

City of Beatrice Nebraska
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2018

Prepared by: Administration & Finance
Tobias Tempelmeyer
City Administrator

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CITY OF BEATRICE, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018
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SECTION 1

INTRODUCTORY SECTION

**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 15, 2019

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 comprehensive annual financial report of the City of Beatrice for the fiscal year ended September 30, 2018.

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.

BKD, 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, 2018 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, 2018 are fairly presented in conformity 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.

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 12,669. 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; and administrative services. The governing body oversees the City's various employee retirement systems and these activities are included in this report. 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 20th. The appropriated budget

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 15, 2019

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 73.

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 Monument of America. 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, 2018 was 2.7%, which is lower than the State of Nebraska rate of 2.8% and continued to be lower than the national rate of 3.7%.

Tax revenues received in 2018 were up 3.0% from 2017. The property tax levy for fiscal year 2018 was 0.00289 cent lower than the property tax levy in 2017. Property valuations, including personal property, increased \$57,277,512, as a result of the completion of TIF projects and the expansion of businesses such as ExMark Manufacturing, Inc., Duonix, and Rare Earth Salts, and resulted in an increase of property tax revenue received of 9.4%. Sales tax revenues reflect a slight decrease of 0.2% from 2017. Occupation tax revenue decreased 0.9% in 2018.

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 one-half of the proceeds from an additional half-cent sales and use tax, up to a maximum of \$250,000, as approved by the voters. This plan was extended to 2023 by a vote of the citizens of Beatrice in May 2012.

The City has been active in developing the Gage County Industrial Park which has 17 manufacturing and commercial industries. Two other major manufacturing companies are located within the City. 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 2018 the City experienced a lot of new developments in our housing market and in our downtown. In 2018 the developers began construction on four new housing developments in Beatrice. These projects included "tiny homes", workforce housing, and the expansion of a 50+ development. Our downtown façade improvement grant concluded in 2018 and resulted in a total investment of over \$1,300,000 in our downtown.

Financial Planning and Initiatives

The City Council annually prepares the financial budget which includes projected annual capital

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 15, 2019

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.

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.

In 2018 the City took the first of many steps in the shift of how the City purchases electrical energy. The City started to purchase green renewable energy from the Cottonwood wind farm near Hastings, Nebraska. Next year the City will start to shift our electrical purchases away from Nebraska Public Power District and towards the energy market. It is estimated that this change will result in significant savings for the City.

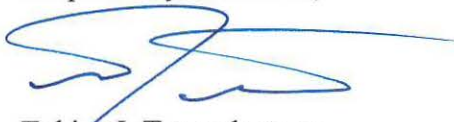
Awards and Acknowledgements

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 comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the 27th 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 comprehensive annual 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 comprehensive annual 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,



Tobias J. Tempelmeyer
City Administrator



Government Finance Officers Association

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

Presented to

**City of Beatrice
Nebraska**

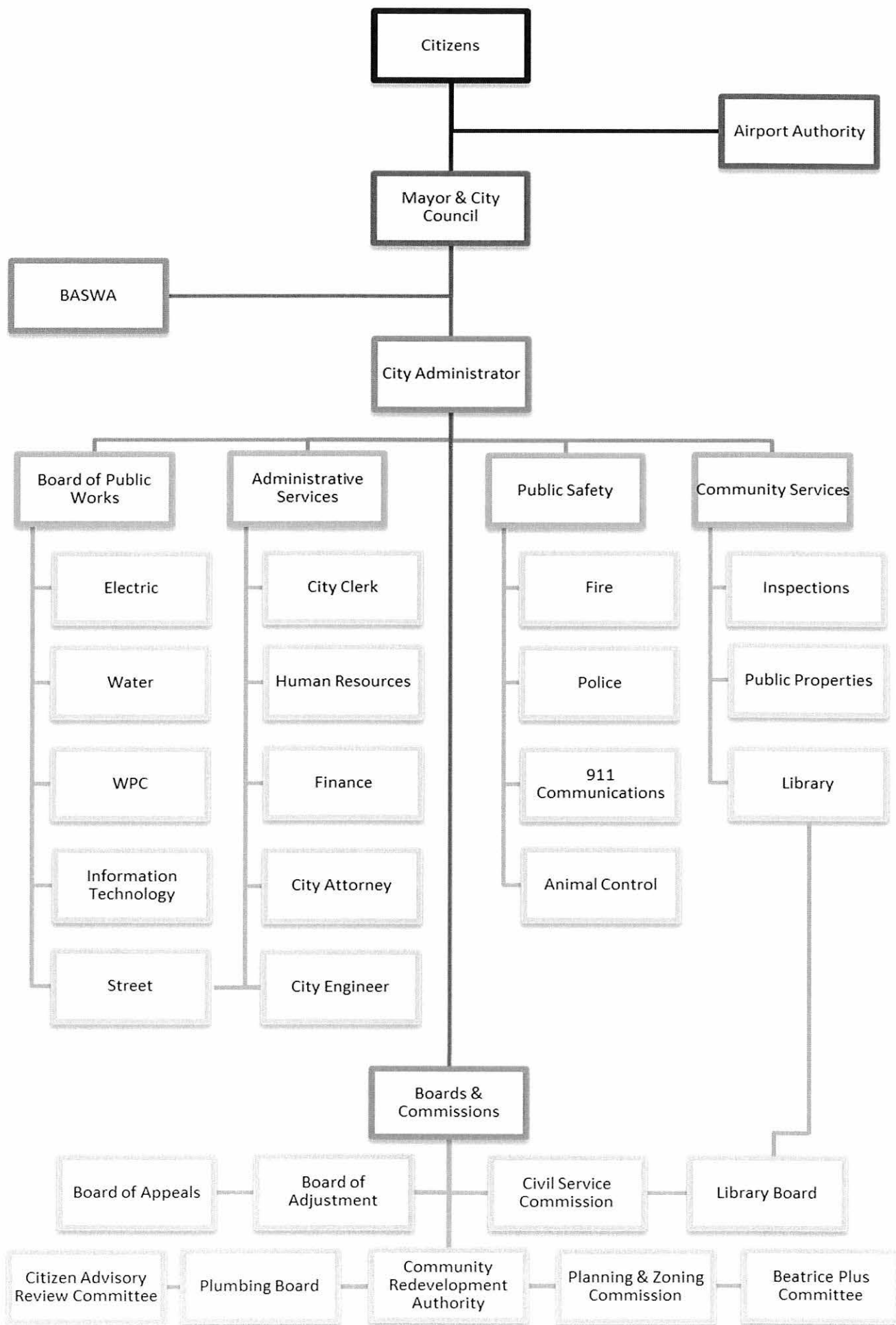
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2018**

MAYOR
Stan Wirth

CITY COUNCILMEMBERS

Phil Cook	Robert Morgan
Ted Fairbanks	Richard Clabaugh
Rich Kerr	Dwight Parde
David "Pede" Catlin	Joe Billesbach

CITY ADMINISTRATOR
Tobias Tempelmeyer

CITY OFFICIALS

Linda Koch	Finance Director
Erin Saathoff	City Clerk
Bruce Lang	Police Chief
Brian Daake	Fire Chief
Mark Pethoud	Director of Public Properties
Laureen Riedesel	Library Director
Abigail Stark	City Attorney
Rob Mierau	Building Inspector
James Burroughs	City Engineer
Jason Moore	Street Superintendent
Pat Feist	Electric Superintendent
Steve Kelley	Water Superintendent
Dean Kelch	WPC Chief Plant Operator

SECTION 2

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beatrice Public Library Foundation, which represent 14%, 17% and 4%, respectively, of the assets, net position and revenues of the discretely presented component units. 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary and other information, consisting of combining and individual fund statements and schedules, capital asset schedules, 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*, and the introductory and statistical sections, 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.

The combining and individual fund statements and schedules, capital asset schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, capital asset schedules, and 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 15, 2019, on our consideration of the 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 the 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 the City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
March 15, 2019

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2018. 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 xvi of this report.

FINANCIAL HIGHLIGHTS

The City of Beatrice's assets exceeded its liabilities at the close of the most recent year by \$80,271,441. Of this amount, \$12,310,399 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice's total net position increased \$4,546,502 or 6%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$6,176,598, a decrease of \$25,878 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$2,434,962, or 27.1% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, decreased \$121,141 during the current fiscal year. The City issued debt during the year totaling \$566,500 and annual debt obligations of \$1,039,360 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$351,719.

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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator 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.

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

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 13 to 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of 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 of Beatrice maintains thirteen 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 and the Street Fund, both of which are considered to be major funds. Data from the other eleven 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. 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 16 to 19 of this report.

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

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Control, 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 two nonmajor funds: the Sanitation Fund (an enterprise fund) and the Self-Insured Group Insurance Fund (an internal service fund). The basic proprietary fund financial statements can be found on pages 20 to 24 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 25 to 26 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 27 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 and 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 by \$80,271,441 at the close of the most recent fiscal year. By far the largest portion of the City of Beatrice's net position (79.8%) 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.

City of Beatrice's Net Position (expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	\$ 7,688	\$ 7,996	\$ 17,453	\$ 16,046	\$ 25,141	\$ 24,042
Capital assets	36,869	33,937	33,015	32,747	69,884	66,684
TOTAL ASSETS	<u>44,557</u>	<u>41,933</u>	<u>50,468</u>	<u>48,793</u>	<u>95,025</u>	<u>90,726</u>
LIABILITIES						
Long-term liabilities noncurrent	793	933	8,703	8,838	9,496	9,771
Other liabilities	1,878	1,901	3,380	3,329	5,258	5,230
TOTAL LIABILITIES	<u>2,671</u>	<u>2,834</u>	<u>12,083</u>	<u>12,167</u>	<u>14,754</u>	<u>15,001</u>
NET POSITION						
Net investment in capital assets	35,613	33,304	28,432	27,815	64,045	61,119
Restricted	3,211	4,051	704	721	3,915	4,772
Unrestricted	3,062	1,744	9,249	8,090	12,311	9,834
TOTAL NET POSITION	<u>\$ 41,886</u>	<u>\$ 39,099</u>	<u>\$ 38,385</u>	<u>\$ 36,626</u>	<u>\$ 80,271</u>	<u>\$ 75,725</u>

City of Beatrice, Nebraska
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An additional portion of the City of Beatrice's net position (4.9%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$12,310,399 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 \$2,787,505 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 \$1,758,997. A breakdown of these activities is as follows:

City of Beatrice's Changes in Net Position
(expressed in thousands)
For the years ended September 30, 2018 and 2017

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues						
Charges for services	\$ 5,675	\$ 5,118	\$26,197	\$24,985	\$31,872	\$30,103
Operating grants and contributions	1,914	1,236	-	-	1,914	1,236
Capital grants and contributions	3,817	2,392	30	351	3,847	2,743
General revenues						
Taxes	6,347	6,160	-	-	6,347	6,160
Unrestricted intergovernmental	830	789	-	-	830	789
Other revenue	195	252	690	612	885	864
TOTAL REVENUES	18,778	15,947	26,917	25,948	45,695	41,895
EXPENSES						
General government	5,538	4,722	-	-	5,538	4,722
Public safety	6,590	6,581	-	-	6,590	6,581
Highways and streets	2,168	1,948	-	-	2,168	1,948
Culture and recreation	1,685	1,604	-	-	1,685	1,604
Interest on long-term debt	10	14	-	-	10	14
Electric	-	-	18,194	16,340	18,194	16,340
Water	-	-	2,335	2,131	2,335	2,131
Water pollution control (WPC)	-	-	1,577	1,539	1,577	1,539
Solid waste management	-	-	1,532	1,468	1,532	1,468
Sanitation	-	-	1,520	1,322	1,520	1,322
TOTAL EXPENSES	15,991	14,869	25,158	22,800	41,149	37,669
CHANGE IN NET POSITION	2,787	1,078	1,759	3,148	4,546	4,226
NET POSITION, Beginning of Year	39,099	38,021	36,626	33,478	75,725	71,499
NET POSITION, End of Year	\$41,886	\$39,099	\$38,385	\$36,626	\$80,271	\$75,725

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Tax revenues increased 3% in 2018 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 2018 decreased 0.3 cents however property valuations increased 9.5% resulting in an increase in property tax revenue recognized of 8.6%. Sales tax revenues collected decreased just slightly in 2018 as compared to 2017. Occupation taxes from utilities, which are based upon gross sales, decreased 2.8% in 2018. The lodging occupation tax brought in \$96,634 in 2018 as compared to \$91,528 in 2017. 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 \$41,164 in 2018. 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 2018 the City's MEF revenue was \$576,797 as compared to \$547,190 in 2017; the City's calculation was above the state-wide average for both fiscal years.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance and storm water management. State highway allocation dollars, which are a major funding source to maintain the street fund, increased 3.8% in 2018 from 2017. The police department operates a victim assistance program and school resource program with grant funding and other local assistance. 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 2018 the City continued to receive grant funding through the Mutual Finance Organization Assistance Act for fire and EMS equipment and facility improvements, and various smaller grants for public safety equipment, including a grant to provide eCitations software and equipment to the police department. State funding and private funding provided for street improvements. The City received the final assistance payments from the Federal Emergency Management Agency for storm damage in 2017. Community Development Block Grant funds provided downtown revitalization assistance. A state grant and private contributions assisted towards park recreational improvements, construction of an indoor batting facility, and a new splash pad. Private contributions continue to provide for the purchase of library materials and building improvements.

Expenses increased 7.5% in 2018 as compared to 2017. 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 2018 as compared to 2017 are as follows: public safety increased only 0.1% as compared to the prior year, streets increased 11.3%, and culture and recreation increased 5%.

Business-Type Activities

Charges for services for business-type activities increased 4.8% in 2018 from 2017. The Electric fund, which distributes purchased power, did not increase rates during 2018, however revenue increased 9.6% due to industrial customer sales and participation in Cottonwood wind energy sales. The Water and Water Pollution Control funds also did not increase rates during 2018; revenue in those funds decreased 2.6% and 1.6% respectively due to decreased sales. Garbage service fees, which are accounted for in the Sanitation fund to fund the cost of the hauler contract and landfill disposal fee, increased 14.9% in 2018 due to rate increases. In 2017 the Beatrice Area Solid Waste Agency fund revenues had a major influx of revenue due to one-time customer sales totaling \$768,000, in comparison without this customer the 2018 revenues increased 22.4% due to a rate increase and two large construction demolition waste disposal contracts.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

As of the end of the current fiscal year, the City of Beatrice's governmental funds reported a combined ending fund balance of \$6,176,598 which is a decrease of \$25,878 in comparison with the prior year. Of this amount, 30.9% of this balance is unassigned and is available for spending at the City's discretion (\$1,909,845). The City's unassigned balance increased \$712,204 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 (\$3,215,299), committed for particular purposes (\$273,599), or assigned by management for particular purposes (\$777,855).

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 and assigned balances) of the General Fund was \$2,434,962; an increase from 2017 of \$563,298. 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 27.1% of total General fund expenditures.

General fund revenues increased 5.6% from the previous year. Tax revenues increased 4% due to an increase in property tax revenue. Intergovernmental revenue available to fund general operations increased \$254,372, and includes interlocal agreements to provide 911 and EMS services, state aid, and federal grant assistance funding, which increased in 2018 for the victim assistance program and disaster funding for 2017 storm damage. Charges for services decreased slightly (0.5%) and licenses and permits revenue brought in \$28,322 more than in 2017. Other revenues increased \$25,596 from 2017 due to increased interest earnings and donations.

General fund expenditures in 2018 decreased 10.9% from the previous year; however in 2017 the fund experienced a major expenditure costing \$1.6 million for the clean-up of a former gas-plant site, therefore the 2018 operations to provide services increased 5.9% in comparison with 2017 without the major expenditure. Transfers in for 2018 were \$71,554 as compared to \$70,082 in 2017, 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 2018 were \$717,557, as compared to \$309,756 in 2017.

The fund balance restricted for the Street fund at year end was \$1,460,200, a decrease of \$613,102 from 2017. In 2018 total revenues decreased 4.5% from 2017. Sales tax revenues remained steady and state aid increased 3.3%, however grant funding for highway improvement projects decreased \$205,407 due to a grant funded project in 2017. Expenditures increased 11.2% from the previous year. Non-capital operational expenditures increased 8.3% from 2017, while capital outlay expenditures in 2018 were \$2,101,113 as compared to \$1,863,051 in 2017.

Nonmajor governmental funds include five special revenue funds, three debt service funds, and three capital project funds. The combined fund balance for these funds at the end of the fiscal year was \$2,281,436 which was restricted, committed, or assigned for each fund's specific purposes. The Economic Development fund received the maximum sales tax dollars of \$250,000, \$365,739 in other revenues and \$8,000 for land and building sales; expenditures included infrastructure improvements reimbursed by the developer, demolition of an old elevator site, funding towards a joint economic development organization, and funding into a Rural Workforce Housing Fund; economic development loans were awarded in the amount of \$85,000 with \$33,465 paid back or forgiven during the fiscal year

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

and the fund balance decreased by \$205,359 from 2017. The Community Development Block Grant fund balance restricted for Revolving Loans of \$365,187 increased \$5,117 from 2017 due to loan repayments. The Keno fund balance increased to \$153,385 as compared to \$80,257 in 2017. Keno proceeds increased 4% and there were no transfers out for community betterment capital projects in 2018. The Storm Water Management fund accounts for the costs associated with the implementation of the plan and the revenue sources, including grant specific funds, and had a fund balance of \$47,679 at year end. The 911 Surcharge fund had a fund balance of \$89,220 at the end of 2018 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 2018 \$71,554 was transferred to the General fund for support of the 911 communications center operations. The debt service funds requirements were funded with special levies and special assessment revenues. Capital improvement funds fund balances at year end are restricted, committed or assigned for specific purposes: \$27,791 for library improvements, \$92,726 for public safety equipment, and \$238,697 for trail and park improvement contracts that will be completed in the next fiscal year. Capital expenditures totaling \$1,232,690 in 2018 were funded with various revenue sources including grants, bonds, private donations, and 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 \$9,249,129, which is an increase of \$1,159,151 from 2017. The Electric fund increased \$30,960; the Water Fund increased \$461,594; the Water Pollution Control fund increased \$365,134; and the BASWA fund increased \$301,463. Restricted net position for debt service was \$704,205 at year end as compared to \$721,481 in 2017. Net investment in capital assets increased from \$27,814,977 in FY2017 to \$28,432,099 in FY2018. 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 \$1,544,425 and can be briefly summarized as follows: \$802,350 in the Street fund for additional street projects; \$300,000 in the Self-Insured Group Insurance Fund to pay large health insurance claims; \$1,000 in the Keno Fund to pay the lottery tax; \$13,475 in the Library Capital Improvements Fund for the 2017 roof project not completed until 2018; \$257,600 in the Capital Improvements Fund for 2017 projects not completed until 2018, increased size of the hitting facility, and soil conditioning for the trail; and \$170,000 in the Public Safety Capital Improvements Capital Projects Fund for the police software upgrade, servers, and police cars.

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, 2018, amounts to \$64,995,007, (net of accumulated depreciation), construction in progress of \$4,784, and land of \$4,884,723. 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 4.8% percent (a 8.6% increase for governmental activities and a 0.8% increase for business-type activities).

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Beatrice's Capital Assets (net of depreciation, except land)
(expressed in thousands)
September 30, 2018 and 2017

	Governmental activities		Business-Type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,748	\$ 4,575	\$ 137	\$ 137	\$ 4,885	\$ 4,712
Buildings and system	9,359	9,103	11,697	11,078	21,056	20,181
Improvements other than bldgs	5,143	4,967	63,889	63,974	69,032	68,941
Machinery and equipment	11,929	11,485	8,960	8,410	20,889	19,895
Infrastructure	34,829	31,350	-	-	34,829	31,350
Construction in progress	-	-	5	5	5	5
Less accumulated depreciation	(29,138)	(27,543)	(51,673)	(50,857)	(80,811)	(78,400)
TOTAL	<u>\$ 36,870</u>	<u>\$ 33,937</u>	<u>\$ 33,015</u>	<u>\$ 32,747</u>	<u>\$ 69,885</u>	<u>\$ 66,684</u>

Major changes in capital assets in the governmental activities during fiscal year 2018 include infrastructure improvements for streets, including highway 77 north resurfacing, a new trail connecting the current trail system, a new playground with parking and trails and an indoor hitting facility to compliment the ballfield complex, splash pad equipment to be installed in the next fiscal year, library roof repairs and self-checkout equipment, computer equipment for all departments, police software upgrades, including the installation of eCitations, police vehicles, fire and EMS equipment, parks pickup, street dump truck, and planning and design services for a new fire station. In 2018 there were land acquisitions of dilapidated property, including clean-up and demolition costs.

Major changes in capital assets in the business-type activities during fiscal year 2018 include: in the Electric fund continuation of 12.5 KV conversions, replacement of underground cable, new transformers, metering, new services and extensions for residential and commercial developments, decorative lighting in the downtown business district, new Christmas lighting, a new digger derrick truck and computer equipment; in the Water fund water main projects in 2018 included replacement of old mains in the areas of Perkins 6th to 10th, S 7th Perkins to Bell, S 9th Doane to Scott, S 11th Scott to Holbrook, and Scott 7th to 11th, and extension of services for new commercial and residential development, well #6 rehab, equipment costs for metering, and a new pickup; in the Water Pollution Control fund projects included installation of a new bar screen at the disposal plant, a sewer extension for residential development, repairs to lift stations, a new skid loader and tractor, and design services for a future dewatering project at the disposal plant; and the BASWA fund in 2018 purchased a new dozer and incurred final costs on the construction of a new cell that will add more capacity and extend the life of the landfill.

Additional information on the City of Beatrice's capital assets can be found in note E on pages 56 to 57 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 \$3,930,000. Of this amount, \$365,000 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 \$1,162,369 in lease payables, \$1,826,952 for compensated absences, and \$4,396,000 for closure post-closure costs.

During the current fiscal year, the City of Beatrice issued \$170,000 in Tax Obligation Public Safety Bonds, and paid annual bond maturities of \$785,000 thereby decreasing the bonded debt \$615,000. A new lease was issued for the purchase of a dozer for the landfill in the amount of \$396,500.

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$340,000 at September 30, 2018; this amount comprises bonded debt paid through a special levy approved by the City of Beatrice.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

During the current fiscal year, the Beatrice Airport Authority issued \$230,000 in Airport Authority Bonds, and paid the annual maturities of \$150,000, thereby increasing the bonded debt \$80,000.

Additional information on the City of Beatrice's long-term debt can be found on pages 59 to 63 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice for September 2018 is 2.7%, which is a decrease from 5.4% reported a year ago. The City's rate compares favorably to the state average unemployment rate of 2.8% and national average of 3.7%.

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 2018 was slightly higher by 0.4% when compared to 2017. 2018 was a positive year for economic development efforts in the City. City and County officials provide combined support for an economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. Highlights during 2018 include infrastructure improvements and completion of a new business facility in the industrial park for a turkey hatchery, two major manufacturing businesses in the industrial park are expanding with the help of state funding, and tax increment financing provided assistance for new housing developments. Several downtown business owners have taken advantage of some grant funding the City was awarded to assist with façade improvements. Small business owners have taken advantage of renovating downtown properties, including the opening of a new event center and the community's first local brewery.

The City of Beatrice approved a budget plan that included both fiscal years 2018 and fiscal year 2019. That budget presented a balanced budget of operating revenues to meet expenditure needs and fund various capital projects, along with a plan to gradually replenish general fund cash reserves. Tax revenue projections included a conservative increase in sales tax revenue, and in 2019 the total property tax requirement increased 4.4%; with no increase to property valuations, due to a drop in personal property valuations, the general fund levy increased 2.3% to .360211 and the debt service levy increased from .0294258 to .0389599 due to the new public safety bonds issued in 2018.

Major capital projects for the 2019 fiscal year include: various street improvements, construction of a new trail extension, completion of the splash pad project, a motor grader, new ambulance, police vehicle and other public safety equipment, and computer equipment. The proposal for a new fire station was placed on the November 2018 ballot to be funded through an additional 1/2 cent city sales tax earmarked specifically for that purpose, which was approved by the voters. The 2019 budget may need to be supplemented to provide for site acquisition costs and architectural fees, with construction anticipated in 2020. The additional sales tax collections will begin in April 2019.

In fiscal year 2019, the City proposed a zero rate increase for all three utility funds, Electric, Water, and Water Pollution Control, and if necessary will absorb any excess cost from the rate stabilization and infrastructure fee funds; projected revenues should be sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies. The Beatrice Area Solid Waste Agency in 2017 established small rate increases over a four year period to provide sufficient revenues to cover the cost of operations, fund the closure and post-closure reserves, and cover annual debt service requirements; the life expectancy of the current landfill is projected to 2029.

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, 2018
 With comparative totals for September 30, 2017

	Primary Government		2018	2017	2018
	Governmental	Business-Type	2018	Total	Component
	Activities	Activities	Total	Total	Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 3,899,653	\$ 6,485,348	\$ 10,385,001	\$ 10,345,574	\$ 670,050
Cash on deposit - county treasurer	91,166	-	91,166	103,142	6,673
Accounts receivable	765,647	2,008,184	2,773,831	2,695,242	1,339,991
Interest receivable	-	5,593	5,593	49,088	-
Assessments receivable	-	-	-	10,895	-
Unbilled and accrued revenues	-	994,965	994,965	915,018	-
Due from other governments	710,376	-	710,376	698,853	-
Materials and supplies inventories	-	950,296	950,296	924,847	75,439
Prepaid expenses	-	15,293	15,293	13,854	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	111,704	-	111,704	127,940	11,968
Current portion of loans receivable	81,150	-	81,150	123,493	-
Total Current Assets	5,669,801	10,459,679	16,129,480	16,018,051	2,104,121
Noncurrent Assets					
Investments	1,224,430	3,895,458	5,119,888	4,561,648	1,374,456
Restricted Cash and Cash Equivalents					
Cash on deposit - county treasurer	-	-	-	-	19,127
Debt service reserve account	-	-	-	-	56,664
Customer and developer deposits	-	122,365	122,365	94,781	-
Grants and capital projects	-	-	-	-	79,241
Restricted Investments					
Debt service reserve account	-	737,957	737,957	757,402	-
Customer deposits	-	294,760	294,760	280,000	-
Grants and capital projects	-	-	-	-	133,811
Closure and post-closure costs	-	1,942,267	1,942,267	1,616,399	-
Total Restricted Assets	-	3,097,349	3,097,349	2,748,582	288,843
Capital Assets					
Land	4,747,619	137,104	4,884,723	4,711,627	1,321,356
Construction in progress	-	4,784	4,784	5,421	-
Capital assets, net of accumulated depreciation	32,121,724	32,873,283	64,995,007	61,966,890	6,898,940
Net Capital Assets	36,869,343	33,015,171	69,884,514	66,683,938	8,220,296
Other Assets					
Loans receivable, net of current portion	793,818	-	793,818	713,900	-
Total Noncurrent Assets	38,887,591	40,007,978	78,895,569	74,708,068	9,883,595
Total Assets	\$ 44,557,392	\$ 50,467,657	\$ 95,025,049	\$ 90,726,119	\$ 11,987,716

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 September 30, 2018
 With comparative totals for September 30, 2017

	Primary Government		2018	2017	2018
	Governmental	Business-Type	Total	Total	Component
	Activities	Activities			Units
Liabilities					
Current Liabilities					
Accounts payable	\$ 1,048,445	\$ 1,706,361	\$ 2,754,806	\$ 2,850,151	\$ 1,514,611
Claims incurred but not reported	118,134	-	118,134	176,415	-
Accrued compensated absences	380,203	291,930	672,133	625,285	17,313
Sales tax payable	-	217	217	634	-
Accrued interest payable	6,045	33,752	39,797	44,388	960
Accrued expenses	-	104,025	104,025	100,134	-
Other accrued liabilities	-	19,188	19,188	18,476	-
Customer and developer deposits	-	402,120	402,120	374,520	-
Due to developer	-	-	-	-	33,651
Current maturities of lease obligation	75,657	226,598	302,255	254,494	-
Current maturities of bonds and notes	250,000	595,000	845,000	785,000	110,000
Total Current Liabilities	<u>1,878,484</u>	<u>3,379,191</u>	<u>5,257,675</u>	<u>5,229,497</u>	<u>1,676,535</u>
Noncurrent Liabilities, Net of Current Portion					
Compensated absences	609,260	545,559	1,154,819	1,075,948	60,477
Revenue bonds	-	2,970,000	2,970,000	3,565,000	-
General obligation bonds	115,000	-	115,000	195,000	230,000
Lease obligation	68,640	791,474	860,114	765,735	-
Closure and postclosure costs	-	4,396,000	4,396,000	4,170,000	-
Total Noncurrent Liabilities	<u>792,900</u>	<u>8,703,033</u>	<u>9,495,933</u>	<u>9,771,683</u>	<u>290,477</u>
Total Liabilities	<u>2,671,384</u>	<u>12,082,224</u>	<u>14,753,608</u>	<u>15,001,180</u>	<u>1,967,012</u>
Net Position					
Net investment in capital assets	35,613,362	28,432,099	64,045,461	61,118,709	7,711,739
Restricted net position					
Restricted for economic development	1,175,078	-	1,175,078	1,380,437	-
Restricted for library capital improvements	303	-	303	40,406	-
Restricted for debt service	73,709	704,205	777,914	789,468	55,704
Restricted revolving loan fund	365,187	-	365,187	360,070	-
Restricted for E911 public safety	89,220	-	89,220	57,035	-
Restricted for streets	1,460,200	-	1,460,200	2,073,302	-
Restricted for storm water management	47,679	-	47,679	71,502	-
Restricted for Library Foundation	-	-	-	-	201,992
Unrestricted net position	<u>3,061,270</u>	<u>9,249,129</u>	<u>12,310,399</u>	<u>9,834,010</u>	<u>2,051,269</u>
Total Net Position	<u>\$ 41,886,008</u>	<u>\$ 38,385,433</u>	<u>\$ 80,271,441</u>	<u>\$ 75,724,939</u>	<u>\$ 10,020,704</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2018
 With comparative totals for the year ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position				2018 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2018 Total	2017 Total	
Primary Government:									
Governmental Activities									
General government	\$ 5,538,033	\$ 4,077,215	\$ 650,000	\$ 379,236	\$ (431,582)	\$ -	\$ (431,582)	\$ (1,107,814)	\$ -
Public safety	6,589,459	1,319,054	1,074,321	157,786	(4,038,298)	-	(4,038,298)	(4,070,856)	-
Highways and streets	2,168,474	24,085	164,518	2,940,346	960,475	-	960,475	97,237	-
Culture and recreation	1,684,625	254,960	25,177	339,428	(1,065,060)	-	(1,065,060)	(1,028,031)	-
Interest on long-term debt	10,185	-	-	-	(10,185)	-	(10,185)	(14,039)	-
Total Governmental Activities	15,990,776	5,675,314	1,914,016	3,816,796	(4,584,650)	-	(4,584,650)	(6,123,503)	-
Business-type Activities									
Electric	18,193,641	17,794,990	-	30,486	-	(368,165)	(368,165)	36,443	-
Water	2,335,497	2,789,557	-	-	-	454,060	454,060	875,670	-
Water pollution control	1,577,218	2,278,816	-	-	-	701,598	701,598	842,839	-
BASWA	1,532,323	1,814,151	-	-	-	281,828	281,828	781,846	-
Sanitation	1,519,746	1,519,746	-	-	-	-	-	-	-
Total Business-type Activities	25,158,425	26,197,260	-	30,486	-	1,069,321	1,069,321	2,536,798	-
Total Primary Government	41,149,201	31,872,574	1,914,016	3,847,282	(4,584,650)	1,069,321	(3,515,329)	(3,586,705)	-
Component Units:									
Beatrice Airport Authority	746,106	422,878	-	1,387,520					1,064,292
Community Redevelopment Authority	400,543	-	-	-					(400,543)
Beatrice Public Library Foundation	103,632	-	-	-					(103,632)
Total Component Units	\$ 1,250,281	\$ 422,878	\$ -	\$ 1,387,520					560,117
General Revenues									
Taxes									
Property tax					2,509,128	-	2,509,128	2,309,878	228,994
Tax increment financing					-	-	-	-	400,543
Sales tax					3,176,459	-	3,176,459	3,182,824	-
Occupation tax					661,629	-	661,629	667,508	-
Unrestricted intergovernmental					829,811	-	829,811	788,647	-
Miscellaneous revenues					161,549	519,238	680,787	726,773	15,272
Unrestricted investment earnings					33,579	170,438	204,017	137,159	99,261
Total General Revenues					7,372,155	689,676	8,061,831	7,812,789	744,070
Change in Net Position					2,787,505	1,758,997	4,546,502	4,226,084	1,304,187
Net Position, Beginning of Year					39,098,503	36,626,436	75,724,939	71,498,855	8,716,517
Net Position, End of Year					\$ 41,886,008	\$ 38,385,433	\$ 80,271,441	\$ 75,724,939	\$ 10,020,704

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018
With comparative totals for September 30, 2017

	2018				2017
	General Fund	Streets Fund	Other Governmental Funds	Total	Total
Assets					
Cash and cash equivalents	\$ 533,036	\$ 1,896,780	\$ 1,408,651	\$ 3,838,467	\$ 3,969,198
Investments	1,224,430	-	-	1,224,430	1,211,648
Cash on deposit - county treasurer	85,504	-	5,662	91,166	103,142
Accounts receivable	508,475	22,131	235,041	765,647	747,767
Taxes receivable	96,822	-	14,882	111,704	127,940
Due from other governments	441,591	268,785	-	710,376	698,853
Interest receivable	-	-	-	-	9,110
Assessments receivable	-	-	-	-	10,895
Loans receivable	-	-	874,968	874,968	837,393
In-lieu of assessments receivable	-	-	10,105	10,105	10,105
Total Assets	<u>\$ 2,889,858</u>	<u>\$ 2,187,696</u>	<u>\$ 2,549,309</u>	<u>\$ 7,626,863</u>	<u>\$ 7,726,051</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 241,469	\$ 727,496	\$ 79,480	\$ 1,048,445	\$ 1,073,174
Accrued interest payable	-	-	2,122	2,122	2,122
Total Liabilities	<u>241,469</u>	<u>727,496</u>	<u>81,602</u>	<u>1,050,567</u>	<u>1,075,296</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>213,427</u>	<u>-</u>	<u>186,271</u>	<u>399,698</u>	<u>448,279</u>
Fund Balance					
Restricted for:					
Economic development	-	-	1,175,078	1,175,078	1,380,437
Library capital improvements	-	-	303	303	40,406
Debt service	-	-	77,632	77,632	74,332
Revolving loan fund	-	-	365,187	365,187	360,070
E911 public safety	-	-	89,220	89,220	57,035
Streets	-	1,460,200	-	1,460,200	2,073,302
Storm water management	-	-	47,679	47,679	71,502
Committed for:					
Library capital improvements	-	-	27,488	27,488	40,937
Public safety equipment	-	-	92,726	92,726	125,797
Community betterment	-	-	153,385	153,385	80,257
Assigned, for:					
Subsequent years' expenditures	525,117	-	238,697	763,814	699,944
Debt service	-	-	14,041	14,041	816
Unassigned, reported in:					
General fund	<u>1,909,845</u>	<u>-</u>	<u>-</u>	<u>1,909,845</u>	<u>1,197,641</u>
Total Fund Balance	<u>2,434,962</u>	<u>1,460,200</u>	<u>2,281,436</u>	<u>6,176,598</u>	<u>6,202,476</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,889,858</u>	<u>\$ 2,187,696</u>	<u>\$ 2,549,309</u>		

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET - CONTINUED
GOVERNMENTAL FUNDS
September 30, 2018
With comparative totals for September 30, 2017

	<u>2018</u> Total	<u>2017</u> Total
Fund Balance Governmental Funds	6,176,598	6,202,476
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.	\$ 36,869,343	\$ 33,936,461
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.	(56,948)	93,572
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	399,698	448,279
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	(3,923)	(6,345)
Bonds payable	(365,000)	(385,000)
Notes and leases payable	(144,297)	(247,729)
Compensated absences	(989,463)	(943,211)
Net Position of Governmental Activities	<u>\$ 41,886,008</u>	<u>\$ 39,098,503</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, 2018
 With comparative totals for the year ended September 30, 2017

	2018				2017
	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ 2,332,138	\$ -	\$ 196,218	\$ 2,528,356	\$ 2,311,345
Sales tax	2,291,167	635,292	250,000	3,176,459	3,182,824
Occupation tax	661,629	-	-	661,629	667,508
Licenses and permits	210,699	-	-	210,699	182,377
Intergovernmental	2,002,700	1,869,306	428,021	4,300,027	4,021,278
Charges for services	1,851,235	24,085	103,739	1,979,059	1,990,886
Keno proceeds	-	-	89,062	89,062	85,619
Special assessments	-	-	10,895	10,895	14,814
Interest	24,438	-	8,965	33,403	33,512
Miscellaneous	162,979	79,835	622,358	865,172	501,139
Total Revenues	<u>9,536,985</u>	<u>2,608,518</u>	<u>1,709,258</u>	<u>13,854,761</u>	<u>12,991,302</u>
Expenditures					
Current					
General government	1,550,352	-	406,231	1,956,583	3,012,687
Public safety	6,073,864	-	-	6,073,864	5,944,639
Highways and streets	-	1,120,507	-	1,120,507	1,034,929
Culture and recreation	1,073,148	-	-	1,073,148	1,061,376
Debt Service					
Principal	-	-	190,000	190,000	190,000
Interest	-	-	3,468	3,468	3,479
Bond issuance costs	-	-	2,700	2,700	-
Capital outlay	283,110	2,101,113	1,773,073	4,157,296	3,199,788
MFO payments - other entities	-	-	133,863	133,863	132,460
Total Expenditures	<u>8,980,474</u>	<u>3,221,620</u>	<u>2,509,335</u>	<u>14,711,429</u>	<u>14,579,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	556,511	(613,102)	(800,077)	(856,668)	(1,588,056)
Other Financing Sources (Uses)					
Sale of capital assets	2,790	-	8,000	10,790	225,368
Insurance and settlement recoveries	650,000	-	-	650,000	-
Bond and lease issuances	-	-	170,000	170,000	-
Transfers in	71,554	-	717,557	789,111	379,838
Transfers out	(717,557)	-	(71,554)	(789,111)	(379,838)
Total Other Financing Sources	<u>6,787</u>	<u>-</u>	<u>824,003</u>	<u>830,790</u>	<u>225,368</u>
Net Change in Fund Balance	563,298	(613,102)	23,926	(25,878)	(1,362,688)
Fund Balance, Beginning of Year	<u>1,871,664</u>	<u>2,073,302</u>	<u>2,257,510</u>	<u>6,202,476</u>	<u>7,565,164</u>
Fund Balance, End of Year	<u>\$ 2,434,962</u>	<u>\$ 1,460,200</u>	<u>\$ 2,281,436</u>	<u>\$ 6,176,598</u>	<u>\$ 6,202,476</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, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balance - total governmental funds	\$ (25,878)	\$ (1,362,688)
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	5,136,020	4,401,677
Depreciation expense	(2,021,824)	(1,971,430)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.	(48,581)	75,165
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.	125,854	292,038
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 decrease in compensated absences.	(46,252)	12,823
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(181,314)	(249,967)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(150,520)</u>	<u>(119,959)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,787,505</u>	<u>\$ 1,077,659</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018
With comparative totals for September 30, 2017

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2018 Total	2017 Total	2018 Total	2017 Total
Current Assets									
Cash and cash equivalents	\$ 2,409,501	\$ 1,604,068	\$ 2,098,667	\$ 301,872	\$ 71,240	\$ 6,485,348	\$ 6,194,385	\$ 61,186	\$ 181,991
Accounts receivable	1,395,865	213,758	115,040	225,000	58,521	2,008,184	1,859,479	-	87,996
Unbilled and accrued revenues	728,076	147,770	119,119	-	-	994,965	915,018	-	-
Materials and supplies inventories	658,323	291,973	-	-	-	950,296	924,847	-	-
Prepaid expenses	6,522	5,469	3,302	-	-	15,293	13,854	-	-
Interest receivable	2,012	500	3,081	-	-	5,593	39,978	-	-
Total Current Assets	5,200,299	2,263,538	2,339,209	526,872	129,761	10,459,679	9,947,561	61,186	269,987
Noncurrent Assets									
Investments	2,433,417	200,000	1,262,041	-	-	3,895,458	3,350,000	-	-
Restricted Cash and Cash Equivalents									
Customer and developer deposits	122,365	-	-	-	-	122,365	94,781	-	-
Restricted Investments									
Debt service reserve account	71,869	128,774	180,330	356,984	-	737,957	757,402	-	-
Customer deposits	294,760	-	-	-	-	294,760	280,000	-	-
Closure and post-closure costs	-	-	-	1,942,267	-	1,942,267	1,616,399	-	-
Total Restricted Cash, Cash Equivalents and Investments	488,994	128,774	180,330	2,299,251	-	3,097,349	2,748,582	-	-
Capital Assets									
Land and land rights	65,058	55,458	16,588	-	-	137,104	137,104	-	-
Construction in progress	4,784	-	-	-	-	4,784	5,421	-	-
Buildings and improvements	1,407,872	125,563	10,163,757	-	-	11,697,192	11,077,711	-	-
Improvements other than buildings	28,767,887	18,171,294	9,232,448	7,717,859	-	63,889,488	63,974,008	-	-
Machinery and equipment	3,652,263	1,041,592	2,112,206	2,153,600	-	8,959,661	8,409,638	-	-
Total Capital Assets	33,897,864	19,393,907	21,524,999	9,871,459	-	84,688,229	83,603,882	-	-
Less accumulated depreciation	(19,200,754)	(12,466,099)	(15,217,544)	(4,788,661)	-	(51,673,058)	(50,856,405)	-	-
Net Capital Assets	14,697,110	6,927,808	6,307,455	5,082,798	-	33,015,171	32,747,477	-	-
Total Noncurrent Assets	17,619,521	7,256,582	7,749,826	7,382,049	-	40,007,978	38,846,059	-	-
Total Assets	\$ 22,819,820	\$ 9,520,120	\$ 10,089,035	\$ 7,908,921	\$ 129,761	\$ 50,467,657	\$ 48,793,620	\$ 61,186	\$ 269,987

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 PROPRIETARY FUNDS
 September 30, 2018
 With comparative totals for September 30, 2017

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2018 Total	2017 Total	2018 Total	2017 Total
Liabilities									
Current Liabilities									
Accounts payable	\$ 1,450,632	\$ 77,432	\$ 24,265	\$ 24,271	\$ 129,761	\$ 1,706,361	\$ 1,776,977	\$ -	\$ -
Claims incurred but not reported	-	-	-	-	-	-	-	118,134	176,415
Accrued compensated absences	147,522	86,437	42,603	15,368	-	291,930	276,121	-	-
Accrued payroll	56,155	25,007	15,457	7,406	-	104,025	100,134	-	-
Sales tax payable	217	-	-	-	-	217	634	-	-
Accrued interest	2,077	4,050	5,896	21,729	-	33,752	35,921	-	-
Other accrued liabilities	12,320	4,727	2,141	-	-	19,188	18,476	-	-
Customer and developer deposits	402,120	-	-	-	-	402,120	374,520	-	-
Current maturities of lease obligation	-	-	-	226,598	-	226,598	151,062	-	-
Current maturities of long-term debt	63,000	113,220	158,780	260,000	-	595,000	595,000	-	-
Total Current Liabilities	2,134,043	310,873	249,142	555,372	129,761	3,379,191	3,328,845	118,134	176,415
Noncurrent Liabilities, Net of Current Portion									
Compensated absences	288,254	206,767	50,538	-	-	545,559	481,901	-	-
Revenue bonds, net of current portion	337,750	548,350	728,900	1,355,000	-	2,970,000	3,565,000	-	-
Lease obligation	-	-	-	791,474	-	791,474	621,438	-	-
Closure and post-closure cost	-	-	-	4,396,000	-	4,396,000	4,170,000	-	-
Total Noncurrent Liabilities	626,004	755,117	779,438	6,542,474	-	8,703,033	8,838,339	-	-
Total Liabilities	2,760,047	1,065,990	1,028,580	7,097,846	129,761	12,082,224	12,167,184	118,134	176,415
Net Position									
Net investment in capital assets	14,296,360	6,266,238	5,419,775	2,449,726	-	28,432,099	27,814,977	-	-
Restricted for debt service	69,792	124,724	174,434	335,255	-	704,205	721,481	-	-
Unrestricted	5,693,621	2,063,168	3,466,246	(1,973,906)	-	9,249,129	8,089,978	(56,948)	93,572
Total Net Position	\$ 20,059,773	\$ 8,454,130	\$ 9,060,455	\$ 811,075	\$ -	\$ 38,385,433	\$ 36,626,436	\$ (56,948)	\$ 93,572

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, 2018
With comparative totals for the year ended September 30, 2017

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2018 Total	2017 Total	2018 Total	2017 Total
Operating Revenues									
Charges for services	\$ 17,794,990	\$ 2,789,557	\$ 2,278,816	\$ 1,814,151	\$ 1,519,746	\$ 26,197,260	\$ 24,985,501	\$ 2,898,324	\$ 2,722,614
Reinsurance coverage reimbursements	-	-	-	-	-	-	-	237,879	157,594
Total Operating Revenues	<u>17,794,990</u>	<u>2,789,557</u>	<u>2,278,816</u>	<u>1,814,151</u>	<u>1,519,746</u>	<u>26,197,260</u>	<u>24,985,501</u>	<u>3,136,203</u>	<u>2,880,208</u>
Operating Expenses									
Electric energy purchased	13,660,580	-	-	-	-	13,660,580	12,078,081	-	-
Operating and maintenance expenses	1,184,005	1,062,272	626,837	-	1,519,746	4,392,860	4,006,367	-	-
Customer accounting expenses	240,194	137,053	86,864	-	-	464,111	456,532	-	-
Engineering services	320,781	31,500	31,500	-	-	383,781	369,533	-	-
Administrative and general expense	855,702	439,186	280,392	730,121	-	2,305,401	2,166,426	-	-
Depreciation	1,206,054	545,100	514,414	444,044	-	2,709,612	2,388,869	-	-
Municipal expenses	526,231	105,907	22,062	-	-	654,200	665,905	-	-
Landfill operating contracts	-	-	-	331,677	-	331,677	609,967	-	-
Health insurance claims paid	-	-	-	-	-	-	-	2,506,669	2,327,570
Health and life insurance premiums	-	-	-	-	-	-	-	460,184	379,470
Payflex expenses	-	-	-	-	-	-	-	190,161	191,275
Other services and charges	-	-	-	-	-	-	-	129,885	102,152
Total Operating Expenses	<u>17,993,547</u>	<u>2,321,018</u>	<u>1,562,069</u>	<u>1,505,842</u>	<u>1,519,746</u>	<u>24,902,222</u>	<u>22,741,680</u>	<u>3,286,899</u>	<u>3,000,467</u>
Operating Income (Loss)	<u>(198,557)</u>	<u>468,539</u>	<u>716,747</u>	<u>308,309</u>	<u>-</u>	<u>1,295,038</u>	<u>2,243,821</u>	<u>(150,696)</u>	<u>(120,259)</u>
Nonoperating Revenues (Expenses)									
Interest income	77,711	18,555	44,066	30,106	-	170,438	103,347	176	300
Gain (loss) on disposal of capital asset	(192,866)	(309)	5,529	13,030	-	(174,616)	14,861	-	-
Miscellaneous	344,865	121,738	32,788	19,847	-	519,238	508,280	-	-
Interest expense	(7,228)	(14,170)	(20,678)	(39,511)	-	(81,587)	(73,272)	-	-
Total Nonoperating Revenues (Expenses)	<u>222,482</u>	<u>125,814</u>	<u>61,705</u>	<u>23,472</u>	<u>-</u>	<u>433,473</u>	<u>553,216</u>	<u>176</u>	<u>300</u>
Income (Loss) Before Contributions	<u>23,925</u>	<u>594,353</u>	<u>778,452</u>	<u>331,781</u>	<u>-</u>	<u>1,728,511</u>	<u>2,797,037</u>	<u>(150,520)</u>	<u>(119,959)</u>
Capital Contributions	<u>30,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,486</u>	<u>351,388</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>54,411</u>	<u>594,353</u>	<u>778,452</u>	<u>331,781</u>	<u>-</u>	<u>1,758,997</u>	<u>3,148,425</u>	<u>(150,520)</u>	<u>(119,959)</u>
Net Position, Beginning of Year	<u>20,005,362</u>	<u>7,859,777</u>	<u>8,282,003</u>	<u>479,294</u>	<u>-</u>	<u>36,626,436</u>	<u>33,478,011</u>	<u>93,572</u>	<u>213,531</u>
Net Position, End of Year	<u>\$ 20,059,773</u>	<u>\$ 8,454,130</u>	<u>\$ 9,060,455</u>	<u>\$ 811,075</u>	<u>\$ -</u>	<u>\$ 38,385,433</u>	<u>\$ 36,626,436</u>	<u>\$ (56,948)</u>	<u>\$ 93,572</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2018
With comparative totals for September 30, 2017

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2018 Total	2017 Total	2018 Total	2017 Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 17,588,241	\$ 2,781,923	\$ 2,268,706	\$ 1,820,563	\$ 1,509,175	\$ 25,968,608	\$ 24,638,341	\$ 3,224,199	\$ 2,792,212
Cash paid to suppliers for goods and services	(15,155,560)	(930,092)	(587,977)	(806,895)	(1,472,155)	(18,952,679)	(16,837,893)	(3,345,180)	(2,920,805)
Cash paid to employees for services	(1,438,849)	(785,869)	(503,580)	(271,884)	-	(3,000,182)	(2,847,592)	-	-
Net cash provided by (used in) operating activities	993,832	1,065,962	1,177,149	741,784	37,020	4,015,747	4,952,856	(120,981)	(128,593)
Cash Flows from Noncapital Financing Activities									
Other miscellaneous receipts	344,865	121,738	32,788	19,847	-	519,238	508,280	-	-
Cash Flows from Capital and Related Financing Activities									
Principal payments on long-term debt	(63,000)	(113,220)	(158,780)	(410,928)	-	(745,928)	(535,000)	-	-
Proceeds from long-term debt	-	-	-	396,500	-	396,500	2,022,500	-	-
Interest paid on long-term debt	(7,402)	(14,616)	(21,395)	(40,343)	-	(83,756)	(52,342)	-	-
Capital contributions	30,486	-	-	-	-	30,486	351,388	-	-
Proceeds from sales of capital assets	-	-	-	-	-	-	18,138	-	-
Purchases of capital assets	(1,366,603)	(572,696)	(770,697)	(441,926)	-	(3,151,922)	(6,271,435)	-	-
Net cash used in capital and related financing activities	(1,406,519)	(700,532)	(950,872)	(496,697)	-	(3,554,620)	(4,466,751)	-	-
Cash Flows From Investing Activities									
Purchases of investments	(270,046)	(271,081)	(622,000)	(330,014)	-	(1,493,141)	(533,387)	-	-
Sales and maturities of investments	229,275	79,275	317,950	-	-	626,500	175,000	-	-
Interest received	103,675	20,352	50,690	30,106	-	204,823	88,133	176	300
Net cash provided by (used in) investing activities	62,904	(171,454)	(253,360)	(299,908)	-	(661,818)	(270,254)	176	300
Net Change in Cash and Cash Equivalents	(4,918)	315,714	5,705	(34,974)	37,020	318,547	724,131	(120,805)	(128,293)
Cash and Cash Equivalents, Beginning of Year	2,536,784	1,288,354	2,092,962	336,846	34,220	6,289,166	5,565,035	181,991	310,284
Cash and Cash Equivalents, End of Year	\$ 2,531,866	\$ 1,604,068	\$ 2,098,667	\$ 301,872	\$ 71,240	\$ 6,607,713	\$ 6,289,166	\$ 61,186	\$ 181,991
Composition of Cash and Cash Equivalents									
Cash and cash equivalents	\$ 2,409,501	\$ 1,604,068	\$ 2,098,667	\$ 301,872	\$ 71,240	\$ 6,485,348	\$ 6,194,385	\$ 61,186	\$ 181,991
Restricted cash and cash equivalents	122,365	-	-	-	-	122,365	94,781	-	-
Total Cash and Cash Equivalents	\$ 2,531,866	\$ 1,604,068	\$ 2,098,667	\$ 301,872	\$ 71,240	\$ 6,607,713	\$ 6,289,166	\$ 61,186	\$ 181,991

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, 2018
With comparative totals for September 30, 2017

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2018 Total	2017 Total	2018 Total	2017 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Operating income (loss)	\$ (198,557)	\$ 468,539	\$ 716,747	\$ 308,309	\$ -	\$ 1,295,038	\$ 2,243,821	\$ (150,696)	\$ (120,259)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	1,206,054	545,100	514,414	444,044	-	2,709,612	2,388,869	-	-
Changes in operating assets and liabilities:									
Accounts receivable	(131,818)	(6,437)	(6,291)	6,412	(10,571)	(148,705)	(321,470)	87,996	(87,996)
Unbilled and accrued revenues	(74,931)	(1,197)	(3,819)	-	-	(79,947)	(25,690)	-	-
Materials and supplies inventory	(9,436)	(16,013)	-	-	-	(25,449)	22,128	-	-
Prepaid expenses	(769)	(431)	(239)	-	-	(1,439)	(812)	-	-
Accounts payable	140,624	37,228	(51,648)	(244,411)	47,591	(70,616)	65,296	-	-
Accrued compensated absences	32,701	39,128	6,695	-	-	78,524	33,082	-	-
Customer and developer deposits	27,600	-	-	-	-	27,600	(7,325)	-	-
Closure and post-closure care	-	-	-	226,000	-	226,000	491,000	-	-
Other accrued liabilities	2,364	45	1,290	1,430	-	5,129	63,957	(58,281)	79,662
Total adjustments	<u>1,192,389</u>	<u>597,423</u>	<u>460,402</u>	<u>433,475</u>	<u>37,020</u>	<u>2,720,709</u>	<u>2,709,035</u>	<u>29,715</u>	<u>(8,334)</u>
Net cash provided by (used in) operating activities	<u>\$ 993,832</u>	<u>\$ 1,065,962</u>	<u>\$ 1,177,149</u>	<u>\$ 741,784</u>	<u>\$ 37,020</u>	<u>\$ 4,015,747</u>	<u>\$ 4,952,856</u>	<u>\$ (120,981)</u>	<u>\$ (128,593)</u>
Supplemental Disclosure for NonCash Capital Activities:									
Trade-in value for purchase of capital asset	\$ -	\$ -	\$ 15,100	\$ 16,250	\$ -	\$ 31,350	\$ -	\$ -	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2018
 With comparative totals for September 30, 2017

	Pension Trust Fund	
	<u>2018</u>	<u>2017</u>
Assets		
Investments with fiscal agent:		
Guaranteed interest accounts	\$ 8,224,481	\$ 7,702,254
Publicly traded mutual funds	<u>14,713,369</u>	<u>12,998,989</u>
Total Assets	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</u>
Net Position		
Net position restricted for pensions	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</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, 2018
 With comparative totals for September 30, 2017

	Pension Trust Fund	
	2018	2017
Additions		
Contributions		
Employer	\$ 531,383	\$ 480,677
Employee	449,489	458,995
Total Contributions	<u>980,872</u>	<u>939,672</u>
Investment earnings		
Net change in the fair value of investments	<u>1,744,395</u>	<u>2,042,577</u>
Total Additions	<u>2,725,267</u>	<u>2,982,249</u>
Deductions		
Benefits	488,160	998,293
Administrative expenses	500	450
Total Deductions	<u>488,660</u>	<u>998,743</u>
Change in Net Position	<u>2,236,607</u>	<u>1,983,506</u>
Net Position Restricted for Pensions, Beginning of Year	<u>20,701,243</u>	<u>18,717,737</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

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 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

Discretely Presented Component Units – Continued

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 City does not have fiduciary responsibility for the CRA, however, the potential exists for the authority to request tax levies from the City. 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 2018 financial statements are amounts as of and for the Foundation’s fiscal year ended July 31, 2018.

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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Government-wide Financial Statements - Continued

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 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

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.

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.

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, 911 surcharges, and storm water management funds.

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 assessment debt service.

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. These nonmajor funds consist of library capital improvements, public safety capital improvements, and capital improvements.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

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 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 from Nebraska Public Power District (NPPD) 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

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

Additionally, the City reports the following nonmajor enterprise fund:

Sanitation Fund – This enterprise fund accounts for the collection of residential and commercial garbage service fees of the City. The City utilizes the services of a contracted hauler for this commercial garbage service.

Fiduciary Funds

Trust Funds – Trust funds account for assets held by the City for the members and beneficiaries of defined benefit and contribution pension plans. The reporting entity includes the following trust funds:

Firefighters Pension - Accounts for the administration for the firefighters' pension funds under the defined contribution plan.

Police Pension - Accounts for the administration of the police pension fund under the defined contribution plan.

General Government Pension - Accounts for the administration of the non-uniformed employees' pension funds under the defined contribution plan.

Board of Public Works Pension - Accounts for the administration of the Board of Public Works employees' pension funds under the defined contribution plan.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

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, 2017, from which the summarized information was derived.

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.

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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

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 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, 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Cash and Investments – Continued

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. The investments held by the Pension Trust Fund do not have a readily determinable fair value and are recorded at their net asset values, which approximates fair value.

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, special assessments, sales tax, highway user fees, and property taxes. Business-type activities report utility billings as their major receivable.

8. 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. 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.

10. 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).

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.

The City's policy is to capitalize interest on proprietary fund construction projects until substantially completed. 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Capital Assets - Continued

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

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

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.

11. 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 two days 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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Compensated Absences - Continued

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.

Compensatory time rather than overtime compensation may be given. No employee shall accrue more than 80 hours of compensatory time for hours worked, with the exception of employees covered by the Fraternal Order of Police Union Contract who may accrue up to 120 hours. 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. 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, registered warrants, notes payable, and bonds payable.

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 on other long-term obligation is reported as expenditures. The accounting for the proprietary funds is the same as is in the government-wide statements.

13. 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Net Position and Fund Balance Classification - Continued

Net Position Classification - Continued

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Net Position and Fund Balance Classification - Continued

Fund Balance Classification – Continued

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.

14. 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, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. 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. All lease transactions are interfund, so no further disclosure is deemed necessary.

15. 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, 2018 was \$.352021 per \$100 of assessed valuation. The City has a tax margin of \$0.147913 per \$100 of assessed valuation and could raise taxes by \$979,678, based on the present assessed valuation of \$662,333,679, before the limit is reached.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. 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 revenue was to be used for street improvements and maintenance, and 70% for property tax relief.

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.

The citizens of the City voted on November 3, 1998, to extend the effective dates of this resolution by ten years 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. The 1/2% sales tax collected after March 31, 2013, is 100% 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. 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.

17. 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, 2018

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Implementation of New Accounting Principles

In 2018, the City implemented the provisions of the following accounting principles:

GASB Statement No. 85, *Omnibus 2017*. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The implementation of Statement 85 did not have an impact on the City's current financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of Statement 86 did not have an impact on the City's current financial statements.

GASB Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Statement No. 89 requires that, in financial statements using the economic resources measurement focus, interest costs incurred before the end of a construction period be recognized as expenses in the period in which the costs are incurred. Previous governmental accounting standards guidance required such costs to be capitalized and included as a component of construction in progress for certain projects, and any amount capitalized was included in the historical cost of a capital asset reported in the financial statements. Statement 89 was applied prospectively, thus any interest costs capitalized in previous years were not removed from the historical costs of the related capital assets. The implementation of Statement 89 did not have an impact on the City's current financial statements.

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, Debt Service, and Trust Funds.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

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.

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.

The Statutes in the preceding four paragraphs do not apply to Pension Trust Funds of the City.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

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.

There were no differences between the City's budgetary basis and GAAP basis for the governmental funds as of September 30, 2018.

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, 2017, and ending September 30, 2018. The operating budget 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

5. Budgetary Data - Continued

The City Council approves, by ordinance, total budget appropriations for the General, Special Revenue, Debt Service, 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, Beatrice Airport Authority, and the Pension Trust Fund. 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 balance sheet as "Restricted Cash and Cash Equivalents" or "Restricted Investments" in the financial statements.

The Pension Trust Funds of the City's and Beatrice Public Works' employees are managed by Ameritas Investment Company. Ameritas is not required to insure the funds entrusted to them.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C. CASH AND INVESTMENTS - CONTINUED

State Statutes require that not more than 50% of the pension funds be held in equity accounts. The investments of the City's pension trust funds are pooled with those of other trust funds and they are separated by bookkeeping entries only. Investments in the Pension Trust Funds are made up of various types of mutual funds. All securities in the Pension Trust Fund are held by Ameritas, not in the City's name.

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, 2018, 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, 2018, 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, 2018, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$146,895, 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, 2018, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2018, money market accounts held in brokerage accounts were \$76,296.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C. CASH AND INVESTMENTS – CONTINUED

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 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, 2018, the City's investments significant investment concentrations are as follows:

Certificates of deposit	
Pinnacle Bank	12.26%
First State Bank	6.52%
Mutual Funds - Ameritas Investment Company	
Stable Value/ Guaranteed	26.81%
Large Equity	9.93%
Balanced	7.58%
Mid-Equity	6.67%
Small Equity	5.67%
Target Date	5.49%
Technology	5.04%

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, 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C. CASH AND INVESTMENTS – CONTINUED

6. Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposits and investment balances as of September 30, 2018:

	Primary Government	Fiduciary Funds	Totals	Component Units
Cash on deposit	\$ 91,166	\$ -	\$ 91,166	\$ 25,800
Demand deposits	10,864,350	-	10,864,350	664,942
Time deposits	7,562,255	-	7,562,255	141,013
Investments	175,633	22,937,850	23,113,483	1,508,267
Totals	<u>\$ 18,693,404</u>	<u>\$ 22,937,850</u>	<u>\$ 41,631,254</u>	<u>\$ 2,340,022</u>

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals	Component Units
Cash and cash equivalents	\$ 10,385,001	\$ -	\$ 10,385,001	\$ 670,050
Cash on deposit	91,166	-	91,166	6,673
Investments	5,119,888	-	5,119,888	1,374,456
Restricted Assets:				
Cash and cash equivalents	122,365	-	122,365	135,905
Cash on deposit	-	-	-	19,127
Investments	2,974,984	22,937,850	25,912,834	133,811
	<u>\$ 18,693,404</u>	<u>\$ 22,937,850</u>	<u>\$ 41,631,254</u>	<u>\$ 2,340,022</u>

As of September 30, 2018, the Beatrice Airport Authority had cash on deposit with the Gage County Treasurer of \$6,673 and demand deposits of \$644,536. As of September 30, 2018, the Community Redevelopment Authority had cash on deposit with the Gage County Treasurer of \$19,127 and demand deposits of \$14,524. The Beatrice Public Library Foundation, Inc. had demand deposits of \$5,882; time deposits of \$141,013; and investments of \$1,508,267 as of July 31, 2018.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C. CASH AND INVESTMENTS – CONTINUED

6. Summary of Deposit and Investment Balances - Continued

Investments

At September 30, 2018, the City had the following investments, maturities, and credit ratings:

	September 30, 2018						Fair Value Hierarchy Level
Type	Carrying Value	Maturities in Years			Ratings		
		Less than 1	1 - 5	6 - 10	Moody's	S & P	
Primary Government:							
U.S. Treasury Note	\$ 175,633	\$ -	\$ 175,633	\$ -	Aaa	AA+	Level 2
Certificates of Deposit	7,562,255	1,298,315	6,263,940	-	Not rated	Not rated	N/A
Total Primary Government	7,737,888	1,298,315	6,439,573	-			
Pension Trust Funds:							
Mutual Funds							
Stable Value/ Guaranteed	8,224,751	8,224,751	-	-	Not rated	Not rated	NAV
Investment Grade Bond	151,459	151,459	-	-	Not rated	Not rated	NAV
Short-Term Bond	47,221	47,221	-	-	Not rated	Not rated	NAV
High Yield/ Multisector Bond	22,577	22,577	-	-	Not rated	Not rated	NAV
Real Estate	948,943	948,943	-	-	Not rated	Not rated	NAV
Large Equity	3,047,233	3,047,233	-	-	Not rated	Not rated	NAV
Mid Equity	2,046,783	2,046,783	-	-	Not rated	Not rated	NAV
Small Equity	1,737,867	1,737,867	-	-	Not rated	Not rated	NAV
International Equity	830,249	830,249	-	-	Not rated	Not rated	NAV
Emerging Markets	167,019	167,019	-	-	Not rated	Not rated	NAV
Balanced	2,324,542	2,324,542	-	-	Not rated	Not rated	NAV
World Bond	5,127	5,127	-	-	Not rated	Not rated	NAV
World Stock	153,122	153,122	-	-	Not rated	Not rated	NAV
Utilities	2,036	2,036	-	-	Not rated	Not rated	NAV
Technology	1,546,055	1,546,055	-	-	Not rated	Not rated	NAV
Target Date	1,682,866	1,682,866	-	-	Not rated	Not rated	NAV
Total Pension Funds	22,937,850	22,937,850	-	-			
Total	\$ 30,675,738	\$ 24,236,165	\$ 6,439,573	\$ -			

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C. CASH AND INVESTMENTS - CONTINUED

7. Library Foundation Investments

The carrying amounts, market value, unrealized gains, and unrealized losses for the Beatrice Public Library Foundation at July 31, 2018, were as follows:

	<u>Cost</u>	<u>Gain</u>	<u>Loss</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy Level</u>
Investments Stated at Fair Value					
Unrestricted					
Governmental agencies	\$ 17,020	\$ -	\$ 6,202	\$ 10,818	Level 1
Common stock	520,463	235,515	-	755,978	Level 1
Corporate bonds	379,872	-	10,113	369,759	Level 1
Foreign bonds	47,001	-	261	46,740	Level 1
Government bonds	72,636	-	2,702	69,934	Level 1
Mutual Funds	76,673	-	2,434	74,239	Level 1
Preferred stock	50,182	-	3,194	46,988	Level 1
Total unrestricted	<u>1,163,847</u>	<u>235,515</u>	<u>24,906</u>	<u>1,374,456</u>	
Restricted					
Governmental agencies					
Government Asset Backed/ CMO	3,486	-	133	3,353	Level 1
Corporate bonds	63,254	-	1,359	61,895	Level 1
Mutual funds	39,080	-	2,469	36,611	Level 1
Preferred stock	34,476	-	2,524	31,952	Level 1
Total restricted	<u>140,296</u>	<u>-</u>	<u>6,485</u>	<u>133,811</u>	
Total	<u>\$ 1,304,143</u>	<u>\$ 235,515</u>	<u>\$ 31,391</u>	<u>\$ 1,508,267</u>	

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 pages 52-53 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. Certain investments that are measured using the net asset value per share (or its equivalent practical expedient) have also not been classified within the fair value hierarchy, and are noted with NAV in the table on page 52. These investments carried using the net asset value per share have no unfunded commitments and can be redeemed at any time.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2018, consist of the following:

Fund	Taxes	Accounts	Loans Receivable	Accrued Interest	Gross Receivables	Allowance	Net
General	\$ 596,795	\$ 535,681	\$ -	\$ -	\$ 1,132,476	\$ (85,588)	\$ 1,046,888
Street	110,398	180,518	-	-	290,916	-	290,916
Electric	-	2,155,324	-	2,012	2,157,336	(31,383)	2,125,953
Water	-	375,035	-	500	375,535	(13,507)	362,028
WPC	-	239,230	-	3,081	242,311	(5,071)	237,240
BASWA	-	225,000	-	-	225,000	-	225,000
Nonmajor							
Special Revenue	-	38,131	1,206,714	-	1,244,845	(331,746)	913,099
Debt Service	14,882	10,105	-	-	24,987	-	24,987
Capital Projects	-	196,910	-	-	196,910	-	196,910
Sanitation	-	58,521	-	-	58,521	-	58,521
Internal Service	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 722,075</u>	<u>\$ 4,014,455</u>	<u>\$ 1,206,714</u>	<u>\$ 5,593</u>	<u>\$ 5,948,837</u>	<u>\$ (467,295)</u>	<u>\$ 5,481,542</u>
Beatrice Airport Authority	11,968	1,339,991	-	-	1,351,959	-	1,351,959
Total Component Units	<u>\$ 11,968</u>	<u>\$ 1,339,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,351,959</u>	<u>\$ -</u>	<u>\$ 1,351,959</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 accounts receivable above also include interfund receivables. See footnote G for further information on these interfund receivables/ payables. The Beatrice Airport Authority's accounts receivable includes a grant receivable related to the runway reconstruction project.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE E. CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 4,574,523	\$ 348,368	\$ (175,272)	\$ -	\$ 4,747,619
Total capital assets, not being depreciated	<u>4,574,523</u>	<u>348,368</u>	<u>(175,272)</u>	<u>-</u>	<u>4,747,619</u>
Capital assets, being depreciated:					
Buildings and improvements	9,103,220	255,576	-	-	9,358,796
Improvements other than buildings	4,967,041	179,669	(3,417)	-	5,143,293
Machinery and equipment	11,485,158	873,987	(430,001)	-	11,929,144
Infrastructure	31,350,231	3,478,420	-	-	34,828,651
Total capital assets, being depreciated	<u>56,905,650</u>	<u>4,787,652</u>	<u>(433,418)</u>	<u>-</u>	<u>61,259,884</u>
Less: accumulated depreciation					
Buildings and improvements	(3,396,113)	(242,554)	-	-	(3,638,667)
Improvements other than buildings	(3,410,092)	(198,118)	1,060	-	(3,607,150)
Machinery and equipment	(6,904,388)	(727,183)	426,316	-	(7,205,255)
Infrastructure	(13,833,119)	(853,969)	-	-	(14,687,088)
Total accumulated depreciation	<u>(27,543,712)</u>	<u>(2,021,824)</u>	<u>427,376</u>	<u>-</u>	<u>(29,138,160)</u>
Total capital assets, being depreciated, net	<u>29,361,938</u>	<u>2,765,828</u>	<u>(6,042)</u>	<u>-</u>	<u>32,121,724</u>
Governmental activities capital assets, net	<u>\$ 33,936,461</u>	<u>\$ 3,114,196</u>	<u>\$ (181,314)</u>	<u>\$ -</u>	<u>\$ 36,869,343</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 137,104	\$ -	\$ -	\$ -	137,104
Construction in progress	5,421	28,912	-	(29,549)	4,784
Total capital assets, not being depreciated	<u>142,525</u>	<u>28,912</u>	<u>-</u>	<u>(29,549)</u>	<u>141,888</u>
Capital assets, being depreciated:					
Buildings and improvements	11,077,711	625,378	(5,897)	-	11,697,192
Improvements other than buildings	63,974,008	1,563,680	(1,677,749)	29,549	63,889,488
Machinery and equipment	8,409,638	965,302	(415,279)	-	8,959,661
Total capital assets, being depreciated	<u>83,461,357</u>	<u>3,154,360</u>	<u>(2,098,925)</u>	<u>29,549</u>	<u>84,546,341</u>
Less: accumulated depreciation					
Buildings and improvements	(9,248,260)	(268,039)	5,897	-	(9,510,402)
Improvements other than buildings	(36,222,746)	(1,991,406)	1,483,115	-	(36,731,037)
Machinery and equipment	(5,385,399)	(450,167)	403,947	-	(5,431,619)
Total accumulated depreciation	<u>(50,856,405)</u>	<u>(2,709,612)</u>	<u>1,892,959</u>	<u>-</u>	<u>(51,673,058)</u>
Total capital assets, being depreciated, net	<u>32,604,952</u>	<u>444,748</u>	<u>(205,966)</u>	<u>29,549</u>	<u>32,873,283</u>
Business-type activities capital assets, net	<u>\$ 32,747,477</u>	<u>\$ 473,660</u>	<u>\$ (205,966)</u>	<u>\$ -</u>	<u>\$ 33,015,171</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE E. CAPITAL ASSETS AND DEPRECIATION - CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2018:

Governmental Activities:

General government	\$ 33,498
Public safety	423,130
Highway and streets	1,040,317
Culture and recreation	524,879
Total depreciation expense	<u>\$2,021,824</u>

Business-Type Activities:

Electric	\$1,206,054
Water	545,100
Water Pollution Control	514,414
Sanitation	-
BASWA	444,044
Total depreciation expense	<u>\$2,709,612</u>

Capital assets activity for the Beatrice Airport Authority for the year ended September 30, 2018, 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	<u>\$ 1,321,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,321,356</u>
Capital assets, being depreciated:				
Buildings and improvements	1,764,170	-	-	1,764,170
Improvements other than buildings	9,741,983	1,589,323	-	11,331,306
Machinery and equipment	<u>334,851</u>	<u>46,200</u>	<u>(149)</u>	<u>380,902</u>
Total capital assets, being depreciated	11,841,004	1,635,523	(149)	13,476,378
Less: accumulated depreciation				
Buildings and improvements	(1,432,904)	(37,233)	-	(1,470,137)
Improvements other than buildings	(4,637,084)	(210,788)	-	(4,847,872)
Machinery and equipment	<u>(301,679)</u>	<u>(6,497)</u>	<u>149</u>	<u>(308,027)</u>
Total accumulated depreciation	(6,371,667)	(254,518)	149	(6,626,036)
Total capital assets, being depreciated, net	<u>5,469,337</u>	<u>1,381,005</u>	<u>-</u>	<u>6,850,342</u>
Beatrice Airport Authority capital assets, net	<u>\$ 6,790,693</u>	<u>\$ 1,381,005</u>	<u>\$ -</u>	<u>\$ 8,171,698</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$48,598 as of July 31, 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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, 2018, except for the Foundation which are as of July 31, 2018.

	Customer and Developer Deposits	Debt Service Reserve	Closure and Postclosure Costs	Donor/ Grantor Restrictions	Developer Tax Increment Financing	Total
Enterprise Funds						
Electric	\$ 417,125	\$ 71,869	\$ -	\$ -	\$ -	\$ 488,994
Water	-	128,774	-	-	-	128,774
Water Pollution Control	-	180,330	-	-	-	180,330
BASWA	-	356,984	1,942,267	-	-	2,299,251
Total Enterprise Funds	<u>\$ 417,125</u>	<u>\$ 737,957</u>	<u>\$ 1,942,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,097,349</u>
Component Units						
Beatrice Airport Authority	\$ -	\$ 56,664	\$ -	\$ -	\$ -	\$ 56,664
Community Redevelopment Authority	-	-	-	-	33,651	33,651
Beatrice Library Foundation, Inc.	-	-	-	198,528	-	198,528
Total Component Units	<u>\$ -</u>	<u>\$ 56,664</u>	<u>\$ -</u>	<u>\$ 198,528</u>	<u>\$ 33,651</u>	<u>\$ 288,843</u>

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2018:

Transfers Out	Transfers In		
	Other		
	General Fund	Governmental Funds	Total
General Fund	\$ -	\$ 717,557	\$ 717,557
Other Governmental Funds	71,554	-	71,554
Total	<u>\$ 71,554</u>	<u>\$ 717,557</u>	<u>\$ 789,111</u>

During the year ended September 30, 2018, the 911 surcharge fund transferred \$71,554 to the general fund; and the general fund transferred \$717,557 to the capital improvements fund.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE H. DEFICIT FUND BALANCES

The Self-Insured Group Insurance internal service fund had a deficit balance of \$56,948 as of September 30, 2018. The deficit is expected to be reduced through future fee collections.

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 bonds are repaid with property taxes 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 lease agreement, as lessee, to finance the acquisition of a Caterpillar compactor for use by the Beatrice Area Solid Waste Agency ("BASWA"). A separate lease agreement has been entered into to finance the acquisition of a Caterpillar dozer for use by the Beatrice Area Solid Waste Agency ("BASWA"). Both leases qualify as a capital lease for accounting purposes and the cost of the equipment obtained through this lease was capitalized in machinery and equipment. The compactor had an original cost of \$772,500, and has a remaining net book value of \$680,929 at September 30, 2018, and the dozer had an original cost of \$412,750, and has a remaining net book value of \$410,375 at September 30, 2018.

The City has entered into a lease agreement to finance the acquisition of a street sweeper for use by the Street Fund. A separate lease agreement has been entered into to finance the acquisition of a skid loader for use by the Street Fund. Both leases qualify as a capital lease for accounting purposes and the cost of the equipment obtained through these leases was capitalized in machinery and equipment. The equipment had an original cost of \$135,000, and has a remaining net book value of \$70,723 at September 30, 2018.

The City has entered into a lease agreement to finance the installation of overhead field lighting for three softball fields. This lease agreement qualifies as a capital lease for accounting purposes and the cost of the improvements was capitalized in improvements other than buildings. The original cost of these improvements was \$317,665, and these assets have a remaining net book value of \$258,440 at September 30, 2018.

In April 2018, the City issued \$170,000 of Tax Obligation Public Safety Bonds, Series 2018, to finance the costs of purchasing and maintaining public safety equipment, purchasing real estate, repairing fire or police station quarters, or equipping an emergency communication system.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

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.

In September 2018, the Beatrice Airport Authority, a component unit of the City, issued \$230,000 of Airport Authority Bonds, Series 2018, to finance the costs of constructing additions and improvements to the airport facilities.

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

Original Amount	Issued ¹	Issue	Interest Rates	When Due ¹	Date Callable ¹	9/30/2018 Outstanding
Governmental Activities:						
Tax Supported Bonds:						
\$ 575,000	2016	Public Safety Tax Anticipation Bonds	0.75 - 0.95%	2017 to 2019	---	\$ 195,000
\$ 170,000	2018	Public Safety Tax Obligation Bonds	1.65 - 2.00%	2019 to 2021	---	170,000
		Total Public Safety Bonds				<u>\$ 365,000</u>
Business-Type Activities:						
Combined Utilities Bonds:						
\$1,725,000	2011	Combined Utilities Revenue Refunding Bonds	0.45 - 2.80%	2012 to 2021	2016	\$ 805,000
\$2,040,000	2013	Combined Utilities Revenue Refunding Bonds	0.40 - 2.30%	2013 to 2023	2018	1,145,000
		Total Combined Utilities Bonds				<u>\$1,950,000</u>
Beatrice Area Solid Waste Agency (BASWA):						
\$1,250,000	2017	BASWA Facilities Revenue Bonds	1.10 - 2.55%	2017 to 2024	2023	\$1,180,000
\$ 825,000	2016	BASWA Disposal Facilities Rev Refunding Bonds	0.75 - 1.75%	2017 to 2024	2021	435,000
		Total BASWA Bonds				<u>\$1,615,000</u>
Component Units:						
Beatrice Airport Authority:						
\$ 395,000	2015	Airport Authority Bonds	0.40 - 1.45%	2015 to 2019	2018	\$ 110,000
\$ 230,000	2018	Airport Authority Bonds	2.40 - 2.80%	2020 to 2022	2021	230,000
		Total Airport Authority Bonds				<u>\$ 340,000</u>

¹ Fiscal year

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations activity for the year ended September 30, 2018, 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:					
Bonds payable	\$ 385,000	\$ 170,000	\$ (190,000)	\$ 365,000	\$ 250,000
Lease payable	247,729	-	(103,432)	144,297	75,657
Compensated absences	943,211	521,422	(475,170)	989,463	380,203
	<u>1,575,940</u>	<u>691,422</u>	<u>(768,602)</u>	<u>1,498,760</u>	<u>705,860</u>
Business-Type Activities:					
Revenue bonds payable	4,160,000	-	(595,000)	3,565,000	595,000
Lease payable	772,500	396,500	(150,928)	1,018,072	226,598
Compensated absences	758,022	347,720	(268,253)	837,489	291,930
Closure and post-closure costs	4,170,000	226,000	-	4,396,000	-
	<u>9,860,522</u>	<u>970,220</u>	<u>(1,014,181)</u>	<u>9,816,561</u>	<u>1,113,528</u>
Primary Government	<u>\$11,436,462</u>	<u>\$1,661,642</u>	<u>\$(1,782,783)</u>	<u>\$11,315,321</u>	<u>\$1,819,388</u>
Component Units:					
Airport Authority:					
Bonds payable	\$ 260,000	\$ 230,000	\$ (150,000)	\$ 340,000	\$ 110,000
Compensated absences	72,088	21,646	(15,944)	77,790	17,313
Component Units	<u>\$ 332,088</u>	<u>\$ 251,646</u>	<u>\$ (165,944)</u>	<u>\$ 417,790</u>	<u>\$ 127,313</u>

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, 2018

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

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

Fiscal Year Ending September 30	Governmental Activities			
	Tax Allocation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2019	\$ 250,000	\$ 5,533	\$ 75,657	\$ 5,480
2020	55,000	2,218	68,640	2,761
2021	60,000	1,200	-	-
	<u>\$ 365,000</u>	<u>\$ 8,951</u>	<u>\$ 144,297</u>	<u>\$ 8,241</u>

Fiscal Year Ending September 30	Business-Type Activities			
	Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2019	\$ 595,000	\$ 67,679	\$ 226,598	\$ 21,410
2020	605,000	59,021	230,917	17,091
2021	615,000	48,085	235,532	12,476
2022	800,000	33,320	240,255	7,753
2023	470,000	19,446	84,770	2,922
2024	480,000	9,040	-	-
	<u>\$ 3,565,000</u>	<u>\$ 236,591</u>	<u>\$ 1,018,072</u>	<u>\$ 61,652</u>

Fiscal Year Ending September 30	Component Units	
	Airport Authority Bonds	
	Principal	Interest
2019	\$ 110,000	\$ 6,038
2020	75,000	5,990
2021	75,000	4,190
2022	80,000	2,240
	<u>\$ 340,000</u>	<u>\$ 18,458</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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, 2018, there were approximately \$1,745,000 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 the City, and are included within the City’s Pension Trust Funds. The Deferred Compensation plans 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 City does not issue separate, audited financial reports of the retirement plans noted above.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

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, 2018, there were 27 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, 2018, there were 26 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. Only six participants remained under this arrangement as of September 30, 2018. The City obtained an actuarial study for this arrangement, as of October 1, 2018, 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, 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 \$94,075 for the City and use of \$144 in forfeitures, and \$94,219 for the employees, for 2018.

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 \$168,975 and use of \$194 in forfeitures, and \$84,585, respectively, for 2018.

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 one year of full-time service and reaching age 21. 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, 2018, there were 45 participants 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 \$96,819 for the City and use of \$2,352 in forfeitures, and \$99,171 for the employees, for 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 one year 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, 2018, there were 52 participants 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 \$171,514 for the Board of Public Works, and \$171,514 for the employees, for 2018.

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 \$131,262 to the plan in 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 \$90,000 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 \$118,134 reported at September 30, 2018.

The change in the Fund's claims liability amount in fiscal 2018 was as follows:

	<u>2018</u>
Beginning claims liability	\$ 176,415
Charges	2,448,388
Claims paid and changes in estimate	<u>(2,506,669)</u>
Ending claims liability	<u>\$ 118,134</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, 2018, approximately 85% of the full-time, regular City's employees are represented by a Union. All existing labor contracts involving City employees expired in September 2018. All future labor contracts involving City employees are being negotiated to cover a period through September 2021.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 potential exposure to the clean-up costs may be up to 25% of the total costs. Clean up of the site was substantially complete as of September 30, 2018, with the City incurring approximately \$1.7 million in costs, plus other professional services and legal fees for a total overall cost of \$2.4 million. The City will continue to incur costs for site monitoring. 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.

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 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, 2018.

At September 30, 2018, the City incurred a liability of approximately \$4,200,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 64.3% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,400,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 11 years).

At September 30, 2018, the City incurred a liability of approximately \$50,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 5% of the landfill capacity used to date. The remaining

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost – Continued

estimated liability for these costs is approximately \$980,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 85 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, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial requirements as specified in Title 132 – *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

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. At September 30, 2018, a liability for closure and postclosure care costs is recorded in the amount of approximately \$140,000. Any unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded once these costs can be reasonably estimated.

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, 2018, the City holds investments of \$1,942,267 for these purposes. These are reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or future tax revenue.

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 2018 totaled \$1,083,749.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE M. TAX ABATEMENTS

As of September 30, 2018, the City provides tax abatements through the Tax Increment Financing (TIF) program.

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. The project must not exceed a 15-year period.

For the ended September 30, 2018, the City abated \$81,691 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, 2018, the City abated \$70,596 in sales tax revenue under these two programs.

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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Taxes					
Property tax	\$ 2,314,469	\$ 2,314,469	\$ 2,332,138	\$ 17,669	\$ 2,116,562
Sales tax	2,350,000	2,350,000	2,291,167	(58,833)	2,296,259
Occupation tax	723,000	723,000	661,629	(61,371)	667,508
Licenses and permits	139,600	139,600	210,699	71,099	182,377
Intergovernmental	1,780,166	1,780,166	2,002,700	222,534	1,748,328
Charges for services	1,881,237	1,881,237	1,851,235	(30,002)	1,859,992
Interest	15,000	15,000	24,438	9,438	19,661
Miscellaneous	153,400	153,400	162,979	9,579	142,160
Total Revenues	<u>9,356,872</u>	<u>9,356,872</u>	<u>9,536,985</u>	<u>180,112</u>	<u>9,032,847</u>
Expenditures					
General government	1,514,669	1,614,669	1,574,061	40,608	2,887,210
Public safety	6,217,616	6,217,616	6,158,405	59,211	6,000,194
Culture and recreation	1,315,011	1,315,011	1,248,008	67,003	1,194,148
Total Expenditures	<u>9,047,296</u>	<u>9,147,296</u>	<u>8,980,474</u>	<u>166,822</u>	<u>10,081,552</u>
Excess of Revenues Over Expenditures	309,576	209,576	556,511	346,934	(1,048,705)
Other Financing Sources (Uses)					
Insurance and settlement proceeds	2,000	2,000	650,000	648,000	-
Sales of capital assets	2,000	2,000	2,790	790	4,283
Transfers from other funds	137,161	137,161	71,554	(65,607)	70,082
Transfers to other funds	(995,000)	(895,000)	(717,557)	177,443	(309,756)
Total Other Financing Sources (Uses)	<u>(853,839)</u>	<u>(753,839)</u>	<u>6,787</u>	<u>760,626</u>	<u>(235,391)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (544,263)</u>	<u>\$ (544,263)</u>	<u>\$ 563,298</u>	<u>\$ 1,107,560</u>	<u>\$ (1,284,096)</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, 2018
With comparative totals for September 30, 2017

	2018			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2017 Actual
Revenues				
Taxes				
Sales tax	\$ 652,800	\$ 652,800	\$ 635,292	\$ (17,508)
Intergovernmental:				
State shared revenue	1,811,918	1,811,918	1,841,484	29,566
Federal grants	10,000	10,000	27,822	17,822
Total Intergovernmental	1,821,918	1,821,918	1,869,306	47,388
Charges for services	30,500	30,500	24,085	(6,415)
Miscellaneous	26,832	311,832	79,835	(231,997)
Total Revenues	<u>2,532,050</u>	<u>2,817,050</u>	<u>2,608,518</u>	<u>(208,532)</u>
Expenditures				
Personal services	794,355	794,355	820,989	(26,634)
Other services and charges	76,000	76,000	67,891	8,109
Supplies	273,500	273,500	231,627	41,873
Capital outlay	2,429,924	3,232,274	2,101,113	1,131,161
Total Expenditures	<u>3,573,779</u>	<u>4,376,129</u>	<u>3,221,620</u>	<u>1,154,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$(1,041,729)</u></u>	<u><u>\$(1,559,079)</u></u>	<u><u>\$ (613,102)</u></u>	<u><u>\$ 945,977</u></u>
				<u><u>\$ (166,683)</u></u>

See independent auditor's report.

SUPPLEMENTARY INFORMATION

City of Beatrice
GENERAL FUND
BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 533,036	\$ 370,965
Investments	1,224,430	1,211,648
Cash on deposit - county treasurer	85,504	95,979
Accounts receivable	508,475	552,885
Taxes receivable	96,822	111,661
Due from other governments	441,591	440,893
Total Assets	<u>\$ 2,889,858</u>	<u>\$ 2,784,031</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 241,469</u>	<u>\$ 513,211</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>213,427</u>	<u>399,156</u>
Fund Balance		
Assigned for subsequent years' expenditures	525,117	674,023
Unassigned	<u>1,909,845</u>	<u>1,197,641</u>
Total Fund Balance	<u>2,434,962</u>	<u>1,871,664</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,889,858</u>	<u>\$ 2,784,031</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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Taxes					
Property tax	\$ 2,068,469	\$ 2,068,469	\$ 2,084,600	\$ 16,131	\$ 1,874,822
Homestead exemption allocation	140,000	140,000	142,554	2,554	138,112
Property tax credit	100,000	100,000	97,824	(2,176)	97,847
Interest on delinquent taxes	6,000	6,000	7,160	1,160	5,781
City sales tax	2,350,000	2,350,000	2,291,167	(58,833)	2,296,259
Utilities occupation tax	600,000	600,000	541,730	(58,270)	555,380
Beer and liquor occupation tax	20,000	20,000	20,855	855	17,595
Lodging occupation tax	100,000	100,000	96,634	(3,366)	91,528
Miscellaneous occupation tax	3,000	3,000	2,410	(590)	3,005
Total Taxes	5,387,469	5,387,469	5,284,934	(102,535)	5,080,329
Licenses and Permits					
Bicycle licenses	100	100	20	(80)	35
Pet licenses	6,000	6,000	3,765	(2,235)	4,602
Plumbers' licenses	2,000	2,000	1,100	(900)	610
Building permits	120,000	120,000	188,114	68,114	164,565
Plumbing permits	5,000	5,000	10,165	5,165	7,015
Mechanical permits	1,500	1,500	2,222	722	2,137
Miscellaneous permits	5,000	5,000	5,313	313	3,413
Total Licenses and Permits	139,600	139,600	210,699	71,099	182,377
Intergovernmental					
Motor vehicle tax	230,000	230,000	246,013	16,013	234,616
County library aid	23,000	23,000	23,000	-	24,000
Interlocal 911 dispatch aid	492,000	492,000	513,154	21,154	517,106
County ambulance service	180,000	180,000	180,000	-	180,000
Intergovernmental-school officer	52,000	52,000	54,332	2,332	49,658
Other intergovernmental	7,500	7,500	7,000	(500)	7,000
Municipal equalization funds	584,153	584,153	576,797	(7,356)	547,190
Victim assistance grants	111,313	111,313	156,664	45,351	69,010
Library state aid	2,700	2,700	2,177	(523)	2,130
Pro-Rate motor vehicle	6,000	6,000	6,451	451	6,265
Other federal grants	-	-	129,274	129,274	30,016
Federal - COPS grants	45,000	45,000	49,314	4,314	44,233
Federal funds police assistance	9,000	9,000	28,451	19,451	7,504
Hazard mitigation grant	37,500	37,500	20,073	(17,427)	-
CDBG downtown revitalization	-	-	10,000	10,000	29,600
Total Intergovernmental	1,780,166	1,780,166	2,002,700	222,534	1,748,328
Charges for Services					
Publication cost income	500	500	461	(39)	483
Management and budget miscellaneous charges	1,500	1,500	1,058	(442)	713
Accounting services	35,860	35,860	35,880	20	34,986
BASWA management services	24,477	24,477	24,477	-	23,764
Administration and legal services	275,000	275,000	273,201	(1,799)	266,240

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, 2018
With comparative totals for September 30, 2017

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Charges for Services (Continued)					
CDBG administration fees	\$ 20,000	\$ 20,000	\$ 10,376	\$ (9,624)	\$ 2,056
Recycling agreement fees	2,000	2,000	2,294	294	3,710
Restitution - fees and damages	2,500	2,500	1,713	(787)	200
Inspection miscellaneous charges	2,000	2,000	2,529	529	2,158
Recover demolition charges	5,000	5,000	13,461	8,461	20,605
Police charges	3,000	3,000	2,347	(653)	2,325
Fire charges	11,200	11,200	10,712	(488)	10,920
Ambulance charges	1,825,000	1,825,000	1,823,013	(1,987)	1,826,951
Ambulance contracted adjustments	(600,000)	(600,000)	(644,636)	(44,636)	(621,628)
Public safety miscellaneous charges	18,600	18,600	34,684	16,084	38,073
Stop program charges	2,000	2,000	920	(1,080)	1,520
Land use agreements	15,700	15,700	15,924	224	17,645
Auditorium use fee	28,000	28,000	29,832	1,832	27,035
Water park admissions	87,000	87,000	83,531	(3,469)	85,501
Water park concessions and sales	31,000	31,000	29,171	(1,829)	31,917
Swim lessons	5,000	5,000	3,195	(1,805)	3,968
Mowing fees	5,000	5,000	10,228	5,228	7,800
Camping receipts	43,000	43,000	53,511	10,511	42,558
Farm income	19,000	19,000	18,890	(110)	16,641
Public properties miscellaneous charges	3,000	3,000	2,093	(907)	2,210
Library use fees	6,500	6,500	3,904	(2,596)	4,474
Library copying fees	3,500	3,500	3,103	(397)	3,200
Library miscellaneous charges	2,000	2,000	1,578	(422)	1,822
Interlibrary loan revenue	200	200	-	(200)	-
Parking fines and rents	1,400	1,400	1,345	(55)	1,075
School fines and fees	2,300	2,300	2,440	140	1,070
Total Charges for Services	<u>1,881,237</u>	<u>1,881,237</u>	<u>1,851,235</u>	<u>(30,002)</u>	<u>1,859,992</u>
Interest					
Interest earnings	15,000	15,000	24,438	9,438	19,661
Miscellaneous					
Lease income - BASWA	61,200	61,200	61,200	-	59,410
Donations	100	100	20	(80)	-
Donations - Beatrice plus program	30,000	30,000	25,797	(4,203)	26,546
Police donations	2,000	2,000	5,950	3,950	3,306
Fire donations	4,000	4,000	8,475	4,475	4,608
Water park donations	2,000	2,000	1,702	(298)	1,804
Public properties donations	20,000	20,000	24,961	4,961	5,450
Library donations	8,000	8,000	8,517	517	17,952
Library donations - foundation	25,000	25,000	25,965	965	19,723
Sidewalk program	1,100	1,100	392	(708)	3,361
Total Miscellaneous	<u>153,400</u>	<u>153,400</u>	<u>162,979</u>	<u>9,579</u>	<u>142,160</u>
Total Revenues	<u>\$ 9,356,872</u>	<u>\$ 9,356,872</u>	<u>\$ 9,536,985</u>	<u>\$ 180,112</u>	<u>\$ 9,032,847</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, 2018
With comparative totals for September 30, 2017

	2018			Variance Positive (Negative)	2017 Actual
	Original Budget	Final Budget	Actual		
General Government					
Management and Budget					
Personal services	\$ 729,276	\$ 729,276	\$ 757,697	\$ (28,421)	\$ 710,474
Other services and charges	121,275	121,275	110,483	10,792	107,842
Supplies	7,200	7,200	5,971	1,229	5,817
Capital outlay	21,500	21,500	22,999	(1,499)	64,062
Contingency	140,000	240,000	162,064	77,936	1,652,151
Contractual services	202,365	202,365	254,464	(52,099)	117,388
Total Management and Budget	1,221,616	1,321,616	1,313,678	7,938	2,657,734
Inspection					
Personal services	202,803	202,803	204,553	(1,750)	161,769
Other services and charges	82,150	82,150	50,480	31,670	64,600
Supplies	7,100	7,100	4,640	2,460	3,107
Capital outlay	1,000	1,000	710	290	-
Total Inspection	293,053	293,053	260,383	32,670	229,476
Total General Government	1,514,669	1,614,669	1,574,061	40,608	2,887,210
Public Safety					
Police					
Personal services	2,941,443	2,941,443	2,893,927	47,516	2,812,900
Other services and charges	288,617	288,617	273,666	14,951	273,289
Supplies	71,880	71,880	66,618	5,262	58,560
Capital outlay	100,590	100,590	68,409	32,181	43,172
Contractual services	60,000	60,000	60,000	-	60,000
Contingencies	1,500	1,500	1,500	-	1,850
Total Police	3,464,030	3,464,030	3,364,120	99,910	3,249,771
Fire and Ambulance					
Personal services	2,318,436	2,318,436	2,399,635	(81,199)	2,322,682
Other services and charges	295,350	295,350	275,360	19,990	313,257
Supplies	125,100	125,100	103,158	21,942	102,101
Capital outlay	14,700	14,700	16,132	(1,432)	12,383
Total Fire	2,753,586	2,753,586	2,794,285	(40,699)	2,750,423
Total Public Safety	6,217,616	6,217,616	6,158,405	59,211	6,000,194

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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Totals
Culture and Recreation					
Public Properties					
Personal services	\$ 427,727	\$ 427,727	\$ 428,825	\$ (1,098)	\$ 419,762
Other services and charges	105,115	105,115	91,752	13,363	93,507
Supplies	142,250	142,250	127,098	15,152	133,646
Capital outlay	79,700	79,700	72,995	6,705	24,701
Contractual services	55,000	55,000	48,327	6,673	48,260
Total Public Properties	809,792	809,792	768,997	40,795	719,876
Library					
Personal services	334,222	334,222	311,380	22,842	306,673
Other services and charges	53,012	53,012	55,002	(1,990)	51,241
Supplies	10,500	10,500	10,764	(264)	8,287
Capital outlay	107,485	107,485	101,865	5,620	108,071
Total Library	505,219	505,219	479,011	26,208	474,272
Total Culture and Recreation	1,315,011	1,315,011	1,248,008	67,003	1,194,148
Total Expenditures	9,047,296	9,147,296	8,980,474	166,822	10,081,552
Excess (Deficiency) of Revenues Over Expenditures	309,576	209,576	556,511	346,934	(1,048,705)
Other Financing Sources (Uses)					
Insurance and settlement proceeds	2,000	2,000	650,000	648,000	-
Sale of capital assets	2,000	2,000	2,790	790	4,283
Transfers from other funds	137,161	137,161	71,554	(65,607)	70,082
Transfers to other funds	(995,000)	(895,000)	(717,557)	177,443	(309,756)
Total Other Financing Sources (Uses)	(853,839)	(753,839)	6,787	760,626	(235,391)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (544,263)</u>	<u>\$ (544,263)</u>	563,298	<u>\$ 1,107,560</u>	(1,284,096)
Fund Balance, Beginning of Year			1,871,664		3,155,760
Fund Balance, End of Year			<u>\$ 2,434,962</u>		<u>\$ 1,871,664</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,896,780	\$ 2,110,344
Accounts receivable	22,131	194,526
Due from other governments	<u>268,785</u>	<u>257,960</u>
Total Assets	<u>\$ 2,187,696</u>	<u>\$ 2,562,830</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 727,496</u>	<u>\$ 482,757</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>-</u>	<u>6,771</u>
Fund Balance		
Restricted for Streets	<u>1,460,200</u>	<u>2,073,302</u>
Total Liabilities and Fund Balance	<u>\$ 2,187,696</u>	<u>\$ 2,562,830</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, 2018
With comparative totals for September 30, 2017

	2018			Variance Positive (Negative)	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 652,800	\$ 652,800	\$ 635,292	\$ (17,508)	\$ 636,565
Intergovernmental					
State shared revenue	1,811,918	1,811,918	1,841,484	29,566	1,782,115
Federal grants	10,000	10,000	27,822	17,822	233,229
Total Intergovernmental	1,821,918	1,821,918	1,869,306	47,388	2,015,344
Charges for services	30,500	30,500	24,085	(6,415)	24,098
Miscellaneous	26,832	311,832	79,835	(231,997)	55,290
Total Revenues	2,532,050	2,817,050	2,608,518	(208,532)	2,731,297
Expenditures					
Personal Services					
Salaries	532,519	532,519	554,784	(22,265)	533,911
Social security	33,986	33,986	36,015	(2,029)	34,734
Retirement	25,465	25,465	25,701	(236)	22,952
Health and life insurance	170,100	170,100	170,100	-	162,250
Workmen's compensation	32,285	32,285	34,389	(2,104)	31,639
Total Personal Services	794,355	794,355	820,989	(26,634)	785,486
Other Services and Charges					
Insurance	19,000	19,000	20,545	(1,545)	18,896
Maintenance and repairs	31,000	31,000	27,960	3,040	18,426
Rentals	15,500	15,500	10,949	4,551	14,434
Training and transportation	3,000	3,000	922	2,078	750
Communications	3,000	3,000	2,850	150	2,928
Miscellaneous	4,500	4,500	4,665	(165)	6,919
Total Other Services and Charges	76,000	76,000	67,891	8,109	62,353
Supplies					
Operating supplies	95,500	95,500	78,356	17,144	73,400
Repairs and maintenance supplies	178,000	178,000	153,271	24,729	113,690
Total Supplies	273,500	273,500	231,627	41,873	187,090
Capital Outlay					
Buildings	81,500	81,500	5,400	76,100	-
Improvements other than buildings	2,088,674	2,891,024	1,852,806	1,038,218	1,438,132
Machinery and equipment	259,750	259,750	242,907	16,843	424,919
Total Capital Outlay	2,429,924	3,232,274	2,101,113	1,131,161	1,863,051
Total Expenditures	\$ 3,573,779	\$ 4,376,129	\$ 3,221,620	\$ 1,154,509	\$ 2,897,980

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, 2018
With comparative totals for September 30, 2017

	2018			2017 Actual
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$(1,041,729)</u>	<u>\$(1,559,079)</u>	(613,102)	<u>\$ 945,977</u>
Fund Balance, Beginning of Year			<u>2,073,302</u>	<u>2,239,985</u>
Fund Balance, End of Year			<u>\$ 1,460,200</u>	<u>\$ 2,073,302</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2018
 With comparative totals for September 30, 2017

	2018				2017 Total
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	
Assets					
Cash and cash equivalents	\$ 954,832	\$ 83,507	\$ 370,312	\$ 1,408,651	\$ 1,487,889
Cash on deposit - county treasurer	-	5,662	-	5,662	7,163
Accounts receivable	38,131	-	196,910	235,041	356
Taxes receivable	-	14,882	-	14,882	16,279
Interest receivable	-	-	-	-	9,110
Assessments receivable	-	-	-	-	10,895
Loans receivable	874,968	-	-	874,968	837,393
In-lieu-of assessments	-	10,105	-	10,105	10,105
Total Assets	<u>\$ 1,867,931</u>	<u>\$ 114,156</u>	<u>\$ 567,222</u>	<u>\$ 2,549,309</u>	<u>\$ 2,379,190</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable	\$ 37,382	\$ -	\$ 42,098	\$ 79,480	\$ 77,206
Accrued interest payable	-	2,122	-	2,122	2,122
Total Liabilities	<u>37,382</u>	<u>2,122</u>	<u>42,098</u>	<u>81,602</u>	<u>79,328</u>
Deferred Inflows of Resources					
Unavailable revenue	-	20,361	165,910	186,271	42,352
Fund Balance					
Restricted for:					
Economic development	1,175,078	-	-	1,175,078	1,380,437
Library capital improvements	-	-	303	303	40,406
Debt service	-	77,632	-	77,632	74,332
Revolving loan fund	365,187	-	-	365,187	360,070
Storm water management	47,679	-	-	47,679	71,502
E-911 public safety	89,220	-	-	89,220	57,035
Committed for:					
Library capital improvements	-	-	27,488	27,488	40,937
Public safety equipment	-	-	92,726	92,726	125,797
Community betterment	153,385	-	-	153,385	80,257
Assigned for:					
Subsequent years' expenditures	-	-	238,697	238,697	25,921
Debt service	-	14,041	-	14,041	816
Total Fund Balance	<u>1,830,549</u>	<u>91,673</u>	<u>359,214</u>	<u>2,281,436</u>	<u>2,257,510</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,867,931</u>	<u>\$ 114,156</u>	<u>\$ 567,222</u>	<u>\$ 2,549,309</u>	<u>\$ 2,379,190</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, 2018
 With comparative totals for September 30, 2017

	2018				2017
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ -	\$ 196,218	\$ -	\$ 196,218	\$ 194,783
Sales tax	250,000	-	-	250,000	250,000
Intergovernmental	213,946	550	213,525	428,021	257,606
Charges for services	103,739	-	-	103,739	106,796
Keno proceeds	89,062	-	-	89,062	85,619
Special assessments	-	10,895	-	10,895	14,814
Interest	6,609	2,330	26	8,965	13,851
Donations and other revenue	364,623	-	257,735	622,358	303,689
Total Revenues	<u>1,027,979</u>	<u>209,993</u>	<u>471,286</u>	<u>1,709,258</u>	<u>1,227,158</u>
Expenditures					
General government	406,231	-	-	406,231	189,539
Capital outlay	676,946	-	1,096,127	1,773,073	1,084,348
Debt Service:					
Principal	-	190,000	-	190,000	190,000
Interest	-	3,468	-	3,468	3,479
Bond issuance cost	-	-	2,700	2,700	-
MFO payments - other entities	-	-	133,863	133,863	132,460
Total Expenditures	<u>1,083,177</u>	<u>193,468</u>	<u>1,232,690</u>	<u>2,509,335</u>	<u>1,599,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,198)</u>	<u>16,525</u>	<u>(761,404)</u>	<u>(800,077)</u>	<u>(372,668)</u>
Other Financing Sources (Uses)					
Sale of capital assets	8,000	-	-	8,000	221,085
Proceeds from long-term debt	-	-	170,000	170,000	-
Transfers from other funds	-	-	717,557	717,557	309,756
Transfers to other funds	(71,554)	-	-	(71,554)	(70,082)
Total Other Financing Sources (Uses)	<u>(63,554)</u>	<u>-</u>	<u>887,557</u>	<u>824,003</u>	<u>460,759</u>
Net Change in Fund Balance	<u>(118,752)</u>	<u>16,525</u>	<u>126,153</u>	<u>23,926</u>	<u>88,091</u>
Fund Balance, Beginning of Year	<u>1,949,301</u>	<u>75,148</u>	<u>233,061</u>	<u>2,257,510</u>	<u>2,169,419</u>
Fund Balance, End of Year	<u>\$ 1,830,549</u>	<u>\$ 91,673</u>	<u>\$ 359,214</u>	<u>\$ 2,281,436</u>	<u>\$ 2,257,510</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2018
 with comparative totals for September 30, 2017

	2018						2017
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total	Total
Assets							
Cash and cash equivalents	\$ 460,064	\$ 198,927	\$ 157,517	\$ 89,220	\$ 49,104	\$ 954,832	\$ 1,124,136
Accounts receivable	6,306	31,825	-	-	-	38,131	-
Loans receivable	708,708	166,260	-	-	-	874,968	837,393
Total Assets	<u>\$ 1,175,078</u>	<u>\$ 397,012</u>	<u>\$ 157,517</u>	<u>\$ 89,220</u>	<u>\$ 49,104</u>	<u>\$ 1,867,931</u>	<u>\$ 1,961,529</u>
Liabilities and Fund Balance							
Accounts payable	\$ -	\$ 31,825	\$ 4,132	\$ -	\$ 1,425	\$ 37,382	\$ 12,228
Fund Balance							
Restricted for:							
Economic development	1,175,078	-	-	-	-	1,175,078	1,380,437
Revolving loan fund	-	365,187	-	-	-	365,187	360,070
Storm water management	-	-	-	-	47,679	47,679	71,502
E911 public safety	-	-	-	89,220	-	89,220	57,035
Committed for:							
Community betterment	-	-	153,385	-	-	153,385	80,257
Total Fund Balance	<u>1,175,078</u>	<u>365,187</u>	<u>153,385</u>	<u>89,220</u>	<u>47,679</u>	<u>1,830,549</u>	<u>1,949,301</u>
Total Liabilities and Fund Balance	<u>\$ 1,175,078</u>	<u>\$ 397,012</u>	<u>\$ 157,517</u>	<u>\$ 89,220</u>	<u>\$ 49,104</u>	<u>\$ 1,867,931</u>	<u>\$ 1,961,529</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, 2018
 With comparative totals for September 30, 2017

	2018						
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total	2017 Total
Revenues							
Taxes							
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Intergovernmental	-	213,946	-	-	-	213,946	19,732
Charges for services	-	-	-	103,739	-	103,739	106,796
Keno proceeds	-	-	89,062	-	-	89,062	85,619
Interest earnings	1,116	5,493	-	-	-	6,609	6,882
Other revenue	364,623	-	-	-	-	364,623	69,962
Total Revenues	615,739	219,439	89,062	103,739	-	1,027,979	538,991
Expenditures							
General government	152,152	214,322	15,934	-	23,823	406,231	189,539
Capital outlay	676,946	-	-	-	-	676,946	252,689
Total Expenditures	829,098	214,322	15,934	-	23,823	1,083,177	442,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,359)	5,117	73,128	103,739	(23,823)	(55,198)	96,763
Other Financing Sources (Uses)							
Sale of capital assets	8,000	-	-	-	-	8,000	221,085
Transfers to other funds	-	-	-	(71,554)	-	(71,554)	(70,082)
Total Other Financing Uses	8,000	-	-	(71,554)	-	(63,554)	151,003
Net Change in Fund Balance	(205,359)	5,117	73,128	32,185	(23,823)	(118,752)	247,766
Fund Balance, Beginning of Year	1,380,437	360,070	80,257	57,035	71,502	1,949,301	1,701,535
Fund Balance, End of Year	\$ 1,175,078	\$ 365,187	\$ 153,385	\$ 89,220	\$ 47,679	\$ 1,830,549	\$ 1,949,301

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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest earnings	1,000	1,000	1,116	116	545
Loans/rents revenue	14,088	14,088	364,623	350,535	69,962
Total Revenues	<u>265,088</u>	<u>265,088</u>	<u>615,739</u>	<u>350,651</u>	<u>320,507</u>
Expenditures					
Economic development	150,000	150,000	152,152	(2,152)	163,097
Capital outlay	1,599,576	1,599,576	676,946	922,630	252,689
Total Expenditures	<u>1,749,576</u>	<u>1,749,576</u>	<u>829,098</u>	<u>920,478</u>	<u>415,786</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,484,488)</u>	<u>(1,484,488)</u>	<u>(213,359)</u>	<u>1,271,129</u>	<u>(95,279)</u>
Other Financing Sources					
Sale of capital assets	20,000	20,000	8,000	(12,000)	221,085
Bond proceeds	1,000,000	1,000,000	-	(1,000,000)	-
Total Other Financing Sources	<u>1,020,000</u>	<u>1,020,000</u>	<u>8,000</u>	<u>(1,012,000)</u>	<u>221,085</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (464,488)</u>	<u>\$ (464,488)</u>	<u>(205,359)</u>	<u>\$ 259,129</u>	<u>125,806</u>
Fund Balance, Beginning of Year			<u>1,380,437</u>		<u>1,254,631</u>
Fund Balance, End of Year			<u>\$ 1,175,078</u>		<u>\$ 1,380,437</u>

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, 2018
 With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Grants	\$ 350,000	\$ 350,000	\$ 213,946	\$ (136,054)	\$ -
Interest earnings	50	50	349	299	151
Interest on loans	4,636	4,636	5,144	508	6,186
Total Revenues	<u>354,686</u>	<u>354,686</u>	<u>219,439</u>	<u>(135,247)</u>	<u>6,337</u>
Expenditures					
Administration	10,000	10,000	10,376	(376)	2,056
Grant distributions	340,000	340,000	203,946	136,054	-
Re-use loans	<u>99,182</u>	<u>99,182</u>	<u>-</u>	<u>99,182</u>	<u>-</u>
Total Expenditures	<u>449,182</u>	<u>449,182</u>	<u>214,322</u>	<u>234,862</u>	<u>2,056</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (94,496)</u>	<u>\$ (94,496)</u>	5,117	<u>\$ 99,615</u>	4,281
Fund Balance, Beginning of Year			<u>360,070</u>		<u>355,789</u>
Fund Balance, End of Year			<u>\$ 365,187</u>		<u>\$ 360,070</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, 2018
 With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Keno/lottery proceeds	\$ 92,000	\$ 94,000	\$ 89,062	\$ (4,938)	\$ 85,619
Expenditures					
Other services and charges	16,355	17,355	15,934	1,421	15,221
Excess of Revenues Over Expenditures	75,645	76,645	73,128	(3,517)	70,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 75,645</u>	<u>\$ 76,645</u>	73,128	<u>\$ (3,517)</u>	70,398
Fund Balance, Beginning of Year			80,257		9,859
Fund Balance, End of Year			<u>\$ 153,385</u>		<u>\$ 80,257</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, 2018
 With comparative totals for September 30, 2017

	2018			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2017 Actual
911 service surcharge	\$ 37,000	\$ 37,000	\$ 31,989	\$ (5,011)
E911 wireless surcharge	71,500	71,500	71,750	250
Total Revenues	<u>108,500</u>	<u>108,500</u>	<u>103,739</u>	<u>(4,761)</u>
Other Financing Uses				
Transfers to other funds	<u>(137,161)</u>	<u>(137,161)</u>	<u>(71,554)</u>	<u>65,607</u>
Excess (Deficiency) of Revenues Over Other Financing Uses	<u>\$ (28,661)</u>	<u>\$ (28,661)</u>	32,185	<u>\$ 60,846</u>
Fund Balance, Beginning of Year			<u>57,035</u>	<u>20,321</u>
Fund Balance, End of Year			<u>\$ 89,220</u>	<u>\$ 57,035</u>

See independent auditor's report.

City of Beatrice, Nebraska
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2018
 With comparative totals for September 30, 2017

	2018			2017 Totals
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Expenditures				
Personal services	1,000	1,000	-	1,000
Other services and charges	23,500	23,500	23,823	(323)
Supplies	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>23,823</u>	<u>1,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	(23,823)	<u>\$ (18,823)</u>
Fund Balance, Beginning of Year			<u>71,502</u>	<u>60,935</u>
Fund Balance, End of Year			<u>\$ 47,679</u>	<u>\$ 71,502</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2018
 With comparative totals for September 30, 2017

	2018			2017
	General Obligation	Bonded Districts	Unbonded Assessments	Total
Assets				
Cash and cash equivalents	\$ 69,466	\$ -	\$ 14,041	\$ 83,507
Cash on deposit - county treasurer	5,662	-	-	5,662
Taxes receivable	14,882	-	-	14,882
Assessments receivable:				
Current	-	-	-	-
Delinquent	-	-	-	-
Accrued interest receivable	-	-	-	-
In-lieu-of assessments	-	10,105	-	10,105
Total Assets	\$ 90,010	\$ 10,105	\$ 14,041	\$ 114,156
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accrued interest payable	\$ 2,122	\$ -	\$ -	\$ 2,122
Deferred Inflows of Resources				
Unavailable revenue	10,256	10,105	-	20,361
Fund Balance				
Restricted for debt service	77,632	-	-	77,632
Assigned for debt service	-	-	14,041	14,041
Total Fund Balance	77,632	-	14,041	91,673
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 90,010	\$ 10,105	\$ 14,041	\$ 114,156

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, 2018
With comparative totals for September 30, 2017

	2018				2017
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Taxes					
Property taxes	\$ 196,218	\$ -	\$ -	\$ 196,218	\$ 194,783
Intergovernmental revenues	550	-	-	550	576
Special assessments	-	-	10,895	10,895	14,814
Interest on assessments	-	-	2,330	2,330	6,949
Total Revenues	<u>196,768</u>	<u>-</u>	<u>13,225</u>	<u>209,993</u>	<u>217,122</u>
Expenditures					
Capital projects:					
Streets and highways	-	-	-	-	55,290
Public infrastructure	-	-	-	-	24,971
Other services and charges	-	-	-	-	18,743
Debt service:					
Interest	3,468	-	-	3,468	3,479
Principal	190,000	-	-	190,000	190,000
Total Expenditures	<u>193,468</u>	<u>-</u>	<u>-</u>	<u>193,468</u>	<u>292,483</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>3,300</u>	<u>-</u>	<u>13,225</u>	<u>16,525</u>	<u>(75,361)</u>
Fund Balance, Beginning of Year	<u>74,332</u>	<u>-</u>	<u>816</u>	<u>75,148</u>	<u>150,509</u>
Fund Balance, End of Year	<u>\$ 77,632</u>	<u>\$ -</u>	<u>\$ 14,041</u>	<u>\$ 91,673</u>	<u>\$ 75,148</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, 2018
 With comparative totals for September 30, 2017

	2018			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2017 Actual
Property taxes	\$ 192,968	\$ 192,968	\$ 196,218	\$ 3,250
Intergovernmental revenues	500	500	550	50
Total Revenues	<u>193,468</u>	<u>193,468</u>	<u>196,768</u>	<u>3,300</u>
Expenditures				
Debt Service:				
Interest	3,468	3,468	3,468	-
Principal	190,000	190,000	190,000	-
Total Expenditures	<u>193,468</u>	<u>193,468</u>	<u>193,468</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	3,300	<u>\$ 3,300</u>
Fund Balance, Beginning of Year			<u>74,332</u>	<u>72,452</u>
Fund Balance, End of Year			<u>\$ 77,632</u>	<u>\$ 74,332</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, 2018
 With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Special assessments	\$ -	\$ -	\$ 10,895	\$ 10,895	\$ 14,814
Interest on assessments	-	-	2,330	2,330	6,949
Total Revenues	<u>-</u>	<u>-</u>	<u>13,225</u>	<u>13,225</u>	<u>21,763</u>
Expenditures					
Streets and highways	-	-	-	-	55,290
Public infrastructure	-	-	-	-	24,971
Other services and charges	-	-	-	-	18,743
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	13,225	<u>\$ 13,225</u>	(77,241)
Fund Balance, Beginning of Year			<u>816</u>		<u>78,057</u>
Fund Balance, End of Year			<u>\$ 14,041</u>		<u>\$ 816</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	2018				2017
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Assets					
Cash and cash equivalents	\$ 27,488	\$ 98,682	\$ 244,142	\$ 370,312	\$ 297,683
Accounts receivable	-	-	196,910	196,910	356
Total Assets	<u>\$ 27,488</u>	<u>\$ 98,682</u>	<u>\$ 441,052</u>	<u>\$ 567,222</u>	<u>\$ 298,039</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ 5,956	\$ 36,142	\$ 42,098	\$ 64,978
Total Liabilities	<u>-</u>	<u>5,956</u>	<u>36,142</u>	<u>42,098</u>	<u>64,978</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>-</u>	<u>-</u>	<u>165,910</u>	<u>165,910</u>	<u>-</u>
Fund Balance					
Restricted for:					
Library capital improvements	-	-	303	303	40,406
Committed for:					
Library capital improvements	27,488	-	-	27,488	40,937
Public safety equipment	-	92,726	-	92,726	125,797
Assigned for:					
Subsequent years' expenditure	<u>-</u>	<u>-</u>	<u>238,697</u>	<u>238,697</u>	<u>25,921</u>
Total Fund Balance	<u>27,488</u>	<u>92,726</u>	<u>239,000</u>	<u>359,214</u>	<u>233,061</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 27,488</u>	<u>\$ 98,682</u>	<u>\$ 441,052</u>	<u>\$ 567,222</u>	<u>\$ 298,039</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, 2018
With comparative totals for September 30, 2017

	2018				2017
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Revenues					
Intergovernmental	\$ -	\$ 213,525	\$ -	\$ 213,525	\$ 237,298
Interest	26	-	-	26	20
Donations and other revenue	-	35,248	222,487	257,735	233,727
Total Revenues	<u>26</u>	<u>248,773</u>	<u>222,487</u>	<u>471,286</u>	<u>471,045</u>
Expenditures					
Capital projects	13,475	329,361	753,291	1,096,127	732,655
MFO payments - other entities	-	133,863	-	133,863	132,460
Debt service					
Bond issuance cost	-	2,700	-	2,700	-
Total Expenditures	<u>13,475</u>	<u>465,924</u>	<u>753,291</u>	<u>1,232,690</u>	<u>865,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,449)</u>	<u>(217,151)</u>	<u>(530,804)</u>	<u>(761,404)</u>	<u>(394,070)</u>
Other Financing Sources					
Bond and lease proceeds	-	170,000	-	170,000	-
Transfers from other funds	-	14,080	703,477	717,557	309,756
Total Other Financing Sources	<u>-</u>	<u>184,080</u>	<u>703,477</u>	<u>887,557</u>	<u>309,756</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(13,449)</u>	<u>(33,071)</u>	<u>172,673</u>	<u>126,153</u>	<u>(84,314)</u>
Fund Balances, Beginning of Year	<u>40,937</u>	<u>125,797</u>	<u>66,327</u>	<u>233,061</u>	<u>317,375</u>
Fund Balances, End of Year	<u>\$ 27,488</u>	<u>\$ 92,726</u>	<u>\$ 239,000</u>	<u>\$ 359,214</u>	<u>\$ 233,061</u>

See independent auditor's report.

City of Beatrice, Nebraska
LIBRARY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2018
With comparative totals for September 30, 2017

	2018			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2017 Actual
Interest	\$ 50	\$ 50	\$ 26	\$ (24)
Total Revenues	<u>50</u>	<u>50</u>	<u>26</u>	<u>(24)</u>
Expenditures				
Capital outlay	-	13,475	13,475	-
Total Expenditures	<u>-</u>	<u>13,475</u>	<u>13,475</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50</u>	<u>\$ (13,425)</u>	(13,449)	<u>\$ (24)</u>
Fund Balance, Beginning of Year			<u>40,937</u>	<u>40,917</u>
Fund Balance, End of Year			<u>\$ 27,488</u>	<u>\$ 40,937</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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Revenues					
Intergovernmental	\$ 215,000	\$ 215,000	\$ 213,525	\$ (1,475)	\$ 237,298
Donations and other revenue	-	-	35,248	35,248	-
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>248,773</u>	<u>33,773</u>	<u>237,298</u>
Expenditures					
Capital Projects					
Fire facility improvements	-	-	29,885	(29,885)	118,668
Police equipment	-	170,000	172,079	(2,079)	19,497
Fire equipment	342,000	342,000	127,397	214,603	53,970
MFO payments - other entities	134,000	134,000	133,863	137	132,460
Debt service					
Bond issuance cost	-	-	2,700	(2,700)	-
Total Expenditures	<u>476,000</u>	<u>646,000</u>	<u>465,924</u>	<u>180,076</u>	<u>324,595</u>
Deficiency of Revenues Under Expenditures	<u>(261,000)</u>	<u>(431,000)</u>	<u>(217,151)</u>	<u>213,849</u>	<u>(87,297)</u>
Other Financing Sources					
Bond proceeds	-	170,000	170,000	-	-
Transfers from other funds	218,000	218,000	14,080	(203,920)	9,089
Total Other Financing Sources	<u>218,000</u>	<u>388,000</u>	<u>184,080</u>	<u>(203,920)</u>	<u>9,089</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (43,000)</u>	<u>\$ (43,000)</u>	<u>(33,071)</u>	<u>\$ 9,929</u>	<u>(78,208)</u>
Fund Balance, Beginning of Year			<u>125,797</u>		<u>204,005</u>
Fund Balance, End of Year			<u>\$ 92,726</u>		<u>\$ 125,797</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, 2018
 With comparative totals for September 30, 2017

	2018			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2017 Actual
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Donations and other revenue	206,400	333,400	222,487	(110,913)
Total Revenues	<u>306,400</u>	<u>433,400</u>	<u>222,487</u>	<u>(210,913)</u>
Expenditures				
Capital Projects				
Public building improvements	125,000	153,100	122,199	30,901
Library renovation	-	42,000	11,911	30,089
Trail improvements	240,000	300,000	133,733	166,267
Park other improvements	71,400	151,400	71,401	79,999
Ball field improvements	100,000	100,000	82,897	17,103
Lodging tax projects	350,000	350,000	199,108	150,892
Public properties equipment	26,000	26,000	24,121	1,879
Computer equipment	71,000	118,500	107,921	10,579
Total Expenditures	<u>983,400</u>	<u>1,241,000</u>	<u>753,291</u>	<u>487,709</u>
Deficiency of Revenues Under Expenditures	<u>(677,000)</u>	<u>(807,600)</u>	<u>(530,804)</u>	<u>276,796</u>
Other Financing Sources				
Transfers from other funds	677,000	741,300	703,477	(37,823)
Total Other Financing Sources	<u>677,000</u>	<u>741,300</u>	<u>703,477</u>	<u>(37,823)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (66,300)</u>	172,673	<u>\$ 238,973</u>
Fund Balance, Beginning of Year			<u>66,327</u>	<u>72,453</u>
Fund Balance, End of Year			<u>\$ 239,000</u>	<u>\$ 66,327</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,409,501	\$ 2,442,003
Accounts receivable	1,395,865	1,264,047
Unbilled and accrued revenues	728,076	653,145
Materials and supplies inventories	658,323	648,887
Prepaid expenses	6,522	5,753
Interest receivable	2,012	27,976
Total Current Assets	<u>5,200,299</u>	<u>5,041,811</u>
Noncurrent Assets		
Investments	<u>2,433,417</u>	<u>2,400,000</u>
Restricted cash and cash equivalents		
Customer deposits	<u>122,365</u>	<u>94,781</u>
Total Restricted Cash and Cash Equivalents	<u>122,365</u>	<u>94,781</u>
Restricted investments		
Debt service reserve account	71,869	79,275
Customer deposits	<u>294,760</u>	<u>280,000</u>
Total Restricted Investments	<u>366,629</u>	<u>359,275</u>
Capital Assets		
Land and land rights	65,058	65,058
Construction in progress	4,784	5,421
Buildings and improvements	1,407,872	1,397,318
Improvements other than building	28,767,887	29,361,575
Machinery and equipment	<u>3,652,263</u>	<u>3,296,567</u>
	<u>33,897,864</u>	<u>34,125,939</u>
Less accumulated depreciation	<u>(19,200,754)</u>	<u>(19,396,512)</u>
Net Capital Assets	<u>14,697,110</u>	<u>14,729,427</u>
Total Noncurrent Assets	<u>17,619,521</u>	<u>17,583,483</u>
Total Assets	<u>\$22,819,820</u>	<u>\$22,625,294</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,450,632	\$ 1,310,008
Accrued compensated absences	147,522	138,572
Accrued payroll	56,155	53,939
Sales tax payable	217	634
Accrued interest	2,077	2,251
Other accrued liabilities	12,320	11,755
Customer deposits	402,120	374,520
Current portion of long-term debt	63,000	63,000
Total Current Liabilities	<u>2,134,043</u>	<u>1,954,679</u>
Noncurrent Liabilities		
Compensated absences	288,254	264,503
Revenue bonds, net of current portion	<u>337,750</u>	<u>400,750</u>
Total noncurrent liabilities	<u>626,004</u>	<u>665,253</u>
Total Liabilities	<u>2,760,047</u>	<u>2,619,932</u>
Net Position		
Net investment in capital assets	14,296,360	14,265,677
Restricted for debt service	69,792	77,024
Unrestricted	<u>5,693,621</u>	<u>5,662,661</u>
Total Net Position	<u>20,059,773</u>	<u>20,005,362</u>
Total Liabilities and Net Position	<u><u>\$22,819,820</u></u>	<u><u>\$22,625,294</u></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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Totals
Operating Revenues					
Charges for services	\$ 17,209,000	\$ 17,909,000	\$ 17,794,990	\$ (114,010)	\$ 16,235,194
Operating Expenses					
Electric energy purchased	12,935,750	13,935,750	13,660,580	275,170	12,078,081
Operating and maintenance expense	1,354,163	1,354,163	1,184,005	170,158	1,098,375
Customer accounting expenses	248,645	248,645	240,194	8,451	243,168
Engineering services	307,669	307,669	320,781	(13,112)	308,033
Administrative and general expense	888,355	888,355	855,702	32,653	876,780
Municipal expenses	578,900	578,900	526,231	52,669	593,043
Depreciation	1,160,000	1,160,000	1,206,054	(46,054)	1,134,350
Total operating expenses	<u>17,473,482</u>	<u>18,473,482</u>	<u>17,993,547</u>	<u>479,935</u>	<u>16,331,830</u>
Operating Income	(264,482)	(564,482)	(198,557)	365,925	(96,636)
Nonoperating Revenues (Expenses)					
Interest income	41,500	41,500	77,711	36,211	52,629
Miscellaneous	154,500	154,500	344,865	190,365	281,291
Loss on disposal of capital asset	-	-	(192,866)	(192,866)	-
Interest expense	<u>(7,402)</u>	<u>(7,402)</u>	<u>(7,228)</u>	<u>174</u>	<u>(7,799)</u>
Total Nonoperating Revenues	188,598	188,598	222,482	33,884	326,121
Income Before Contributions	(75,884)	(375,884)	23,925	399,809	229,485
Capital Contributions	<u>-</u>	<u>-</u>	<u>30,486</u>	<u>30,486</u>	<u>140,878</u>
Change in Net Position	<u>\$ (75,884)</u>	<u>\$ (375,884)</u>	54,411	<u>\$ 430,295</u>	370,363
Net Position, Beginning of Year			<u>20,005,362</u>		<u>19,634,999</u>
Net Position, End of Year			<u>\$ 20,059,773</u>		<u>\$ 20,005,362</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Cash Flows From Operating Activities		
Cash received from customers	\$17,588,241	\$16,042,565
Cash paid to suppliers for goods and services	(15,155,560)	(13,776,863)
Cash paid to employees for services	(1,438,849)	(1,361,351)
Net cash provided by operating activities	<u>993,832</u>	<u>904,351</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>344,865</u>	<u>281,291</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(63,000)	(63,000)
Interest paid on long-term debt	(7,402)	(7,937)
Capital contributions	30,486	140,878
Purchases of capital assets	(1,366,603)	(1,611,112)
Net cash used in capital and related financing activities	<u>(1,406,519)</u>	<u>(1,541,171)</u>
Cash Flows From Investing Activities		
Purchases of investments	(270,046)	-
Sales and maturities of investments	229,275	175,000
Interest received	103,675	42,540
Net cash provided by investing activities	<u>62,904</u>	<u>217,540</u>
Net Change in Cash and Cash Equivalents	(4,918)	(137,989)
Cash and Cash Equivalents, Beginning of Year	<u>2,536,784</u>	<u>2,674,773</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,531,866</u></u>	<u><u>\$ 2,536,784</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 2,409,501	\$ 2,442,003
Restricted cash and cash equivalents	122,365	94,781
Total cash and cash equivalents	<u><u>\$ 2,531,866</u></u>	<u><u>\$ 2,536,784</u></u>
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating Loss	\$ (198,557)	\$ (96,636)
Adjustments to reconcile operating loss to net cash provided		
by operating activities:		
Depreciation	1,206,054	1,134,350
Changes in operating assets and liabilities:		
Accounts receivable	(131,818)	(187,563)
Unbilled and accrued revenues	(74,931)	(5,066)
Materials and supplies inventory	(9,436)	43,878
Prepaid expenses	(769)	(226)
Accounts payable	140,624	(30,656)
Compensated absences	32,701	17,781
Customer and development deposits	27,600	(7,325)
Other accrued liabilities	2,364	35,814
Total adjustments	<u>1,192,389</u>	<u>1,000,987</u>
Net cash provided by operating activities	<u><u>\$ 993,832</u></u>	<u><u>\$ 904,351</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,604,068	\$ 1,288,354
Accounts receivable	213,758	207,321
Unbilled and accrued revenues	147,770	146,573
Materials and supplies inventories	291,973	275,960
Prepaid expenses	5,469	5,038
Interest receivable	500	2,297
Total Current Assets	<u>2,263,538</u>	<u>1,925,543</u>
Noncurrent Assets		
Investments	200,000	-
Restricted Investments		
Debt service reserve account	<u>128,774</u>	<u>136,968</u>
Capital Assets		
Land and land rights	55,458	55,458
Buildings and improvements	125,563	125,563
Improvements other than building	18,171,294	17,808,962
Machinery and equipment	<u>1,041,592</u>	<u>1,053,441</u>
	19,393,907	19,043,424
Less accumulated depreciation	<u>(12,466,099)</u>	<u>(12,142,903)</u>
Net Capital Assets	6,927,808	6,900,521
Total Noncurrent Assets	<u>7,256,582</u>	<u>7,037,489</u>
Total Assets	<u>\$ 9,520,120</u>	<u>\$ 8,963,032</u>

See independent auditor's report.

City of Beatrice, Nebraska
 WATER ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 77,432	\$ 40,204
Accrued compensated absences	86,437	82,729
Accrued payroll	25,007	24,994
Accrued interest	4,050	4,496
Other accrued liabilities	4,727	4,695
Current portion of long-term debt	113,220	113,220
Total Current Liabilities	<u>310,873</u>	<u>270,338</u>
Noncurrent Liabilities		
Compensated absences	206,767	171,347
Revenue bonds, net of current portion	548,350	661,570
Total Long-term Liabilities	<u>755,117</u>	<u>832,917</u>
Total Liabilities	<u>1,065,990</u>	<u>1,103,255</u>
Net Position		
Net investment in capital assets	6,266,238	6,125,731
Restricted for debt service	124,724	132,472
Unrestricted	2,063,168	1,601,574
Total Net Position	<u>8,454,130</u>	<u>7,859,777</u>
Total Liabilities and Net Position	<u>\$ 9,520,120</u>	<u>\$ 8,963,032</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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Totals
Operating Revenues					
Charges for services	\$ 2,849,700	\$ 2,849,700	\$ 2,789,557	\$ (60,143)	\$ 2,862,930
Operating Expenses					
Operating and maintenance expense	1,090,375	1,090,375	1,062,272	28,103	1,000,888
Customer accounting expenses	130,186	130,186	137,053	(6,867)	129,025
Engineering services	31,500	31,500	31,500	-	30,750
Administrative and general expense	437,289	437,289	439,186	(1,897)	401,186
Municipal expenses	116,000	116,000	105,907	10,093	50,746
Depreciation	530,000	530,000	545,100	(15,100)	518,390
Total operating expenses	<u>2,335,350</u>	<u>2,335,350</u>	<u>2,321,018</u>	<u>14,332</u>	<u>2,130,985</u>
Operating Income	514,350	514,350	468,539	(45,811)	731,945
Nonoperating Revenues (Expenses)					
Interest income	5,000	5,000	18,555	13,555	6,731
Gain (loss) on disposal of capital asset	-	-	(309)	(309)	16,000
Miscellaneous	103,962	103,962	121,738	17,776	169,903
Interest expense	<u>(14,615)</u>	<u>(14,615)</u>	<u>(14,170)</u>	<u>445</u>	<u>(15,640)</u>
Total nonoperating revenues	<u>94,347</u>	<u>94,347</u>	<u>125,814</u>	<u>31,467</u>	<u>176,994</u>
Income Before Contributions	608,697	608,697	594,353	(14,344)	908,939
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,365</u>
Change in Net Position	<u>\$ 608,697</u>	<u>\$ 608,697</u>	594,353	<u>\$ (14,344)</u>	1,052,304
Net Position, Beginning of Year			<u>7,859,777</u>		<u>6,807,473</u>
Net Position, End of Year			<u>\$ 8,454,130</u>		<u>\$ 7,859,777</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2018
With comparative totals for September 30, 2017

	2018	2017
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,781,923	\$ 2,804,270
Cash paid to suppliers for goods and services	(930,092)	(854,660)
Cash paid to employees for services	(785,869)	(753,978)
Net cash provided by operating activities	<u>1,065,962</u>	<u>1,195,632</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>121,738</u>	<u>169,903</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(113,220)	(113,220)
Interest paid on long-term debt	(14,616)	(16,005)
Capital contributions	-	143,365
Proceeds from disposal of capital asset	-	16,000
Purchases of capital assets	(572,696)	(1,174,206)
Net cash used in capital and related financing activities	<u>(700,532)</u>	<u>(1,144,066)</u>
Cash Flows From Investing Activities		
Purchases of investments	(271,081)	-
Sales and maturities of investments	79,275	-
Interest received	20,352	6,397
Net cash provided by (used in) investing activities	<u>(171,454)</u>	<u>6,397</u>
Net Change in Cash and Cash Equivalents	315,714	227,866
Cash and Cash Equivalents, Beginning of Year	<u>1,288,354</u>	<u>1,060,488</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,604,068</u></u>	<u><u>\$ 1,288,354</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 1,604,068</u>	<u>\$ 1,288,354</u>
Total cash and cash equivalents	<u><u>\$ 1,604,068</u></u>	<u><u>\$ 1,288,354</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 468,539	\$ 731,945
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation	545,100	518,390
Changes in operating assets and liabilities:		
Accounts receivable	(6,437)	(47,895)
Unbilled and accrued receivable	(1,197)	(10,765)
Materials and supplies inventory	(16,013)	(21,750)
Prepaid expenses	(431)	(421)
Accounts payable	37,228	544
Compensated absences	39,128	9,804
Other accrued liabilities	45	15,780
Total adjustments	<u>597,423</u>	<u>463,687</u>
Net cash provided by operating activities	<u><u>\$ 1,065,962</u></u>	<u><u>\$ 1,195,632</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
September 30, 2018
With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,098,667	\$ 2,092,962
Accounts receivable	115,040	108,749
Unbilled and accrued revenues	119,119	115,300
Prepaid expenses	3,302	3,063
Interest receivable	3,081	9,705
Total Current Assets	<u>2,339,209</u>	<u>2,329,779</u>
Noncurrent Assets		
Investments	1,262,041	950,000
Restricted Investments		
Debt service reserve account	180,330	188,321
Capital Assets		
Land and land rights	16,588	16,588
Buildings and improvements	10,163,757	9,554,830
Improvements other than building	9,232,448	9,125,103
Machinery and equipment	2,112,206	2,181,783
	<u>21,524,999</u>	<u>20,878,304</u>
Less accumulated depreciation	<u>(15,217,544)</u>	<u>(14,832,661)</u>
Net Capital Assets	6,307,455	6,045,643
Total Noncurrent Assets	<u>7,749,826</u>	<u>7,183,964</u>
Total Assets	<u><u>\$10,089,035</u></u>	<u><u>\$ 9,513,743</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2018
With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 24,265	\$ 75,913
Accrued compensated absences	42,603	40,395
Accrued payroll	15,457	14,282
Accrued interest	5,896	6,613
Other accrued liabilities	2,141	2,026
Current portion of long-term debt	158,780	158,780
Total Current Liabilities	<u>249,142</u>	<u>298,009</u>
Noncurrent Liabilities		
Compensated absences	50,538	46,051
Revenue bonds, net of current portion	728,900	887,680
Total Noncurrent Liabilities	<u>779,438</u>	<u>933,731</u>
Total Liabilities	<u>1,028,580</u>	<u>1,231,740</u>
Net Position		
Net investment in capital assets	5,419,775	4,999,183
Restricted for debt service	174,434	181,708
Unrestricted	3,466,246	3,101,112
Total Net Position	<u>9,060,455</u>	<u>8,282,003</u>
Total Liabilities and Net Position	<u>\$10,089,035</u>	<u>\$ 9,513,743</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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Totals
Operating Revenues					
Charges for services	\$ 2,282,500	\$ 2,282,500	\$ 2,278,816	\$ (3,684)	\$ 2,315,112
Operating Expenses					
Operating and maintenance expense	648,658	648,658	626,837	21,821	584,480
Customer accounting expenses	86,258	86,258	86,864	(606)	84,339
Engineering services	31,500	31,500	31,500	-	30,750
Administrative and general expense	282,620	282,620	280,392	2,228	263,054
Municipal expenses	20,000	20,000	22,062	(2,062)	22,116
Depreciation	550,000	550,000	514,414	35,586	531,637
Total operating expenses	<u>1,619,036</u>	<u>1,619,036</u>	<u>1,562,069</u>	<u>56,967</u>	<u>1,516,376</u>
Operating Income	663,464	663,464	716,747	53,283	798,736
Nonoperating Revenues (Expenses)					
Interest income	16,000	16,000	44,066	28,066	20,223
Gain on disposal of capital asset	-	-	5,529	5,529	-
Miscellaneous	37,500	37,500	32,788	(4,712)	57,086
Interest expense	<u>(21,394)</u>	<u>(21,394)</u>	<u>(20,678)</u>	<u>716</u>	<u>(23,042)</u>
Total nonoperating revenues	<u>32,106</u>	<u>32,106</u>	<u>61,705</u>	<u>29,599</u>	<u>54,267</u>
Income Before Contributions	695,570	695,570	778,452	82,882	853,003
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,145</u>
Change in Net Position	<u>\$ 695,570</u>	<u>\$ 695,570</u>	<u>778,452</u>	<u>\$ 82,882</u>	<u>920,148</u>
Net Position, Beginning of Year			<u>8,282,003</u>		<u>7,361,855</u>
Net Position, End of Year			<u>\$ 9,060,455</u>		<u>\$ 8,282,003</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, 2018
With comparative totals for September 30, 2017

	2018	2017
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,268,706	\$ 2,297,230
Cash paid to suppliers for goods and services	(587,977)	(591,167)
Cash paid to employees for services	(503,580)	(470,900)
Net cash provided by operating activities	<u>1,177,149</u>	<u>1,235,163</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>32,788</u>	<u>57,086</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(158,780)	(158,780)
Interest paid on long-term debt	(21,395)	(23,635)
Capital contributions	-	67,145
Purchases of capital assets	<u>(770,697)</u>	<u>(388,934)</u>
Net cash used in capital and related financing activities	<u>(950,872)</u>	<u>(504,204)</u>
Cash Flows From Investing Activities		
Purchases of investments	(622,000)	(350,000)
Sales and maturities of investments	317,950	-
Interest received	<u>50,690</u>	<u>15,432</u>
Net cash used in investing activities	<u>(253,360)</u>	<u>(334,568)</u>
Net Change in Cash and Cash Equivalents	5,705	453,477
Cash and Restricted Cash, Beginning of Year	<u>2,092,962</u>	<u>1,639,485</u>
Cash and Restricted Cash, End of Year	<u><u>\$ 2,098,667</u></u>	<u><u>\$ 2,092,962</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 2,098,667</u>	<u>\$ 2,092,962</u>
Total cash and cash equivalents	<u><u>\$ 2,098,667</u></u>	<u><u>\$ 2,092,962</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 716,747	\$ 798,736
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation	514,414	531,637
Changes in operating assets and liabilities:		
Accounts receivable	(6,291)	(8,023)
Unbilled and accrued revenues	(3,819)	(9,859)
Prepaid expenses	(239)	(165)
Accounts payable	(51,648)	(90,590)
Compensated absences	6,695	5,497
Other accrued liabilities	<u>1,290</u>	<u>7,930</u>
Total adjustments	<u>460,402</u>	<u>436,427</u>
Net cash provided by operating activities	<u><u>\$ 1,177,149</u></u>	<u><u>\$ 1,235,163</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Trade-in value for purchase of capital asset	\$ 15,100	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 301,872	\$ 336,846
Accounts receivable	225,000	231,412
Total Current Assets	<u>526,872</u>	<u>568,258</u>
Noncurrent Assets		
Restricted investments		
Debt service reserve account	356,984	352,838
Closure/post-closure maintenance account	1,942,267	1,616,399
Total Restricted Assets	<u>2,299,251</u>	<u>1,969,237</u>
Property, Plant and Equipment		
Buildings and improvements other than buildings	7,717,859	7,678,368
Machinery and equipment	2,153,600	1,877,847
Total Property, Plant and Equipment	<u>9,871,459</u>	<u>9,556,215</u>
Less: accumulated depreciation	<u>(4,788,661)</u>	<u>(4,484,329)</u>
Net Property, Plant and Equipment	<u>5,082,798</u>	<u>5,071,886</u>
Total Noncurrent Assets	<u>7,382,049</u>	<u>7,041,123</u>
 Total Assets	 <u><u>\$ 7,908,921</u></u>	 <u><u>\$ 7,609,381</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2018
 With comparative totals for September 30, 2017

	2018	2017
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 24,271	\$ 268,682
Compensated absences	15,368	14,425
Accrued payroll	7,406	6,919
Accrued interest payable	21,729	22,561
Current maturities of lease obligation	226,598	151,062
Current maturities of bonds payable	260,000	260,000
Total Current Liabilities	<u>555,372</u>	<u>723,649</u>
Noncurrent Liabilities		
Revenue bonds payable, net of current portion	1,355,000	1,615,000
Lease obligation	791,474	621,438
Estimated current cost of closure and post-closure	4,396,000	4,170,000
Total Noncurrent Liabilities	<u>6,542,474</u>	<u>6,406,438</u>
Total Liabilities	<u>7,097,846</u>	<u>7,130,087</u>
Net Position		
Net investment in capital assets	2,449,726	2,424,386
Restricted for debt service	335,255	330,277
Unrestricted	(1,973,906)	(2,275,369)
Net Position	<u>811,075</u>	<u>479,294</u>
Total Liabilities and Net Position	<u>\$ 7,908,921</u>	<u>\$ 7,609,381</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, 2018
 With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Operating Revenues					
Other government user fees	\$ 94,505	\$ 94,505	\$ 94,505	\$ -	\$ 94,505
Gate fees	660,000	660,000	824,082	164,082	1,411,986
Garbage service fees	844,000	844,000	893,603	49,603	740,880
Recycling income	2,000	2,000	1,961	(39)	2,270
Total Operating Revenues	<u>1,600,505</u>	<u>1,600,505</u>	<u>1,814,151</u>	<u>213,646</u>	<u>2,249,641</u>
Operating Expenses					
Personal services	270,216	270,216	273,314	(3,098)	261,363
Other services and charges	243,395	243,395	340,782	(97,387)	267,468
Supplies	103,500	103,500	116,025	(12,525)	96,575
Contractual services	106,669	106,669	105,677	992	118,967
Depreciation and amortization	250,000	250,000	444,044	(194,044)	204,492
Landfill closure and post-closure care	224,154	224,154	226,000	(1,846)	491,000
Total Operating Expenses	<u>1,197,934</u>	<u>1,197,934</u>	<u>1,505,842</u>	<u>(307,908)</u>	<u>1,439,865</u>
Operating Income	<u>402,571</u>	<u>402,571</u>	<u>308,309</u>	<u>(94,262)</u>	<u>809,776</u>
Nonoperating Revenues (Expenses)					
Miscellaneous income	500	500	19,847	-	-
Gain (loss) on disposal of capital asset	-	-	13,030	13,030	(1,139)
Interest earnings	700	700	30,106	29,406	23,764
Interest expense	-	-	(39,511)	(39,511)	(26,791)
Total Nonoperating Revenues (Expenses)	<u>1,200</u>	<u>1,200</u>	<u>23,472</u>	<u>2,925</u>	<u>(4,166)</u>
Change in Net Position	<u>\$ 403,771</u>	<u>\$ 403,771</u>	<u>331,781</u>	<u>\$ (91,337)</u>	<u>805,610</u>
Net Position, Beginning of Year			<u>479,294</u>		<u>(326,316)</u>
Net Position, End of Year			<u>\$ 811,075</u>		<u>\$ 479,294</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2018
 With comparative totals for September 30, 2017

	2018	2017
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,820,563	\$ 2,155,621
Cash paid to suppliers for goods and services	(806,895)	(265,637)
Cash paid to employees for services	(271,884)	(261,363)
Net cash provided by operating activities	<u>741,784</u>	<u>1,628,621</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>19,847</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Bond principal repayments	(260,000)	(200,000)
Note payable repayments	(150,928)	-
Interest expenditures	(40,343)	(4,765)
Bond and lease proceeds	396,500	2,022,500
Proceeds from sale of capital assets	-	2,138
Capital expenditures	(441,926)	(3,097,183)
Net cash used in capital and related financing activities	<u>(496,697)</u>	<u>(1,277,310)</u>
Cash Flows from Investing Activities		
Interest received	30,106	23,764
Purchase of investments	(330,014)	(183,387)
Net cash used in investing activities	<u>(299,908)</u>	<u>(159,623)</u>
Net Change in Cash and Cash Equivalents	(34,974)	191,688
Cash and Cash Equivalents, Beginning of Year	<u>336,846</u>	<u>145,158</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 301,872</u></u>	<u><u>\$ 336,846</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	<u><u>\$ 301,872</u></u>	<u><u>\$ 336,846</u></u>
Reconciliation of Net Income to Net Cash		
Provided by (Used in) Operating Activities		
Operating income	\$ 308,309	\$ 809,776
Adjustments to reconcile operating income to net cash provided		
by (used in) operating activities:		
Depreciation and amortization	444,044	204,492
Changes in operating assets and liabilities:		
Accounts receivable	6,412	(94,020)
Accounts payable	(244,411)	212,940
Accrued expenses	1,430	4,433
Closure / post-closure liabilities	226,000	491,000
Total adjustments	<u>433,475</u>	<u>818,845</u>
Net cash provided by operating activities	<u><u>\$ 741,784</u></u>	<u><u>\$ 1,628,621</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Trade-in value for purchase of capital asset	\$ 16,250	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash	\$ 71,240	\$ 34,220
Accounts receivable	<u>58,521</u>	<u>47,950</u>
Total Assets	<u><u>\$ 129,761</u></u>	<u><u>\$ 82,170</u></u>
Liabilities and Net Position		
Liabilities		
Accounts payable	<u>\$ 129,761</u>	<u>\$ 82,170</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 129,761</u></u>	<u><u>\$ 82,170</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2018
 With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Totals
Operating Revenues					
Garbage service fees	\$ 1,467,500	\$ 1,517,500	\$ 1,519,746	\$ 2,246	\$ 1,322,624
Operating Expenses					
Bad debt expense	1,500	1,500	1,671	(171)	1,236
Garbage disposal contract	832,000	882,000	735,280	146,720	709,133
Garbage hauler contract	634,000	634,000	782,795	(148,795)	612,255
Total Operating Expenses	1,467,500	1,517,500	1,519,746	(2,246)	1,322,624
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	\$ -
Net Position, Beginning of Year			<u>\$ -</u>		<u>\$ -</u>
Net Position, End of Year			<u>\$ -</u>		<u>\$ -</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,509,175	\$ 1,338,655
Cash paid to supplies for goods and services	<u>(1,472,155)</u>	<u>(1,349,566)</u>
Net Change in Cash and Cash Equivalents	37,020	(10,911)
Cash and Cash Equivalents, Beginning of Year	<u>34,220</u>	<u>45,131</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 71,240</u></u>	<u><u>\$ 34,220</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating (used in) activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(10,571)	16,031
Accounts payable	<u>47,591</u>	<u>(26,942)</u>
Total adjustments	<u>37,020</u>	<u>(10,911)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 37,020</u></u>	<u><u>\$ (10,911)</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, 2018
With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 61,186	\$ 181,991
Accounts receivable	<u>-</u>	<u>87,996</u>
Total Assets	<u>\$ 61,186</u>	<u>\$ 269,987</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Claims incurred but not reported	<u>\$ 118,134</u>	<u>\$ 176,415</u>
Net Position		
Unrestricted	<u>(56,948)</u>	<u>93,572</u>
Total Liabilities and Net Position	<u>\$ 61,186</u>	<u>\$ 269,987</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, 2018
With comparative totals for September 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2017 Actual
Operating Revenues					
Charges for services, including COBRA	\$ 2,889,620	\$ 2,889,620	\$ 2,898,324	\$ 8,704	\$ 2,722,614
Reinsurance coverage reimbursements	50,000	250,000	237,879	(12,121)	157,594
Total Operating Revenues	<u>2,939,620</u>	<u>3,139,620</u>	<u>3,136,203</u>	<u>(3,417)</u>	<u>2,880,208</u>
Operating Expenses					
Health insurance claims paid	2,237,420	2,537,420	2,506,669	30,751	2,327,570
Insurance premiums	389,500	389,500	460,184	(70,684)	379,470
Payflex expenditures	200,000	200,000	190,161	9,839	191,275
Other services and charges	113,000	113,000	129,885	(16,885)	102,152
Total Operating Expenses	<u>2,939,920</u>	<u>3,239,920</u>	<u>3,286,899</u>	<u>(46,979)</u>	<u>3,000,467</u>
Operating Loss	<u>(300)</u>	<u>(100,300)</u>	<u>(150,696)</u>	<u>(50,396)</u>	<u>(120,259)</u>
Nonoperating Revenues					
Interest	<u>100</u>	<u>300</u>	<u>176</u>	<u>(124)</u>	<u>300</u>
Change in Net Position	<u>(200)</u>	<u>(100,000)</u>	<u>(150,520)</u>	<u>(50,520)</u>	<u>(119,959)</u>
Net Position, Beginning of Year			<u>93,572</u>		<u>213,531</u>
Net Position, End of Year			<u>\$ (56,948)</u>		<u>\$ 93,572</u>

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, 2018
With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 3,224,199	\$ 2,792,212
Payments to suppliers	<u>(3,345,180)</u>	<u>(2,920,805)</u>
Net cash used in operating activities	(120,981)	(128,593)
Cash Flows From Investing Activities		
Interest received	<u>176</u>	<u>300</u>
Net Change in Cash and Cash Equivalents	<u>(120,805)</u>	<u>(128,293)</u>
Cash and Cash Equivalents, Beginning of Year	<u>181,991</u>	<u>310,284</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 61,186</u></u>	<u><u>\$ 181,991</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ (150,696)	\$ (120,259)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	87,996	(87,996)
Claims incurred but not reported	<u>(58,281)</u>	<u>79,662</u>
Total adjustments	<u>29,715</u>	<u>(8,334)</u>
Net cash used in operating activities	<u><u>\$ (120,981)</u></u>	<u><u>\$ (128,593)</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
 COMBINING STATEMENT OF NET POSITION
 September 30, 2018
 With comparative totals for September 30, 2017

	2018					2017
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Assets						
Investments with fiscal agent:						
Guaranteed interest accounts	\$ 1,889,249	\$ 1,085,624	\$ 1,329,685	\$ 3,919,923	\$ 8,224,481	\$ 7,702,254
Publicly traded mutual funds	4,830,933	2,808,077	2,474,512	4,599,847	14,713,369	12,998,989
Total Assets	<u>\$ 6,720,182</u>	<u>\$ 3,893,701</u>	<u>\$ 3,804,197</u>	<u>\$ 8,519,770</u>	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</u>
Net Position						
Net position restricted for pensions	<u>\$ 6,720,182</u>	<u>\$ 3,893,701</u>	<u>\$ 3,804,197</u>	<u>\$ 8,519,770</u>	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</u>

See independent auditor's report.

City of Beatrice, Nebraska
EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended September 30, 2018
With comparative totals for the year ended September 30, 2017

	2018					2017
	Firefighters	Police	General Government	Board of Public Works	Total	Actual
Additions:						
Contributions:						
Employer	\$ 168,975	\$ 94,075	\$ 96,819	\$ 171,514	\$ 531,383	\$ 480,677
Employee	84,585	94,219	99,171	171,514	449,489	458,995
Total Contributions	253,560	188,294	195,990	343,028	980,872	939,672
Investment Income:						
Net appreciation in fair value of investments	549,847	304,718	263,055	626,775	1,744,395	2,042,577
Total Additions	803,407	493,012	459,045	969,803	2,725,267	2,982,249
Deductions:						
Benefit payments	276,325	141,068	35,664	35,103	488,160	998,293
Administrative costs	150	250	75	25	500	450
Total Deductions	276,475	141,318	35,739	35,128	488,660	998,743
Change in Net Position	526,932	351,694	423,306	934,675	2,236,607	1,983,506
Net Position Restricted for Pensions, Beginning of Year	6,193,250	3,542,007	3,380,891	7,585,095	20,701,243	18,717,737
Net Position Restricted for Pensions, End of Year	<u>\$ 6,720,182</u>	<u>\$ 3,893,701</u>	<u>\$ 3,804,197</u>	<u>\$ 8,519,770</u>	<u>\$ 22,937,850</u>	<u>\$ 20,701,243</u>

See independent auditor's report.

City of Beatrice, Nebraska
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
For the year ended September 30, 2018
With comparative totals for the year ended September 30, 2017

	2018					2017
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Cash Flows From Operating Activities						
Cash contributions received	\$ 253,560	\$ 188,294	\$ 195,990	\$ 343,028	\$ 980,872	\$ 939,672
Cash terminations/retirements paid	(276,325)	(141,068)	(35,664)	(35,103)	(488,160)	(998,293)
Other operating charges paid	(150)	(250)	(75)	(25)	(500)	(450)
Net Cash Provided by (Used in) Operating Activities	(22,915)	46,976	160,251	307,900	492,212	(59,071)
Cash Flows From Investing Activities						
Net (purchases) sales of investments	22,915	(46,976)	(160,251)	(307,900)	(492,212)	59,071
Net Cash Provided by (Used in) Investing Activities	22,915	(46,976)	(160,251)	(307,900)	(492,212)	59,071
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities						
Operating income	\$ 526,932	\$ 351,694	\$ 423,306	\$ 934,675	\$ 2,236,607	\$ 1,983,506
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:						
Net appreciation in fair value of investments	(549,847)	(304,718)	(263,055)	(626,775)	(1,744,395)	(2,042,577)
Net Cash Provided by (Used In) Operating Activities	\$ (22,915)	\$ 46,976	\$ 160,251	\$ 307,900	\$ 492,212	\$ (59,071)

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 September 30, 2018¹

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation	Total Component Units
Assets				
Current Assets				
Cash and cash equivalents	\$ 587,872	\$ -	\$ 82,178	\$ 670,050
Cash on deposit - county treasurer	6,673	-	-	6,673
Accounts receivable	1,339,991	-	-	1,339,991
Taxes receivable	11,968	-	-	11,968
Inventories	75,439	-	-	75,439
Total Current Assets	<u>2,021,943</u>	<u>-</u>	<u>82,178</u>	<u>2,104,121</u>
Noncurrent Assets				
Investments	-	-	1,374,456	1,374,456
Restricted Assets				
Cash and cash equivalents	56,664	14,524	64,717	135,905
Cash on deposit - county treasurer	-	19,127	-	19,127
Investments	-	-	133,811	133,811
Total Restricted Assets	<u>56,664</u>	<u>33,651</u>	<u>198,528</u>	<u>288,843</u>
Capital Assets				
Land	1,321,356	-	-	1,321,356
Capital assets, net of accumulated depreciation	6,850,342	-	48,598	6,898,940
Net capital assets	<u>8,171,698</u>	<u>-</u>	<u>48,598</u>	<u>8,220,296</u>
Total Noncurrent Assets	<u>8,228,362</u>	<u>33,651</u>	<u>1,621,582</u>	<u>9,883,595</u>
Total Assets	<u>\$ 10,250,305</u>	<u>\$ 33,651</u>	<u>\$ 1,703,760</u>	<u>\$ 11,987,716</u>
Liabilities				
Current Liabilities				
Accounts payable	\$ 1,514,611	\$ -	\$ -	\$ 1,514,611
Accrued interest payable	960	-	-	960
Accrued compensated absences	17,313	-	-	17,313
Due to developer	-	33,651	-	33,651
Current maturities of long-term debt	110,000	-	-	110,000
Total Current Liabilities	<u>1,642,884</u>	<u>33,651</u>	<u>-</u>	<u>1,676,535</u>
Noncurrent Liabilities, Net of Current Portion				
Compensated absences	60,477	-	-	60,477
Long-term debt	230,000	-	-	230,000
Total Noncurrent Liabilities	<u>290,477</u>	<u>-</u>	<u>-</u>	<u>290,477</u>
Total Liabilities	<u>1,933,361</u>	<u>33,651</u>	<u>-</u>	<u>1,967,012</u>
Net Position				
Net investment in capital assets	7,663,141	-	48,598	7,711,739
Restricted for debt service	55,704	-	-	55,704
Restricted for Library Foundation	-	-	201,992	201,992
Unrestricted net position	598,099	-	1,453,170	2,051,269
Total Net Position	<u>8,316,944</u>	<u>-</u>	<u>1,703,760</u>	<u>10,020,704</u>
Total Liabilities and Net Position	<u>\$ 10,250,305</u>	<u>\$ 33,651</u>	<u>\$ 1,703,760</u>	<u>\$ 11,987,715</u>

1: Beatrice Library Foundation, Inc.'s financial information is as of its fiscal year end July 31, 2018.

CITY OF BEATRICE, NEBRASKA
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 For the year ended September 30, 2018¹

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Units		
	Expenses	Charges for Services	Capital Grants and Contributions	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation, Inc.
Beatrice Airport Authority:						
Airport operations	\$ 742,296	\$ 422,878	\$ 1,387,520	\$ 1,068,102	\$ -	\$ -
Interest on long-term debt	3,810	-	-	(3,810)	-	-
Total Beatrice Airport Authority	<u>746,106</u>	<u>422,878</u>	<u>1,387,520</u>	<u>1,064,292</u>	<u>-</u>	<u>-</u>
Beatrice Community Redevelopment Authority:						
Community development	400,543	-	-	-	(400,543)	-
Total Beatrice Community Redevelopment Authority	<u>400,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,543)</u>	<u>-</u>
Beatrice Public Library Foundation, Inc.:						
Foundation operations	103,632	-	-	-	-	(103,632)
Total Component Units	<u>\$ 1,250,281</u>	<u>\$ 422,878</u>	<u>\$ 1,387,520</u>	<u>1,064,292</u>	<u>(400,543)</u>	<u>(103,632)</u>
General Revenues						
Property tax				228,994	-	-
Tax increment financing				-	400,543	-
Miscellaneous revenues				10,155	-	5,117
Investment earnings				410	-	98,851
Total General Revenues				<u>239,559</u>	<u>400,543</u>	<u>103,968</u>
Change in Net Position				1,303,851	-	336
Net Position, Beginning of Year				<u>7,013,093</u>	<u>-</u>	<u>1,703,424</u>
Net Position, End of Year				<u>\$ 8,316,944</u>	<u>\$ -</u>	<u>\$ 1,703,760</u>
						<u>\$ 10,020,704</u>

1: Beatrice Library Foundation, Inc.'s financial information is for its fiscal year ended July 31, 2018.

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2018
 With comparative totals for September 30, 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 587,872	\$ 391,125
Cash on deposit - county treasurer	6,673	8,421
Accounts receivable	1,339,991	16,487
Taxes receivable	11,968	14,270
Inventories	75,439	51,844
Total Current Assets	<u>2,021,943</u>	<u>482,147</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents - debt service	56,664	97,028
Total Restricted Assets	<u>56,664</u>	<u>97,028</u>
Capital Assets		
Land	1,321,356	1,321,356
Capital assets, net of accumulated depreciation	6,850,342	5,469,337
Total Capital Assets	<u>8,171,698</u>	<u>6,790,693</u>
Total Noncurrent Assets	<u>8,228,362</u>	<u>6,887,721</u>
Total Assets	<u><u>\$ 10,250,305</u></u>	<u><u>\$ 7,369,868</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 1,507,380	\$ 16,367
Accrued wages payable	7,231	6,859
Accrued interest payable	960	1,461
Current portion of compensated absences	17,313	15,944
Current maturities of long-term debt	110,000	150,000
Total Current Liabilities	<u>1,642,884</u>	<u>190,631</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	60,477	56,144
Long-term debt	230,000	110,000
Total Noncurrent Liabilities	<u>290,477</u>	<u>166,144</u>
Total Liabilities	<u>1,933,361</u>	<u>356,775</u>
Net Position		
Net investment in capital assets	7,663,141	6,516,301
Restricted for debt service	55,704	95,567
Unrestricted net position	598,099	401,225
Total net position	<u>8,316,944</u>	<u>7,013,093</u>
Total Liabilities and Net Position	<u><u>\$ 10,250,305</u></u>	<u><u>\$ 7,369,868</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, 2018
 With comparative totals for the year ended September 30, 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Property taxes	\$ 228,994	\$ 229,636
Rent and use fees	188,069	182,801
Charges for services	-	-
Gas, oil, and jet fuel sales	168,878	149,079
Farm income	65,931	63,724
Interest income	410	188
Other income	10,155	60,403
Total Operating Revenues	<u>662,437</u>	<u>685,831</u>
Operating Expenses		
Airport operations	742,296	705,126
Interest on long-term debt	3,810	5,605
Total Operating Expenses	<u>746,106</u>	<u>710,731</u>
Loss Before Capital Contributions	(83,669)	(24,900)
Capital Contributions	<u>1,387,520</u>	<u>68,937</u>
Change in Net Position	1,303,851	44,037
Net Position, Beginning of Year	<u>7,013,093</u>	<u>6,969,056</u>
Net Position, End of Year	<u>\$ 8,316,944</u>	<u>\$ 7,013,093</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2018
 With comparative totals for September 30, 2017

	<u>2018</u>	<u>2017</u>
Assets		
Restricted Assets		
Cash and cash equivalents	\$ 14,524	\$ 18,861
Cash on deposit - county treasurer	<u>19,127</u>	<u>21,229</u>
Total Assets	<u>\$ 33,651</u>	<u>\$ 40,090</u>
 Liabilities		
Current Liabilities		
Due to developer	<u>\$ 33,651</u>	<u>\$ 40,090</u>
 Total Liabilities	<u>33,651</u>	<u>40,090</u>
 Net Position		
Unrestricted	<u>-</u>	<u>-</u>
 Total Liabilities and Net Position	<u>\$ 33,651</u>	<u>\$ 40,090</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2018
 With comparative totals for the year ended September 30, 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Tax increment financing	\$ 400,543	\$ 329,655
Total Operating Revenues	<u>400,543</u>	<u>329,655</u>
Operating Expenses		
Developer TIF payments	398,644	316,481
Refund to county treasurer	<u>1,899</u>	<u>13,174</u>
Total Operating Expenses	<u>400,543</u>	<u>329,655</u>
Change in Net Position	<u>-</u>	<u>-</u>
Net Position, Beginning of Year	<u>-</u>	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENT OF NET POSITION
 July 31, 2018
 With comparative totals for July 31, 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 82,178	\$ 69,927
Total Current Assets	<u>82,178</u>	<u>69,927</u>
Noncurrent Assets		
Investments	1,374,456	1,335,698
Cash and cash equivalents - restricted	64,717	116,268
Investments - restricted	133,811	132,933
Capital assets (net of accumulated depreciation of \$-0- in 2018 and 2017)	<u>48,598</u>	<u>48,598</u>
Total Noncurrent Assets	<u>1,621,582</u>	<u>1,633,497</u>
Total Assets	<u><u>\$ 1,703,760</u></u>	<u><u>\$ 1,703,424</u></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	201,992	255,769
Unrestricted net position	<u>1,453,170</u>	<u>1,399,057</u>
Total Net Position	<u>1,703,760</u>	<u>1,703,424</u>
Total Liabilities and Net Position	<u><u>\$ 1,703,760</u></u>	<u><u>\$ 1,703,424</u></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, 2018
 With comparative totals for the year ended July 31, 2017

	2018	2017
Support and Revenue		
Gifts and bequests	\$ 5,117	\$ 4,587
Investment income	48,224	39,479
Gain on sale of assets	12,260	5,793
Unrealized gain on assets	38,367	27,839
Total Support and Revenue	<u>103,968</u>	<u>77,698</u>
Expenses		
Professional fees	14,725	14,267
Other rental expenses	-	241
Supplies and miscellaneous	441	207
Library support	86,024	74,635
Seminar and travel expense	2,442	210
Total Expenses	<u>103,632</u>	<u>89,560</u>
Change in Net Position	336	(11,862)
Net Position, Beginning of Year	<u>1,703,424</u>	<u>1,715,286</u>
Net Position, End of Year	<u>\$ 1,703,760</u>	<u>\$ 1,703,424</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENT OF CASH FLOWS
 For the year ended July 31, 2018
 With comparative totals for the year ended July 31, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in net position	\$ 336	\$ (11,862)
Adjustments to change in net position to cash used in operating activities:		
Gain on sale of assets	(12,260)	(5,793)
Unrealized gain on assets	<u>(38,367)</u>	<u>(27,839)</u>
Total adjustments	<u>(50,627)</u>	<u>(33,632)</u>
Net cash used in operating activities	<u>(50,291)</u>	<u>(45,494)</u>
Cash Flows from Investment Activities		
Sale of investments	127,363	198,962
Purchase of investments	<u>(116,372)</u>	<u>(477,472)</u>
Net cash used in investing activities	<u>10,991</u>	<u>(278,510)</u>
Net Decrease in Cash and Cash Equivalents	(39,300)	(324,004)
Cash and Cash Equivalents, Beginning of Year	<u>186,195</u>	<u>510,199</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 146,895</u></u>	<u><u>\$ 186,195</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	82,178	69,927
Cash and cash equivalents - restricted	<u>64,717</u>	<u>116,268</u>
	<u><u>\$ 146,895</u></u>	<u><u>\$ 186,195</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, 2018
 With comparative totals for September 30, 2017

	2018	2017
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 4,747,619	\$ 4,574,523
Buildings	9,358,796	9,103,220
Improvements other than buildings	5,143,293	4,967,041
Machinery and equipment	11,929,144	11,485,158
Infrastructure	34,828,651	31,350,231
Total	<u>\$ 66,007,503</u>	<u>\$ 61,480,173</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General obligation bonds	\$ 6,094,098	\$ 5,981,882
Federal and state grants	11,328,006	10,325,474
General fund revenues	42,024,414	39,628,916
Donations	6,560,985	5,543,901
Total Investment in Governmental Funds Capital Assets	<u>\$ 66,007,503</u>	<u>\$ 61,480,173</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.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2018
 With comparative totals for September 30, 2017

Function and Activity	2018						2017 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and budget	\$ -	\$ -	\$ -	\$ 343,824	\$ -	\$ 343,824	\$ 502,373
Legal	-	-	-	5,692	-	5,692	5,692
Inspection	-	-	-	61,861	-	61,861	57,043
Total General Government	-	-	-	411,377	-	411,377	565,108
PUBLIC SAFETY							
Police	76,500	-	147,480	3,006,976	-	3,230,956	2,998,962
Fire	-	-	-	3,999,245	-	3,999,245	4,085,988
Total Public Safety	76,500	-	147,480	7,006,221	-	7,230,201	7,084,950
CULTURE AND RECREATION							
Public properties	4,570,541	4,893,258	4,913,609	1,366,665	-	15,744,073	14,922,083
Library	100,578	4,003,349	82,204	855,072	-	5,041,203	4,930,162
Total Culture and Recreation	4,671,119	8,896,607	4,995,813	2,221,737	-	20,785,276	19,852,245
STREETS AND TRAILS	-	462,189	-	2,266,468	33,829,299	36,557,956	32,967,663
STORM WATER MANAGEMENT	-	-	-	23,341	999,352	1,022,693	1,010,207
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 4,747,619</u>	<u>\$ 9,358,796</u>	<u>\$ 5,143,293</u>	<u>\$ 11,929,144</u>	<u>\$ 34,828,651</u>	<u>\$ 66,007,503</u>	<u>\$ 61,480,173</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, 2018

Function and Activity	Governmental Funds Capital Assets 10/1/17	Additions	Deductions	Governmental Funds Capital Assets 9/30/18
GENERAL GOVERNMENT				
Management and budget	\$ 502,373	\$ 30,531	\$ (189,080)	\$ 343,824
Legal	5,692	-	-	5,692
Inspection	57,043	6,198	(1,380)	61,861
Total General Government	<u>565,108</u>	<u>36,729</u>	<u>(190,460)</u>	<u>411,377</u>
PUBLIC SAFETY				
Police	2,998,962	308,302	(76,308)	3,230,956
Fire	4,085,988	133,528	(220,271)	3,999,245
Total Public Safety	<u>7,084,950</u>	<u>441,830</u>	<u>(296,579)</u>	<u>7,230,201</u>
CULTURE AND RECREATION				
Public properties	14,922,083	847,722	(25,732)	15,744,073
Library	4,930,162	111,041	-	5,041,203
Total Culture and Recreation	<u>19,852,245</u>	<u>958,763</u>	<u>(25,732)</u>	<u>20,785,276</u>
STREETS AND TRAILS	32,967,663	3,686,212	(95,919)	36,557,956
STORM WATER MANAGEMENT	<u>1,010,207</u>	<u>12,486</u>	<u>-</u>	<u>1,022,693</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$61,480,173</u>	<u>\$ 5,136,020</u>	<u>\$ (608,690)</u>	<u>\$66,007,503</u>

See independent auditor's report.

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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.

Contents

Tables

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.

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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.

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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.

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SECTION 3

STATISTICAL SECTION

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

Table 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in capital assets	\$ 25,645,880	\$ 25,415,415	\$ 26,471,016	\$ 28,220,897	\$ 28,702,717	\$ 28,986,067	\$ 29,927,397	\$ 30,825,043	\$ 33,303,732	\$ 35,613,362
Restricted	3,184,634	3,323,885	2,860,602	2,494,379	3,151,861	3,076,005	3,750,366	4,003,388	4,050,739	3,211,376
Unrestricted	1,468,328	1,715,179	2,125,443	2,007,117	2,313,002	2,693,041	2,982,107	3,192,413	1,744,032	3,061,270
Total Governmental Activities Net Position	\$ 30,298,842	\$ 30,454,479	\$ 31,457,061	\$ 32,722,393	\$ 34,167,580	\$ 34,755,113	\$ 36,659,870	\$ 38,020,844	\$ 39,098,503	\$ 41,886,008
Business-type Activities										
Net Investment in capital assets	\$ 21,645,203	\$ 21,604,880	\$ 21,153,306	\$ 22,190,417	\$ 22,413,044	\$ 23,166,370	\$ 24,047,909	\$ 25,423,188	\$ 27,814,977	\$ 28,432,099
Restricted	643,308	643,769	467,738	636,926	635,176	618,842	629,955	579,207	721,481	704,205
Unrestricted	4,306,304	5,628,234	7,988,560	8,198,618	7,975,780	7,326,777	7,393,322	7,475,616	8,089,978	9,249,129
Total Business-type Activities Net Position	\$ 26,594,815	\$ 27,876,883	\$ 29,609,604	\$ 31,025,961	\$ 31,024,000	\$ 31,111,989	\$ 32,071,186	\$ 33,478,011	\$ 36,626,436	\$ 38,385,433
Primary Government										
Net Investment in capital assets	\$ 47,291,083	\$ 47,020,295	\$ 47,624,322	\$ 50,411,314	\$ 51,115,761	\$ 52,152,437	\$ 53,975,306	\$ 56,248,231	\$ 61,118,709	\$ 64,045,461
Restricted	3,827,942	3,967,654	3,328,340	3,131,305	3,787,037	3,694,847	4,380,321	4,582,595	4,772,220	3,915,581
Unrestricted	5,774,632	7,343,413	10,114,003	10,205,735	10,288,782	10,019,818	10,375,429	10,668,029	9,834,010	12,310,399
Total Primary Government Net Position	\$ 56,893,657	\$ 58,331,362	\$ 61,066,665	\$ 63,748,354	\$ 65,191,580	\$ 65,867,102	\$ 68,731,056	\$ 71,498,855	\$ 75,724,939	\$ 80,271,441

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
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 1,427,557	\$ 1,501,214	\$ 2,142,072	\$ 1,850,178	\$ 1,543,513	\$ 3,286,519	\$ 5,124,109	\$ 4,257,592	\$ 4,722,164	\$ 5,538,033
Public Safety	4,986,635	5,342,184	5,524,713	5,711,024	5,686,678	5,609,235	5,218,151	6,267,387	6,580,523	6,589,459
Highways and Streets	1,800,884	2,055,666	2,025,079	1,865,778	1,856,508	2,116,534	2,041,955	1,914,965	1,948,452	2,168,474
Culture and Recreation	1,423,702	1,494,887	1,418,419	1,269,566	1,349,132	1,422,746	1,609,230	1,772,494	1,604,137	1,684,625
Interest on Long-Term Debt	38,318	31,322	23,868	21,945	24,120	12,603	14,741	15,219	14,039	10,185
Total Governmental Activities Expenses	9,677,096	10,425,273	11,134,151	10,718,491	10,459,951	12,447,637	14,008,186	14,227,657	14,869,315	15,990,776
Business-type Activities										
Electric	11,990,639	12,837,407	13,466,171	14,102,853	14,753,172	15,224,361	14,967,570	15,573,893	16,339,629	18,193,641
Water	1,751,778	1,837,721	1,976,606	1,969,687	2,236,224	2,255,678	2,087,499	2,136,106	2,130,625	2,335,497
Water Pollution Control	1,626,419	1,599,624	1,616,210	1,511,319	1,509,212	1,524,519	1,492,220	1,545,877	1,539,418	1,577,218
Beatrice Area Solid Waste Agency	942,608	956,627	1,025,297	1,384,427	1,285,647	992,209	977,166	1,636,159	1,467,795	1,532,323
Sanitation	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746
Total Business-type Activities Expenses	17,485,975	18,421,842	19,269,902	20,202,135	21,036,257	21,292,624	20,808,571	22,157,869	22,800,091	25,158,425
Total Primary Government Expenses	\$27,163,071	\$28,847,115	\$30,404,053	\$30,920,626	\$31,496,208	\$33,740,261	\$34,816,757	\$36,385,526	\$37,669,406	\$41,149,201
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 205,377	\$ 311,477	\$ 250,053	\$ 272,753	\$ 418,743	\$ 1,744,814	\$ 3,036,542	\$ 2,983,118	\$ 3,487,714	\$ 4,077,215
Public Safety	1,642,214	1,666,149	1,806,582	1,893,084	1,914,393	1,340,782	1,832,967	1,380,446	1,361,264	1,319,054
Culture and Recreation	212,136	234,027	212,851	234,840	228,792	36,988	223,024	245,400	244,772	254,960
Other Governmental Activities	26,790	22,865	50,147	68,552	28,795	219,903	29,682	48,877	24,098	24,085
Operating Grants and Contributions	1,785,458	1,674,225	1,414,084	1,182,509	1,072,697	1,380,090	1,946,512	1,701,014	1,236,279	1,914,016
Capital Grants and Contributions	290,637	654,092	2,307,752	2,332,445	1,694,873	1,641,055	2,021,762	2,066,183	2,391,685	3,816,796
Total Governmental Activities Program Revenues	4,162,612	4,562,835	6,041,469	5,984,183	5,358,293	6,363,632	9,090,489	8,425,038	8,745,812	11,406,126
Business-type Activities										
Charges for Services:										
Electric	12,642,133	14,104,065	14,498,621	14,644,110	14,838,324	15,165,993	14,749,348	15,672,130	16,235,194	17,794,990
Water	1,577,016	1,728,981	1,969,342	2,281,472	2,230,423	2,360,903	2,321,423	2,717,237	2,862,930	2,789,557
Water Pollution Control	1,198,716	1,375,951	1,453,143	1,566,247	1,562,711	1,536,331	1,732,788	2,046,952	2,315,112	2,278,816
Beatrice Area Solid Waste Agency	1,050,149	1,048,397	1,017,931	1,114,194	1,086,095	1,136,396	1,170,237	1,236,421	2,249,641	1,814,151
Sanitation	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746
Capital Grants and Contributions	-	-	-	-	-	-	80,000	-	351,388	30,486
Total Business-type Activities Program Revenues	17,642,545	19,447,857	20,124,655	20,839,872	20,969,555	21,495,480	21,337,912	22,938,574	25,336,889	26,227,746
Total Primary Government Program Revenues	\$21,805,157	\$24,010,692	\$26,166,124	\$26,824,055	\$26,327,848	\$27,859,112	\$30,428,401	\$31,363,612	\$34,082,701	\$37,633,872
Net (Expense) Revenue										
Governmental Activities:	\$ (5,514,484)	\$ (5,862,438)	\$ (5,092,682)	\$ (4,734,308)	\$ (5,101,658)	\$ (6,084,005)	\$ (4,917,697)	\$ (5,802,619)	\$ (6,123,503)	\$ (4,584,650)
Business-type Activities	156,570	1,026,015	854,753	637,737	(66,702)	202,856	529,341	780,705	2,536,798	1,069,321
Total Primary Government Net (Expense)	\$ (5,357,914)	\$ (4,836,423)	\$ (4,237,929)	\$ (4,096,571)	\$ (5,168,360)	\$ (5,881,149)	\$ (4,388,356)	\$ (5,021,914)	\$ (3,586,705)	\$ (3,515,329)

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

Table 2

**General Revenues and Other Changes
in Net Position**

Governmental Activities:

Taxes	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,583,425	\$ 5,762,423	\$ 6,033,958	\$ 6,181,178	\$ 6,160,210	\$ 6,347,216
Unrestricted Intergovernmental	566,172	561,813	597,411	393,613	659,517	689,779	607,292	750,407	788,647	829,811
Miscellaneous Revenues	278,455	146,476	238,004	136,136	298,578	221,673	172,350	104,455	218,493	161,549
Unrestricted Investment Earnings	82,662	72,767	17,708	9,445	5,325	6,231	8,854	111,634	33,812	33,579
Gain (loss) on Sale of Capital Assets	-	-	-	-	-	(7,074)	-	15,919	-	-
Total Governmental Activities	5,887,514	6,018,075	6,095,264	5,999,640	6,546,845	6,673,032	6,822,454	7,163,593	7,201,162	7,372,155

Business-type Activities:

Miscellaneous Revenues	321,312	196,031	810,950	727,763	368,806	195,737	371,470	556,631	508,280	519,238
Investment Earnings	53,384	60,022	67,018	50,857	43,348	44,801	58,918	69,489	103,347	170,438
Special Items	-	-	-	-	(191,485)	-	-	-	-	-
(Loss) Gain on Sale of Capital Assets	-	-	-	-	(57,757)	-	(532)	-	-	-
Total Business-type Activities	374,696	256,053	877,968	778,620	162,912	240,538	429,856	626,120	611,627	689,676
Total Primary Government	\$ 6,262,210	\$ 6,274,128	\$ 6,973,232	\$ 6,778,260	\$ 6,709,757	\$ 6,913,570	\$ 7,252,310	\$ 7,789,713	\$ 7,812,789	\$ 8,061,831

Change in Net Position

Governmental Activities	\$ 373,030	\$ 155,637	\$ 1,002,582	\$ 1,265,332	\$ 1,445,187	\$ 589,027	\$ 1,904,757	\$ 1,360,974	\$ 1,077,659	\$ 2,787,505
Business-type Activities	531,266	1,282,068	1,732,721	1,416,357	96,210	443,394	959,197	1,406,825	3,148,425	1,758,997
Change in accounting principle	-	-	-	-	(98,171)	-	-	-	-	-
Total Primary Government	\$ 904,296	\$ 1,437,705	\$ 2,735,303	\$ 2,681,689	\$ 1,443,226	\$ 1,032,421	\$ 2,863,954	\$ 2,767,799	\$ 4,226,084	\$ 4,546,502

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 ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 3

<u>FISCAL YEAR</u>		<u>PROPERTY TAX</u>	<u>SALES TAX</u>	<u>UTILITY OCC. TAX</u>	<u>OTHER OCC. TAX</u>	<u>TOTAL</u>
2009	(1)	\$ 1,698,740	\$ 2,478,365	\$ 713,816	\$ 69,304	\$ 4,960,225
2010		1,783,347	2,629,559	729,054	95,059	5,237,019
2011		1,757,256	2,687,099	695,828	101,958	5,242,141
2012		1,862,937	2,863,615	627,735	106,159	5,460,446
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

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.

(1) Sales Tax revenues reduced by \$175,532 in state tax incentive refunds; Miscellaneous occupation tax increased due to the new 3% lodging occupation tax

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

Table 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted	\$ 48,584	\$ 21,354	\$ 52,588	\$ 63,979	\$ 28,800	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned For:										
subsequent years' expenditures	592,106	716,164	734,960	644,444	734,986	817,938	1,079,813	1,141,943	674,023	525,117
Unassigned	1,129,331	1,057,315	849,366	786,619	1,157,311	1,860,437	1,906,992	2,013,817	1,197,641	1,909,845
Total General Fund	<u>\$ 1,770,021</u>	<u>\$ 1,794,833</u>	<u>\$ 1,636,914</u>	<u>\$ 1,495,042</u>	<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>
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 1,066,772	\$ 1,227,426	\$ 1,030,152	\$ 896,621	\$ 1,016,166	\$ 1,128,265	\$ 1,256,328	\$ 1,254,631	\$ 1,380,437	\$ 1,175,078
Restricted for Library Capital	-	-	-	-	-	10,112	8,641	1,943	40,406	303
Restricted for Debt Service	235,800	212,370	212,845	171,982	177,277	69,182	71,682	72,452	74,332	77,632
Restricted for CDBG Revolving Loans	1,593,105	1,555,418	1,523,666	1,290,461	1,249,361	622,605	340,188	355,789	360,070	365,187
Restricted for E911 Public Safety	(2,095)	7,699	41,351	71,336	92,446	36,758	25,266	20,321	57,035	89,220
Restricted for Storm Water Management	31,680	72	21,438	36,900	41,726	56,048	48,965	60,935	71,502	47,679
Restricted for Streets	160,092	411,516	378,019	401,241	546,085	1,171,626	1,999,868	2,239,985	2,073,302	1,460,200
Committed For:										
Committed for Community Betterment	204,863	162,712	209,771	50,355	4,046	17,326	68,141	9,859	80,257	153,385
Committed for Library Capital	81,705	93,416	82,405	145,349	211,822	40,876	40,896	40,917	40,937	27,488
Committed for Public Safety	158,668	206,202	255,576	292,892	198,964	69,600	41,542	204,005	125,797	92,726
Committed for Capital Project	-	-	267,233	-	-	-	-	-	-	-
Assigned For:										
Debt service	-	-	-	-	-	13,879	1,368	78,057	816	14,041
Subsequent Years' Expenditures	-	-	-	122,678	159,728	-	33,486	70,510	25,921	238,697
Unassigned, Reported In:										
Debt Service Funds	(129,833)	(53,427)	(16,416)	(146,182)	(10,394)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 3,400,757</u>	<u>\$ 3,823,404</u>	<u>\$ 4,006,040</u>	<u>\$ 3,333,633</u>	<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>

2011 - For comparison purposes restated the fund balances from 2009 thru 2010 per the new definitions

2014 - Adjustments to Prior Years to recognize accrued tax revenues when the transaction occurs

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

Table 5

	2009	2010	2011	2012	2013	2014(a)	2015	2016	2017(b)	2018
Revenues										
Taxes	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,466,427	\$ 5,823,746	\$ 6,053,401	\$ 6,176,766	\$ 6,161,677	\$ 6,366,444
Licenses & Permits	80,819	173,182	108,465	105,128	78,920	114,685	122,002	131,063	182,377	210,699
Intergovernmental and Grants	2,494,643	2,801,411	4,254,245	2,430,097	3,191,033	2,794,328	3,822,758	3,966,494	4,021,278	4,300,027
Charges for Services (1)	1,990,050	2,043,066	2,170,302	2,344,477	1,847,614	1,758,473	1,884,249	1,991,166	1,990,886	1,979,059
Keno Proceeds	89,668	75,178	83,401	79,132	62,296	73,188	81,618	78,192	85,619	89,062
Special Assessments	85,724	63,252	25,794	133,879	118,261	40,723	41,789	142,077	14,814	10,895
Interest	112,125	72,767	62,518	34,114	43,664	48,928	20,287	111,329	33,512	33,403
Donations and Misc Revenue	236,872	146,778	165,542	644,084	464,741	1,006,947	807,558	480,670	501,139	865,172
Total revenues	10,050,126	10,612,653	12,112,408	11,231,357	11,272,956	11,661,018	12,833,662	13,077,757	12,991,302	13,854,761
Expenditures										
General Government	1,356,912	1,473,498	2,827,461	1,823,715	1,403,472	1,682,858	2,507,695	1,663,744	3,012,687	1,956,583
Public Safety (1)	4,697,661	4,975,019	5,148,150	5,234,146	4,888,595	5,024,814	5,173,814	5,699,342	5,944,639	6,073,864
Highways and Streets	1,069,722	1,263,739	1,224,442	1,154,538	1,086,835	1,067,619	1,047,157	1,005,346	1,034,929	1,120,507
Culture and Recreation	1,030,637	1,013,450	1,040,086	942,577	926,500	908,159	984,968	1,091,641	1,061,376	1,073,148
Debt Service:										
Principal	375,000	360,148	305,444	270,000	140,000	290,000	185,000	190,000	190,000	190,000
Interest	38,318	31,322	23,868	21,945	18,140	5,050	2,068	1,235	3,479	3,468
Bond Issuance Costs	-	-	-	-	5,980	-	-	6,675	-	2,700
Capital Outlay	1,616,144	921,519	1,393,246	2,485,269	2,434,862	2,676,626	2,773,458	3,410,909	3,199,788	4,157,296
MFO Payments to Other Entities	126,877	126,499	124,994	113,445	108,923	106,438	110,679	131,810	132,460	133,863
Total Expenditures	10,311,271	10,165,194	12,087,691	12,045,635	11,013,307	11,761,564	12,784,839	13,200,702	14,579,358	14,711,429
Excess of Revenues over (under) Expenditures	(261,145)	447,459	24,717	(814,278)	259,649	(100,546)	48,823	(122,945)	(1,588,056)	(856,668)
Other Financing Sources (Uses)										
Transfers In	448,856	228,934	371,548	715,163	374,263	384,542	515,680	552,899	379,838	789,111
Transfers Out	(448,856)	(228,934)	(371,548)	(715,163)	(374,263)	(384,542)	(515,680)	(552,899)	(379,838)	(789,111)
Insurance Proceeds	-	-	-	-	-	-	504,436	149,528	-	650,000
Bond and Lease Proceeds	-	-	-	-	520,000	-	452,665	575,000	-	170,000
Sale of Capital Assets	-	-	-	-	-	20,000	2,600	40,405	225,368	10,790
Total Other Financing Sources (Uses)	-	-	-	-	520,000	20,000	959,701	764,933	225,368	830,790
Net Change in Fund Balances	\$ (261,145)	\$ 447,459	\$ 24,717	\$ (814,278)	\$ 779,649	\$ (80,546)	\$ 1,008,524	\$ 641,988	\$ (1,362,688)	\$ (25,878)
Debt Service as a percentage of noncapital expenditures	5.3%	4.3%	3.4%	3.2%	1.9%	3.7%	1.9%	2.0%	1.9%	1.8%

(1) 2013 - Software change nets the contracted adjustments to the ambulance services revenue directly to Charges for Services revenue; prior years recorded as an expenditure

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

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

**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
2009	\$ 525,995,213	\$ 18,150,178	\$ 544,145,391	0.315224	1
2010	532,301,625	25,190,566	557,492,191	0.325815	1
2011	530,661,631	15,296,532	545,958,163	0.325839	1
2012	528,758,221	13,937,124	542,695,345	0.345840	1
2013	531,508,050	12,657,956	544,166,006	0.345840	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

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

Table 7

<u>FISCAL YEAR</u>	<u>CITY OF BEATRICE</u>	<u>SCHOOL DIST. #15</u>	<u>GAGE COUNTY</u>	<u>SPECIAL TAX DIST.</u>	<u>AIRPORT</u>	<u>TOTAL TAX RATE</u>
2009	0.315224	1.13984	0.410005	0.144141	0.040084	2.049294
2010	0.325815	1.135029	0.412199	0.14144	0.034099	2.048582
2011	0.325839	1.165588	0.409978	0.133048	0.034819	2.069272
2012	0.34584	1.163807	0.392833	0.134298	0.034847	2.071625
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

(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**

Table 7a

FISCAL YEAR	CITY OF BEATRICE	STATE OF NEBRASKA	TOTAL TAX RATE
2009	1.50%	5.50%	7.00%
2010	1.50%	5.50%	7.00%
2011	1.50%	5.50%	7.00%
2012	1.50%	5.50%	7.00%
2013	1.50%	5.50%	7.00%
2014	1.50%	5.50%	7.00%
2015	1.50%	5.50%	7.00%
2016	1.50%	5.50%	7.00%
2017	1.50%	5.50%	7.00%
2018	1.50%	5.50%	7.00%

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

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

Table 8

TAXPAYER	TYPE OF BUSINESS	2018			2009		
		ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION
Flint Hills Resources Beatrice LLC	(1) manufacturing	\$ 18,741,740	1	2.83%	---	---	---
Exmark Manufacturing Co	(2) manufacturing	7,801,180	2	1.18%	---	---	---
EIP Beatrice Owner, LLC	(2) manufacturing	6,910,460	3	1.04%	---	---	---
Farmers Co-op Elevator	grain/feed elevator	6,418,980	4	0.97%	2,617,820	6	0.48%
Wal-Mart Stores	shopping mall	6,400,000	5	0.97%	6,840,855	3	1.26%
Hybrid Turkeys LLC	manufacturing	5,980,500	6	0.90%	---	---	---
Worldlawn Power Equipment	manufacturing	4,529,140	7	0.68%	---	---	---
Equinox, Stanley & Judy Meyer	shopping mall plus other	4,408,655	8	0.67%	2,450,480	7	0.45%
Beatrice Hospitality LLC	hotel	4,319,105	9	0.65%	2,903,170	5	0.53%
Accuma Corp	(2) manufacturing	3,717,360	10	0.56%	---	---	---
Beatrice Biodiesel LLC	manufacturing	---	---	---	21,958,325	1	4.04%
KH Beatrice, LLC	manufacturing	---	---	---	13,020,425	2	2.39%
Beatrice Retirement Inc.	retirement homes	---	---	---	3,451,635	4	0.63%
LTC Properties	retirement home/assisted	---	---	---	2,170,000	8	0.40%
Homestead Village	retirement home/complex	---	---	---	2,072,110	9	0.38%
Security First Bank	financial institution	---	---	---	1,885,060	10	0.35%
		<u>\$ 69,227,120</u>		<u>10.45%</u>	<u>\$ 59,369,880</u>		<u>10.91%</u>

Source: Gage County Assessor

(1) Currently under Tax Increment Financing

(2) Added in 2014 due to annexation

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

Table 8a

Business Classification	Calendar Year 2017			Calendar Year 2008		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 86,948,503	1	47.8%	\$ 76,571,156	1	46.5%
Accommodation & Food Services	24,440,493	2	13.4%	18,074,875	3	11.0%
Utilities	22,453,609	3	12.3%	23,078,042	2	14.0%
Manufacturing	17,813,470	4	9.8%	2,807,742	7	1.7%
Wholesale Trade	8,960,949	5	4.9%	11,344,969	4	6.9%
Information	2,415,067	6	1.3%	10,425,540	5	6.3%
Construction	2,072,801	7	1.1%	4,083,895	6	2.5%
Other	16,830,363	---	9.3%	18,146,497	---	11.0%
Total	181,935,255		100.0%	164,532,716		100.0%

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.

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 2017 that percentage was 88.91% as compared to 87.30% in 2008

**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
2009	\$ 1,715,278	\$ 1,635,184	95.33%	\$ 77,716	\$ 1,712,900	99.9%
2010	1,816,392	1,714,589	94.40%	67,422	1,782,011	98.1%
2011	1,778,950	1,704,384	95.81%	66,060	1,770,444	99.5%
2012	1,876,856	1,810,704	96.48%	69,243	1,879,947	100.2%
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%	53,245	1,985,138	99.9%
2015	2,132,597	2,099,464	98.45%	54,667	2,154,131	101.0%
2016	2,256,734	2,197,652	97.38%	57,247	2,254,899	99.9%
2017	2,325,455	2,269,795	97.61%	59,835	2,329,630	100.2%
2018	2,526,451	2,481,587	98.22%	-	2,481,587	98.2%

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	General Notes	Warrants Payable	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2009(a)	\$ 1,120,000	\$ 100,592	\$ 247,235	\$ 56,146	\$ 2,815,000	\$ 1,818,086	\$ 445,000	\$ 22,946	\$ 6,625,005	1.35%	529.15
2010	815,000	45,444	207,261	7,667	2,480,000	1,797,287	225,000	3,356	5,581,015	1.12%	438.66
2011(b)	555,000	-	185,771	4,727	2,265,000	1,670,041	1,655,000	200,911	6,536,450	1.36%	524.64
2012(c)	285,000	-	390,471	1,594	3,845,000	90,394	1,520,000	151,259	6,283,718	1.17%	504.35
2013(d)	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(e)	190,000	-	131,869	444,132	2,950,000	-	1,040,000	4,290	4,760,291	0.82%	375.74
2016(f)	575,000	-	-	347,633	2,620,000	-	825,000	-	4,367,633	0.74%	344.75
2017(g)	385,000	-	-	247,729	2,285,000	-	1,875,000	772,500	5,565,229	0.93%	439.28
2018(h)	365,000	-	-	144,297	1,950,000	-	1,615,000	1,018,072	5,092,369	0.84%	401.96

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 Board of Public Works Revenue Utilities Bonds in the amount of \$2,265,000

(b) Issued Solid Waste Disposal Facility Revenue bonds in the amount of \$1,655,000

(c) Issued Combined Utilities Refunding Bonds in the amount of \$1,725,000 to call in the 2002 State Notes

(d) 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

(e) Issued Capital Leases for purchase of street equipment and installation of ballfield lighting

(f) Issued BASWA Revenue Refunding Bonds in the amount of \$825,000 and Public Safety Tax Anticipation Bonds in the amount of \$575,000

(g) 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

(h) 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

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
2009	\$ 544,145,391	\$ 1,120,000	\$ 235,800	\$ 884,200	0.16%	70.62
2010	557,492,191	815,000	212,370	602,630	0.11%	47.37
2011	545,958,163	555,000	212,845	342,155	0.06%	27.46
2012	542,695,345	285,000	171,982	113,018	0.02%	9.07
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

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

CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018

Table 12

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO CITY OF BEATRICE(1)</u>	<u>AMOUNT APPLICABLE TO CITY OF BEATRICE</u>
DEBT REPAYED WITH PROPERTY TAXES			
DIRECT:			
City of Beatrice	\$ 509,297	100.00%	\$ 509,297
Total Direct Debt			<u>\$ 509,297</u>
OVERLAPPING:			
Airport Authority	\$ 340,000	100.00%	\$ 340,000
School District #15	3,446,789	54.10%	1,864,713
Lower Big Blue Natural Resources District	2,513,352	10.91%	274,207
Gage County	3,766,019	20.47%	770,904
Total Overlapping Debt			<u>\$ 3,249,824</u>
Total Direct & Overlapping Debt			<u><u>\$ 3,759,121</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**

Table 13

FISCAL YEAR	OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
				PRINCIPAL	INTEREST	TOTAL	
2009	\$ 15,417,865	\$ 13,180,984	\$ 2,236,881	\$ 450,952	\$ 96,897	\$ 547,849	4.08
2010	17,208,997	14,086,503	3,122,494	355,798	165,990	521,788	5.98
2011	17,921,106	14,887,284	3,033,822	342,246	142,390	484,636	6.26
2012 (a)	18,491,829	15,481,231	3,010,598	149,134	113,777	262,911	11.45
2013 (b)	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

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) 2011 Bond Issue in the amount of \$1,725,000 refunded \$1,575,512 in Bond principal

(b) 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)
2009	12,520	\$ 489,632,160	\$ 39,108	42	2,189	5.90%
2010	12,723	497,672,868	39,116	43	2,134	5.60%
2011	12,459	481,253,793	38,627	42.6	2,173	5.00%
2012	12,459	535,475,361	42,979	42.6	2,162	4.20%
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%

SOURCES:

(1) U.S. Census 2000 plus annexations certified with the Nebr Dept of Revenue; U.S. Census 2010

(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	2018			2009		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice Community Hospital	Medical	580	1	5.36%	469	2	3.73%
Exmark Manufacturing	Manufacturing	450	2	4.16%	400	3	3.18%
Beatrice State Developmental Center	Home for mentally handicapped	390	3	3.60%	799	1	6.36%
Beatrice Public Schools	Education	340	4	3.14%	340	5	2.71%
Mosaic	Home for mentally handicapped	309	5	2.85%	365	4	2.91%
NEAPCO	Manufacturing	260	6	2.40%	145	10	1.15%
Wal-Mart Super Center	Retail	195	7	1.80%	---	---	---
City of Beatrice	Government	156	8	1.44%	168	9	1.34%
Good Samaritan Center	Nursing Home & Assisted Living	125	9	1.15%	203	6	1.62%
Southeast Community College	Education	115	10	1.06%	---	---	---
Store Kraft	Manufacturing	---	---	---	192	8	1.53%
Husqvarna Turf Care	Manufacturing	---	---	---	201	7	1.60%
		<u>1,890</u>		<u>17.45%</u>	<u>3,282</u>		<u>26.13%</u>

Source: Gage Area Growth Community Profile

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

Table 16

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FUNCTION										
General Government	8	8	8	8	8	8	9	9	10	10
Public Safety										
Police										
Commissioned	22	21	21	22	21	21	21	22	22	22
Civilians	11	11	10	10	10	10	13	13	14	14
Fire										
Full-time Firefighters	23	23	23	23	23	23	23	24	24	24
Civilians	0	0	0	0	0	0	0	0	0	0
Culture and Recreation	9	9	8	7	6	6	6	7	7	7
Highways and Streets	10	9	9	9	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	11	11	11	11	10	10	10	10	10	10
Sewer	7	7	7	7	6	6	6	6	6	6
Electric	30	30	30	29	29	28	25	25	26	26
Total Full-Time Employees	135	133	131	130	126	125	126	129	132	132
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FUNCTION										
General Government	0	0	0	0	0	0	0	1	0	0
Public Safety										
Police										
Civilians	2	2	2	2	2	2	2	3	2	1
Fire										
Reserves	6	8	8	8	8	8	6	0	2	2
Culture and Recreation	18	18	18	18	15	15	15	15	15	15
Solid Waste Agency/WPC	6	6	5	5	4	4	4	4	4	6
Electric	0	0	0	0	0	0	0	0	0	0
Total Part-Time Employees	32	34	33	33	29	29	27	22	23	24
*Part-time employment is 1020 hours/yr or less										
C & R Summer Seasonal	48	48	45	40	40	40	43	50	60	60

CITY OF BEATRICE, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Table 17

FUNCTION	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Building Permits Issued	471	395	454	458	442	399	493	381	388	552
Commercial Construction Value	\$ 2,373,880	\$ 3,678,807	\$19,336,559	\$11,323,241	\$ 2,947,834	\$ 2,923,538	\$ 7,907,152	\$11,141,672	\$11,570,361	\$ 8,715,888
Residential Construction Value	\$ 5,579,131	\$ 2,501,790	\$ 3,300,316	\$ 2,072,975	\$ 3,330,426	\$ 3,157,487	\$ 4,118,584	\$ 3,796,771	\$ 4,499,850	\$ 9,750,343
Public Safety										
Police										
Physical Arrests	808	662	928	1,099	871	875	842	673	821	681
Patrol Warnings/Citations	2,507	2,025	1,699	1,758	1,424	1,364	1,462	1,266	1,696	1,474
Calls for Service (1)	22,230	22,118	21,472	22,577	21,280	20,529	20,937	23,086	27,564	26,278
Fire										
Ambulance Calls	2,349	2,435	2,241	2,223	2,290	2,334	2,220	2,331	2,248	2,388
Fire & Rescue Calls	939	887	910	896	967	885	894	906	1,028	1,178
Culture and recreation										
Water Park Admissions	\$ 81,453	\$ 88,933	\$ 83,252	\$ 87,796	\$ 78,088	\$ 73,671	\$ 76,435	\$ 83,616	\$ 85,501	\$ 83,531
Electric										
Average Daily Usage Commercial (MWH)	262.7	282.8	272.7	264.4	261.8	220.5	261.6	281.7	307.1	316.5
Average Daily Usage Residential (MWH)	185.3	201.3	193.7	186.2	186.7	194.2	185.3	185.0	180.6	196.2
Water										
Average Daily Consumption (gal)	3.60m	3.36m	3.42m	3.93m	3.53m	3.38m	2.96m	3.63m	3.65m	3.49m
Water Pollution Control										
Average Daily Treatment (gal)	1.2m	1.2m	1.2m	1.1m	1.2m	1.4m	1.2m	1.2m	1.1m	1.1m

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

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

FY2012 Commercial building permit increase due to new nursing home construction

FY2016 Commercial building permit increase due to new hospital addition

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

(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

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

Table 18

FUNCTION	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	274.4	278.14	279.44	279.5	280.76	285.68	288.97	288.97	291	291
Street Lane Miles, Unpaved	31.5	34.15	34.15	34.45	35.33	34.25	34.25	34.25	34.25	34.25
Storm Sewer Miles	32	33	33.71	33.9	34.36	34.36	34.36	34.36	34.72	34.72
Bridges	9	9	9	9	9	11	11	11	11	11
Street Lights	1656	1496	1513	1517	1517	1624	1617	1617	1605	1609
Culture and recreation										
Number of Parks	12	12	12	13	13	13	13	13	13	13
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	10	10	10	10	9	9	9	9	9	9
Ballfields	12	12	12	12	12	12	12	14	13	13
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	123	123	126	126	126	122	122.33	122.66	122.66	123
Fire Hydrants	668	673	703	703	705	703	708	714	723	726
Sewer										
Sanitary Sewer Miles	128	128	129.3	129.3	94.4	94.73	94.9	94.9	95.35	95.91
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	98	99	99	99	100	100	103.24	106.54	110.84	113.04
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	88	88	88	88	87	87	84.11	81.69	77.39	75.19

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"

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City of Beatrice, Nebraska
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2018

Federal Grantor/ Program Title	Pass-Through Grantor	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Department of Housing and Urban Development					
Community Development Block Grants	Nebraska Department of Economic Development	14.228	-----	\$ -	\$ 180,220
Community Development Block Grant (2nd Street Ella-Grant)	Nebraska Department of Economic Development	14.228	15-PW-010	-	10,000
Community Development Block Grant (Downtown Revitalization)	Nebraska Department of Economic Development	14.228	B-15-DC-31-0001	-	213,946
	Subtotal for Department of Housing and Urban Development			-	404,166
Department of the Interior National Parks Service					
Outdoor Recreation, Acquisition, Development and Planning	Nebraska Game & Parks Commission	15.916	31-01039		82,910
Department of Justice					
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	2016-VA-GX-0067	-	110,549
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	2015-VA-GX-0010	-	17,435
Public Safety Partnership and Community Policing Grants	---	16.710	2015-UM-WX-0075	-	49,314
	Subtotal for Department of Justice			-	177,298
Department of Transportation					
Airport Improvement Program	Nebraska Department of Transportation	20.106	3-31-0009-016	-	1,387,520
Highway Safety Cluster: Incentive Grant Program to Prohibit Racial Profiling	Nebraska Commission on Law Enforcement	20.611	1906-18-01-01	-	28,451
	Subtotal for Department of Transportation			-	1,415,971
Department of Homeland Security's Federal Emergency Management Agency					
Hazard Mitigation Grant Program	Nebraska Department of Emergency Management	97.039	DR-4325-NE-0002	-	20,073
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4325-NE	-	25,789
Homeland Security Grant	Nebraska Department of Emergency Management	97.067	EMW-2015-22-00079-S01	-	1,735
	Subtotal for Department of Homeland Security's Federal Emergency Management Agency			-	47,597
Total federal expenditures				\$ -	\$ 2,127,942

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, 2018

NOTES TO SCHEDULE

1. 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, 2018. 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.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The City administers loans under the Community Development Block Grants program (CFDA 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. New loans issued for the year ended September 30, 2018 totaled \$203,946. The outstanding balance of these loans totaled \$370,206 as of September 30, 2018.

**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, 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, 2018, 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 15, 2019, which 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 were not audited in accordance with *Government Auditing Standards*.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
March 15, 2019

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

We have audited the City of Beatrice, Nebraska's (the City's) compliance with the types of compliance requirements described 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, 2018. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Beatrice, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2018.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

BKD, LLP

Lincoln, Nebraska
March 15, 2019

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) were:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No
3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No
5. The opinion expressed in the independent auditor's report on compliance for the major federal award program was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No
7. The City's major program was:

Cluster/Program	CFDA Number
Airport Improvement Program	20.106

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2018

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee? ☒ Yes ☐ No

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
No matters are reportable.	

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
No matters are reportable.	

City of Beatrice, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2018

Reference Number	Summary of Finding	Status
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No matters are reportable.

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