039,648	7,747,718
Unrestricted	10,288,782	10,019,818	10,375,429	10,668,029	9,834,010	12,310,399	13,307,979	16,634,077	17,711,634	22,068,607
Total Primary Government Net Position	\$ 65,191,580	\$ 65,867,102	\$ 68,731,056	\$ 71,498,855	\$ 75,724,939	\$ 80,271,441	\$ 83,316,887	\$ 89,824,814	\$ 97,804,521	\$ 106,965,856

2014 - Adjustments to prior years to recognize accrued tax revenues when the transaction occurs and recalculate compensated absences to include matching benefits

2020 - Governmental activities restricted net position includes restricted for new fire station under construction

CITY OF BEATRICE, NEBRASKA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 1,543,513	\$ 3,286,519	\$ 5,124,109	\$ 4,257,592	\$ 4,722,164	\$ 5,538,033	\$ 5,227,844	\$ 4,377,767	\$ 4,953,341	\$ 5,971,274
Public Safety	5,686,678	5,609,235	5,218,151	6,267,387	6,580,523	6,589,459	6,958,083	7,240,985	7,556,333	8,452,114
Highways and Streets	1,856,508	2,116,534	2,041,955	1,914,965	1,948,452	2,168,474	2,458,819	2,437,775	2,591,974	2,667,329
Culture and Recreation	1,349,132	1,422,746	1,609,230	1,772,494	1,604,137	1,684,625	1,736,134	1,687,784	1,715,665	1,898,701
Interest on Long-Term Debt	24,120	12,603	14,741	15,219	14,039	10,185	9,124	126,354	111,403	135,850
Total Governmental Activities Expenses	10,459,951	12,447,637	14,008,186	14,227,657	14,869,315	15,990,776	16,390,004	15,870,665	16,928,716	19,125,268
Business-type Activities										
Electric	14,753,172	15,224,361	14,967,570	15,573,893	16,339,629	18,193,641	17,355,117	15,849,735	17,906,399	15,928,396
Water	2,236,224	2,255,678	2,087,499	2,136,106	2,130,625	2,335,497	2,315,008	2,380,242	2,365,495	2,518,904
Water Pollution Control	1,509,212	1,524,519	1,492,220	1,545,877	1,539,418	1,577,218	1,632,710	1,691,413	1,624,620	1,852,424
Beatrice Area Solid Waste Agency	1,285,647	992,209	977,166	1,636,159	1,467,795	1,532,323	1,680,448	1,554,219	1,579,738	1,981,039
Sanitation	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180	1,558,616	2,171,036	2,656,713
Total Business-type Activities Expenses	21,036,257	21,292,624	20,808,571	22,157,869	22,800,091	25,158,425	24,545,463	23,034,225	25,647,288	24,937,476
Total Primary Government Expenses	\$ 31,496,208	\$ 33,740,261	\$ 34,816,757	\$ 36,385,526	\$ 37,669,406	\$ 41,149,201	\$ 40,935,467	\$ 38,904,890	\$ 42,576,004	\$ 44,062,744
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 418,743	\$ 1,744,814	\$ 3,036,542	\$ 2,983,118	\$ 3,487,714	\$ 4,077,215	\$ 3,761,976	\$ 4,233,398	\$ 4,673,928	\$ 5,072,452
Public Safety	1,914,393	1,340,782	1,832,967	1,380,446	1,361,264	1,319,054	1,361,793	1,319,437	1,472,207	1,650,548
Culture and Recreation	228,792	36,988	223,024	245,400	244,772	254,960	222,044	252,716	267,586	279,085
Other Governmental Activities	28,795	219,903	29,682	48,877	24,098	24,085	23,313	33,251	29,345	34,255
Operating Grants and Contributions	1,072,697	1,380,090	1,946,512	1,701,014	1,236,279	1,914,016	1,974,006	1,871,291	3,529,612	2,360,410
Capital Grants and Contributions	1,694,873	1,641,055	2,021,762	2,066,183	2,391,685	3,816,796	1,861,185	3,236,098	2,299,328	1,936,234
Total Governmental Activities Program Revenues	5,358,293	6,363,632	9,090,489	8,425,038	8,745,812	11,406,126	9,204,317	10,946,191	12,272,006	11,332,984
Business-type Activities										
Charges for Services:										
Electric	14,838,324	15,165,993	14,749,348	15,672,130	16,235,194	17,794,990	17,619,594	16,356,112	17,128,788	17,435,709
Water	2,230,423	2,360,903	2,321,423	2,717,237	2,862,930	2,789,557	2,650,876	2,646,957	2,709,019	2,908,700
Water Pollution Control	1,562,711	1,536,331	1,732,788	2,046,952	2,315,112	2,278,816	2,243,878	2,183,811	2,195,891	2,330,902
Beatrice Area Solid Waste Agency	1,086,095	1,136,396	1,170,237	1,236,421	2,249,641	1,814,151	1,844,947	1,783,181	2,022,511	2,349,347
Sanitation	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180	1,558,616	2,116,541	2,745,489
Capital Grants and Contributions	-	-	80,000	-	351,388	30,486	-	160,763	39,479	179,095
Total Business-type Activities Program Revenues	20,969,555	21,495,480	21,337,912	22,938,574	25,336,889	26,227,746	25,921,475	24,689,440	26,212,229	27,949,242
Total Primary Government Program Revenues	\$ 26,327,848	\$ 27,859,112	\$ 30,428,401	\$ 31,363,612	\$ 34,082,701	\$ 37,633,872	\$ 35,125,792	\$ 35,635,631	\$ 38,484,235	\$ 39,282,226
Net (Expense) Revenue										
Governmental Activities:	\$ (5,101,658)	\$ (6,084,005)	\$ (4,917,697)	\$ (5,802,619)	\$ (6,123,503)	\$ (4,584,650)	\$ (7,185,687)	\$ (4,924,474)	\$ (4,656,710)	\$ (7,792,284)
Business-type Activities	(66,702)	202,856	529,341	780,705	2,536,798	1,069,321	1,376,012	1,655,215	564,941	3,011,766
Total Primary Government Net (Expense)	\$ (5,168,360)	\$ (5,881,149)	\$ (4,388,356)	\$ (5,021,914)	\$ (3,586,705)	\$ (3,515,329)	\$ (5,809,675)	\$ (3,269,259)	\$ (4,091,769)	\$ (4,780,518)

CITY OF BEATRICE, NEBRASKA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	\$ 5,583,425	\$ 5,762,423	\$ 6,033,958	\$ 6,181,178	\$ 6,160,210	\$ 6,347,216	\$ 7,220,823	\$ 8,019,989	\$ 8,742,063	\$ 9,460,361
Unrestricted Intergovernmental	659,517	689,779	607,292	750,407	788,647	829,811	822,700	969,073	1,096,989	1,224,343
Insurance and settlement recoveries	-	-	-	-	-	-	-	-	-	1,365,347
Miscellaneous Revenues	298,578	221,673	172,350	104,455	218,493	161,549	153,239	171,618	452,100	201,607
Lease revenue and interest on leases	-	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	5,325	6,231	8,854	111,634	33,812	33,579	37,931	49,859	28,854	35,817
Gain (loss) on Sale of Capital Assets	-	(7,074)	-	15,919	-	-	-	-	-	-
Total Governmental Activities	6,546,845	6,673,032	6,822,454	7,163,593	7,201,162	7,372,155	8,234,693	9,210,539	10,320,006	12,287,475
Business-type Activities:										
Miscellaneous Revenues	368,806	195,737	371,470	556,631	508,280	519,238	335,128	338,715	426,436	1,150,382
Investment Earnings	43,348	44,801	58,918	69,489	103,347	170,438	285,300	227,932	120,096	153,878
Lease revenue and interest on leases	-	-	-	-	-	-	-	-	-	124,379
Special Items	(191,485)	-	-	-	-	-	-	-	-	-
(Loss) Gain on Sale of Capital Assets	(57,757)	-	(532)	-	-	-	-	-	-	-
Total Business-type Activities	162,912	240,538	429,856	626,120	611,627	689,676	620,428	566,647	546,532	1,428,639
Total Primary Government	\$ 6,709,757	\$ 6,913,570	\$ 7,252,310	\$ 7,789,713	\$ 7,812,789	\$ 8,061,831	\$ 8,855,121	\$ 9,777,186	\$ 10,866,538	\$ 13,716,114
Change in Net Position										
Governmental Activities	\$ 1,445,187	\$ 589,027	\$ 1,904,757	\$ 1,360,974	\$ 1,077,659	\$ 2,787,505	\$ 1,049,006	\$ 4,286,065	\$ 5,663,296	\$ 4,495,191
Business-type Activities	96,210	443,394	959,197	1,406,825	3,148,425	1,758,997	1,996,440	2,221,862	1,111,473	4,440,405
Change in accounting principle	(98,171)	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 1,443,226	\$ 1,032,421	\$ 2,863,954	\$ 2,767,799	\$ 4,226,084	\$ 4,546,502	\$ 3,045,446	\$ 6,507,927	\$ 6,774,769	\$ 8,935,596

2013 - Implementation of GASB 65

2014 - Adjustments to Prior Years to recognize accrued tax revenues when the transaction occurs and recalculate compensated absences to include matching benefits

CITY OF BEATRICE, NEBRASKA
GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 3

FISCAL YEAR	PROPERTY TAX	SALES TAX	UTILITY OCC. TAX	OTHER OCC. TAX	TOTAL
2013	\$ 1,881,463	\$ 2,848,579	\$ 629,911	\$ 106,474	\$ 5,466,427
2014	1,980,617	3,082,267	647,380	113,482	5,823,746
2015	2,137,814	3,186,767	607,257	121,563	6,053,401
2016	2,236,813	3,229,496	573,926	136,531	6,176,766
2017	2,311,345	3,182,824	555,380	112,128	6,161,677
2018	2,528,356	3,176,459	541,730	119,899	6,366,444
2019 (a)	2,607,239	3,949,691	528,359	121,398	7,206,687
2020	2,785,877	4,665,213	475,381	109,670	8,036,141
2021	2,785,537	5,381,069	451,441	139,969	8,758,016
2022	2,808,504	5,936,084	520,596	140,971	9,406,155

Note:

Sales Tax revenues account for just over one-half of all tax revenues. The City sales tax rate is one and one-half cents, of which \$250,000 goes towards Economic Development; 30% of the one cent goes towards Street improvements; the remainder is for general fund tax relief.

(a) Effective April 1, 2019 additional 1/2 cent sales tax designated for new fire station

CITY OF BEATRICE, NEBRASKA
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 28,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000
Committed for:										
Public Safety Pensions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,317,110	\$ 1,011,501
Assigned For:										
subsequent years' expenditures	734,986	817,938	1,079,813	1,141,943	674,023	525,117	398,230	510,866	1,711,372	857,105
Unassigned	1,157,311	1,860,437	1,906,992	2,013,817	1,197,641	1,909,845	2,058,063	2,622,196	3,661,141	6,287,673
Total General Fund	<u>\$ 1,921,097</u>	<u>\$ 2,678,375</u>	<u>\$ 2,986,805</u>	<u>\$ 3,155,760</u>	<u>\$ 1,871,664</u>	<u>\$ 2,434,962</u>	<u>\$ 2,456,293</u>	<u>\$ 3,133,062</u>	<u>\$ 7,389,623</u>	<u>\$ 8,856,279</u>
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 1,016,166	\$ 1,128,265	\$ 1,256,328	\$ 1,254,631	\$ 1,380,437	\$ 1,175,078	\$ 1,208,272	\$ 1,271,139	\$ 1,387,212	\$ 1,586,679
Restricted for Library Capital	-	10,112	8,641	1,943	40,406	303	303	303	-	-
Restricted for New Fire Station	-	-	-	-	-	-	172,583	4,458,231	564,804	121,307
Restricted for Debt Service	177,277	69,182	71,682	72,452	74,332	77,632	75,304	834,206	1,396,960	1,781,400
Restricted for CDBG Revolving Loans	1,249,361	622,605	340,188	355,789	360,070	365,187	368,605	370,894	157,559	90,981
Restricted for E911 Public Safety	92,446	36,758	25,266	20,321	57,035	89,220	48,980	73,652	97,452	122,541
Restricted for Storm Water Management	41,726	56,048	48,965	60,935	71,502	47,679	20,261	4,161	-	-
Restricted for Streets	546,085	1,171,626	1,999,868	2,239,985	2,073,302	1,460,200	1,863,688	1,743,311	1,899,180	2,696,916
Committed For:										
Committed for Community Betterment	4,046	17,326	68,141	9,859	80,257	153,385	213,568	1,472	102,796	242,585
Committed for Library Capital	211,822	40,876	40,896	40,917	40,937	27,488	27,579	16	-	-
Committed for Public Safety	198,964	69,600	41,542	204,005	125,797	92,726	634,559	390,457	170,886	522,112
Committed for Capital Projects	-	-	-	-	-	-	-	-	-	-
Assigned For:										
Debt service	-	13,879	1,368	78,057	816	14,041	-	-	-	-
Subsequent Years' Expenditures	159,728	-	33,486	70,510	25,921	238,697	-	51,709	51,704	102,523
Unassigned, Reported In:										
Debt Service Funds	(10,394)	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	(25,993)	-	-	(44,503)
Total All Other Governmental Funds	<u>\$ 3,687,227</u>	<u>\$ 3,236,277</u>	<u>\$ 3,936,371</u>	<u>\$ 4,409,404</u>	<u>\$ 4,330,812</u>	<u>\$ 3,741,636</u>	<u>\$ 4,607,709</u>	<u>\$ 9,199,551</u>	<u>\$ 5,828,553</u>	<u>\$ 7,222,541</u>

2011 - For comparison purposes restated the fund balances from 2010 per the new definitions
2014 - Adjustments to Prior Years to recognize accrued tax revenues when the transaction occurs
2021 - Adoption of GASB 84

CITY OF BEATRICE, NEBRASKA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 5

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 5,466,427	\$ 5,823,746	\$ 6,053,401	\$ 6,176,766	\$ 6,161,677	\$ 6,366,444	\$ 7,206,687	\$ 8,036,141	\$ 8,758,016	\$ 9,406,155
Licenses and Permits	78,920	114,685	122,002	131,063	182,377	210,699	229,914	153,011	187,356	253,757
Intergovernmental and Grants	3,191,033	2,794,328	3,822,758	3,966,494	4,021,278	4,300,027	4,407,030	4,348,722	5,701,880	5,087,077
Charges for Services	1,847,614	1,758,473	1,884,249	1,991,166	1,990,886	1,979,059	2,017,530	2,009,738	2,303,536	2,605,705
Keno Proceeds	62,296	73,188	81,618	78,192	85,619	89,062	73,767	77,096	148,041	170,135
Special Assessments	118,261	40,723	41,789	142,077	14,814	10,895	-	-	-	4,733
Interest	43,664	48,928	20,287	111,329	33,512	33,403	40,774	50,814	259,908	(141,180)
Donations and Misc Revenue	464,741	1,006,947	807,558	480,670	501,139	865,172	405,357	630,088	783,978	805,946
Total revenues	11,272,956	11,661,018	12,833,662	13,077,757	12,991,302	13,854,761	14,381,059	15,305,610	18,142,715	18,192,328
Expenditures										
General Government	1,403,472	1,682,858	2,507,695	1,663,744	3,012,687	1,956,583	2,152,961	1,721,207	1,972,034	2,011,289
Public Safety	4,888,595	5,024,814	5,173,814	5,699,342	5,944,639	6,073,864	6,303,902	6,398,839	6,911,875	7,440,504
Highways and Streets	1,086,835	1,067,619	1,047,157	1,005,346	1,034,929	1,120,507	1,241,076	1,268,246	1,222,654	1,281,333
Culture and Recreation	926,500	908,159	984,968	1,091,641	1,061,376	1,073,148	1,106,505	1,089,024	1,132,924	1,230,041
Debt Service:										
Principal	140,000	290,000	185,000	190,000	190,000	190,000	250,000	240,000	900,000	1,272,069
Interest	18,140	5,050	2,068	1,235	3,479	3,468	5,533	116,289	137,832	142,759
Bond Issuance Costs	5,980	-	-	6,675	-	2,700	6,000	74,288	24,525	-
Capital Outlay	2,434,862	2,676,626	2,773,458	3,410,909	3,199,788	4,157,296	2,932,540	6,429,625	9,538,180	3,470,978
MFO Payments to Other Entities	108,923	106,438	110,679	131,810	132,460	133,863	114,975	126,949	124,568	303,365
Total Expenditures	11,013,307	11,761,564	12,784,839	13,200,702	14,579,358	14,711,429	14,113,492	17,464,467	21,964,592	17,152,338
Excess (Deficiency) of Revenues over (under) Expenditures	259,649	(100,546)	48,823	(122,945)	(1,588,056)	(856,668)	267,567	(2,158,857)	(3,821,877)	1,039,990
Other Financing Sources (Uses)										
Transfers In	374,263	384,542	515,680	552,899	379,838	789,111	578,583	711,530	377,839	1,464,361
Transfers Out	(374,263)	(384,542)	(515,680)	(552,899)	(379,838)	(789,111)	(578,583)	(711,530)	(377,839)	(1,464,361)
Insurance Recoveries	-	-	504,436	149,528	-	650,000	-	6,164	709,234	1,591,086
Bond and Lease Proceeds	520,000	-	452,665	575,000	-	170,000	615,000	7,372,068	2,725,000	-
Sale of Capital Assets	-	20,000	2,600	40,405	225,368	10,790	4,837	49,236	68,269	229,568
Total Other Financing Sources (Uses)	520,000	20,000	959,701	764,933		830,790	619,837	7,427,468	3,502,503	1,820,654
Net Change in Fund Balances	\$ 779,649	\$ (80,546)	\$ 1,008,524	\$ 641,988	\$ (1,588,056)	\$ (25,878)	\$ 887,404	\$ 5,268,611	\$ (319,374)	\$ 2,860,644
Debt Service as a percentage of noncapital expenditures	1.9%	3.7%	1.9%	2.0%	1.9%	2.0%	2.3%	4.0%	9.4%	11.8%

2013 - Software change nets the contracted adjustments to the ambulance services revenue directly to Charges for Services revenue; prior years recorded as an expenditure

2014 - Adjustments to prior years to recognize accrued tax revenues when the transaction occurs

2017 - General Government expenditures include approximately \$1.6 million for contaminated property clean-up

2020 - Capital Outlay includes beginning construction of a new fire station, for which bonds were issued to be repaid with a designated 1/2 cent sales tax

2022 - Insurance Recoveries includes fund received for storm damage repairs to be completed in 2023

**CITY OF BEATRICE, NEBRASKA
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Table 6

FISCAL YEAR	ASSESSED VALUE (1)	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUATION	TOTAL DIRECT TAX RATE	RATIO OF ASSESSED TO EST. ACTUAL
2013	\$ 531,508,050	\$ 12,657,956	\$ 544,166,006	0.000000	1
2014	552,634,425	22,369,755	575,004,180	0.345707	1
2015	553,844,505	22,185,562	576,030,067	0.370223	1
2016	569,474,021	24,054,950	593,528,971	0.380223	1
2017	574,189,141	30,867,026	605,056,167	0.384337	1
2018	586,305,850	76,027,829	662,333,679	0.381447	1
2019	595,582,852	65,482,211	661,065,063	0.399171	1
2020	640,168,385	62,804,162	702,972,547	0.396273	1
2021	664,527,878	48,003,997	712,531,875	0.391320	1
2022	687,715,653	52,267,328	739,982,981	0.383025	1

CITY OF BEATRICE, NEBRASKA
PROPERTY TAX RATES AND TAX LEVIES (PER \$100 VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	CITY	OVERLAPPING GOVERNMENTS				TOTAL DIRECT AND OVERLAPPING TAX RATE
	CITY OF BEATRICE	SCHOOL DIST. #15	GAGE COUNTY	SPECIAL TAX DIST.	AIRPORT	
2013	0.34584	1.163216	0.394647	0.134189	0.034422	2.072314
2014	0.345707	1.159466	0.369361	0.123545	0.044156	2.042235
2015	0.370223	1.160844	0.338379	0.109881	0.0396	2.018927
2016	0.380223	1.135307	0.297766	0.122644	0.042898	1.978838
2017	0.384337	1.082016	0.288082	0.120706	0.038347	1.913488
2018	0.381447	1.087157	0.297594	0.136028	0.035031	1.937257
2019	0.399171	1.079515	0.419871	0.13506	0.033529	2.067146
2020	0.396273	1.080347	0.419768	0.137805	0.027089	2.061282
2021	0.39132	1.076283	0.389699	0.135922	0.026468	2.019692
2022	0.383025	1.076041	0.389868	0.135166	0.018098	2.002198

(1) Overlapping rates are those of Local and County Governments that apply to property owners within the City of Beatrice.

**CITY OF BEATRICE, NEBRASKA
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS**

FISCAL YEAR		CITY OF BEATRICE	STATE OF NEBRASKA	COUNTY OF GAGE	TOTAL TAX RATE
2013		1.50%	5.50%	0.00%	7.00%
2014		1.50%	5.50%	0.00%	7.00%
2015		1.50%	5.50%	0.00%	7.00%
2016		1.50%	5.50%	0.00%	7.00%
2017		1.50%	5.50%	0.00%	7.00%
2018		1.50%	5.50%	0.00%	7.00%
2019	(a)	2.00%	5.50%	0.00%	7.50%
2020	(b)	2.00%	5.50%	0.50%	8.00%
2021		2.00%	5.50%	0.50%	8.00%
2022		2.00%	5.50%	0.50%	8.00%

(1) Overlapping rates are those of other governments that apply to consumers within the City of Beatrice

(a) Effective April 1, 2019 additional 1/2 cent sales tax designated for new fire station

(b) Effective January 1, 2020 the County of Gage enacted a .5% sales tax

**CITY OF BEATRICE, NEBRASKA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Table 8

TAXPAYER	TYPE OF BUSINESS	2022		%OF TOTAL ASSESSED VALUATION	2013		%OF TOTAL ASSESSED VALUATION
		ASSESSED VALUATION	Rank		(a) ASSESSED VALUATION	Rank	
Exmark Manufacturing Co	(1) manufacturing	\$ 15,765,840	1	2.21%	\$ ---	---	---
Corn Oil & Renewable Energy LLC	(2) manufacturing	12,502,850	2	1.75%	---	---	---
Worldlawn Power Equipment	manufacturing	7,996,900	3	1.12%	---	---	---
Wal-Mart Stores	shopping mall	7,792,330	4	1.09%	6,344,060	3	1.17%
EIP Beatrice Owner, LLC	(1) manufacturing	6,910,460	5	0.97%	---	---	---
Farmers Co-op Elevator	grain/feed elevator	6,384,995	6	0.90%	4,245,885	4	0.78%
Beatrice Hospitality LLC	hotel	6,056,160	7	0.85%	2,707,530	6	0.50%
Hybrid Turkeys LLC	manufacturing	5,980,500	8	0.84%	---	---	---
Equinox, Stanley & Judy Meyer	shopping mall plus other	5,023,955	9	0.71%	2,517,480	7	46.00%
Accuma Corp	(1) manufacturing	3,717,360	10	0.52%	---	---	---
Flint Hills Resources Beatrice LLC	(2) manufacturing	---	---	---	12,500,000	2	2.30%
KH Beatrice, LLC	manufacturing	---	---	---	13,020,425	1	2.39%
Beatrice Retirement Inc.	retirement homes	---	---	---	3,197,850	5	0.59%
Store Kraft Mfg	manufacturing	---	---	---	2,277,730	8	0.42%
LTC Properties	retirement home/assisted	---	---	---	2,027,485	9	0.37%
Homestead Village	retirement home/complex	---	---	---	1,933,715	10	0.36%
		<u>\$ 78,131,350</u>		<u>10.97%</u>	<u>\$ 50,772,160</u>		<u>54.88%</u>

Source: Gage County Assessor

(1) Added in 2014 due to annexation

(2) In 2020 Corn Oil & Renewable Energy LLC purchased property formerly owned by Flint Hills Resources Beatrice LLC

CITY OF BEATRICE, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR AND TEN YEARS AGO

Table 8a

Business Classification	Calendar Year 2021			Calendar Year 2012		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 108,237,466	1	51.7%	\$ 75,086,469	1	45.6%
Accommodation & Food Services	28,496,078	2	13.6%	19,176,583	3	11.7%
Manufacturing (1)	20,412,070	3	9.7%	1,735,169	7	1.1%
Wholesale Trade	9,601,042	4	4.6%	11,743,017	4	7.1%
Construction	3,821,845	5	1.8%	4,342,311	5	2.6%
Utilities (2)	-	6	0.0%	28,801,917	2	17.5%
Information	-	7	0.0%	3,269,987	6	2.0%
Other	38,939,732	---	18.6%	20,344,657	---	12.4%
Total	<u>209,508,233</u>	<u></u>	<u>100.0%</u>	<u>164,500,110</u>	<u></u>	<u>100.0%</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. Information only presented by business classification, individual taxpayer information is confidential.

(1) Industrial Park annexed in 2014

(2) Water sales tax exempt beginning October 2021

Source:

Nebraska Department of Revenue Net Taxable Sales by Classification available by County only.

Nebraska Department of Revenue annual report of total Net Taxable Sales for Beatrice within Gage County.

For the reporting purposes of this table the % of Beatrice sales within Gage County has been applied for 2020 that percentage was 87.55% as compared to 82.97% in 2011

**CITY OF BEATRICE, NEBRASKA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Table 9

FISCAL YEAR	TOTAL TAX LEVY	FISCAL YEARS TAX COLL.	% OF LEVY COLL.	SUBSEQUENT YEARS TAX COLL.	TOTAL TAX COLL. TO DATE	% TOTAL TAX COLL. OF LEVY
2013	\$ 1,881,944	\$ 1,823,811	96.91%	\$ 58,552	\$ 1,882,363	100.0%
2014	1,987,832	1,931,893	97.19%	54,034	1,985,927	99.9%
2015	2,132,597	2,099,464	98.45%	57,915	2,157,379	101.2%
2016	2,256,734	2,197,652	97.38%	58,246	2,255,898	100.0%
2017	2,325,455	2,269,795	97.61%	61,057	2,330,852	100.2%
2018	2,526,451	2,481,587	98.22%	54,519	2,536,106	100.4%
2019	2,638,777	2,566,434	97.26%	78,618	2,645,052	100.2%
2020	2,785,692	2,723,728	97.78%	68,568	2,792,296	100.2%
2021	2,788,283	2,734,544	98.07%	54,468	2,789,012	100.0%
2022	2,834,318	2,771,783	97.79%	-	2,771,783	97.8%

Note: Property Tax Collections include Homestead Exemptions and State Tax Credits taken which are reductions to the taxes billed and then reimbursed by the State of Nebraska, amendments to this explain why the percentage of total tax collected of levy could vary slightly over/under 100%.

CITY OF BEATRICE, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 10

FISCAL YEAR	Governmental Activities			Business-type Activities					Total Primary Government	% Personal Income	Per Capita
	General Obligation Bonds	Warrants Payable	Notes Payable - Direct Financing Arrangements	Utility Revenue Bonds	Notes Payable - Direct Borrowing	BASWA Revenue Bonds	Sanitation Revenue Bonds	Notes Payable - Direct Financing Arrangements			
2013(a)	\$ 665,000	\$ 262,815	\$ -	\$3,615,000	\$ 86,178	\$ 1,360,000	\$ -	\$ 103,851	\$ 6,092,844	1.16%	488.64
2014	375,000	185,626	-	3,280,000	81,874	1,200,000	-	54,878	5,177,378	0.88%	408.67
2015(b)	190,000	131,869	444,132	2,950,000	-	1,040,000	-	4,290	4,760,291	0.82%	375.74
2016(c)	575,000	-	347,633	2,620,000	-	825,000	-	-	4,367,633	0.74%	344.75
2017(d)	385,000	-	247,729	2,285,000	-	1,875,000	-	772,500	5,565,229	0.93%	439.28
2018(e)	365,000	-	144,297	1,950,000	-	1,615,000	-	1,018,072	5,092,369	0.84%	401.96
2019(f)	730,000	-	68,640	1,615,000	-	1,355,000	-	1,074,083	4,842,723	0.77%	382.25
2020(g)	7,565,000	-	297,068	1,275,000	-	1,090,000	-	790,519	11,017,587	1.77%	869.65
2021(h)	9,390,000	-	242,164	925,000	-	825,000	2,730,000	500,128	14,612,292	2.26%	1,191.77
2022(i)	8,175,000	-	185,096	395,000	1,243,296	555,000	2,465,000	203,507	13,221,899	1.86%	1,078.37

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.
See the Schedule of Demographic and Economic Statistics for population data.

- (a) Issued Public Safety Tax Anticipation Bonds in the amount of \$520,000 and Combined Utilities Advance Refunding Bonds in the amount of \$2,040,000 to call \$1,970,000 in outstanding Utilities Bonds
- (b) Issued Capital Leases for purchase of street equipment and installation of ballfield lighting
- (c) Issued BASWA Revenue Refunding Bonds in the amount of \$825,000 and Public Safety Tax Anticipation Bonds in the amount of \$575,000
- (d) Issued BASWA Revenue Bonds in the amount of \$1,250,000 and a capital lease in the amount of \$772,500 for the purchase of a compactor
- (e) Issued Public Safety Tax Anticipation Bonds in the amount of \$170,000 and a capital lease in the amount of \$396,500 for a dozer
- (f) Issued Public Safety Tax Anticipation Bonds in the amount of \$615,000 and a capital lease in the amount of \$283,378 for a loader
- (g) Issued Fire Station (Sales Tax and General Obligation) Bonds in the amount of \$7,075,000 and capital equipment leases in the amount of \$297,068
- (h) Issued Fire Station (Sales Tax and General Obligation) Bonds in the amount of \$2,725,000 and Sanitation Revenue Bonds in the amount of \$2,730,000
- (i) Issued Water SRF Loan with the State of Nebraska

CITY OF BEATRICE, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11

FISCAL YEAR		ESTIMATED ACTUAL VALUE	GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUNDS AVAILABLE(1)	NET BONDED DEBT	% OF ASSESSED TAXABLE VALUE	NET BONDED PER CAPITA
2013	(a)	\$ 544,166,006	\$ 665,000	\$ 177,277	\$ 487,723	0.09%	39.11
2014		575,004,180	375,000	69,182	305,818	0.05%	24.14
2015		576,030,067	190,000	71,682	118,318	0.02%	9.34
2016	(b)	593,528,971	575,000	72,452	502,548	0.08%	39.67
2017		605,056,167	385,000	74,332	310,668	0.05%	24.52
2018	(c)	662,333,679	365,000	77,632	287,368	0.04%	22.68
2019	(d)	661,065,063	730,000	75,304	654,696	0.10%	51.68
2020	(e)	702,972,547	7,565,000	834,206	6,730,794	0.96%	531.28
2021	(f)	712,531,875	9,390,000	1,396,960	7,993,040	1.12%	651.91
2022		739,982,981	8,175,000	1,781,400	6,393,600	0.86%	521.46

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. See the Schedule of Demographic and Economic Statistics, Table 14, for population data.

(1) Fund balance restricted for debt service

- (a) Public Safety Tax Anticipation Bonds issued June 2013 in the amount of \$520,000
- (b) Public Safety Tax Anticipation Bonds issued September 2016 in the amount of \$575,000
- (c) Public Safety Tax Anticipation Bonds issued April 2018 in the amount of \$170,000
- (d) Public Safety Tax Anticipation Bonds issued August 2019 in the amount of \$615,000
- (e) Fire Station Sales Tax and General Obligation Bonds issued December 2019 in the amount of \$7,075,000
- (f) Fire Station Sales Tax and General Obligation Bonds issued May 2021 in the amount of \$2,725,000

CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2022

Table 12

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENT APPLICABLE TO CITY OF BEATRICE(1)	AMOUNT APPLICABLE TO CITY OF BEATRICE
TAX SUPPORTED DEBT			
DIRECT:			
City of Beatrice	\$ 7,862,068	100.00%	\$ 7,862,068
Total Direct Debt			<u>\$ 7,862,068</u>
OVERLAPPING:			
Airport Authority	\$ 80,000	100.00%	\$ 80,000
School District #15	1,996,359	56.36%	1,125,148
Lower Big Blue Natural Resources District	2,263,584	11.96%	270,725
Gage County	-	22.16%	-
Southeast Community College	56,010,000	1.15%	644,115
Total Overlapping Debt			<u>\$ 1,475,873</u>
Total Direct & Overlapping Debt			<u><u>\$ 9,337,941</u></u>

Note: Overlapping governments are those that coincide with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Beatrice. This process recognizes that, when taking into consideration the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

- (1) The percentage of overlapping debt is estimated using taxable assessed property values provided by the county assessor. Applicable percentages were determined by dividing the city's assessed value into the total assessed value of the overlapping government. The City of Beatrice boundaries are within the boundaries of the overlapping governments listed.

**CITY OF BEATRICE, NEBRASKA
REVENUE BOND COVERAGE
ELECTRIC, WATER, AND SEWER BONDS
LAST TEN FISCAL YEARS**

FISCAL YEAR	OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
				PRINCIPAL	INTEREST	TOTAL	
2013 (a)	\$ 18,631,458	\$ 16,300,133	\$ 2,331,325	\$ 304,217	\$ 205,693	\$ 509,910	4.57
2014	19,063,227	16,843,514	2,219,713	339,303	52,994	392,297	5.66
2015	18,803,559	16,371,801	2,431,758	411,874	55,733	467,607	5.20
2016	20,436,319	17,060,163	3,376,156	330,000	50,892	380,892	8.86
2017	21,413,236	17,794,814	3,618,422	335,000	47,577	382,577	9.46
2018	22,863,363	19,611,066	3,252,297	335,000	43,413	378,413	8.59
2019	22,514,348	18,931,382	3,582,966	335,000	38,421	373,421	9.59
2020	21,186,880	17,423,032	3,763,848	340,000	32,527	372,527	10.10
2021	22,033,698	19,377,733	2,655,965	350,000	25,606	375,606	7.07
2022	22,675,311	17,629,888	5,045,423	530,000	22,885	552,885	9.13

Note: Details of the outstanding debt can be found in the notes to the financial statements.

(1) Total Operating Expenses exclusive of depreciation and amortization.

(a) 2013 Bond Issue in the amount of \$2,040,000 refunded \$1,970,000 in Bond principal

**CITY OF BEATRICE, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Table 14

FISCAL YEAR	POPULATION(1)	TOTAL PERSONAL INCOME	PER CAPITA PERSONAL INCOME(4)	MEDIAN AGE (1)	SCHOOL ENROLLMENT(2)	UNEMPLOYMENT RATE(3)
2013	12,469	\$ 522,999,736	\$ 41,944	42.6	2,154	4.10%
2014	12,669	590,134,689	46,581	44	2,145	4.00%
2015	12,669	579,252,018	45,722	43	2,133	3.00%
2016	12,669	593,251,263	46,827	44	2,146	3.10%
2017	12,669	599,775,798	47,342	44	2,133	5.40%
2018	12,669	609,112,851	48,079	45	2,164	2.70%
2019	12,669	631,714,347	49,863	45	2,129	3.00%
2020	12,669	621,503,133	49,057	44	2,106	2.90%
2021	12,261	647,908,023	52,843	44	2,043	1.20%
2022	12,261	709,151,718	57,838	44	2,107	2.00%

SOURCES:

- (1) U.S. Census 2010 plus annexations certified with the Nebr Dept of Revenue; U.S. Census 2020
- (2) School District #15, Board of Education Office, Beatrice, NE
(does not include 2 parochial schools)
- (3) Nebraska Workforce Development Office
Dept. of Labor, Lincoln, NE
- (4) Bureau of Economic Analysis, U.S. Department of Commerce

**CITY OF BEATRICE, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Table 15

Employer	Type of Activity	2022			2013		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice Community Hospital	Medical	530	1	4.87%	365	3	3.17%
Exmark Manufacturing	Manufacturing	500	2	4.60%	400	2	3.47%
Beatrice Public Schools	Education	320	3	2.94%	281	6	2.44%
Beatrice State Developmental Center	Home for mentally handicapped	300	4	2.76%	650	1	5.64%
NEAPCO	Manufacturing	269	5	2.47%	345	5	3.00%
Wal-Mart Super Center	Retail	230	6	2.11%	---	---	---
Mosaic	Home for mentally handicapped	197	7	1.81%	350	4	3.04%
Landmark Snacks	Manufacturing	189	8	1.74%	---	---	---
City of Beatrice	Government	152	9	1.40%	133	9	1.15%
Good Samaritan Center	Nursing Home & Assisted Living	123	10	1.13%	225	7	1.95%
Southeast Community College	Education	---	---	---	---	---	---
County of Gage	Government	---	---	---	110	10	0.96%
Store Kraft	Manufacturing	---	---	---	190	8	1.65%
		<u>2,810</u>		<u>25.83%</u>	<u>3,049</u>		<u>26.47%</u>

Source: Gage Area Growth Community Profile

CITY OF BEATRICE, NEBRASKA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Table 16

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	8	8	9	9	10	10	10	10	11	11
Public Safety										
Police										
Commissioned	21	21	21	22	22	22	22	22	22	22
Civilians	10	10	13	13	14	14	14	14	14	18
Fire										
Full-time Firefighters	23	23	23	24	24	23	23	25	25	25
Civilians	0	0	0	0	0	0	0	0	0	1
Culture and Recreation	6	6	6	7	7	7	7	7	7	7
Highways and Streets	9	9	9	9	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	5	5
Sanitation	0	0	0	0	0	0	0	0	14	12
Water	10	10	10	10	10	10	10	10	10	10
Sewer	6	6	6	6	6	6	6	6	6	6
Electric	29	28	25	25	26	26	26	25	25	25
Total Full-Time Employees	126	125	126	129	132	131	131	132	148	151

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	0	0	0	1	0	0	0	0	1	1
Public Safety										
Police										
Commissioned	0	0	0	0	0	0	0	0	0	4
Civilians	2	2	2	3	2	1	1	1	5	3
Fire										
Reserves	8	8	6	0	2	2	2	1	0	0
Culture and Recreation	15	15	15	15	15	15	15	15	15	16
Solid Waste Agency/WPC	4	4	4	4	4	6	6	5	5	3
Sanitation	0	0	0	0	0	0	0	0	1	1
Electric	0	0	1	1	0	0	0	1	1	1
Total Part-Time Employees	29	29	28	23	23	24	24	23	27	29

*Part-time employment is 1020 hours/yr or less

C & R Summer Seasonal	40	40	43	50	60	60	60	48	45	44
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CITY OF BEATRICE, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Table 17

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building Permits Issued	442	399	493	381	388	552	530	561	479	2,023
Commercial Construction Value	\$ 2,947,834	\$ 2,923,538	\$ 7,907,152	\$ 11,141,672	\$ 11,570,361	\$ 8,715,888	\$ 22,225,904	\$ 18,930,263	\$ 11,378,797	\$ 12,662,904
Residential Construction Value	\$ 3,330,426	\$ 3,157,487	\$ 4,118,584	\$ 3,796,771	\$ 4,499,850	\$ 9,750,343	\$ 6,813,314	\$ 8,132,448	\$ 5,694,222	\$ 5,628,636
Public Safety										
Police										
Physical Arrests	871	875	842	673	821	681	905	907	723	664
Patrol Warnings/Citations	1,424	1,364	1,462	1,266	1,696	1,474	1,780	1,887	1,834	1,738
Calls for Service (1)	21,280	20,529	20,937	23,086	27,564	26,278	26,684	26,568	25,263	28,646
Fire										
Ambulance Calls	2,290	2,334	2,220	2,331	2,248	2,388	2,444	2,512	2,694	2,725
Fire & Rescue Calls	967	885	894	906	1,028	1,178	1,061	1,066	1,134	372
Culture and recreation										
Water Park Admissions (2)	\$ 78,088	\$ 73,671	\$ 76,435	\$ 83,616	\$ 85,501	\$ 83,531	\$ 69,922	\$ 53,426	\$ 73,003	\$ 79,015
Electric										
Average Daily Usage Commercial (MWH)	261.8	220.5	261.6	281.7	307.1	316.5	307.4	263.4	258.7	277.2
Average Daily Usage Residential (MWH)	186.7	194.2	185.3	185.0	180.6	196.2	188.5	196.6	196.5	193.2
Water										
Average Daily Consumption (gal)	3.53m	3.38m	2.96m	3.63m	3.65m	3.49m	3.41m	3.38m	3.21m	3.74m
Water Pollution Control										
Average Daily Treatment (gal)	1.2m	1.4m	1.2m	1.2m	1.1m	1.1m	1.1m	1.0m	.92m	1.0m

Information provided by department annual reports for the calendar year ending during the fiscal year period.

Note: FY2011 Commercial building construction increase due to new hospital construction

FY2012 Commercial building construction increase due to new nursing home construction

FY2016 Commercial building construction increase due to new hospital addition

FY2018 Residential construction increase due to a new housing development and expansion of an existing development

FY2019 Commercial building construction increased due to new buildings at the college and expansion of an existing industry

FY2020 Commercial building construction includes 2nd phase of new buildings at the college

FY2022 Building permits issued increased due to 2 storms that hit in December and June; Due to the overwhelming number of permits issued, not all building valuations for roof permits were captured

(1) Started Dispatching for Crete on July 7, 2015, which added 2,710 to calls for service reported in FY2016 and 5,598 in FY2017

(2) In FY2020 Water Park delayed opening and restricted capacity due to COVID-19

CITY OF BEATRICE, NEBRASKA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Table 18

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Highway & Streets										
Street Lane Miles, Paved	280.76	285.68	288.97	288.97	291	291	291	291.32	291.32	291.32
Street Lane Miles, Unpaved	35.33	34.25	34.25	34.25	34.25	34.25	34.25	32.05	32.05	32.05
Storm Sewer Miles	34.36	34.36	34.36	34.36	34.72	34.72	34.72	34.72	34.72	34.72
Bridges	9	11	11	11	11	11	11	11	11	11
Street Lights	1517	1624	1617	1617	1605	1609	1609	1627	1627	1627
Culture and recreation										
Number of Parks	14	14	14	14	14	14	14	14	14	14
Park acreage	340	340	340	340	340	340	340	340	340	340
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	9	9	9	9	9	9	9	8	8	6
Pickelball Courts	0	0	0	0	0	0	0	0	0	2
Ballfields	12	12	12	14	13	13	13	12	12	12
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	126	122	122.33	122.66	122.66	123	123.33	123.5	123.5	123.5
Fire Hydrants	705	703	708	714	723	726	729	736	736	736
Sewer										
Sanitary Sewer Miles	94.4	94.73	94.9	94.9	95.35	95.91	95.91	95.92	95.92	95.92
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	10	10	10	10	10	10	10	10	10	10
Miles 12.5KV Service	100	100	103.24	106.54	110.84	113.04	117.1	119.24	119.24	124.4
Miles 34.5KV Service	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
Miles 4.16KV Service	87	87	84.11	81.69	77.39	75.19	71.13	68.99	68.99	63.8

Information provided by department annual reports for the year ending during the fiscal year period.

2013 - new analysis made of storm sewer miles

2014 - change out of park security lights to "street lights"

City of Beatrice, Nebraska
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2022

Federal Grantor/ Program or Cluster Title	Pass-Through Grantor	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development					
Community Development Block Grants	Nebraska Department of Economic Development	14.228	----	\$ -	\$ 359,460
- RLF Program	Nebraska Department of Economic Development	14.228	----	-	64,622
Community Development Block Grants	Nebraska Department of Economic Development	14.228	21-HO-36035	-	4,183
- Owner Occupied Housing Rehab	Nebraska Department of Economic Development			-	428,265
Subtotal for Department of Housing and Urban Development					
Department of Justice					
Crime Victim Assistance	Nebraska Comission on Law Enforcement	16.575	109-2022-VA1031-YR1	-	131,632
Crime Victim Assistance	Nebraska Comission on Law Enforcement	16.575	109-2022-VA1031-YR2	-	3,933
Public Safety Parntership and Community Policing Grants	Nebraska Comission on Law Enforcement	16.710	109-2021-LE0003	-	219
Bulletproof Vest Partnership Program	US Department of Justice	16.607	2020-BUBX20021632	-	1,224
Bulletproof Vest Partnership Program	US Department of Justice	16.607	2021-BUBX21024992	-	2,563
Subtotal for Department of Justice				-	139,571
Department of Transportation					
Airport Improvement Program	Nebraska Department of Transportation	20.106	F3BIE21		254,430
Subtotal for Department of Transportation				-	254,430
Department of Treasury					
COVID-19 Coronavirus Relief Fund	Nebraska Department of Transportation	21.019	F3BIE20 ARPA	-	32,000
American Rescue Plan Act	Nebraska Department of Emergency Management	21.027	----	-	91,691
Subtotal for Department of Treasury				-	123,691
National Endowment for the Humanities					
Grants to States	Nebraska Library Commission	45.310	----	-	4,500
Subtotal for National Endowment for the Humanities				-	4,500
Environmental Protection Agency					
Drinking Water State Revolving Fund (DWSRF) Cluster					
'Drinking Water State Revolving Fund	Nebraska Department of Environment and Energy	66.468	D311685	-	1,299,856
Subtotal for Environmental Protection Agency				-	1,299,856
Department of Homeland Security's Federal Emergency Management Agency					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4420PW10	-	56,775
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4220PW28	-	60,089
Subtotal for Department of Homeland Security's Federal Emergency Management Agency				-	116,864
Total Federal Expenditures				\$ -	\$ 2,367,177

See notes to the schedule of expenditures of federal awards and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2022

NOTES TO SCHEDULE

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Beatrice, Nebraska under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements of the City of Beatrice, Nebraska. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FEDERAL LOAN PROGRAMS

The City administers loans under the Community Development Block Grants program (Assistance Listing Number 14.228), for which the federal government imposes continuing compliance requirements on the outstanding balances. Loans outstanding at the beginning of the year are included in the federal expenditures in the Schedule. No new loans were issued for the year ended September 30, 2022. The outstanding balance of these loans totaled \$335,473 as of September 30, 2022.

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

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Beatrice, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beatrice, Nebraska (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 10, 2023, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of the Beatrice Public Library Foundation, as described in our report on the City's financial statements. The financial statements of the Beatrice Public Library Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Beatrice Public Library Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

FORVIS, LLP

Lincoln, Nebraska
March 10, 2023

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Beatrice, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Beatrice, Nebraska's (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Beatrice, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City of Beatrice, Nebraska and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

FORVIS, LLP

Lincoln, Nebraska
March 10, 2023

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? ☐ Yes ☒ None reported
Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified? ☐ Yes ☒ None reported
Material weakness(es) identified? ☐ Yes ☒ No

4. Type of auditor’s report issued on compliance for the major federal program:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
66.468	Drinking Water State Revolving Fund Cluster

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2022

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2022

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

City of Beatrice, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2022

Reference Number	Summary of Finding	Status
No matters are reportable.		