

City of Beatrice Nebraska  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended September 30, 2015

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, 2015  
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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 17, 2016

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, 2015.

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, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; 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 opinion that the City of Beatrice's financial statements for the fiscal year ended September 30, 2015 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



Honorable Mayor, City Council and  
Citizens of the City of Beatrice, Nebraska  
March 17, 2016

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 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.

Honorable Mayor, City Council and  
Citizens of the City of Beatrice, Nebraska  
March 17, 2016

## 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, 2015 dropped from 4.0% in 2014 to 3.0%, which is higher than the State of Nebraska's rate of 2.9% and continued to be lower than the national rate of 5.1%.

Tax revenues received in 2015 were up from 2014. The property tax levy for fiscal year 2015 was \$0.024516 higher than the property tax levy in 2014. Property valuations increased approximately \$1,025,887, as a result of the completion of TIF projects, resulting in an increase of property tax revenue received of 7.9%. Sales tax revenues reflect an increase of 3.4% from 2014. Occupation tax revenue decreased 6.2% in 2015.

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 provided for 17 manufacturing and commercial industries and employed approximately 900 employees in 2015. Four other major industries are located in the City and employ an additional 700 people.

Beatrice is also the home to numerous non-manufacturing entities including the Beatrice State Developmental Center, the Beatrice School systems and the Beatrice Community Hospital. Total non-manufacturing employment in Beatrice totaled 2,400 employees in 2015.

In 2010 developers began construction on the new Northgate development project on the north edge of the city. This project includes the site of a new Beatrice Community Hospital as well as offer 28 additional sites for commercial use. The new hospital facility opened for business on February 15, 2012.

### Financial Planning and Initiatives

The City Council annually prepares the financial budget which includes projected annual capital improvements for the succeeding 5 year period. The Council participates in goal-setting sessions and sets strategic objectives for the coming year. The goals and objectives relate to the organizational 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.

Honorable Mayor, City Council and  
Citizens of the City of Beatrice, Nebraska  
March 17, 2016

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.

#### 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, 2014. This was the 24th 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 Management and Budget Department. I would also like to thank the Mayor and City Council for their support in planning and conducting the financial operations of the City of Beatrice in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Tobias J. Tempelmeyer', with a stylized flourish at the end.

Tobias J. Tempelmeyer  
City Administrator



Government Finance Officers Association

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

Presented to

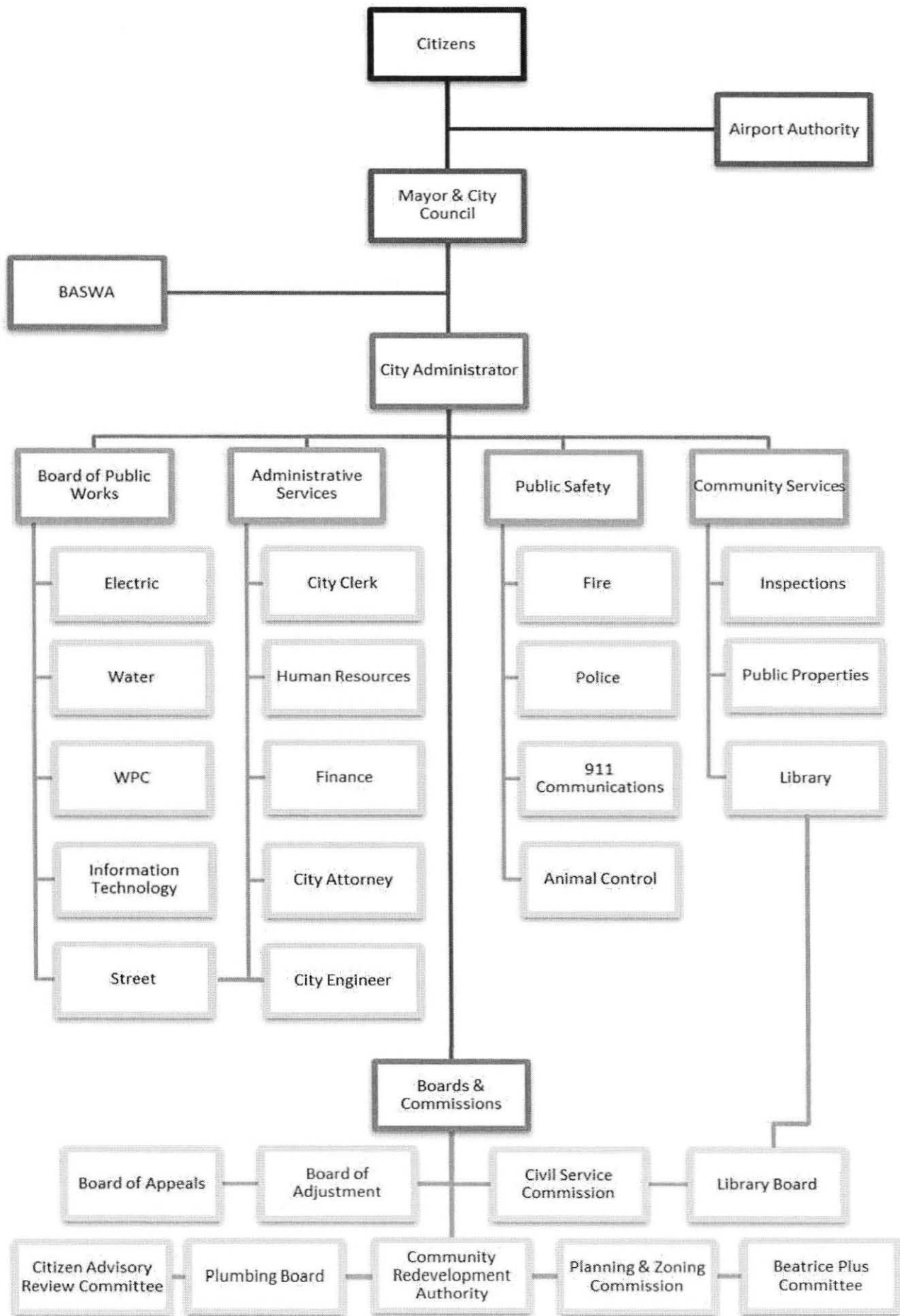
**City of Beatrice  
Nebraska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA  
OFFICIALS  
2015**

**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
Gregory Butcher	City Attorney
Vacant	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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 represents 22%, 26% and 2%, respectively, of the total assets, net position and revenues of the discretely presented component units. The financial statements of the Beatrice Public Library Foundation were audited by other auditors, whose report thereon 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. The audit of the Beatrice Public Library Foundation was not conducted in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the 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, 2015, and the respective changes in financial position and cash flows, where applicable, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 27, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, 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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, consisting of combining and individual fund statements and schedules, capital asset schedules, and including the schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in

relation to the basic financial statements as a whole. Additionally, the supplementary information for the Beatrice Public Library Foundation was audited by other auditors, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors.

#### *Other Information*

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 information in the introductory and statistical sections listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 17, 2016

## CITY OF BEATRICE 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, 2015. 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 \$68,731,056. Of this amount, \$10,375,429 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice total net position increased \$2,863,954 or 4.35%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$6,923,176, an increase of \$1,008,524 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$2,986,805, or 36.2% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, decreased \$160,548 during the current fiscal year. The City entered into lease transactions during the year totaling \$452,673 and annual debt obligations of \$869,760 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$256,539.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 a legally separate entity the Beatrice Area Solid Waste Agency. The Beatrice Area Solid Waste Agency, although legally separate, functions for all practical purposes as a department of the City of Beatrice, and therefore has been included as an integral part of the primary government. The Beatrice Airport Authority and the Community Redevelopment Authority are determined to be discretely presented component units and included due to the fiscal dependency on the City for any allocation of tax revenues. The Beatrice Library Foundation, also a discretely presented component unit, is included due to the financial support it provides the Beatrice Public Library. The government-wide financial statements can be found on pages 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 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 69 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 \$68,731,056 at the close of the most recent fiscal year. By far the largest portion of the City of Beatrice's net position (78.5%) 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)

September 30, 2015 and 2014

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current and other assets	8,227	7,152	14,038	13,869	22,265	21,021
Capital assets	30,693	29,545	28,043	27,783	58,736	57,328
<b>TOTAL ASSETS</b>	<u>38,920</u>	<u>36,697</u>	<u>42,081</u>	<u>41,652</u>	<u>81,001</u>	<u>78,349</u>
<b>LIABILITIES</b>						
Long-term liabilities noncurrent	1,014	770	7,237	7,726	8,251	8,496
Other liabilities	1,246	1,172	2,773	2,814	4,019	3,986
<b>TOTAL LIABILITIES</b>	<u>2,260</u>	<u>1,942</u>	<u>10,010</u>	<u>10,540</u>	<u>12,270</u>	<u>12,482</u>
<b>NET POSITION</b>						
Net investment in capital assets	29,927	28,986	24,048	23,166	53,975	52,152
Restricted	3,751	3,076	630	619	4,381	3,695
Unrestricted	2,982	2,693	7,393	7,327	10,375	10,020
<b>TOTAL NET POSITION</b>	<u>36,660</u>	<u>34,755</u>	<u>32,071</u>	<u>31,112</u>	<u>68,731</u>	<u>65,867</u>

An additional portion of the City of Beatrice's net position (6.4%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$10,375,429 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 \$1,904,757 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 \$959,197. 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, 2015 and 2014

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program Revenues						
Charges for services	5,122	3,342	21,258	21,495	26,380	24,837
Operating grants and contributions	1,947	1,380	-	-	1,947	1,380
Capital grants and contributions	2,022	1,641	80	-	2,102	1,641
General revenues						
Taxes	6,034	5,762	-	-	6,034	5,762
Unrestricted intergovernmental	607	690	-	-	607	690
Other revenue	181	221	430	241	611	462
<b>TOTAL REVENUES</b>	<u>15,913</u>	<u>13,036</u>	<u>21,768</u>	<u>21,736</u>	<u>37,681</u>	<u>34,772</u>
<b>EXPENSES</b>						
General government	5,124	3,286	-	-	5,124	3,286
Public safety	5,218	5,609	-	-	5,218	5,609
Highways and streets	2,042	2,116	-	-	2,042	2,116
Culture and recreation	1,609	1,423	-	-	1,609	1,423
Interest on long-term debt	15	13	-	-	15	13
Electric	-	-	14,968	15,224	14,968	15,224
Water	-	-	2,088	2,256	2,088	2,256
Water pollution control (WPC)	-	-	1,492	1,525	1,492	1,525
Solid waste management	-	-	977	992	977	992
Sanitation	-	-	1,284	1,296	1,284	1,296
<b>TOTAL EXPENSES</b>	<u>14,008</u>	<u>12,447</u>	<u>20,809</u>	<u>21,293</u>	<u>34,817</u>	<u>33,740</u>
<b>CHANGE IN NET POSITION</b>	1,905	589	959	443	2,864	1,032
<b>NET POSITION, Beginning of Year</b>	34,755	34,166	31,112	30,669	65,867	64,835
<b>NET POSITION, End of Year</b>	<u>36,660</u>	<u>34,755</u>	<u>32,071</u>	<u>31,112</u>	<u>68,731</u>	<u>65,867</u>

## Governmental Activities

Tax revenues increased 4.7% in 2015 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 2015 was increased 2.45 cents, resulting in an increase in property tax revenue recognized of 10%. Sales tax revenues collected increased 3.4% in 2015 as compared to 2014. Occupation taxes from utilities, which are based upon gross sales, decreased 6.2% in 2015 due to a milder winter. The lodging occupation tax brought in \$99,852 in 2015 as compared to \$89,247 in 2014. 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), decreased \$82,487 in 2015. The formula to calculate MEF aid figures the city's need, based upon population, less resources and then 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. For the 2015 calculation the City's non-bond levy was one-half-cent below the state-wide average resulting in a reduction in revenue for 2015 of \$94,510.

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 3.1% in 2015 from 2014. 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 County-wide 911 services 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 2015 the City continued to receive grant funding through the Mutual Finance Organization Assistance Act for fire and EMS equipment and facility improvements. Grant funding through the Nebraska Department of Roads provided for street improvements. The City experienced a major flood disaster during 2015 and received assistance from the Federal Emergency Management Agency to repair infrastructure. Private contributions assisted towards various park and ball field improvements and for the purchase of library materials. Private contributions are fully funding a \$1.65 million dollar library renovation project for which construction began in 2014 and will be completed in early 2016.

Expenses increased 12.5% in 2015 as compared to 2014. Changes in General Government can vary from year to year due to changes in economic development and grant expenses, and Internal Service Funds activity; 2015 changes included the inclusion of the electric, water, and WPC employees' health benefits into the Internal Service Fund. Changes to expenses for other activities in 2015 as compared to 2014 are as follows: public safety decreased 7%, street decreased 3.5%, and culture and recreation increased 13.1%.

## Business-Type Activities

Charges for services for business-type activities decreased 5.8% in 2015 from 2014. The Electric fund, which distributes purchased power, hired a consultant to perform a rate study and recommended rate adjustments resulting in an overall increase of 1%; however, revenues decreased 2.7% in 2015 due to a milder winter and the closure of a large customer. In 2015 the Water fund increased rates 4.5%, however revenues decreased 1.7% due to less consumption during a wetter summer. The WPC fund revenues increased 12.8% in 2015 due to the implementation of an infrastructure improvement fee, which brought in \$203,000. Garbage service fees, which are accounted for in the Sanitation fund, decreased slightly from commercial customers, and fund the cost of the hauler contract and landfill disposal fee. The Beatrice Area Solid Waste Agency fund revenues increased 3% in 2015 due to the opening of a construction and demolition site and rate increases to increase funding of closure and post-closure costs.

## 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 \$6,923,176 which is an increase of \$1,008,524 in comparison with the prior year. Of this amount, 27.5% of this balance is unassigned and is available for spending at the City's discretion (\$1,906,992). The City's unassigned balance increased \$46,555 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 (\$3,750,938), committed for particular purposes (\$150,579), or assigned by management for particular purposes (\$1,114,667).

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 \$2,986,805; an increase from 2014 of \$308,430. 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 36.2% of total General fund expenditures.

General fund revenues increased 7.1% in 2015 from the previous year. Tax revenues increased 4.3% due to increased property tax and sales tax revenue. Intergovernmental revenue available to fund general operations increased 14.4% due to a new interlocal agreement to provide 911 services to a neighboring community and federal disaster assistance. Charges for services increased 8.8%, largely from ambulance charges due to higher call volume. Other revenues increased 15.5% (\$41,167) from 2014 due to an increase in donations.

General fund expenditures in 2015 increased 16.1% from the previous year; the majority of the increase was due to costs related to a flood disaster and a major lightning strike to the 911 Center. Other Financing Sources includes the insurance proceeds of \$500,000 for the lightning damage. Transfers in for 2015 were \$101,992 as compared to \$118,130 in 2014, 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 2015 were \$400,051, as compared to \$210,034 in 2014.

The fund balance restricted for the Street fund at year end was \$1,999,868, an increase of \$828,242 from 2014. Capital projects awarded but not completed in 2015 were deferred to a future fiscal year and therefore funds are being carried forward to pay for those projects. In 2015 total revenues increased 25.5% from 2014. Sales tax revenues increased 3.4% and highway allocation funding increased 3.1%; state funding of \$466,894 provided the City's share of a highway improvement project and \$37,040 was received in federal disaster assistance funding. Expenditures increased 17.1% from the previous year. Non-capital operational expenditures decreased 1.9% from 2014, while capital outlay projects in 2015 were \$891,559 as compared to \$587,711 in 2014. Lease proceeds of \$135,000 funded equipment purchases.

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 \$1,936,503 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, \$41,398 in other revenues and a \$300,000 state project grant for a local business; expenditures included professional services to update the comprehensive plan and community branding, plus funding towards a joint economic development organization; economic development loans were awarded in the amount of \$495,000 with \$110,000 paid back during the fiscal year; and the fund balance increased by \$128,063 from 2014. The Community Development Block Grant fund balance restricted for Revolving Loans of \$340,188 decreased \$282,417 from 2014 due to new loans and loans forgiven upon completion of terms (cash decreased \$19,396 and loans receivable decreased \$263,021). The Keno fund balance increased to \$68,141 as compared to \$17,326 in 2014. Keno proceeds increased 11.5% and transfers out for community betterment capital projects were \$13,637 in 2015 as compared to \$47,378 in 2014. 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 \$48,965 at year end. The 911 Surcharge fund had a fund balance of \$25,266 at the end of 2015 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 2015 equipment of \$24,338 was purchased and \$101,992 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: \$49,537 for library improvements, \$41,542 for public safety equipment, and \$33,486 for a park project to be completed in the next fiscal year. Major capital projects in 2015 include: the library renovation project, which was 95% complete at fiscal year-end; ballfield replacement lighting, a new playground, tennis court re-coating, parks mower, and other park improvements; design of a new welcome sign; police facility HVAC improvements; a new fire response vehicle, EMS equipment, and other fire and police equipment.

### 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 \$7,393,322, which is an increase of \$66,545 from 2014. The Electric fund decreased \$688,723; the Water Fund increased \$183,561; the Water Pollution Control fund increased \$440,752; and the BASWA fund increased \$130,955. Restricted net position for debt service was \$629,955 at year end as compared to \$618,842 in 2014. Net investment in capital assets increased from \$23,166,370 in FY2014 to \$24,047,909 in FY2015. 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.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for governmental funds amounted to an increase in appropriations of \$2,005,100 and can be briefly summarized as follows: to fund and pay claims and premiums related to the inclusion of the electric, water, and WPC employees health benefits in the Self-Insured Group Insurance Fund; to fund and pay expenditures associated with the lightning strike to the 911 Center, increased costs to the 911 Center to add serving a neighboring community, and flood disaster cleanup and repairs.

### 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, 2015, amounts to \$55,878,473, (net of accumulated depreciation), construction in progress of \$3,255, and land of \$2,853,869. 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 2.5% percent (a 3.9% increase for governmental activities and a 0.9% increase for business-type activities).

City of Beatrice's Capital Assets (net of depreciation, except land)  
(expressed in thousands)

September 30, 2015 and 2014

	Governmental activities		Business-Type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	2,727	2,663	127	118	2,854	2,781
Buildings and system	8,762	8,068	10,598	10,587	19,360	18,655
Improvements other than Bldgs	4,670	4,273	59,940	57,663	64,610	61,936
Machinery & Equipment	10,360	9,851	8,155	7,842	18,515	17,693
Infrastructure	28,597	28,003	-	-	28,597	28,003
Construction in progress	-	-	3	59	3	59
Less accumulated depreciation	(24,423)	(23,313)	(50,781)	(48,486)	(75,204)	(71,799)
TOTAL	<u>30,693</u>	<u>29,545</u>	<u>28,042</u>	<u>27,783</u>	<u>58,735</u>	<u>57,328</u>

Major changes in capital assets in the governmental activities during fiscal year 2015 included infrastructure improvements for street projects; other improvements included the Senior Center parking lot, ball field parking lot and new ballfield lighting, and water park upgrades; building improvements were done at the street shop bay, fire station, police station HVAC system, and continued construction on the library renovation project; equipment purchases included a new fire response pickup, EMS equipment, an inspections vehicle, new playground equipment, a mower, a skid loader and street sweeper for the streets, computer equipment, and other necessary public safety and maintenance equipment. The increase in land was for acquisition of floodplain property.

Major changes in capital assets in the business-type activities include: in the Electric fund continuation of 12.5 KV conversions, replacement of underground cable, street light replacements and decorative lighting in the downtown business district, new transformers, substation #6 improvements, new services, a sky-lift, metering and costs for phase 1 of the AMI system installation; in the Water fund water main distribution projects in 2015 included the areas of 16<sup>th</sup> to 18<sup>th</sup> at Garfield and Janeway, South 9<sup>th</sup> from Beaver to Green, South 7<sup>th</sup> from Perkins to Doane, Lake Ridge Estates, and the Big Blue river crossing on South 6<sup>th</sup>, and other costs for metering, a pickup, relocation of well line #2 and installation of VFD's at the well field; in the Water Pollution Control fund projects included various plant improvements, manhole and sewer repairs, sewer pipe-lining, new services for Lake Ridge Estates, and the purchase of a folding crane and other equipment; and the BASWA fund purchased a skid loader and had major overhaul costs to the baler and loader.

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

#### Long-Term Obligations

At the end of the current fiscal year the City of Beatrice, not including component units, had total bonded debt outstanding of \$4,180,000. Of this amount, \$190,000 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 \$136,159 in other payables, \$1,662,236 for compensated absences, and \$3,287,000 for closure post-closure costs.

During the current fiscal year, the City of Beatrice did not issue any new bonds and with the payment of the annual bond maturities decreased the bonded debt \$675,000.

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$470,000 at September 30, 2015; this amount comprises bonded debt paid through a special levy approved by the City of Beatrice. During the current fiscal year, the Beatrice Airport Authority issued new bonds in the amount of \$395,000 and with the payment of annual maturities, the net change is an increase of \$290,000.

The Community Redevelopment Authority, a component unit of the City of Beatrice, had outstanding debt at September 30, 2014, of \$400,000 and during the current fiscal year paid the annual maturities and called in the remainder of the bonds thereby retiring this debt in full through proceeds on hand from tax increment financing.

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

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice is currently 3%, a decrease from a rate of 4% a year ago. While slightly higher than the state's average unemployment rate of 2.9 %, this compares favorably to the national average of 5.1%.

Sales tax revenues 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 revenues prior to any tax credits increased 3.2% for the calendar year 2015; this increase can be attributed to an improved retail economy and construction projects going on in the area bringing in outside contractors and their employees. Economic development efforts continue to try and attract more new companies. In 2012, City and County officials combined efforts and formed a new economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. The loss of a long-time manufacturing company in late 2014 has had an impact on the City's economy, however expansion of a manufacturing plant in the industrial park, the purchase of the prior bio-diesel plant scheduled to begin biofuels production in 2016, and another area business expanding operations to Beatrice are a result of progressive economic development efforts by community leaders.

The City of Beatrice prepared and approved a budget plan that included both fiscal years 2016 and fiscal year 2017. That budget presented a balanced budget of operating revenues to meet expenditure needs, along with a contingency, which if not needed, would continue to increase fund balance and establish sufficient cash reserves. Tax revenue projections included a conservative increase in sales tax revenues and in 2016 the total property tax requirements increased 5.8%, however, with an increase in property valuations of 3% the total levy increase for 2016 was just one-cent at .380223; a general tax levy of .347766 and debt levy of .032457. An additional one-cent levy increase is proposed to meet the property tax requirements for fiscal year 2017.

Major capital projects over the next two fiscal years include: street improvements, including the 2<sup>nd</sup> Street reconstruction project, construction of two grant funded trail projects, two new ballfields, replacement of skateboard park structures, repair of park roads, public library roof repairs, and public safety vehicles and equipment to be funded through public safety bonds. Funds are being set aside to help pay for costs associated with the EPA cleanup at a former gas plant site on property acquired by the City.

In 2016, the Electric fund revenue projections include a 3.8% rate increase to cover the increase in purchased power rates from Nebraska Public Power District; the increase will provide projected revenues that are sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies. An increase of 5.5% in rates was budgeted in the Water fund to fund replacement of aging water mains and maintain prudent cash reserves. Major projects for electric and water include completion of installation of Advanced Metering Infrastructure throughout the City by the end of 2016. The Water Pollution Control fund revenues for 2016 include a \$2.00 increase in the infrastructure improvement fee to \$5.00 per month for residential customers and \$6.00 per month for commercial customers to be set aside for major plant improvements. The Beatrice Area Solid Waste Agency projected revenues to cover the cost of operations and fund the closure and post-closure reserves; discussions have been held to come up with a plan for future solid waste disposal options as the current landfill has an expected 7 years of life remaining.

## 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, 2015  
 With comparative totals for September 30, 2014

	Primary Government				2015
	Governmental	Business-Type	2015	2014	Component
	Activities	Activities	Total	Total	Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 5,153,592	\$ 5,833,229	\$ 10,986,821	\$ 10,319,627	\$ 1,031,668
Cash on deposit - county treasurer	159,388	-	159,388	145,479	14,817
Accounts receivable	577,752	1,489,464	2,067,216	2,150,832	523,761
Interest receivable	86,907	12,581	99,488	83,662	-
Assessments receivable	167,786	-	167,786	209,807	-
Unbilled and accrued revenues	-	872,837	872,837	845,704	-
Due from other governments	677,289	-	677,289	406,566	-
Materials and supplies inventories	-	900,192	900,192	936,962	59,594
Prepaid expenses	-	12,460	12,460	12,759	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	116,354	-	116,354	145,236	13,371
Current portion of loans receivable	279,396	-	279,396	38,400	-
Total Current Assets	7,228,569	9,120,763	16,349,332	15,305,139	1,643,211
Noncurrent Assets					
Investments	626,413	2,525,000	3,151,413	3,025,000	1,043,763
Restricted Cash and Cash Equivalents					
Cash on deposit - county treasurer	-	-	-	-	16,093
Employee benefits	-	-	-	20,229	-
Debt service reserve account	-	-	-	-	92,383
Customer and developer deposits	-	97,885	97,885	167,460	-
Grants and capital projects	-	-	-	-	782,553
Restricted Investments					
Debt service reserve account	-	662,990	662,990	654,799	-
Customer deposits	-	280,000	280,000	280,000	-
Grants and capital projects	-	-	-	-	97,923
Closure and post-closure costs	-	1,351,657	1,351,657	1,078,351	-
Total Restricted Assets	-	2,392,532	2,392,532	2,200,839	988,952
Capital Assets					
Land	2,727,238	126,631	2,853,869	2,781,464	1,321,356
Construction in progress	-	3,255	3,255	58,867	-
Capital assets, net of accumulated depreciation	27,966,160	27,912,313	55,878,473	54,487,361	3,858,913
Net Capital Assets	30,693,398	28,042,199	58,735,597	57,327,692	5,180,269
Other Assets					
Loans receivable, net of current portion	371,721	-	371,721	490,738	-
Total Noncurrent Assets	31,691,532	32,959,731	64,651,263	63,044,269	7,212,984
Total Assets	\$ 38,920,101	\$ 42,080,494	\$ 81,000,595	\$ 78,349,408	\$ 8,856,195

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
 STATEMENT OF NET POSITION - CONTINUED  
 September 30, 2015  
 With comparative totals for September 30, 2014

	Primary Government				2015
	Governmental Activities	Business-Type Activities	2015 Total	2014 Total	Component Units
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 360,735	\$ 1,468,832	\$ 1,829,567	\$ 1,742,057	\$ 637,306
Claims incurred but not reported	147,351	-	147,351	185,854	-
Accrued compensated absences	321,147	246,692	567,839	543,444	13,964
Sales tax payable	-	3,530	3,530	43,571	-
Accrued interest payable	30,070	33,035	63,105	54,548	2,673
Accrued expenses	-	119,224	119,224	127,327	915
Other accrued liabilities	-	19,540	19,540	11,564	-
Customer and developer deposits	-	377,695	377,695	447,310	-
Due to developer	-	-	-	-	46,819
Current portion of registered warrants	100,000	-	100,000	100,000	-
Current maturities of lease obligation	96,501	4,290	100,791	50,588	-
Current maturities of bonds and notes	190,000	500,000	690,000	679,389	105,000
<b>Total Current Liabilities</b>	<b>1,245,804</b>	<b>2,772,838</b>	<b>4,018,642</b>	<b>3,985,652</b>	<b>806,677</b>
<b>Noncurrent Liabilities, Net of Current Portion</b>					
Compensated absences	634,927	459,470	1,094,397	1,030,253	53,527
Registered warrants payable	31,869	-	31,869	85,626	-
Revenue bonds	-	3,490,000	3,490,000	3,990,000	-
General obligation bonds	-	-	-	190,000	365,000
Notes payable	-	-	-	77,485	-
Lease obligation	347,631	-	347,631	4,290	-
Closure and postclosure costs	-	3,287,000	3,287,000	3,119,000	-
<b>Total Noncurrent Liabilities</b>	<b>1,014,427</b>	<b>7,236,470</b>	<b>8,250,897</b>	<b>8,496,654</b>	<b>418,527</b>
<b>Total Liabilities</b>	<b>2,260,231</b>	<b>10,009,308</b>	<b>12,269,539</b>	<b>12,482,306</b>	<b>1,225,204</b>
<b>Net Position</b>					
Net investment in capital assets	29,927,397	24,047,909	53,975,306	52,152,437	4,587,877
<b>Restricted net position</b>					
Restricted for economic development	1,256,328	-	1,256,328	1,128,265	-
Restricted for library capital improvements	8,641	-	8,641	-	-
Restricted for debt service	71,110	629,955	701,065	669,433	89,710
Restricted revolving loan fund	340,188	-	340,188	622,605	-
Restricted for E911 public safety	25,266	-	25,266	36,758	-
Restricted for streets	1,999,868	-	1,999,868	1,171,626	-
Restricted for storm water management	48,965	-	48,965	56,048	-
Restricted for runway expansion	-	-	-	-	565,957
Restricted for Library Foundation	-	-	-	10,112	535,745
<b>Unrestricted net position</b>	<b>2,982,107</b>	<b>7,393,322</b>	<b>10,375,429</b>	<b>10,019,818</b>	<b>1,851,702</b>
<b>Total Net Position</b>	<b>\$ 36,659,870</b>	<b>\$ 32,071,186</b>	<b>\$ 68,731,056</b>	<b>\$ 65,867,102</b>	<b>\$ 7,630,991</b>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2015  
With comparative totals for the year ended September 30, 2014

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position				2015 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government 2015 Total	2014 Total	
Primary Government:									
Governmental Activities									
General government	\$ 5,124,109	\$ 3,036,542	\$ -	\$ 408,887	\$ (1,678,680)	\$ -	\$ (1,678,680)	\$ (1,529,067)	\$ -
Public safety	5,218,151	1,832,967	725,801	121,136	(2,538,247)	-	(2,538,247)	(3,670,878)	-
Highways and streets	2,041,955	29,682	1,195,150	793,598	(23,525)	-	(23,525)	(104,047)	-
Culture and recreation	1,609,230	223,024	25,561	698,141	(662,504)	-	(662,504)	(767,410)	-
Interest on long-term debt	14,741	-	-	-	(14,741)	-	(14,741)	(12,603)	-
Total Governmental Activities	14,008,186	5,122,215	1,946,512	2,021,762	(4,917,697)	-	(4,917,697)	(6,084,005)	-
Business-type Activities									
Electric	14,967,570	14,749,348	-	-	-	(218,222)	(218,222)	(58,368)	-
Water	2,087,499	2,321,423	-	33,211	-	267,135	267,135	105,225	-
Water pollution control	1,492,220	1,732,788	-	46,789	-	287,357	287,357	11,812	-
BASWA	977,166	1,170,237	-	-	-	193,071	193,071	144,187	-
Sanitation	1,284,116	1,284,116	-	-	-	-	-	-	-
Total Business-type Activities	20,808,571	21,257,912	-	80,000	-	529,341	529,341	202,856	-
Total Primary Government	34,816,757	26,380,127	1,946,512	2,101,762	(4,917,697)	529,341	(4,388,356)	(5,881,149)	-
Component Units:									
Beatrice Airport Authority	735,860	455,358	-	2,199,002					1,918,500
Community Redevelopment Authority	361,500	-	-	-					(361,500)
Beatrice Public Library Foundation	786,399	2,950	-	-					(783,449)
Total Component Units	\$ 1,883,759	\$ 458,308	\$ -	\$ 2,199,002					773,551
General Revenues									
Taxes									
Property tax					2,118,371	-	2,118,371	1,919,294	226,025
Tax increment financing					-	-	-	-	361,500
Sales tax					3,186,767	-	3,186,767	3,082,267	-
Occupation tax					728,820	-	728,820	760,862	-
Unrestricted intergovernmental					607,292	-	607,292	689,779	-
Miscellaneous revenues					172,350	371,470	543,820	417,410	12,539
Unrestricted investment earnings					8,854	58,918	67,772	51,032	63,593
Loss on disposal of capital assets					-	(532)	(532)	(7,074)	-
Total General Revenues					6,822,454	429,856	7,252,310	6,913,570	663,657
Change in Net Position					1,904,757	959,197	2,863,954	1,032,421	1,437,208
Net Position, Beginning of Year					34,755,113	31,111,989	65,867,102	64,834,681	6,193,783
Net Position, End of Year					\$ 36,659,870	\$ 32,071,186	\$ 68,731,056	\$ 65,867,102	\$ 7,630,991

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2015  
With comparative totals for September 30, 2014

	2015				2014
	General Fund	Streets Fund	Other Governmental Funds	Total	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 2,162,075	\$ 1,732,132	\$ 900,464	\$ 4,794,671	\$ 4,343,191
Investments	226,413	-	400,000	626,413	400,000
Cash on deposit - county treasurer	147,043	-	12,345	159,388	145,479
Accounts receivable	503,212	46,935	1,276	551,423	666,833
Taxes receivable	102,648	-	13,706	116,354	145,236
Due from other governments	428,312	248,977	-	677,289	406,566
Interest receivable	-	-	86,907	86,907	71,591
Assessments receivable	-	-	167,786	167,786	209,807
Loans receivable	-	-	651,117	651,117	529,138
In-lieu of assessments receivable	-	-	10,105	10,105	10,105
<b>Total Assets</b>	<b>\$ 3,569,703</b>	<b>\$ 2,028,044</b>	<b>\$ 2,243,706</b>	<b>\$ 7,841,453</b>	<b>\$ 6,927,946</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 303,263	\$ 28,176	\$ 29,296	\$ 360,735	\$ 483,987
Accrued interest payable	-	-	2,123	2,123	2,123
<b>Total Liabilities</b>	<b>303,263</b>	<b>28,176</b>	<b>31,419</b>	<b>362,858</b>	<b>486,110</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	279,635	-	275,784	555,419	527,184
<b>Fund Balance</b>					
Restricted for:					
Economic development	-	-	1,256,328	1,256,328	1,128,265
Library capital improvements	-	-	8,641	8,641	10,112
Debt service	-	-	71,682	71,682	69,182
Revolving loan fund	-	-	340,188	340,188	622,605
E911 public safety	-	-	25,266	25,266	36,758
Streets	-	1,999,868	-	1,999,868	1,171,626
Storm water management	-	-	48,965	48,965	56,048
Committed for:					
Library capital improvements	-	-	40,896	40,896	40,876
Public safety equipment	-	-	41,542	41,542	69,600
Community betterment	-	-	68,141	68,141	17,326
Assigned, for:					
Subsequent years' expenditures	1,079,813	-	33,486	1,113,299	817,938
Debt service	-	-	1,368	1,368	13,879
Unassigned, reported in:					
General fund	1,906,992	-	-	1,906,992	1,860,437
<b>Total Fund Balance</b>	<b>2,986,805</b>	<b>1,999,868</b>	<b>1,936,503</b>	<b>6,923,176</b>	<b>5,914,652</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 3,569,703</b>	<b>\$ 2,028,044</b>	<b>\$ 2,243,706</b>		

See accompanying notes and independent auditor's report.



City of Beatrice, Nebraska  
 BALANCE SHEET - CONTINUED  
 GOVERNMENTAL FUNDS  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015 Total	2014 Total
Fund Balance Governmental Funds	6,923,176	5,914,652
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.	\$ 30,693,398	\$ 29,544,570
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.	237,899	136,966
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	555,419	527,184
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	(27,947)	(16,468)
Bonds payable	(190,000)	(375,000)
Notes and leases payable	(444,132)	-
Registered warrants	(131,869)	(185,626)
Compensated absences	(956,074)	(791,165)
Net Position of Governmental Activities	<u>\$ 36,659,870</u>	<u>\$ 34,755,113</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, 2015  
 With comparative totals for the year ended September 30, 2014

	2015				2014
	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ 1,948,840	\$ -	\$ 188,974	\$ 2,137,814	\$ 1,980,617
Sales tax	2,299,414	637,353	250,000	3,186,767	3,082,267
Occupation tax	728,820	-	-	728,820	760,862
Licenses and permits	122,002	-	-	122,002	114,685
Intergovernmental	1,320,152	1,964,923	537,683	3,822,758	2,794,328
Charges for services	1,739,729	29,682	114,838	1,884,249	1,758,473
Keno proceeds	-	-	81,618	81,618	73,188
Special assessments	-	-	41,789	41,789	40,723
Interest	3,901	-	16,386	20,287	48,928
Miscellaneous	185,423	-	622,135	807,558	1,006,947
Total Revenues	<u>8,348,281</u>	<u>2,631,958</u>	<u>1,853,423</u>	<u>12,833,662</u>	<u>11,661,018</u>
Expenditures					
Current					
General government	1,706,286	-	801,409	2,507,695	1,682,858
Public safety	5,173,814	-	-	5,173,814	5,024,814
Highways and streets	-	1,047,157	-	1,047,157	1,067,619
Culture and recreation	984,968	-	-	984,968	908,159
Debt Service					
Principal	-	-	185,000	185,000	290,000
Interest	-	-	2,068	2,068	5,050
Capital outlay	383,760	891,559	1,498,139	2,773,458	2,676,626
MFO payments - other entities	-	-	110,679	110,679	106,438
Total Expenditures	<u>8,248,828</u>	<u>1,938,716</u>	<u>2,597,295</u>	<u>12,784,839</u>	<u>11,761,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,453	693,242	(743,872)	48,823	(100,546)
Other Financing Sources (Uses)					
Sale of capital assets	2,600	-	-	2,600	20,000
Insurance proceeds	504,436	-	-	504,436	-
Lease proceeds	-	135,000	317,665	452,665	-
Transfers in	101,992	-	413,688	515,680	384,542
Transfers out	(400,051)	-	(115,629)	(515,680)	(384,542)
Total Other Financing Sources	<u>208,977</u>	<u>135,000</u>	<u>615,724</u>	<u>959,701</u>	<u>20,000</u>
Net Change in Fund Balance	308,430	828,242	(128,148)	1,008,524	(80,546)
Fund Balance, Beginning of Year	<u>2,678,375</u>	<u>1,171,626</u>	<u>2,064,651</u>	<u>5,914,652</u>	<u>5,995,198</u>
Fund Balance, End of Year	<u>\$ 2,986,805</u>	<u>\$ 1,999,868</u>	<u>\$ 1,936,503</u>	<u>\$ 6,923,176</u>	<u>\$ 5,914,652</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, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balance - total governmental funds	\$ 1,008,524	\$ (80,546)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period as follows:		
Capital outlays	3,035,274	2,203,804
Depreciation expense	(1,807,564)	(1,757,147)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.	28,235	(11,197)
The issuance of long-term debt provides current financial resources to governmental fund, 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.	(221,916)	366,902
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 (increase) decrease in compensated absences.	(164,909)	(20,785)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.	(73,820)	(27,162)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>100,933</u>	<u>(84,842)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,904,757</u>	<u>\$ 589,027</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2015  
With comparative totals for September 30, 2014

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2015 Total	2014 Total	2015 Total	2014 Total
Current Assets									
Cash and cash equivalents	\$ 2,990,193	\$ 1,017,792	\$ 1,546,164	\$ 197,405	\$ 81,675	\$ 5,833,229	\$ 5,771,058	\$ 358,921	\$ 205,378
Accounts receivable	1,051,176	122,995	98,174	160,054	57,065	1,489,464	1,464,400	26,329	19,599
Unbilled and accrued revenues	628,679	146,608	97,550	-	-	872,837	845,704	-	-
Materials and supplies inventories	653,792	246,400	-	-	-	900,192	936,962	-	-
Prepaid expenses	5,218	4,498	2,744	-	-	12,460	12,759	-	-
Interest receivable	11,710	365	506	-	-	12,581	12,071	-	-
Total Current Assets	5,340,768	1,538,658	1,745,138	357,459	138,740	9,120,763	9,042,954	385,250	224,977
Noncurrent Assets									
Investments	2,375,000	-	150,000	-	-	2,525,000	2,625,000	-	-
Restricted Cash and Cash Equivalents									
Employee benefits	-	-	-	-	-	-	20,229	-	-
Customer and developer deposits	97,885	-	-	-	-	97,885	167,460	-	-
Restricted Investments									
Debt service reserve account	79,275	136,573	187,498	259,644	-	662,990	654,799	-	-
Customer deposits	280,000	-	-	-	-	280,000	280,000	-	-
Closure and post-closure costs	-	-	-	1,351,657	-	1,351,657	1,078,351	-	-
Total Restricted Cash, Cash Equivalents and Investments	457,160	136,573	187,498	1,611,301	-	2,392,532	2,200,839	-	-
Capital Assets									
Land and land rights	54,585	55,458	16,588	-	-	126,631	118,076	-	-
Construction in progress	3,255	-	-	-	-	3,255	58,867	-	-
Buildings and improvements	1,312,599	134,285	9,150,939	-	-	10,597,823	10,586,938	-	-
Improvements other than buildings	29,916,385	16,050,462	8,637,834	5,335,026	-	59,939,707	57,662,569	-	-
Machinery and equipment	3,590,750	982,404	2,247,698	1,334,725	-	8,155,577	7,842,297	-	-
Total Capital Assets	34,877,574	17,222,609	20,053,059	6,669,751	-	78,822,993	76,268,747	-	-
Less accumulated depreciation	(21,209,524)	(11,492,591)	(13,866,856)	(4,211,823)	-	(50,780,794)	(48,485,625)	-	-
Net Capital Assets	13,668,050	5,730,018	6,186,203	2,457,928	-	28,042,199	27,783,122	-	-
Total Noncurrent Assets	16,500,210	5,866,591	6,523,701	4,069,229	-	32,959,731	32,608,961	-	-
Total Assets	\$ 21,840,978	\$ 7,405,249	\$ 8,268,839	\$ 4,426,688	\$ 138,740	\$ 42,080,494	\$ 41,651,915	\$ 385,250	\$ 224,977

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
STATEMENT OF NET POSITION - CONTINUED  
PROPRIETARY FUNDS  
September 30, 2015  
With comparative totals for September 30, 2014

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2015 Total	2014 Total	2015 Total	2014 Total
Liabilities									
Current Liabilities									
Accounts payable	\$ 1,298,949	\$ 10,332	\$ 11,430	\$ 9,381	\$ 138,740	\$ 1,468,832	\$ 1,258,070	\$ -	\$ -
Claims incurred but not reported	-	-	-	-	-	-	97,843	147,351	88,011
Accrued compensated absences	124,747	80,518	35,978	5,449	-	246,692	246,993	-	-
Accrued payroll	67,004	29,656	17,314	5,250	-	119,224	127,327	-	-
Sales tax payable	3,530	-	-	-	-	3,530	43,571	-	-
Accrued interest	2,501	5,145	7,661	17,728	-	33,035	35,957	-	-
Other accrued liabilities	12,703	4,732	2,105	-	-	19,540	11,564	-	-
Customer and developer deposits	377,695	-	-	-	-	377,695	447,310	-	-
Current maturities of lease obligation	-	-	-	4,290	-	4,290	50,588	-	-
Current maturities of long-term debt	63,000	111,600	155,400	170,000	-	500,000	494,389	-	-
Total Current Liabilities	1,950,129	241,983	229,888	212,098	138,740	2,772,838	2,813,612	147,351	88,011
Noncurrent Liabilities, Net of Current Portion									
Compensated absences	243,460	171,485	44,525	-	-	459,470	535,539	-	-
Revenue bonds, net of current portion	526,750	888,010	1,205,240	870,000	-	3,490,000	3,990,000	-	-
Notes payable	-	-	-	-	-	-	77,485	-	-
Lease obligation	-	-	-	-	-	-	4,290	-	-
Closure and post-closure cost	-	-	-	3,287,000	-	3,287,000	3,119,000	-	-
Total Noncurrent Liabilities	770,210	1,059,495	1,249,765	4,157,000	-	7,236,470	7,726,314	-	-
Total Liabilities	2,720,339	1,301,478	1,479,653	4,369,098	138,740	10,009,308	10,539,926	147,351	88,011
Net Position									
Net investment in capital assets	13,078,300	4,730,408	4,825,563	1,413,638	-	24,047,909	23,166,370	-	-
Restricted for debt service	76,774	131,428	179,837	241,916	-	629,955	618,842	-	-
Unrestricted	5,965,565	1,241,935	1,783,786	(1,597,964)	-	7,393,322	7,326,777	237,899	136,966
Total Net Position	\$ 19,120,639	\$ 6,103,771	\$ 6,789,186	\$ 57,590	\$ -	\$ 32,071,186	\$ 31,111,989	\$ 237,899	\$ 136,966

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, 2015  
 With comparative totals for the year ended September 30, 2014

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2015 Total	2014 Total	2015 Total	2014 Total
Operating Revenues									
Charges for services	\$ 14,749,348	\$ 2,321,423	\$ 1,732,788	\$ 1,170,237	\$ 1,284,116	\$ 21,257,912	\$ 21,495,480	\$ 2,312,949	\$ 1,337,277
Reinsurance coverage reimbursements	-	-	-	-	-	-	-	304,653	56,399
Total Operating Revenues	14,749,348	2,321,423	1,732,788	1,170,237	1,284,116	21,257,912	21,495,480	2,617,602	1,393,676
Operating Expenses									
Electric energy purchased	10,978,362	-	-	-	-	10,978,362	11,305,198	-	-
Operating and maintenance expenses	1,132,075	960,866	551,370	-	1,284,116	3,928,427	4,074,426	-	-
Customer accounting expenses	280,108	91,183	64,423	-	-	435,714	470,681	-	-
Engineering services	179,951	18,000	16,600	-	-	214,551	200,172	-	-
Administrative and general expense	867,355	415,227	255,077	485,860	-	2,023,519	1,989,872	-	-
Depreciation	1,026,741	532,990	561,159	194,097	-	2,314,987	2,301,810	-	-
Municipal expenses	494,362	51,482	15,360	-	-	561,204	577,259	-	-
Landfill operating contracts	-	-	-	259,147	-	259,147	272,898	-	-
Health insurance claims paid	-	-	-	-	-	-	-	1,887,597	1,142,657
Health and life insurance premiums	-	-	-	-	-	-	-	348,350	179,682
Payflex expenses	-	-	-	-	-	-	-	175,107	120,276
Other services and charges	-	-	-	-	-	-	-	105,843	36,144
Total Operating Expenses	14,958,954	2,069,748	1,463,989	939,104	1,284,116	20,715,911	21,192,316	2,516,897	1,478,759
Operating Income (Loss)	(209,606)	251,675	268,799	231,133	-	542,001	303,164	100,705	(85,083)
Nonoperating Revenues (Expenses)									
Interest income	32,128	5,475	9,681	11,634	-	58,918	44,801	228	242
Loss on disposal of capital asset	-	-	-	(532)	-	(532)	-	-	-
Miscellaneous	171,049	113,404	87,017	-	-	371,470	195,737	-	-
Interest expense	(8,616)	(17,751)	(28,231)	(38,062)	-	(92,660)	(100,308)	-	-
Total Nonoperating Revenues (Expenses)	194,561	101,128	68,467	(26,960)	-	337,196	140,230	228	242
Income (Loss) Before Contributions	(15,045)	352,803	337,266	204,173	-	879,197	443,394	100,933	(84,841)
Capital Contributions	-	33,211	46,789	-	-	80,000	-	-	-
Change in Net Position	(15,045)	386,014	384,055	204,173	-	959,197	443,394	100,933	(84,841)
Net Position, Beginning of Year	19,135,684	5,717,757	6,405,131	(146,583)	-	31,111,989	30,668,595	136,966	221,807
Net Position, End of Year	\$ 19,120,639	\$ 6,103,771	\$ 6,789,186	\$ 57,590	\$ -	\$ 32,071,186	\$ 31,111,989	\$ 237,899	\$ 136,966

See accompanying notes and independent auditor's report.



City of Beatrice, Nebraska  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2015 Total	2014 Total	2015 Total	2014 Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 14,732,937	\$ 2,320,333	\$ 1,694,628	\$ 1,177,971	\$ 1,290,231	\$ 21,216,100	\$ 21,450,151	\$ 2,610,872	\$ 1,391,507
Cash paid to suppliers for goods and services	(12,509,020)	(831,269)	(478,925)	(344,971)	(1,232,473)	(15,396,658)	(15,926,189)	(2,457,557)	(1,442,113)
Cash paid to employees for services	(1,429,089)	(736,788)	(408,377)	(228,562)	-	(2,802,816)	(2,699,407)	-	-
Net cash provided by (used in) operating activities	794,828	752,276	807,326	604,438	57,758	3,016,626	2,824,555	153,315	(50,606)
Cash Flows from Noncapital Financing Activities									
Other miscellaneous receipts	171,049	113,404	87,017	-	-	371,470	194,980	-	-
Cash Flows from Capital and Related Financing Activities									
Principal payments on long-term debt	(61,250)	(111,470)	(239,154)	(210,588)	-	(622,462)	(548,276)	-	-
Interest paid on long-term debt	(8,705)	(17,971)	(29,057)	(39,849)	-	(95,582)	(95,168)	-	-
Proceeds from sales of capital assets	43,004	-	-	-	-	43,004	-	-	-
Purchases of capital assets	(1,682,084)	(621,761)	(260,325)	(53,430)	-	(2,617,600)	(2,506,859)	-	-
Net cash used in capital and related financing activities	(1,709,035)	(751,202)	(528,536)	(303,867)	-	(3,292,640)	(3,150,303)	-	-
Cash Flows From Investing Activities									
Net (purchases) sales of investments	-	(1,992)	95,843	(275,348)	-	(181,497)	(485,615)	-	-
Interest received	27,847	7,600	11,327	11,634	-	58,408	43,970	228	242
Net cash provided by (used in) investing activities	27,847	5,608	107,170	(263,714)	-	(123,089)	(441,645)	228	242
Net Change in Cash and Cash Equivalents	(715,311)	120,086	472,977	36,857	57,758	(27,633)	(572,413)	153,543	(50,364)
Cash and Cash Equivalents, Beginning of Year	3,803,389	897,706	1,073,187	160,548	23,917	5,958,747	6,531,160	205,378	255,742
Cash and Cash Equivalents, End of Year	\$ 3,088,078	\$ 1,017,792	\$ 1,546,164	\$ 197,405	\$ 81,675	\$ 5,931,114	\$ 5,958,747	\$ 358,921	\$ 205,378
Composition of Cash and Cash Equivalents									
Cash and cash equivalents	\$ 2,990,193	\$ 1,017,792	\$ 1,546,164	\$ 197,405	\$ 81,675	\$ 5,833,229	\$ 5,771,058	\$ 358,921	\$ 205,378
Restricted cash and cash equivalents	97,885	-	-	-	-	97,885	187,689	-	-
Total Cash and Cash Equivalents	\$ 3,088,078	\$ 1,017,792	\$ 1,546,164	\$ 197,405	\$ 81,675	\$ 5,931,114	\$ 5,958,747	\$ 358,921	\$ 205,378

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, 2015  
With comparative totals for September 30, 2014

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2015 Total	2014 Total	2015 Total	2014 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Operating income (loss)	\$ (209,606)	\$ 251,675	\$ 268,799	\$ 231,133	\$ -	\$ 542,001	\$ 303,164	\$ 100,705	\$ (85,083)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	1,026,741	532,990	561,159	194,097	-	2,314,987	2,301,810	-	-
Merchandise and miscellaneous revenue	-	-	-	-	-	-	757	-	-
Changes in operating assets and liabilities:									
Accounts receivable	(14,789)	9,326	(33,450)	7,734	-	(31,179)	(69,210)	(6,730)	(2,169)
Unbilled and accrued revenues	(12,007)	(8,627)	(6,499)	-	6,115	(21,018)	(95,826)	-	-
Materials and supplies inventory	3,867	32,903	-	-	-	36,770	(63,276)	-	-
Prepaid expenses	(520)	1,055	(236)	-	-	299	149	-	-
Accounts payable	154,331	(4,923)	8,058	1,653	51,643	210,762	81,876	-	-
Accrued compensated absences	(19,912)	(61,827)	5,018	-	-	(76,721)	65,189	-	-
Customer and developer deposits	10,385	(1,789)	1,789	-	-	10,385	118,950	-	-
Closure and post-closure care	-	-	-	168,000	-	168,000	171,000	-	-
Other accrued liabilities	(143,662)	1,493	2,688	1,821	-	(137,660)	9,972	59,340	36,646
Total adjustments	1,004,434	500,601	538,527	373,305	57,758	2,474,625	2,521,391	52,610	34,477
Net cash provided by (used in) operating activities	\$ 794,828	\$ 752,276	\$ 807,326	\$ 604,438	\$ 57,758	\$ 3,016,626	\$ 2,824,555	\$ 153,315	\$ (50,606)
Supplemental Disclosure for NonCash Capital Activities:									
Trade-in value for purchase of capital asset	\$ -	\$ -	\$ -	\$ 36,650	\$ -	\$ 36,650	\$ -	\$ -	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 September 30, 2015  
 With comparative totals for September 30, 2014

	Pension Trust Fund	
	2015	2014
Assets		
Investments with fiscal agent:		
Guaranteed interest accounts	\$ 6,947,651	\$ 8,034,780
Publicly traded equities	<u>10,265,879</u>	<u>10,743,686</u>
Total Assets	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</u>
Net Position		
Net position restricted for pensions	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</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, 2015  
 With comparative totals for September 30, 2014

	Pension Trust Fund	
	2015	2014
Additions		
Contributions		
Employer	\$ 462,389	\$ 460,665
Employee	418,577	390,493
Total Contributions	<u>880,966</u>	<u>851,158</u>
Investment earnings		
Net change in the fair value of investments	<u>(6,409)</u>	<u>1,412,712</u>
Total Additions	<u>874,557</u>	<u>2,263,870</u>
Deductions		
Benefits	2,439,492	2,209,982
Administrative expenses	1	36
Total Deductions	<u>2,439,493</u>	<u>2,210,018</u>
Change in Net Position	<u>(1,564,936)</u>	<u>53,852</u>
Net Position Restricted for Pensions, Beginning of Year	<u>18,778,466</u>	<u>18,724,614</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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 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 Authority
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, 2015

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 financially accountable for the Airport as a result of fiscal dependency in the form of the City’s approval of the Airport Authority’s annual budgetary request for tax levies and debt issuances. 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, 2015

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 2015 financial statements are amounts as of and for the Foundation’s fiscal year ended July 31, 2015.

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, 2015

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, 2015

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, 2015

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, 2015

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, 2015

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, 2014, 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, 2015

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 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. The Code imposes an excise tax of 2% on net investment income of private foundations.

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. The federal information returns for tax years 2011 and after are subject to examination.

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, 2015.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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 last-in, first-out (LIFO) 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, 2015

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 at estimated fair value at time of donation. 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, 2015

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, 2015

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 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, 2015

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. Equity 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, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Equity 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 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, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Equity 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. There were no encumbrances at the fiscal year ended September 30, 2015.

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, 2015

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, 2015 was \$.337511 per \$100 of assessed valuation. The City has a tax margin of \$0.162423 per \$100 of assessed valuation and could raise taxes by \$933,605, based on the present assessed valuation of \$576,030,067, before the limit is reached.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Implementation of New Accounting Principles

In 2015, the City implemented the provisions of the following accounting principles:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – This Statement improves the accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing assets and liabilities, deferred outflows and deferred inflows of resources, and expenses. Note disclosures and required supplementary information requirements about pensions are also addressed.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment, and also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of governmental operations.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The implementation of these standards did not have a significant impact on the City's 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, 2015

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, 2015

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

2. Revenue Restrictions

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

3. 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.

4. 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, 2015.

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, 2014, and ending September 30, 2015. 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, 2015

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, the Debt Service Reserve Account, the Renewal and Replacement Account, and the Retirement and Betterment Account. The Airport Authority maintains restricted cash and cash equivalents for a runway extension project funded by a donor. 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

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE C. CASH AND INVESTMENTS - CONTINUED

them. 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, 2015, 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, 2015, 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, 2015, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$761,454, 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, 2015, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2015, money market accounts held in brokerage accounts were \$435,644.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015, the City's investments significant investment concentrations are as follows:

<u>Type</u>	<u>Portfolio Composition</u>
Certificates of deposit	
Pinnacle Bank	6.47%
Security First Bank	14.88%
Mutual Funds - Ameritas Investment Company	
Stable Value/ Guaranteed	31.02%
Large Equity	9.92%
Mid Equity	7.77%
Small Equity	6.06%
Target Date	5.54%

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, 2015.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Totals</u>	<u>Component Units</u>
Cash on deposit	\$ 159,388	\$ -	\$ 159,388	\$ 30,910
Demand deposits	11,344,350	-	11,344,350	1,165,735
Time deposits	5,009,570	-	5,009,570	740,869
Investments	176,846	17,213,530	17,390,376	1,141,686
Totals	<u>\$ 16,690,154</u>	<u>\$ 17,213,530</u>	<u>\$ 33,903,684</u>	<u>\$ 3,079,200</u>

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Totals</u>	<u>Component Units</u>
Cash and cash equivalents	\$ 10,986,821	\$ -	\$ 10,986,821	\$ 1,031,668
Cash on deposit	159,388	-	159,388	14,817
Investments	3,151,413	-	3,151,413	1,043,763
Restricted Assets:				
Cash and cash equivalents	97,885	-	97,885	874,936
Cash on deposit	-	-	-	16,093
Investments	2,294,647	17,213,530	19,508,177	97,923
	<u>\$ 16,690,154</u>	<u>\$ 17,213,530</u>	<u>\$ 33,903,684</u>	<u>\$ 3,079,200</u>

As of September 30, 2015, the Beatrice Airport Authority had cash on deposit with the Gage County Treasurer of \$14,817 and demand deposits of \$1,114,424. As of September 30, 2015, the Community Redevelopment Authority had cash on deposit with the Gage County Treasurer of \$16,093 and demand deposits of \$30,726. The Beatrice Public Library Foundation, Inc. had demand deposits of \$20,585; time deposits of \$740,869; and investments of \$1,141,686 as of July 31, 2015.

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, 2015

NOTE C. CASH AND INVESTMENTS – CONTINUED

6. Summary of Deposit and Investment Balances - Continued

Investments

At September 30, 2015, the City had the following investments, maturities, and credit ratings:

	September 30, 2015						
Type	Carrying	Maturities in Years			Ratings		
	Value	Less than 1	1 - 5	6 - 10	Moody's	S & P	
<b>Primary Government:</b>							
U.S. Treasury Note	\$ 176,846	\$ -	\$ -	\$ 176,846	Aaa	AA+	
Certificates of Deposit	5,009,570	876,413	4,133,157	-	Not rated	Not rated	
Total Primary Government	5,186,416	876,413	4,133,157	176,846			
<b>Pension Trust Funds:</b>							
Mutual Funds							
Stable Value/ Guaranteed	6,947,650	6,947,650	-	-	Not rated	Not rated	
Investment Grade Bond	234,488	234,488	-	-	Not rated	Not rated	
Short-Term Bond	28,192	28,192	-	-	Not rated	Not rated	
High Yield/ Multisector Bond	49,515	49,515	-	-	Not rated	Not rated	
Real Estate	1,011,076	1,011,076	-	-	Not rated	Not rated	
Large Equity	2,222,409	2,222,409	-	-	Not rated	Not rated	
Mid Equity	1,740,913	1,740,913	-	-	Not rated	Not rated	
Small Equity	1,356,428	1,356,428	-	-	Not rated	Not rated	
International Equity	762,420	762,420	-	-	Not rated	Not rated	
Emerging Markets	93,580	93,580	-	-	Not rated	Not rated	
Balanced	751,820	751,820	-	-	Not rated	Not rated	
World Bond	4,856	4,856	-	-	Not rated	Not rated	
World Stock	94,359	94,359	-	-	Not rated	Not rated	
Utilities	3,719	3,719	-	-	Not rated	Not rated	
Technology	661,127	661,127	-	-	Not rated	Not rated	
Natural Resources	10,595	10,595	-	-	Not rated	Not rated	
Target Date	1,240,383	1,240,383	-	-	Not rated	Not rated	
Total Pension Funds	17,213,530	17,213,530	-	-			
Total	\$ 22,399,946	\$ 18,089,943	\$ 4,133,157	\$ 176,846			



City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015, were as follows:

	<u>Cost</u>	<u>Gain</u>	<u>Loss</u>	<u>Fair Value</u>
<b>Investments Stated at Fair Value</b>				
<b>Unrestricted</b>				
Governmental agencies	\$ 28,857	\$ -	\$ 6,440	\$ 22,417
Common stock	242,468	93,956	-	336,424
Corporate bonds	134,022	3,983	-	138,005
Mutual Funds	431,172	45,753	-	476,925
Preferred stock	70,182	-	190	69,992
Total unrestricted	<u>906,701</u>	<u>143,692</u>	<u>6,630</u>	<u>1,043,763</u>
<b>Restricted</b>				
Governmental agencies				
Federal Home Loan Mtg. Corp.	15,754	-	562	15,192
Government Asset Backed/ CMO	6,719	300	-	7,019
Corporate bonds	17,712	1,244	-	18,956
Mutual funds	25,087	-	1,923	23,164
Preferred stock	34,476	-	884	33,592
Total restricted	<u>99,748</u>	<u>1,544</u>	<u>3,369</u>	<u>97,923</u>
Total	<u>\$ 1,006,449</u>	<u>\$ 145,236</u>	<u>\$ 9,999</u>	<u>\$ 1,141,686</u>

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2015, consist of the following:

Fund	Taxes	Accounts	Loans Receivable	Special Assessments	Accrued Interest	Gross Receivables	Allowance	Net
General	\$ 590,243	\$ 535,794	\$ -	\$ -	\$ -	\$ 1,126,037	\$ (91,865)	\$1,034,172
Street	107,078	188,834	-	-	-	295,912	-	295,912
Electric	-	1,723,561	-	-	11,710	1,735,271	(43,706)	1,691,565
Water	-	285,342	-	-	365	285,707	(15,739)	269,968
WPC	-	202,775	-	-	506	203,281	(7,051)	196,230
BASWA	-	160,054	-	-	-	160,054	-	160,054
Nonmajor								
Special Revenue	-	1,276	651,117	-	-	652,393	-	652,393
Debt Service	13,706	10,105	-	167,786	86,907	278,504	-	278,504
Sanitation	-	57,065	-	-	-	57,065	-	57,065
Internal Service	-	26,329	-	-	-	26,329	-	26,329
Total Primary Government	<u>\$711,027</u>	<u>\$3,191,135</u>	<u>\$ 651,117</u>	<u>\$ 167,786</u>	<u>\$ 99,488</u>	<u>\$ 4,820,553</u>	<u>\$ (158,361)</u>	<u>\$4,662,192</u>
Beatrice Airport Authority	13,371	523,761	-	-	-	537,132	-	537,132
Total Component Units	<u>\$ 13,371</u>	<u>\$ 523,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,132</u>	<u>\$ -</u>	<u>\$ 537,132</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 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; and the internal service funds receivables are for services provided to the other funds. 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 is primarily comprised of a grant receivable related to the runway extension project.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

**NOTE E. CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended September 30, 2015, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land and land rights	\$ 2,663,388	\$ 63,850	\$ -	\$ -	\$ 2,727,238
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>2,663,388</u>	<u>63,850</u>	<u>-</u>	<u>-</u>	<u>2,727,238</u>
Capital assets, being depreciated:					
Buildings and improvements	8,067,935	694,544	-	-	8,762,479
Improvements other than buildings	4,272,884	432,120	(35,195)	-	4,669,809
Machinery and equipment	9,850,708	1,245,493	(736,131)	-	10,360,070
Infrastructure	28,002,604	594,205	-	-	28,596,809
Total capital assets, being depreciated	<u>50,194,131</u>	<u>2,966,362</u>	<u>(771,326)</u>	<u>-</u>	<u>52,389,167</u>
Less: accumulated depreciation					
Buildings and improvements	(2,770,652)	(213,943)	-	-	(2,984,595)
Improvements other than buildings	(2,864,625)	(182,060)	35,195	-	(3,011,490)
Machinery and equipment	(6,217,471)	(630,272)	662,311	-	(6,185,432)
Infrastructure	(11,460,201)	(781,289)	-	-	(12,241,490)
Total accumulated depreciation	<u>(23,312,949)</u>	<u>(1,807,564)</u>	<u>697,506</u>	<u>-</u>	<u>(24,423,007)</u>
Total capital assets, being depreciated, net	<u>26,881,182</u>	<u>1,158,798</u>	<u>(73,820)</u>	<u>-</u>	<u>27,966,160</u>
Governmental activities capital assets, net	<u>\$ 29,544,570</u>	<u>\$ 1,222,648</u>	<u>\$ (73,820)</u>	<u>\$ -</u>	<u>\$ 30,693,398</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land and land rights	\$ 118,076	\$ -	\$ -	\$ 8,555	126,631
Construction in progress	58,867	63,903	(4,116)	(115,399)	3,255
Total capital assets, not being depreciated	<u>176,943</u>	<u>63,903</u>	<u>(4,116)</u>	<u>(106,844)</u>	<u>129,886</u>
Capital assets, being depreciated:					
Buildings and improvements	10,586,938	58,327	(38,887)	(8,555)	10,597,823
Improvements other than buildings	57,662,569	2,137,962	-	139,176	59,939,707
Machinery and equipment	7,842,297	394,057	(57,000)	(23,777)	8,155,577
Total capital assets, being depreciated	<u>76,091,804</u>	<u>2,590,346</u>	<u>(95,887)</u>	<u>106,844</u>	<u>78,693,107</u>
Less: accumulated depreciation					
Buildings and improvements	(8,501,516)	(245,142)	-	-	(8,746,658)
Improvements other than buildings	(34,899,589)	(1,639,779)	-	(655)	(36,540,023)
Machinery and equipment	(5,084,520)	(430,066)	19,818	655	(5,494,113)
Total accumulated depreciation	<u>(48,485,625)</u>	<u>(2,314,987)</u>	<u>19,818</u>	<u>-</u>	<u>(50,780,794)</u>
Total capital assets, being depreciated, net	<u>27,606,179</u>	<u>275,359</u>	<u>(76,069)</u>	<u>106,844</u>	<u>27,912,313</u>
Business-type activities capital assets, net	<u>\$ 27,783,122</u>	<u>\$ 339,262</u>	<u>\$ (80,185)</u>	<u>\$ -</u>	<u>\$ 28,042,199</u>

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE E. CAPITAL ASSETS AND DEPRECIATION - CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2015:

**Governmental Activities:**

General government	\$ 31,068
Public safety	402,969
Highway and streets	907,107
Culture and recreation	466,420
Total depreciation expense	<u>\$ 1,807,564</u>

**Business-Type Activities:**

Electric	\$ 1,026,741
Water	532,990
Water Pollution Control	561,159
Sanitation	-
BASWA	194,097
Total depreciation expense	<u>\$ 2,314,987</u>

Capital assets activity for the Beatrice Airport Authority for the year ended September 30, 2015, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Beatrice Airport Authority:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,321,356	\$ -	\$ -	\$ 1,321,356
Capital assets, being depreciated:				
Buildings and improvements	1,702,796	15,699	-	1,718,495
Improvements other than buildings	5,268,474	2,480,443	-	7,748,917
Machinery and equipment	318,701	700	-	319,401
Total capital assets, being depreciated	7,289,971	2,496,842	-	9,786,813
Less: accumulated depreciation				
Buildings and improvements	(1,362,112)	(49,756)	-	(1,411,868)
Improvements other than buildings	(4,165,967)	(99,130)	-	(4,265,097)
Machinery and equipment	(309,059)	(3,667)	-	(312,726)
Total accumulated depreciation	(5,837,138)	(152,553)	-	(5,989,691)
Total capital assets, being depreciated, net	1,452,833	2,344,289	-	3,797,122
Beatrice Airport Authority capital assets, net	<u>\$ 2,774,189</u>	<u>\$ 2,344,289</u>	<u>\$ -</u>	<u>\$ 5,118,478</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$61,791 as of July 31, 2015, which is net of \$18,240 in accumulated depreciation.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015, except for the Foundation which are as of July 31, 2015.

	<u>Customer and Developer Deposits</u>	<u>Debt Service Reserve</u>	<u>Closure and Postclosure Costs</u>	<u>Donor/ Grantor Restrictions</u>	<u>Developer Tax Increment Financing</u>	<u>Total</u>
Enterprise Funds						
Electric	\$377,885	\$ 79,275	\$ -	\$ -	\$ -	\$ 457,160
Water	-	136,573	-	-	-	136,573
Water Pollution Control	-	187,498	-	-	-	187,498
BASWA	-	259,644	1,351,657	-	-	1,611,301
Total Enterprise Funds	<u>\$377,885</u>	<u>\$662,990</u>	<u>\$1,351,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,392,532</u>
Component Units						
Beatrice Airport Authority	\$ -	\$ 92,383	\$ -	\$ 565,957	\$ -	\$ 658,340
Community Redevelopment Authority	-	-	-	-	46,819	46,819
Beatrice Library Foundation, Inc.	-	-	-	283,793	-	283,793
Total Component Units	<u>\$ -</u>	<u>\$ 92,383</u>	<u>\$ -</u>	<u>\$ 849,750</u>	<u>\$46,819</u>	<u>\$ 988,952</u>

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2015:

<u>Transfers Out</u>	<u>Transfers In</u>		
		<u>Other</u>	
	<u>General Fund</u>	<u>Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 400,051	\$ 400,051
Other Governmental Funds	101,992	13,637	115,629
Total	<u>\$ 101,992</u>	<u>\$ 413,688</u>	<u>\$ 515,680</u>

During the year ended September 30, 2015, the 911 surcharge fund transferred \$101,992 to the general fund; the keno fund transferred \$13,637 to the capital improvements fund; and the general fund transferred \$400,051 to the capital improvements fund.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE H. DEFICIT FUND BALANCES

There were no deficit balances as of September 30, 2015.

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 issued registered warrants to finance various municipal improvement projects. Special assessments were levied against affected property owners and are repaid from collections from the affected property owners. In the unlikely event collections are not sufficient to pay the registered warrants, the responsibility rests with the City to meet that obligation. There are no specific repayment terms and interest is due upon repayment of the registered warrants. Interest rates range from 3.25% to 6.50%.

The City has entered into a lease agreement, as lessee, to finance the acquisition of a Caterpillar for use by the Beatrice Area Solid Waste Agency ("BASWA"). This lease qualifies as a capital lease for accounting purposes and the cost of the equipment obtained through this lease was capitalized in machinery and equipment. The equipment had an original cost of \$238,580, and has a remaining net book value of \$122,362 at September 30, 2015.

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 \$122,795 at September 30, 2015.

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 \$306,090 at September 30, 2015.



City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

The Beatrice Airport Authority, a component unit of the City, issued 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.

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

Original Amount	Issued <sup>1</sup>	Issue	Interest Rates	When Due <sup>1</sup>	Date Callable <sup>1</sup>	9/30/2015 Outstanding
<b>Governmental Activities:</b>						
Tax Supported Bonds:						
\$ 520,000	2013	Public Safety Tax Anticipation Bonds	0.35 - 0.65%	2014 to 2016	---	<u>\$ 190,000</u>
<b>Business-Type Activities:</b>						
Combined Utilities Bonds:						
\$1,725,000	2011	Combined Utilities Revenue Refunding Bonds	0.45 - 2.80%	2012 to 2021	2016	\$ 1,265,000
2,040,000	2013	Combined Utilities Revenue Refunding Bonds	0.40 - 2.30%	2013 to 2023	2018	<u>1,685,000</u>
		Total Combined Utilities Bonds				<u>\$2,950,000</u>
Beatrice Area Solid Waste Agency (BASWA):						
\$1,655,000	2011	BASWA Disposal Facilities Revenue Bonds	1.00 - 4.70%	2012 to 2027	2016	<u>\$1,040,000</u>
<b>Component Units:</b>						
Beatrice Airport Authority:						
\$ 340,000	2010	Airport Authority Bonds	1.00 - 3.35%	2011 to 2018	2015	\$ 135,000
\$ 395,000	2015	Airport Authority Bonds	0.40 - 1.45%	2015 to 2019	2018	<u>335,000</u>
		Total Airport Authority Bonds				<u>\$ 470,000</u>

<sup>1</sup> 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, 2015

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations activity for the year ended September 30, 2015, for the City and its component units was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds payable	\$ 375,000	\$ -	\$ (185,000)	\$ 190,000	\$ 190,000
Lease payable	-	452,673	(8,541)	444,132	96,501
Compensated absences	791,165	616,307	(451,398)	956,074	321,147
Warrants payable	185,626	-	(53,757)	131,869	100,000
	<u>1,351,791</u>	<u>1,068,980</u>	<u>(698,696)</u>	<u>1,722,075</u>	<u>707,648</u>
<b>Business-Type Activities:</b>					
Revenue bonds payable	4,480,000	-	(490,000)	3,990,000	500,000
Loan payable	81,874	-	(81,874)	-	-
Lease payable	54,878	-	(50,588)	4,290	4,290
Compensated absences	782,532	242,272	(318,642)	706,162	246,692
Closure and post-closure costs	3,119,000	176,573	(8,573)	3,287,000	-
	<u>8,518,284</u>	<u>418,845</u>	<u>(949,677)</u>	<u>7,987,452</u>	<u>750,982</u>
<b>Primary Government</b>	<u>\$9,870,075</u>	<u>\$1,487,825</u>	<u>\$ (1,648,373)</u>	<u>\$9,709,527</u>	<u>\$1,458,630</u>
<b>Component Units:</b>					
Airport Authority:					
Bonds payable	\$ 180,000	\$ 395,000	\$ (105,000)	\$ 470,000	\$ 105,000
Compensated absences	59,536	26,084	(18,129)	67,491	13,964
Community Redevelopment Authority:					
Bonds payable	400,000	-	(400,000)	-	-
<b>Component Units</b>	<u>\$ 639,536</u>	<u>\$ 421,084</u>	<u>\$ (523,129)</u>	<u>\$ 537,491</u>	<u>\$ 118,964</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, 2015

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
2016	\$ 190,000	\$ 1,235	\$ 96,501	\$ 16,071
2017	-	-	99,903	12,668
2018	-	-	103,432	9,139
2019	-	-	75,656	5,480
2020	-	-	68,640	2,761
	<u>\$ 190,000</u>	<u>\$ 1,235</u>	<u>\$ 444,132</u>	<u>\$ 46,119</u>

Fiscal Year Ending September 30	Business-Type Activities			
	Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2016	\$ 500,000	\$ 86,348	\$ 4,290	\$ 35
2017	510,000	78,942	-	-
2018	510,000	69,887	-	-
2019	515,000	59,297	-	-
2020	375,000	47,102	-	-
2021 - 2025	1,485,000	99,831	-	-
2026 - 2027	95,000	6,670	-	-
	<u>\$ 3,990,000</u>	<u>\$ 448,077</u>	<u>\$ 4,290</u>	<u>\$ 35</u>

Fiscal Year Ending September 30	Component Units	
	Airport Authority Bonds	
	Principal	Interest
2016	\$ 105,000	\$ 7,888
2017	105,000	6,267
2018	150,000	4,310
2019	110,000	1,595
	<u>\$ 470,000</u>	<u>\$ 20,060</u>

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015, there were approximately \$1,543,000 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, 2015

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, 2015, there were 24 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, 2015, there were 24 total participants 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 eight participants remained under this arrangement as of September 30, 2015. The City obtained an actuarial study for this arrangement, as of October 1, 2014, 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, 2015.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

1. Police and Firefighters - Continued

*Contribution Requirements and Contributions Made*

Police – The contribution rate for police employees is 6.5% of gross compensation, with the City also providing a 6.5% matching contribution. Both the City and covered employees made the required contributions, amounting to \$75,472 for the City, and use of \$3,363 in forfeitures, and \$78,835 for the employees, for 2015.

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 \$148,962 and \$74,482, respectively, for 2015.

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, 2015, there were 39 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 \$83,447 for the City and \$83,447 for the employees, for 2015.



City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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, 2015, there were 56 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 \$154,499 for the Board of Public Works, and use of \$4,133 in forfeitures and \$158,632 for the employees, for 2015.

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 \$162,677 to the plan in 2015.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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.

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 \$147,351 reported at September 30, 2015.

The change in the Fund's claims liability amount in fiscal 2015 was as follows:

	<u>2015</u>
Beginning claims liability	\$ 88,011
Charges	1,946,937
Claims paid and changes in estimate	<u>(1,887,597)</u>
Ending claims liability	<u>\$ 147,351</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, 2015, approximately 81% of the full-time, regular City's employees are represented by a Union. Most existing contracts expired in September 2015. All future labor contracts involving City employees have been negotiated to cover a period through September 2016.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

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 Potential 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, which the City will try to recover from the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property. The City will participate in studies to evaluate the best course of action to clean up the site in the future. The ultimate cost will depend on the extent of remediation requirement which is not able to be estimated at this time.

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, 2015.

At September 30, 2015, the City incurred a liability of approximately \$3,127,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 77.0% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$936,500, which will be recognized as the remaining capacity is used (estimated to be over approximately 7 years).

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost – Continued

At September 30, 2015, the City incurred a liability of approximately \$12,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 1.3% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$989,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 95 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, 2015, a liability for closure and postclosure care costs is recorded in the amount of approximately \$148,000. 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, 2015, the City holds investments of \$1,351,657 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 from future tax revenue.

City of Beatrice, Nebraska  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

NOTE M. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

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## 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, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Taxes					
Property tax	\$ 1,930,914	\$ 1,930,914	\$ 1,948,840	\$ 17,926	\$ 1,794,237
Sales tax	2,150,000	2,150,000	2,299,414	149,414	2,215,814
Occupation tax	786,261	786,261	728,820	(57,441)	760,862
Licenses and permits	86,800	86,800	122,002	35,202	114,685
Intergovernmental	1,179,748	1,419,748	1,320,152	(99,596)	1,154,254
Charges for services	2,269,744	2,314,744	1,739,729	(575,015)	1,598,566
Interest	7,500	7,500	3,901	(3,599)	3,017
Miscellaneous	114,200	114,200	185,423	71,223	151,573
Total Revenues	<u>8,525,167</u>	<u>8,810,167</u>	<u>8,348,281</u>	<u>(461,886)</u>	<u>7,793,008</u>
Expenditures					
General government	1,289,239	1,859,239	1,772,594	86,645	953,113
Public safety	5,832,581	5,987,581	5,269,044	718,537	5,069,388
Culture and recreation	1,141,952	1,221,952	1,207,190	14,762	1,084,534
Total Expenditures	<u>8,263,772</u>	<u>9,068,772</u>	<u>8,248,828</u>	<u>819,944</u>	<u>7,107,035</u>
Excess of Revenues Over Expenditures	261,395	(258,605)	99,453	358,058	685,973
Other Financing Sources (Uses)					
Insurance proceeds	1,000	521,000	504,436	(16,564)	-
Sales of capital assets	2,000	2,000	2,600	600	-
Transfers from other funds	119,000	119,000	101,992	(17,008)	118,130
Transfers to other funds	(510,911)	(510,911)	(400,051)	110,860	(219,034)
Total Other Financing Sources (Uses)	<u>(388,911)</u>	<u>131,089</u>	<u>208,977</u>	<u>77,888</u>	<u>(100,904)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (127,516)</u>	<u>\$ (127,516)</u>	<u>\$ 308,430</u>	<u>\$ 435,946</u>	<u>\$ 585,069</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, 2015  
With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2014 Actual
Revenues				
Taxes				
Sales tax	\$ 600,000	\$ 600,000	\$ 637,353	\$ 37,353
Intergovernmental:				
Local shared revenue	25,000	25,000	-	(25,000)
State shared revenue	1,426,839	1,426,839	1,927,883	501,044
Federal grants	-	-	37,040	37,040
Total Intergovernmental	1,451,839	1,451,839	1,964,923	513,084
Charges for services	20,161	20,161	29,682	9,521
Miscellaneous	32,000	32,000	-	(32,000)
Total Revenues	2,104,000	2,104,000	2,631,958	527,958
Expenditures				
Personal services	825,760	825,760	781,925	43,835
Other services and charges	120,025	120,025	57,562	62,463
Supplies	299,800	299,800	207,670	92,130
Capital outlay	1,463,500	1,463,500	891,559	571,941
Total Expenditures	2,709,085	2,709,085	1,938,716	770,369
Other Financing Sources				
Lease proceeds	-	-	135,000	-
Total Other Financing Sources	-	-	135,000	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	\$ (605,085)	\$ (605,085)	\$ 828,242	\$ 1,298,327
				\$ 441,626

See independent auditor's report.

## SUPPLEMENTARY INFORMATION

City of Beatrice  
COMPARATIVE BALANCE SHEET - GENERAL FUND  
September 30, 2015  
With comparative totals for September 30, 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 2,162,075	\$ 2,099,020
Investments	226,413	-
Cash on deposit - county treasurer	147,043	133,305
Accounts receivable	503,212	466,709
Taxes receivable	102,648	127,482
Due from other governments	428,312	213,425
Total Assets	<u>\$ 3,569,703</u>	<u>\$ 3,039,941</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 303,263</u>	<u>\$ 139,664</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>279,635</u>	<u>221,902</u>
Fund Balance		
Assigned for subsequent years' expenditures	1,079,813	817,938
Unassigned	<u>1,906,992</u>	<u>1,860,437</u>
Total Fund Balance	<u>2,986,805</u>	<u>2,678,375</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,569,703</u>	<u>\$ 3,039,941</u>

See independent auditor's report.

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

For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2014 Actual
<b>Taxes</b>				
Property tax	\$ 1,739,914	\$ 1,739,914	\$ 1,754,800	\$ 14,886
Homestead exemption allocation	125,000	125,000	125,668	668
Property tax credit	60,000	60,000	62,730	2,730
Interest on delinquent taxes	6,000	6,000	5,642	(358)
City sales tax	2,150,000	2,150,000	2,299,414	149,414
Utilities occupation tax	683,586	683,586	607,257	(76,329)
Beer and liquor occupation tax	20,000	20,000	19,056	(944)
Insurance company occupation tax	75	75	45	(30)
Lodging occupation tax	79,000	79,000	99,852	20,852
Miscellaneous occupation tax	3,600	3,600	2,610	(990)
<b>Total Taxes</b>	<b>4,867,175</b>	<b>4,867,175</b>	<b>4,977,074</b>	<b>109,899</b>
<b>Licenses and Permits</b>				
Bicycle licenses	100	100	75	(25)
Pet licenses	6,000	6,000	5,511	(489)
Plumbers' licenses	200	200	399	199
Building permits	70,000	70,000	108,527	38,527
Plumbing permits	4,000	4,000	3,749	(251)
Mechanical permits	1,500	1,500	1,141	(359)
Miscellaneous permits	5,000	5,000	2,600	(2,400)
<b>Total Licenses and Permits</b>	<b>86,800</b>	<b>86,800</b>	<b>122,002</b>	<b>35,202</b>
<b>Intergovernmental</b>				
Motor vehicle tax	200,000	200,000	218,441	18,441
County library aid	24,200	24,200	23,000	(1,200)
Interlocal 911 dispatch aid	163,256	333,256	335,861	2,605
County ambulance service	180,000	180,000	180,000	-
Local match - SEADE	31,878	31,878	-	(31,878)
Intergovernmental-school officer	37,000	37,000	36,466	(534)
Other intergovernmental	13,000	13,000	7,000	(6,000)
Municipal equalization funds	362,195	362,195	382,172	19,977
Victim assistance grants	53,219	53,219	49,219	(4,000)
Library state aid	2,700	2,700	2,561	(139)
Pro-Rate motor vehicle	5,300	5,300	6,085	785
Other federal grants	-	70,000	70,900	900
Federal - SEADE grants	100,000	100,000	-	(100,000)
Federal funds police assistance	7,000	7,000	8,447	1,447
Hazard mitigation grant	-	-	-	-
CDBG downtown revitalization	-	-	-	-
<b>Total Intergovernmental</b>	<b>1,179,748</b>	<b>1,419,748</b>	<b>1,320,152</b>	<b>(99,596)</b>
<b>Charges for Services</b>				
Publication cost income	500	500	416	(84)
Management and budget miscellaneous charges	1,500	1,500	1,533	33
Accounting services	33,500	33,500	33,580	80
BASWA management services	22,400	22,400	22,400	-
Administration and legal services	155,760	155,760	201,438	45,678

See independent auditor's report.



City of Beatrice, Nebraska  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CONTINUED  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Charges for Services (Continued)					
CDBG administration fees	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	\$ -
Legal miscellaneous charges	100	100	-	(100)	-
Restitution - fees and damages	3,000	3,000	590	(2,410)	530
Inspection miscellaneous charges	1,500	1,500	1,550	50	1,052
Recover demolition charges	5,000	5,000	6,395	1,395	31
Police charges	3,000	3,000	2,543	(457)	2,237
Fire charges	10,834	10,834	10,956	122	8,470
Ambulance charges	1,750,000	1,795,000	1,799,581	4,581	1,626,462
Ambulance contracted adjustments	-	-	(594,601)	(594,601)	(502,266)
Public safety miscellaneous charges	28,500	28,500	26,679	(1,821)	27,418
Stop program charges	1,500	1,500	1,200	(300)	1,800
Land use agreements	5,750	5,750	15,309	9,559	6,361
Auditorium use fee	29,000	29,000	24,763	(4,237)	25,119
Water park admissions	78,000	78,000	76,435	(1,565)	73,671
Water park concessions and sales	30,800	30,800	27,341	(3,459)	27,418
Swim lessons	5,000	5,000	4,005	(995)	4,675
Mowing fees	15,000	15,000	7,547	(7,453)	8,711
Camping receipts	41,000	41,000	33,291	(7,709)	35,993
Farm income	25,000	25,000	20,224	(4,776)	25,405
Public properties miscellaneous charges	5,000	5,000	1,911	(3,089)	1,031
Library use fees	8,000	8,000	5,766	(2,234)	6,135
Library copying fees	3,000	3,000	3,868	868	3,233
Library miscellaneous charges	2,000	2,000	2,564	564	1,977
Interlibrary loan revenue	300	300	-	(300)	175
Parking fines and rents	1,400	1,400	1,075	(325)	1,535
School fines and fees	2,400	2,400	1,370	(1,030)	2,410
Total Charges for Services	<u>2,269,744</u>	<u>2,314,744</u>	<u>1,739,729</u>	<u>(575,015)</u>	<u>1,598,566</u>
Interest					
Interest earnings	7,500	7,500	3,901	(3,599)	3,017
Miscellaneous					
Reimbursements	-	-	-	-	10,491
Lease income - BASWA	56,000	56,000	56,000	-	54,500
Donations	-	-	-	-	350
Donations - Beatrice plus program	9,000	9,000	29,664	20,664	5,169
Police donations	5,700	5,700	15,580	9,880	850
Fire donations	1,000	1,000	1,100	100	2,500
Water park donations	1,500	1,500	1,960	460	335
Public properties donations	5,000	5,000	44,970	39,970	35,092
Library donations	8,000	8,000	8,508	508	6,687
Library donations - foundation	28,000	28,000	27,641	(359)	30,083
Miscellaneous sales	-	-	-	-	5,516
Total Miscellaneous	<u>114,200</u>	<u>114,200</u>	<u>185,423</u>	<u>71,223</u>	<u>151,573</u>
Total Revenues	<u>\$ 8,525,167</u>	<u>\$ 8,810,167</u>	<u>\$ 8,348,281</u>	<u>\$ (461,886)</u>	<u>\$ 7,793,008</u>

See independent auditor's report.

City of Beatrice, Nebraska  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CONTINUED  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
General Government					
Management and Budget					
Personal services	\$ 585,924	\$ 585,924	\$ 624,323	\$ (38,399)	\$ 593,616
Other services and charges	97,350	97,350	105,512	(8,162)	89,713
Supplies	6,000	6,000	6,386	(386)	6,245
Capital outlay	32,500	32,500	65,359	(32,859)	3,236
Contingency	282,000	852,000	678,373	173,627	28,853
Contractual services	92,865	92,865	95,077	(2,212)	103,101
Total Management and Budget	1,096,639	1,666,639	1,575,030	91,609	824,764
Inspection					
Personal services	136,850	136,850	123,168	13,682	104,771
Other services and charges	50,650	50,650	70,814	(20,164)	21,217
Supplies	5,100	5,100	2,633	2,467	2,115
Capital outlay	-	-	949	(949)	246
Total Inspection	192,600	192,600	197,564	(4,964)	128,349
Total General Government	1,289,239	1,859,239	1,772,594	86,645	953,113
Public Safety					
Police					
Personal services	2,345,172	2,400,172	2,431,343	(31,171)	2,312,570
Other services and charges	216,425	216,425	187,501	28,924	197,142
Supplies	90,900	90,900	64,037	26,863	71,411
Capital outlay	26,550	86,550	85,656	894	38,637
Contractual services	60,000	60,000	60,000	-	60,000
Contingencies (SEADE)	131,878	131,878	-	131,878	27,033
Total Police	2,870,925	2,985,925	2,828,537	157,388	2,706,793
Fire and Ambulance					
Personal services	2,054,301	2,054,301	2,071,396	(17,095)	2,035,357
Other services and charges	765,205	805,205	265,802	539,403	220,975
Supplies	131,000	131,000	93,735	37,265	100,326
Capital outlay	11,150	11,150	9,574	1,576	5,937
Total Fire	2,961,656	3,001,656	2,440,507	561,149	2,362,595
Total Public Safety	5,832,581	5,987,581	5,269,044	718,537	5,069,388

See independent auditor's report.

City of Beatrice, Nebraska  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CONTINUED  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Totals
Culture and Recreation					
Public Properties					
Personal services	\$ 336,027	\$ 336,027	\$ 356,428	\$ (20,401)	\$ 326,935
Other services and charges	103,675	103,675	94,879	8,796	84,111
Supplies	144,250	144,250	143,427	823	126,148
Capital outlay	35,800	115,800	115,161	639	70,304
Contractual services	55,000	55,000	38,242	16,758	36,325
Total Public Properties	674,752	754,752	748,137	6,615	643,823
Library					
Personal services	288,355	288,355	294,858	(6,503)	278,200
Other services and charges	48,070	48,070	48,195	(125)	48,508
Supplies	10,250	10,250	8,939	1,311	7,931
Capital outlay	108,525	108,525	107,061	1,464	106,072
Contractual services	12,000	12,000	-	12,000	-
Total Library	467,200	467,200	459,053	8,147	440,711
Total Culture and Recreation	1,141,952	1,221,952	1,207,190	14,762	1,084,534
Total Expenditures	8,263,772	9,068,772	8,248,828	819,944	7,107,035
Excess (Deficiency) of Revenues Over Expenditures	261,395	(258,605)	99,453	358,058	685,973
Other Financing Sources (Uses)					
Insurance proceeds	1,000	521,000	504,436	(16,564)	-
Sale of capital assets	2,000	2,000	2,600	600	
Transfers from other funds	119,000	119,000	101,992	(17,008)	118,130
Transfers to other funds	(510,911)	(510,911)	(400,051)	110,860	(219,034)
Total Other Financing Sources (Uses)	(388,911)	131,089	208,977	77,888	(100,904)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (127,516)</u>	<u>\$ (127,516)</u>	308,430	<u>\$ 435,946</u>	585,069
Fund Balance, Beginning of Year			2,678,375		2,093,306
Fund Balance, End of Year			<u>\$ 2,986,805</u>		<u>\$ 2,678,375</u>

See independent auditor's report.

City of Beatrice, Nebraska  
STREETS SPECIAL REVENUE FUND  
BALANCE SHEET  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 1,732,132	\$ 1,136,206
Accounts receivable	46,935	39,142
Due from other governments	<u>248,977</u>	<u>193,141</u>
Total Assets	<u>\$ 2,028,044</u>	<u>\$ 1,368,489</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 28,176	\$ 196,863
Fund Balance		
Restricted for Streets	<u>1,999,868</u>	<u>1,171,626</u>
Total Liabilities and Fund Balance	<u>\$ 2,028,044</u>	<u>\$ 1,368,489</u>

See independent auditor's report.

City of Beatrice, Nebraska  
STREETS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015			Variance Positive (Negative)	2014 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 600,000	\$ 600,000	\$ 637,353	\$ 37,353	\$ 616,453
Intergovernmental					
Local shared revenue	25,000	25,000	-	(25,000)	24,595
State shared revenue	1,426,839	1,426,839	1,927,883	501,044	1,418,919
Federal grants	-	-	37,040	37,040	-
Total Intergovernmental	1,451,839	1,451,839	1,964,923	513,084	1,443,514
Charges for services	20,161	20,161	29,682	9,521	36,989
Miscellaneous	32,000	32,000	-	(32,000)	-
Total Revenues	2,104,000	2,104,000	2,631,958	527,958	2,096,956
Expenditures					
Personal Services					
Salaries	575,840	575,840	545,222	30,618	538,470
Social security	35,800	35,800	34,569	1,231	33,387
Retirement	23,000	23,000	22,620	380	19,851
Health and life insurance	159,120	159,120	153,865	5,255	155,678
Workmen's compensation	32,000	32,000	25,649	6,351	27,166
Unemployment compensation	-	-	-	-	4,836
Total Personal Services	825,760	825,760	781,925	43,835	779,388
Other Services and Charges					
Insurance	17,500	17,500	17,244	256	16,085
Utilities	600	600	600	-	600
Maintenance and repairs	46,250	46,250	12,553	33,697	28,273
Rentals	41,900	41,900	19,623	22,277	22,760
Training and transportation	3,800	3,800	798	3,002	1,141
Communications	3,100	3,100	3,026	74	2,458
Miscellaneous	6,875	6,875	3,718	3,157	4,482
Total Other Services and Charges	120,025	120,025	57,562	62,463	75,799
Supplies					
Operating supplies	114,300	114,300	79,745	34,555	85,131
Repairs and maintenance supplies	185,500	185,500	127,925	57,575	127,301
Total Supplies	299,800	299,800	207,670	92,130	212,432
Capital Outlay					
Buildings	10,000	10,000	38,887	(28,887)	11,113
Improvements other than buildings	1,408,000	1,408,000	671,573	736,427	505,547
Machinery and equipment	45,500	45,500	181,099	(135,599)	71,051
Total Capital Outlay	1,463,500	1,463,500	891,559	571,941	587,711
Total Expenditures	\$ 2,709,085	\$ 2,709,085	\$ 1,938,716	\$ 770,369	\$ 1,655,330

See independent auditor's report.

City of Beatrice, Nebraska  
STREETS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CONTINUED  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources				2014 Actual
Lease proceeds	\$ -	\$ -	\$ 135,000	\$ -
Total Other Financing Sources	-	-	135,000	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (605,085)</u>	<u>\$ (605,085)</u>	828,242	<u>\$ 1,298,327</u>
Fund Balance, Beginning of Year			1,171,626	730,000
Fund Balance, End of Year			<u>\$ 1,999,868</u>	<u>\$ 1,171,626</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015				2014
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 691,599	\$ 60,108	\$ 148,757	\$ 900,464	\$ 1,107,965
Investments	400,000	-	-	400,000	400,000
Cash on deposit - county treasurer	-	12,345	-	12,345	12,174
Accounts receivable	1,276	-	-	1,276	160,982
Taxes receivable	-	13,706	-	13,706	17,754
Interest receivable	-	86,907	-	86,907	71,591
Assessments receivable	-	167,786	-	167,786	209,807
Loans receivable	651,117	-	-	651,117	529,138
In-lieu-of assessments	-	10,105	-	10,105	10,105
<b>Total Assets</b>	<u>\$ 1,743,992</u>	<u>\$ 350,957</u>	<u>\$ 148,757</u>	<u>\$ 2,243,706</u>	<u>\$ 2,519,516</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 5,104	\$ -	\$ 24,192	\$ 29,296	\$ 147,460
Accrued interest payable	-	2,123	-	2,123	2,123
<b>Total Liabilities</b>	<u>5,104</u>	<u>2,123</u>	<u>24,192</u>	<u>31,419</u>	<u>149,583</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	275,784	-	275,784	305,282
<b>Fund Balance</b>					
Restricted for:					
Economic development	1,256,328	-	-	1,256,328	1,128,265
Library capital improvements	-	-	8,641	8,641	10,112
Debt service	-	71,682	-	71,682	69,182
Revolving loan fund	340,188	-	-	340,188	622,605
Storm water management	48,965	-	-	48,965	56,048
E-911 public safety	25,266	-	-	25,266	36,758
Committed for:					
Library capital improvements	-	-	40,896	40,896	40,876
Public safety equipment	-	-	41,542	41,542	69,600
Community betterment	68,141	-	-	68,141	17,326
Assigned for:					
Subsequent years' expenditures	-	-	33,486	33,486	-
Debt service	-	1,368	-	1,368	13,879
<b>Total Fund Balance</b>	<u>1,738,888</u>	<u>73,050</u>	<u>124,565</u>	<u>1,936,503</u>	<u>2,064,651</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,743,992</u>	<u>\$ 350,957</u>	<u>\$ 148,757</u>	<u>\$ 2,243,706</u>	<u>\$ 2,519,516</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, 2015  
 With comparative totals for September 30, 2014

	2015				
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	2014 Total
Revenues					
Taxes					
Property tax	\$ -	\$ 188,974	\$ -	\$ 188,974	\$ 186,380
Sales tax	250,000	-	-	250,000	250,000
Intergovernmental	323,825	594	213,264	537,683	196,560
Charges for services	114,838	-	-	114,838	122,918
Keno proceeds	81,618	-	-	81,618	73,188
Special assessments	-	41,789	-	41,789	40,723
Interest	12,244	4,122	20	16,386	45,911
Donations and other revenue	36,737	-	585,398	622,135	855,374
Total Revenues	<u>819,262</u>	<u>235,479</u>	<u>798,682</u>	<u>1,853,423</u>	<u>1,771,054</u>
Expenditures					
General government	801,409	-	-	801,409	733,227
Capital outlay	24,338	58,422	1,415,379	1,498,139	1,864,484
Debt Service:					
Principal	-	185,000	-	185,000	290,000
Interest	-	2,068	-	2,068	5,050
MFO payments - other entities	-	-	110,679	110,679	106,438
Total Expenditures	<u>825,747</u>	<u>245,490</u>	<u>1,526,058</u>	<u>2,597,295</u>	<u>2,999,199</u>
Deficiency of Revenues Under Expenditures	<u>(6,485)</u>	<u>(10,011)</u>	<u>(727,376)</u>	<u>(743,872)</u>	<u>(1,228,145)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	20,000
Proceeds from long-term debt	-	-	317,665	317,665	-
Transfers from other funds	-	-	413,688	413,688	266,412
Transfers to other funds	(115,629)	-	-	(115,629)	(165,508)
Total Other Financing Sources (Uses)	<u>(115,629)</u>	<u>-</u>	<u>731,353</u>	<u>615,724</u>	<u>120,904</u>
Net Change in Fund Balance	<u>(122,114)</u>	<u>(10,011)</u>	<u>3,977</u>	<u>(128,148)</u>	<u>(1,107,241)</u>
Fund Balance, Beginning of Year	<u>1,861,002</u>	<u>83,061</u>	<u>120,588</u>	<u>2,064,651</u>	<u>3,171,892</u>
Fund Balance, End of Year	<u>\$ 1,738,888</u>	<u>\$ 73,050</u>	<u>\$ 124,565</u>	<u>\$ 1,936,503</u>	<u>\$ 2,064,651</u>

See independent auditor's report.

City of Beatrice, Nebraska  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
September 30, 2015  
with comparative totals for September 30, 2014

	2015					2014
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
Assets						
Cash and cash equivalents	\$ 470,052	\$ 74,071	\$ 72,591	\$ 25,266	\$ 49,619	\$ 691,599
Investments	400,000	-	-	-	-	400,000
Accounts receivable	1,276	-	-	-	-	1,276
Loans receivable	385,000	266,117	-	-	-	651,117
Total Assets	<u>\$ 1,256,328</u>	<u>\$ 340,188</u>	<u>\$ 72,591</u>	<u>\$ 25,266</u>	<u>\$ 49,619</u>	<u>\$ 1,743,992</u>
Liabilities and Fund Balance						
Accounts payable	\$ -	\$ -	\$ 4,450	\$ -	\$ 654	\$ 5,104
Fund Balance						
Restricted for:						
Economic development	1,256,328	-	-	-	-	1,256,328
Revolving loan fund	-	340,188	-	-	-	340,188
Storm water management	-	-	-	-	48,965	48,965
E911 public safety	-	-	-	25,266	-	25,266
Committed for:						
Community betterment	-	-	68,141	-	-	68,141
Total Fund Balance	<u>1,256,328</u>	<u>340,188</u>	<u>68,141</u>	<u>25,266</u>	<u>48,965</u>	<u>1,738,888</u>
Total Liabilities and Fund Balance	<u>\$ 1,256,328</u>	<u>\$ 340,188</u>	<u>\$ 72,591</u>	<u>\$ 25,266</u>	<u>\$ 49,619</u>	<u>\$ 1,743,992</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, 2015  
 With comparative totals for September 30, 2014

	2015						2014
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total	Total
Revenues							
Taxes							
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Intergovernmental	300,000	-	-	-	23,825	323,825	18,996
Charges for services	-	-	-	114,838	-	114,838	122,918
Keno proceeds	-	-	81,618	-	-	81,618	73,188
Interest earnings	4,661	7,583	-	-	-	12,244	8,618
Other revenue	36,737	-	-	-	-	36,737	19,844
Total Revenues	<u>591,398</u>	<u>7,583</u>	<u>81,618</u>	<u>114,838</u>	<u>23,825</u>	<u>819,262</u>	<u>493,564</u>
Expenditures							
General government	463,335	290,000	17,166	-	30,908	801,409	733,227
Capital outlay	-	-	-	24,338	-	24,338	157,572
Total Expenditures	<u>463,335</u>	<u>290,000</u>	<u>17,166</u>	<u>24,338</u>	<u>30,908</u>	<u>825,747</u>	<u>890,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,063	(282,417)	64,452	90,500	(7,083)	(6,485)	(397,235)
Other Financing Sources (Uses)							
Sale of capital assets	-	-	-	-	-	-	20,000
Transfers to other funds	-	-	(13,637)	(101,992)	-	(115,629)	(165,508)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(13,637)</u>	<u>(101,992)</u>	<u>-</u>	<u>(115,629)</u>	<u>(145,508)</u>
Net Change in Fund Balance	128,063	(282,417)	50,815	(11,492)	(7,083)	(122,114)	(542,743)
Fund Balance, Beginning of Year	<u>1,128,265</u>	<u>622,605</u>	<u>17,326</u>	<u>36,758</u>	<u>56,048</u>	<u>1,861,002</u>	<u>2,403,745</u>
Fund Balance, End of Year	<u>\$ 1,256,328</u>	<u>\$ 340,188</u>	<u>\$ 68,141</u>	<u>\$ 25,266</u>	<u>\$ 48,965</u>	<u>\$ 1,738,888</u>	<u>\$ 1,861,002</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
State project grant	-	-	300,000	300,000	-
Interest earnings	2,500	2,500	4,661	2,161	2,694
Loans/rents revenue	21,000	21,000	36,737	15,737	19,844
Total Revenues	<u>273,500</u>	<u>273,500</u>	<u>591,398</u>	<u>317,898</u>	<u>272,538</u>
Expenditures					
Economic development	130,000	130,000	463,335	(333,335)	83,343
Capital outlay	2,421,770	2,421,770	-	2,421,770	97,096
Total Expenditures	<u>2,551,770</u>	<u>2,551,770</u>	<u>463,335</u>	<u>2,088,435</u>	<u>180,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,278,270)</u>	<u>(2,278,270)</u>	<u>128,063</u>	<u>2,406,333</u>	<u>92,099</u>
Other Financing Sources					
Sale of capital assets	150,000	150,000	-	(150,000)	20,000
Bond proceeds	1,000,000	1,000,000	-	(1,000,000)	-
Total Other Financing Sources	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>	<u>(1,150,000)</u>	<u>20,000</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (1,128,270)</u>	<u>\$ (1,128,270)</u>	<u>128,063</u>	<u>\$ 1,256,333</u>	<u>112,099</u>
Fund Balance, Beginning of Year			<u>1,128,265</u>		<u>1,016,166</u>
Fund Balance, End of Year			<u>\$ 1,256,328</u>		<u>\$ 1,128,265</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Grants	\$ 604,500	\$ 604,500	\$ -	\$ (604,500)	\$ -
Interest earnings	-	-	42	42	241
Loan payments - interest	5,834	5,834	7,541	1,707	5,683
Total Revenues	610,334	610,334	7,583	(602,751)	5,924
Expenditures					
Administration	7,000	7,000	-	7,000	-
Grant repayments	-	-	-	-	29,166
Re-use loans	580,448	580,448	-	580,448	-
Loan forgiveness	-	-	290,000	(290,000)	603,514
Total Expenditures	587,448	587,448	290,000	297,448	632,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 22,886</u>	<u>\$ 22,886</u>	(282,417)	<u>\$ (305,303)</u>	(626,756)
Fund Balance, Beginning of Year			622,605		1,249,361
Fund Balance, End of Year			<u>\$ 340,188</u>		<u>\$ 622,605</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 KENO/LOTTERY SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Keno/lottery proceeds	\$ 65,000	\$ 65,000	\$ 81,618	\$ 16,618	\$ 73,188
Expenditures					
Other services and charges	12,000	12,000	17,166	(5,166)	12,530
Excess of Revenues Over Expenditures	53,000	53,000	64,452	11,452	60,658
Other Financing Uses					
Transfers to other funds	(64,700)	(64,700)	(13,637)	51,063	(47,378)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (11,700)</u>	<u>\$ (11,700)</u>	50,815	<u>\$ 62,515</u>	13,280
Fund Balance, Beginning of Year			17,326		4,046
Fund Balance, End of Year			<u>\$ 68,141</u>		<u>\$ 17,326</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 911 SURCHARGE SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2014 Actual
911 service surcharge	\$ 68,000	\$ 68,000	\$ 44,836	\$ (23,164)
E911 wireless surcharge	70,000	70,000	70,002	2
Total Revenues	<u>138,000</u>	<u>138,000</u>	<u>114,838</u>	<u>(23,162)</u>
Expenditures				
Capital outlay	<u>15,625</u>	<u>15,625</u>	<u>24,338</u>	<u>(8,713)</u>
Excess of Revenues Over Expenditures	<u>122,375</u>	<u>122,375</u>	<u>90,500</u>	<u>(31,875)</u>
Other Financing Uses				
Transfers to other funds	<u>(119,000)</u>	<u>(119,000)</u>	<u>(101,992)</u>	<u>17,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	<u>\$ 3,375</u>	<u>\$ 3,375</u>	<u>(11,492)</u>	<u>\$ (14,867)</u>
Fund Balance, Beginning of Year			<u>36,758</u>	<u>92,446</u>
Fund Balance, End of Year			<u>\$ 25,266</u>	<u>\$ 36,758</u>

See independent auditor's report.



City of Beatrice, Nebraska  
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 23,825	\$ 3,825
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>23,825</u>	<u>3,825</u>
Expenditures				
Personal services	2,000	2,000	-	2,000
Other services and charges	17,000	17,000	16,586	414
Supplies	1,000	1,000	-	1,000
Return unallocated grant funds	-	-	14,322	(14,322)
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>30,908</u>	<u>(10,908)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(7,083)	<u>\$ (7,083)</u>
Fund Balance, Beginning of Year			<u>56,048</u>	<u>41,726</u>
Fund Balance, End of Year			<u>\$ 48,965</u>	<u>\$ 56,048</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 NONMAJOR DEBT SERVICE FUNDS  
 COMBINING BALANCE SHEET  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015				2014
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 58,740	\$ -	\$ 1,368	\$ 60,108	\$ 69,035
Cash on deposit - county treasurer	12,345	-	-	12,345	12,174
Taxes receivable	13,706	-	-	13,706	17,754
Assessments receivable:					
Current	-	-	9,031	9,031	17,622
Delinquent	-	-	119,572	119,572	119,659
Deferred	-	-	39,183	39,183	72,526
Accrued interest receivable	-	-	86,907	86,907	71,591
In-lieu-of assessments	-	10,105	-	10,105	10,105
<b>Total Assets</b>	<u>\$ 84,791</u>	<u>\$ 10,105</u>	<u>\$ 256,061</u>	<u>\$ 350,957</u>	<u>\$ 390,466</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>					
<b>Liabilities</b>					
Accrued interest payable	\$ 2,123	\$ -	\$ -	\$ 2,123	\$ 2,123
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	10,986	10,105	254,693	275,784	305,282
<b>Fund Balance</b>					
Restricted for debt service	71,682	-	-	71,682	69,182
Assigned for debt service	-	-	1,368	1,368	13,879
Total Fund Balance	71,682	-	1,368	73,050	83,061
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 84,791</u>	<u>\$ 10,105</u>	<u>\$ 256,061</u>	<u>\$ 350,957</u>	<u>\$ 390,466</u>

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, 2015  
 With comparative totals for September 30, 2014

	2015				2014
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Taxes					
Property taxes	\$ 188,974	\$ -	\$ -	\$ 188,974	\$ 186,380
Intergovernmental revenues	594	-	-	594	575
Special assessments	-	-	41,789	41,789	40,723
Interest on assessments	-	-	4,122	4,122	37,255
Total Revenues	<u>189,568</u>	<u>-</u>	<u>45,911</u>	<u>235,479</u>	<u>264,933</u>
Expenditures					
Capital projects:					
Principal and interest on registered warrants	-	-	58,422	58,422	84,455
Debt service:					
Interest	2,068	-	-	2,068	5,050
Principal	185,000	-	-	185,000	290,000
Total Expenditures	<u>187,068</u>	<u>-</u>	<u>58,422</u>	<u>245,490</u>	<u>379,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,500</u>	<u>-</u>	<u>(12,511)</u>	<u>(10,011)</u>	<u>(114,572)</u>
Fund Balance, Beginning of Year	<u>69,182</u>	<u>-</u>	<u>13,879</u>	<u>83,061</u>	<u>197,633</u>
Fund Balance, End of Year	<u>\$ 71,682</u>	<u>\$ -</u>	<u>\$ 1,368</u>	<u>\$ 73,050</u>	<u>\$ 83,061</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, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Property taxes	\$ 186,568	\$ 186,568	\$ 188,974	\$ 2,406	\$ 186,380
Intergovernmental revenues	500	500	594	94	575
Total Revenues	<u>187,068</u>	<u>187,068</u>	<u>189,568</u>	<u>2,500</u>	<u>186,955</u>
Expenditures					
Debt Service:					
Interest	2,068	2,068	2,068	-	5,050
Principal	185,000	185,000	185,000	-	290,000
Total Expenditures	<u>187,068</u>	<u>187,068</u>	<u>187,068</u>	<u>-</u>	<u>295,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2,500	<u>\$ 2,500</u>	(108,095)
Fund Balance, Beginning of Year			<u>69,182</u>		<u>177,277</u>
Fund Balance, End of Year			<u>\$ 71,682</u>		<u>\$ 69,182</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, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Special assessments	\$ 19,262	\$ 19,262	\$ 41,789	\$ 22,527	\$ 40,723
Interest on assessments	4,547	4,547	4,122	(425)	37,255
Total Revenues	<u>23,809</u>	<u>23,809</u>	<u>45,911</u>	<u>22,102</u>	<u>77,978</u>
Expenditures					
Interest on registered warrants	500	500	4,665	(4,165)	7,264
Principal on registered warrants	21,144	21,144	53,757	(32,613)	77,191
Total Expenditures	<u>21,644</u>	<u>21,644</u>	<u>58,422</u>	<u>(36,778)</u>	<u>84,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,165</u>	<u>\$ 2,165</u>	(12,511)	<u>\$ (14,676)</u>	(6,477)
Fund Balance, Beginning of Year			<u>13,879</u>		<u>20,356</u>
Fund Balance, End of Year			<u>\$ 1,368</u>		<u>\$ 13,879</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015				2014
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Assets					
Cash and cash equivalents	\$ 40,896	\$ 43,578	\$ 64,283	\$ 148,757	\$ 108,342
Accounts receivable	-	-	-	-	159,706
Total Assets	<u>\$ 40,896</u>	<u>\$ 43,578</u>	<u>\$ 64,283</u>	<u>\$ 148,757</u>	<u>\$ 268,048</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ 2,036	\$ 22,156	\$ 24,192	\$ 147,460
Fund Balance					
Restricted for:					
Library capital improvements	-	-	8,641	8,641	10,112
Committed for:					
Library capital improvements	40,896	-	-	40,896	40,876
Public safety equipment	-	41,542	-	41,542	69,600
Assigned for:					
Subsequent years' expenditure	-	-	33,486	33,486	-
Total Fund Balance	<u>40,896</u>	<u>41,542</u>	<u>42,127</u>	<u>124,565</u>	<u>120,588</u>
Total Liabilities and Fund Balance	<u>\$ 40,896</u>	<u>\$ 43,578</u>	<u>\$ 64,283</u>	<u>\$ 148,757</u>	<u>\$ 268,048</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, 2015  
With comparative totals for September 30, 2014

	2015				2014
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Revenues					
Intergovernmental	\$ -	\$ 213,264	\$ -	\$ 213,264	\$ 176,989
Interest	20	-	-	20	38
Donations and other revenue	-	-	585,398	585,398	835,530
Total Revenues	<u>20</u>	<u>213,264</u>	<u>585,398</u>	<u>798,682</u>	<u>1,012,557</u>
Expenditures					
Capital projects	-	153,415	1,261,964	1,415,379	1,622,457
MFO payments - other entities	-	110,679	-	110,679	106,438
Total Expenditures	<u>-</u>	<u>264,094</u>	<u>1,261,964</u>	<u>1,526,058</u>	<u>1,728,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20</u>	<u>(50,830)</u>	<u>(676,566)</u>	<u>(727,376)</u>	<u>(716,338)</u>
Other Financing Sources					
Lease proceeds	-	-	317,665	317,665	-
Transfers from other funds	-	22,772	390,916	413,688	266,412
Total Other Financing Sources	<u>-</u>	<u>22,772</u>	<u>708,581</u>	<u>731,353</u>	<u>266,412</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>20</u>	<u>(28,058)</u>	<u>32,015</u>	<u>3,977</u>	<u>(449,926)</u>
Fund Balances, Beginning of Year	<u>40,876</u>	<u>69,600</u>	<u>10,112</u>	<u>120,588</u>	<u>570,514</u>
Fund Balances, End of Year	<u>\$ 40,896</u>	<u>\$ 41,542</u>	<u>\$ 42,127</u>	<u>\$ 124,565</u>	<u>\$ 120,588</u>

See independent auditor's report.



City of Beatrice, Nebraska  
 LIBRARY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2014 Actual
Interest	\$ 50	\$ 50	\$ 20	\$ (30)
Total Revenues	<u>50</u>	<u>50</u>	<u>20</u>	<u>(30)</u>
Expenditures				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50</u>	<u>\$ 50</u>	20	<u>\$ (30)</u>
Fund Balance, Beginning of Year			<u>40,876</u>	<u>79,389</u>
Fund Balance, End of Year			<u>\$ 40,896</u>	<u>\$ 40,876</u>

See independent auditor's report.

City of Beatrice, Nebraska  
PUBLIC SAFETY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Intergovernmental	\$ 185,000	\$ 185,000	\$ 213,264	\$ 28,264	\$ 176,989
Donations and other revenue	200,000	200,000	-	(200,000)	1,908
Total Revenues	<u>385,000</u>	<u>385,000</u>	<u>213,264</u>	<u>(171,736)</u>	<u>178,897</u>
Expenditures					
Capital Projects					
Police facility improvements	-	-	12,850	(12,850)	53,902
Fire facility improvements	3,500,000	3,500,000	-	3,500,000	-
Police equipment	-	-	-	-	35,253
Fire equipment	277,000	277,000	140,565	136,435	396,669
MFO payments - other entities	<u>110,000</u>	<u>110,000</u>	<u>110,679</u>	<u>(679)</u>	<u>106,438</u>
Total Expenditures	<u>3,887,000</u>	<u>3,887,000</u>	<u>264,094</u>	<u>3,622,906</u>	<u>592,262</u>
Deficiency of Revenues Under Expenditures	<u>(3,502,000)</u>	<u>(3,502,000)</u>	<u>(50,830)</u>	<u>3,451,170</u>	<u>(413,365)</u>
Other Financing Sources					
Proceeds from long-term debt	3,500,000	3,500,000	-	(3,500,000)	-
Transfers from other funds	30,000	30,000	22,772	(7,228)	124,274
Total Other Financing Sources	<u>3,530,000</u>	<u>3,530,000</u>	<u>22,772</u>	<u>(3,507,228)</u>	<u>124,274</u>
Deficiency of Revenues and Other Sources Under Expenditures	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>(28,058)</u>	<u>\$ (56,058)</u>	<u>(289,091)</u>
Fund Balance, Beginning of Year			<u>69,600</u>		<u>358,691</u>
Fund Balance, End of Year			<u>\$ 41,542</u>		<u>\$ 69,600</u>

See independent auditor's report.

City of Beatrice, Nebraska  
CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Revenues					
Intergovernmental	\$ 1,241,427	\$ 1,241,427	\$ -	\$(1,241,427)	\$ -
Donations and other revenue	754,477	754,477	585,398	(169,079)	833,622
Total Revenues	<u>1,995,904</u>	<u>1,995,904</u>	<u>585,398</u>	<u>(1,410,506)</u>	<u>833,622</u>
Expenditures					
Capital Projects					
Public building improvements	90,000	90,000	74,642	15,358	4,418
Police facility improvements	100,000	100,000	154,879	(54,879)	-
Library renovation	760,000	760,000	496,378	263,622	950,726
Welcome sign project	-	-	9,292	(9,292)	593
Trail improvements	1,386,606	1,386,606	3,905	1,382,701	88
Park other improvements	90,200	90,200	341,244	(251,044)	-
Playground improvements	19,000	19,000	74,353	(55,353)	-
Beatrice Plus projects	9,000	9,000	18,737	(9,737)	15,376
Lodging tax projects	20,000	20,000	7,080	12,920	33,712
Skateboard park equipment	-	-	-	-	46,785
Public properties equipment	15,000	15,000	21,989	(6,989)	8,519
Computer equipment	61,709	61,709	59,465	2,244	37,865
Total Expenditures	<u>2,551,515</u>	<u>2,551,515</u>	<u>1,261,964</u>	<u>1,289,551</u>	<u>1,098,082</u>
Deficiency of Revenues Under Expenditures	<u>(555,611)</u>	<u>(555,611)</u>	<u>(676,566)</u>	<u>(120,955)</u>	<u>(264,460)</u>
Other Financing Sources					
Lease proceeds	-	-	317,665	317,665	-
Transfers from other funds	545,611	545,611	390,916	(154,695)	142,138
Total Other Financing Sources	<u>545,611</u>	<u>545,611</u>	<u>708,581</u>	<u>162,970</u>	<u>142,138</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	32,015	<u>\$ 42,015</u>	(122,322)
Fund Balance, Beginning of Year			<u>10,112</u>		<u>132,434</u>
Fund Balance, End of Year			<u>\$ 42,127</u>		<u>\$ 10,112</u>

See independent auditor's report.

City of Beatrice, Nebraska  
ELECTRIC ENTERPRISE FUND  
BALANCE SHEET  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,990,193	\$ 3,695,700
Accounts receivable	1,051,176	1,036,387
Unbilled and accrued revenues	628,679	616,672
Materials and supplies inventories	653,792	657,659
Prepaid expenses	5,218	4,698
Interest receivable	11,710	7,429
Total Current Assets	<u>5,340,768</u>	<u>6,018,545</u>
Noncurrent Assets		
Investments	<u>2,375,000</u>	<u>2,375,000</u>
Restricted cash and cash equivalents		
Employee benefits	-	20,229
Customer deposits	97,885	87,460
Total Restricted Cash and Cash Equivalents	<u>97,885</u>	<u>107,689</u>
Restricted investments		
Debt service reserve account	79,275	79,275
Customer deposits	280,000	280,000
Total Restricted Investments	<u>359,275</u>	<u>359,275</u>
Capital Assets		
Land and land rights	54,585	46,030
Construction in progress	3,255	4,116
Buildings and improvements	1,312,599	1,357,813
Improvements other than building	29,916,385	28,452,749
Machinery and equipment	3,590,750	3,377,786
	<u>34,877,574</u>	<u>33,238,494</u>
Less accumulated depreciation	(21,209,524)	(20,182,783)
Net Capital Assets	<u>13,668,050</u>	<u>13,055,711</u>
Total Noncurrent Assets	<u>16,500,210</u>	<u>15,897,675</u>
Total Assets	<u>\$21,840,978</u>	<u>\$21,916,220</u>

See independent auditor's report.

City of Beatrice, Nebraska  
ELECTRIC ENTERPRISE FUND  
BALANCE SHEET - CONTINUED  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,298,949	\$ 1,144,618
Accrued compensated absences	124,747	127,661
Accrued payroll	67,004	78,535
Sales tax payable	3,530	43,551
Employee insurance payable	-	97,843
Accrued interest	2,501	2,590
Other accrued liabilities	12,703	6,970
Customer deposits	377,695	367,310
Current portion of long-term debt	63,000	61,250
Total Current Liabilities	<u>1,950,129</u>	<u>1,930,328</u>
Noncurrent Liabilities		
Compensated absences	243,460	260,458
Revenue bonds, net of current portion	<u>526,750</u>	<u>589,750</u>
Total noncurrent liabilities	<u>770,210</u>	<u>850,208</u>
Total Liabilities	<u>2,720,339</u>	<u>2,780,536</u>
Net Position		
Net investment in capital assets	13,078,300	12,404,711
Restricted for debt service	76,774	76,685
Unrestricted	<u>5,965,565</u>	<u>6,654,288</u>
Total Net Position	<u>19,120,639</u>	<u>19,135,684</u>
Total Liabilities and Net Position	<u><u>\$21,840,978</u></u>	<u><u>\$21,916,220</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
ELECTRIC ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Totals
Operating Revenues					
Charges for services	\$ 17,052,910	\$ 17,052,910	\$ 14,749,348	\$ (2,303,562)	\$ 15,165,993
Operating Expenses					
Electric energy purchased	12,575,000	12,575,000	10,978,362	1,596,638	11,305,198
Operating and maintenance expense	1,213,400	1,213,400	1,132,075	81,325	1,161,213
Customer accounting expenses	273,650	273,650	280,108	(6,458)	273,795
Engineering services	179,750	179,750	179,951	(201)	166,352
Administrative and general expense	704,775	704,775	867,355	(162,580)	824,634
Municipal expenses	500,905	500,905	494,362	6,543	504,881
Depreciation	980,000	980,000	1,026,741	(46,741)	979,304
Total operating expenses	16,427,480	16,427,480	14,958,954	1,468,526	15,215,377
Operating Income	625,430	625,430	(209,606)	(835,036)	(49,384)
Nonoperating Revenues (Expenses)					
Interest income	27,000	27,000	32,128	5,128	25,978
Miscellaneous	217,955	217,955	171,049	(46,906)	106,014
Interest expense	(8,705)	(8,705)	(8,616)	89	(8,984)
Total Nonoperating Revenues	236,250	236,250	194,561	(41,689)	123,008
Change in Net Position	<u>\$ 861,680</u>	<u>\$ 861,680</u>	(15,045)	<u>\$ (876,725)</u>	73,624
Net Position, Beginning of Year			19,135,684		19,062,060
Net Position, End of Year			<u>\$ 19,120,639</u>		<u>\$ 19,135,684</u>

See independent auditor's report.

City of Beatrice, Nebraska  
ELECTRIC ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from customers	\$14,732,937	\$15,172,010
Cash paid to suppliers for goods and services	(12,509,020)	(12,640,238)
Cash paid to employees for services	(1,429,089)	(1,519,041)
Net cash provided by operating activities	<u>794,828</u>	<u>1,012,731</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>171,049</u>	<u>106,014</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(61,250)	(63,000)
Interest paid on long-term debt	(8,705)	(11,504)
Proceeds from sale of capital assets	43,004	-
Purchases of capital assets	(1,682,084)	(1,342,091)
Net cash used in capital and related financing activities	<u>(1,709,035)</u>	<u>(1,416,595)</u>
Cash Flows From Investing Activities		
Net purchases of investments	-	(157,875)
Interest received	27,847	25,725
Net cash provided by (used in) investing activities	<u>27,847</u>	<u>(132,150)</u>
Net Change in Cash and Cash Equivalents	(715,311)	(430,000)
Cash and Cash Equivalents, Beginning of Year	3,803,389	4,233,389
Cash and Cash Equivalents, End of Year	<u>\$ 3,088,078</u>	<u>\$ 3,803,389</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 2,990,193	\$ 3,695,700
Restricted cash and cash equivalents	97,885	107,689
Total cash and cash equivalents	<u>\$ 3,088,078</u>	<u>\$ 3,803,389</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	\$ (209,606)	\$ (49,384)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,026,741	979,304
Changes in operating assets and liabilities:		
Accounts receivable	(14,789)	(5,945)
Unbilled and accrued revenues	(12,007)	(26,988)
Materials and supplies inventory	3,867	(11,585)
Prepaid expenses	(520)	183
Accounts payable	154,331	81,159
Compensated absences	(19,912)	1,577
Customer and development deposits	10,385	38,950
Other accrued liabilities	(143,662)	5,460
Total adjustments	<u>1,004,434</u>	<u>1,062,115</u>
Net cash provided by operating activities	<u>\$ 794,828</u>	<u>\$ 1,012,731</u>

See independent auditor's report.



City of Beatrice, Nebraska  
WATER ENTERPRISE FUND  
BALANCE SHEET  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,017,792	\$ 862,706
Accounts receivable	122,995	132,321
Unbilled and accrued revenues	146,608	137,981
Materials and supplies inventories	246,400	279,303
Prepaid expenses	4,498	5,553
Interest receivable	365	2,490
Total Current Assets	<u>1,538,658</u>	<u>1,420,354</u>
Noncurrent Assets		
Restricted cash and cash equivalents		
Developer deposit	-	35,000
Restricted Investments		
Debt service reserve account	136,573	134,581
Capital Assets		
Land and land rights	55,458	55,458
Construction in progress	-	54,751
Buildings and improvements	134,285	134,285
Improvements other than building	16,050,462	15,410,167
Machinery and equipment	982,404	958,187
	<u>17,222,609</u>	<u>16,612,848</u>
Less accumulated depreciation	<u>(11,492,591)</u>	<u>(10,971,601)</u>
Net Capital Assets	<u>5,730,018</u>	<u>5,641,247</u>
Total Noncurrent Assets	<u>5,866,591</u>	<u>5,810,828</u>
Total Assets	<u><u>\$ 7,405,249</u></u>	<u><u>\$ 7,231,182</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER ENTERPRISE FUND  
BALANCE SHEET - CONTINUED  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 10,332	\$ 15,255
Accrued compensated absences	80,518	85,931
Accrued payroll	29,656	29,747
Sales tax payable	-	20
Accrued interest	5,145	5,365
Other accrued liabilities	4,732	3,128
Developer deposit	-	35,000
Current portion of long-term debt	111,600	111,470
Total Current Liabilities	<u>241,983</u>	<u>285,916</u>
Noncurrent Liabilities		
Compensated absences	171,485	227,899
Revenue bonds, net of current portion	888,010	999,610
Total Long-term Liabilities	<u>1,059,495</u>	<u>1,227,509</u>
Total Liabilities	<u>1,301,478</u>	<u>1,513,425</u>
Net Position		
Net investment in capital assets	4,730,408	4,530,167
Restricted for debt service	131,428	129,216
Unrestricted	1,241,935	1,058,374
Total Net Position	<u>6,103,771</u>	<u>5,717,757</u>
Total Liabilities and Net Position	<u>\$ 7,405,249</u>	<u>\$ 7,231,182</u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015			Variance Positive (Negative)	2014 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for services	\$ 2,507,254	\$ 2,507,254	\$ 2,321,423	\$ (185,831)	\$ 2,360,903
Operating Expenses					
Operating and maintenance expense	1,102,200	1,102,200	960,866	141,334	1,066,485
Customer accounting expenses	143,585	143,585	91,183	52,402	130,360
Engineering services	18,000	18,000	18,000	-	17,500
Administrative and general expense	355,850	355,850	415,227	(59,377)	427,163
Municipal expenses	46,250	46,250	51,482	(5,232)	52,545
Depreciation	530,000	530,000	532,990	(2,990)	542,986
Total operating expenses	<u>2,195,885</u>	<u>2,195,885</u>	<u>2,069,748</u>	<u>126,137</u>	<u>2,237,039</u>
Operating Income	311,369	311,369	251,675	(59,694)	123,864
Nonoperating Revenues (Expenses)					
Interest income	5,000	5,000	5,475	475	3,950
Miscellaneous	76,437	76,437	113,404	36,967	51,644
Interest expense	<u>(17,970)</u>	<u>(17,970)</u>	<u>(17,751)</u>	<u>219</u>	<u>(18,639)</u>
Total nonoperating revenues	<u>63,467</u>	<u>63,467</u>	<u>101,128</u>	<u>37,661</u>	<u>36,955</u>
Income Before Contributions	374,836	374,836	352,803	(22,033)	160,819
Capital Contributions	<u>-</u>	<u>-</u>	<u>33,211</u>	<u>33,211</u>	<u>-</u>
Change in Net Position	<u>\$ 374,836</u>	<u>\$ 374,836</u>	386,014	<u>\$ 11,178</u>	160,819
Net Position, Beginning of Year			<u>5,717,757</u>		<u>5,556,938</u>
Net Position, End of Year			<u>\$ 6,103,771</u>		<u>\$ 5,717,757</u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,320,333	\$ 2,373,560
Cash paid to suppliers for goods and services	(831,269)	(1,062,274)
Cash paid to employees for services	(736,788)	(621,824)
Net cash provided by operating activities	<u>752,276</u>	<u>689,462</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>113,404</u>	<u>51,644</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(111,470)	(113,220)
Interest paid on long-term debt	(17,971)	(17,500)
Purchases of capital assets	(621,761)	(578,915)
Net cash used in capital and related financing activities	<u>(751,202)</u>	<u>(709,635)</u>
Cash Flows From Investing Activities		
Net purchases of investments	(1,992)	(7,291)
Interest received	7,600	3,542
Net cash provided by (used in) investing activities	<u>5,608</u>	<u>(3,749)</u>
Net Change in Cash and Cash Equivalents	120,086	27,722
Cash and Cash Equivalents, Beginning of Year	897,706	869,984
Cash and Cash Equivalents, End of Year	<u>\$ 1,017,792</u>	<u>\$ 897,706</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 1,017,792	\$ 862,706
Restricted cash and cash equivalents	-	35,000
Total cash and cash equivalents	<u>\$ 1,017,792</u>	<u>\$ 897,706</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 251,675	\$ 123,864
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	532,990	542,986
Changes in operating assets and liabilities:		
Accounts receivable	9,326	(549)
Unbilled and accrued receivable	(8,627)	(21,794)
Materials and supplies inventory	32,903	(51,691)
Prepaid expenses	1,055	(100)
Accounts payable	(4,923)	7,591
Compensated absences	(61,827)	45,294
Customer and developer deposits	(1,789)	35,000
Other accrued liabilities	1,493	8,861
Total adjustments	<u>500,601</u>	<u>565,598</u>
Net cash provided by operating activities	<u>\$ 752,276</u>	<u>\$ 689,462</u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER POLLUTION CONTROL ENTERPRISE FUND  
BALANCE SHEET  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,546,164	\$ 1,028,187
Accounts receivable	98,174	64,724
Unbilled and accrued revenues	97,550	91,051
Prepaid expenses	2,744	2,508
Interest receivable	506	2,152
Total Current Assets	<u>1,745,138</u>	<u>1,188,622</u>
Noncurrent Assets		
Investments	150,000	250,000
Restricted cash and cash equivalents		
Developer deposit	-	45,000
Restricted Investments		
Debt service reserve account	187,498	183,341
Capital Assets		
Land and land rights	16,588	16,588
Buildings and improvements	9,150,939	9,094,840
Improvements other than building	8,637,834	8,464,627
Machinery and equipment	2,247,698	2,216,679
	<u>20,053,059</u>	<u>19,792,734</u>
Less accumulated depreciation	<u>(13,866,856)</u>	<u>(13,305,697)</u>
Net Capital Assets	6,186,203	6,487,037
Total Noncurrent Assets	<u>6,523,701</u>	<u>6,965,378</u>
Total Assets	<u><u>\$ 8,268,839</u></u>	<u><u>\$ 8,154,000</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER POLLUTION CONTROL ENTERPRISE FUND  
BALANCE SHEET - CONTINUED  
September 30, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 11,430	\$ 3,372
Accrued compensated absences	35,978	28,303
Accrued payroll	17,314	15,265
Accrued interest	7,661	8,487
Other accrued liabilities	2,105	1,466
Developer deposits	-	45,000
Current portion of long-term debt	155,400	161,669
Total Current Liabilities	<u>229,888</u>	<u>263,562</u>
Noncurrent Liabilities		
Compensated absences	44,525	47,182
Revenue bonds, net of current portion	1,205,240	1,360,640
Notes payable, net of current maturities	-	77,485
Total Noncurrent Liabilities	<u>1,249,765</u>	<u>1,485,307</u>
Total Liabilities	<u>1,479,653</u>	<u>1,748,869</u>
Net Position		
Net investment in capital assets	4,825,563	4,887,243
Restricted for debt service	179,837	174,854
Unrestricted	1,783,786	1,343,034
Total Net Position	<u>6,789,186</u>	<u>6,405,131</u>
Total Liabilities and Net Position	<u>\$ 8,268,839</u>	<u>\$ 8,154,000</u>

See independent auditor's report.

City of Beatrice, Nebraska  
WATER POLLUTION CONTROL ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Totals
Operating Revenues					
Charges for services	\$ 1,684,050	\$ 1,684,050	\$ 1,732,788	\$ 48,738	\$ 1,536,331
Operating Expenses					
Operating and maintenance expense	608,100	608,100	551,370	56,730	550,871
Customer accounting expenses	69,850	69,850	64,423	5,427	66,526
Engineering services	16,600	16,600	16,600	-	16,320
Administrative and general expense	278,480	278,480	255,077	23,403	259,838
Municipal expenses	13,000	13,000	15,360	(2,360)	19,833
Depreciation	580,000	580,000	561,159	18,841	581,585
Total operating expenses	<u>1,566,030</u>	<u>1,566,030</u>	<u>1,463,989</u>	<u>102,041</u>	<u>1,494,973</u>
Operating Income	118,020	118,020	268,799	150,779	41,358
Nonoperating Revenues (Expenses)					
Interest income	5,000	5,000	9,681	4,681	5,824
Miscellaneous	49,250	49,250	87,017	37,767	37,322
Interest expense	(29,346)	(29,346)	(28,231)	1,115	(29,546)
Total nonoperating revenues	<u>24,904</u>	<u>24,904</u>	<u>68,467</u>	<u>43,563</u>	<u>13,600</u>
Income Before Contributions	142,924	142,924	337,266	194,342	54,958
Capital Contributions	<u>-</u>	<u>-</u>	<u>46,789</u>	<u>46,789</u>	<u>-</u>
Change in Net Position	<u>\$ 142,924</u>	<u>\$ 142,924</u>	384,055	<u>\$ 241,131</u>	54,958
Net Position, Beginning of Year			<u>6,405,131</u>		<u>6,350,173</u>
Net Position, End of Year			<u>\$ 6,789,186</u>		<u>\$ 6,405,131</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, 2015  
With comparative totals for September 30, 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,694,628	\$ 1,585,750
Cash paid to suppliers for goods and services	(478,925)	(563,445)
Cash paid to employees for services	(408,377)	(324,959)
Net cash provided by operating activities	<u>807,326</u>	<u>697,346</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>87,017</u>	<u>37,322</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(239,154)	(163,083)
Interest paid on long-term debt	(29,057)	(23,990)
Purchases of capital assets	(260,325)	(563,389)
Net cash used in capital and related financing activities	<u>(528,536)</u>	<u>(750,462)</u>
Cash Flows From Investing Activities		
Net sales (purchases) of investments	95,843	(101,872)
Interest received	11,327	5,654
Net cash provided by (used in) investing activities	<u>107,170</u>	<u>(96,218)</u>
Net Change in Cash and Cash Equivalents	472,977	(112,012)
Cash and Restricted Cash, Beginning of Year	1,073,187	1,185,199
Cash and Restricted Cash, End of Year	<u>\$ 1,546,164</u>	<u>\$ 1,073,187</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 1,546,164	\$ 1,028,187
Restricted cash and cash equivalents	-	45,000
Total cash and cash equivalents	<u>\$ 1,546,164</u>	<u>\$ 1,073,187</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 268,799	\$ 41,358
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	561,159	581,585
Changes in operating assets and liabilities:		
Accounts receivable	(33,450)	10,481
Unbilled and accrued revenues	(6,499)	(6,062)
Prepaid expenses	(236)	66
Accounts payable	8,058	2,083
Compensated absences	5,018	18,318
Customer and developer deposits	1,789	45,000
Other accrued liabilities	2,688	4,517
Total adjustments	<u>538,527</u>	<u>655,988</u>
Net cash provided by operating activities	<u>\$ 807,326</u>	<u>\$ 697,346</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 BASWA ENTERPRISE FUND  
 BALANCE SHEET  
 September 30, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 197,405	\$ 160,548
Accounts receivable	<u>160,054</u>	<u>167,788</u>
Total Current Assets	<u>357,459</u>	<u>328,336</u>
Noncurrent Assets		
Restricted investments		
Debt service reserve account	259,644	257,602
Closure/post-closure maintenance account	<u>1,351,657</u>	<u>1,078,351</u>
Total Restricted Assets	<u>1,611,301</u>	<u>1,335,953</u>
Property, Plant and Equipment		
Buildings and improvements other than buildings	5,335,026	5,335,026
Machinery and equipment	<u>1,334,725</u>	<u>1,289,645</u>
Total Property, Plant and Equipment	6,669,751	6,624,671
Less: accumulated depreciation	<u>(4,211,823)</u>	<u>(4,025,544)</u>
Net Property, Plant and Equipment	<u>2,457,928</u>	<u>2,599,127</u>
Total Noncurrent Assets	<u>4,069,229</u>	<u>3,935,080</u>
 Total Assets and Deferred Outflows	 <u><u>\$ 4,426,688</u></u>	 <u><u>\$ 4,263,416</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
 BASWA ENTERPRISE FUND  
 BALANCE SHEET - CONTINUED  
 September 30, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 9,381	\$ 7,728
Compensated absences	5,449	5,098
Accrued compensation	5,250	3,780
Accrued interest payable	17,728	19,515
Current maturities of lease obligation	4,290	50,588
Current maturities of bonds payable	<u>170,000</u>	<u>160,000</u>
Total Current Liabilities	212,098	246,709
Noncurrent Liabilities		
Revenue bonds payable, net of current portion	870,000	1,040,000
Lease obligation	-	4,290
Estimated current cost of closure and post-closure	<u>3,287,000</u>	<u>3,119,000</u>
Total Noncurrent Liabilities	4,157,000	4,163,290
Total Liabilities	<u>4,369,098</u>	<u>4,409,999</u>
Net Position		
Net investment in capital assets	1,413,638	1,344,249
Restricted for debt service	241,916	238,087
Unrestricted	<u>(1,597,964)</u>	<u>(1,728,919)</u>
Net Position	57,590	(146,583)
Total Liabilities and Net Position	<u>\$ 4,426,688</u>	<u>\$ 4,263,416</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 BASWA ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Actual
Operating Revenues					
Other government user fees	\$ 94,505	\$ 94,505	\$ 94,505	\$ -	\$ 94,505
Gate fees	390,000	390,000	372,230	(17,770)	315,343
Garbage service fees	734,400	734,400	701,488	(32,912)	723,099
Recycling income	2,000	2,000	2,014	14	3,449
Total Operating Revenues	<u>1,220,905</u>	<u>1,220,905</u>	<u>1,170,237</u>	<u>(50,668)</u>	<u>1,136,396</u>
Operating Expenses					
Personal services	245,506	245,506	230,383	15,123	224,717
Other services and charges	236,230	236,230	173,384	62,846	162,074
Supplies	141,300	141,300	82,093	59,207	91,446
Contractual services	105,300	105,300	91,147	14,153	101,898
Depreciation and amortization	350,000	350,000	194,097	155,903	197,935
Landfill closure and post-closure care	125,000	125,000	168,000	(43,000)	171,000
Total Operating Expenses	<u>1,203,336</u>	<u>1,203,336</u>	<u>939,104</u>	<u>264,232</u>	<u>949,070</u>
Operating Income	<u>17,569</u>	<u>17,569</u>	<u>231,133</u>	<u>213,564</u>	<u>187,326</u>
Nonoperating Revenues (Expenses)					
Miscellaneous income	500	500	-	-	757
Loss on disposal of capital asset	-	-	(532)	(532)	-
Interest earnings	7,550	7,550	11,634	4,084	9,049
Interest expense	-	-	(38,062)	(38,062)	(43,139)
Total Nonoperating Revenues (Expenses)	<u>8,050</u>	<u>8,050</u>	<u>(26,960)</u>	<u>(34,510)</u>	<u>(33,333)</u>
Change in Net Position	<u>\$ 25,619</u>	<u>\$ 25,619</u>	<u>204,173</u>	<u>\$ 179,054</u>	<u>153,993</u>
Net Position, Beginning of Year			<u>(146,583)</u>		<u>(300,576)</u>
Net Position, End of Year			<u>\$ 57,590</u>		<u>\$ (146,583)</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 BASWA ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015	2014
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,177,971	\$ 1,063,956
Cash paid to suppliers for goods and services	(344,971)	(423,363)
Cash paid to employees for services	(228,562)	(233,583)
Net cash provided by operating activities	<u>604,438</u>	<u>407,010</u>
Cash Flows from Capital and Related Financing Activities		
Bond principal repayments	(160,000)	(160,000)
Note payable repayments	(50,588)	(48,973)
Interest expenditures	(39,849)	(42,174)
Capital expenditures	(53,430)	(22,464)
Net cash used in capital and related financing activities	<u>(303,867)</u>	<u>(273,611)</u>
Cash Flows from Investing Activities		
Interest received	11,634	9,049
Purchase of investments	(275,348)	(218,577)
Net cash used in investing activities	<u>(263,714)</u>	<u>(209,528)</u>
Net Change in Cash and Cash Equivalents	36,857	(76,129)
Cash and Cash Equivalents, Beginning of Year	<u>160,548</u>	<u>236,677</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 197,405</u></u>	<u><u>\$ 160,548</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	<u><u>\$ 197,405</u></u>	<u><u>\$ 160,548</u></u>
Reconciliation of Net Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 231,133	\$ 187,326
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation and amortization	194,097	197,935
Other revenue	-	757
Changes in operating assets and liabilities:		
Accounts receivable	7,734	(73,197)
Accounts payable	1,653	(67,945)
Accrued expenses	1,821	(8,866)
Closure / post-closure liabilities	168,000	171,000
Total adjustments	<u>373,305</u>	<u>219,684</u>
Net cash provided by operating activities	<u><u>\$ 604,438</u></u>	<u><u>\$ 407,010</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Trade-in value for purchase of capital asset	\$ 36,650	\$ -

See independent auditor's report.

City of Beatrice, Nebraska  
 BEATRICE SANITATION ENTERPRISE FUND  
 BALANCE SHEET  
 September 30, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash	\$ 81,675	\$ 23,917
Accounts receivable	<u>57,065</u>	<u>63,180</u>
Total Assets	<u>\$ 138,740</u>	<u>\$ 87,097</u>
Liabilities and Net Position		
Liabilities		
Accounts payable	<u>\$ 138,740</u>	<u>\$ 87,097</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 138,740</u>	<u>\$ 87,097</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 BEATRICE SANITATION ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL  
 For the year ended September 30, 2015  
 With comparative totals for September 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2014 Totals
Operating Revenues					
Garbage service fees	\$ 1,305,100	\$ 1,305,100	\$ 1,284,116	\$ (20,984)	\$ 1,295,857
Operating Expenses					
Bad debt expense	1,500	1,500	2,504	(1,004)	-
Garbage disposal contract	713,600	713,600	690,506	23,094	704,305
Garbage hauler contract	590,000	590,000	591,106	(1,106)	591,552
Total Operating Expenses	1,305,100	1,305,100	1,284,116	20,984	1,295,857
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	\$ -
Net Position, Beginning of Year			\$ -		\$ -
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, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,290,231	\$ 1,254,875
Cash paid to supplies for goods and services	<u>(1,232,473)</u>	<u>(1,236,869)</u>
Net Change in Cash and Cash Equivalents	57,758	18,006
Cash and Cash Equivalents, Beginning of Year	<u>23,917</u>	<u>5,911</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 81,675</u></u>	<u><u>\$ 23,917</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	6,115	(40,982)
Accounts payable	<u>51,643</u>	<u>58,988</u>
Total adjustments	<u>57,758</u>	<u>18,006</u>
Net cash provided by operating activities	<u><u>\$ 57,758</u></u>	<u><u>\$ 18,006</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, 2015  
With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 358,921	\$ 205,378
Accounts receivable	<u>26,329</u>	<u>19,599</u>
Total Assets	<u>\$ 385,250</u>	<u>\$ 224,977</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Claims incurred but not reported	<u>\$ 147,351</u>	<u>\$ 88,011</u>
Net Position		
Unrestricted	<u>237,899</u>	<u>136,966</u>
Total Liabilities and Net Position	<u>\$ 385,250</u>	<u>\$ 224,977</u>

See independent auditor's report.

City of Beatrice, Nebraska  
INTERNAL SERVICE FUND  
SELF-INSURED GROUP INSURANCE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL

For the year ended September 30, 2015  
With comparative totals for September 30, 2014

	2015			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services, including COBRA	\$ 1,406,540	\$ 2,356,640	\$ 2,312,949	\$ (43,691)
Reinsurance coverage reimbursements	-	250,000	304,653	54,653
Total Operating Revenues	<u>1,406,540</u>	<u>2,606,640</u>	<u>2,617,602</u>	<u>10,962</u>
Operating Expenses				
Health insurance claims paid	950,000	1,900,000	1,887,597	12,403
Insurance premiums	196,500	345,800	348,350	(2,550)
Payflex expenditures	150,000	173,000	175,107	(2,107)
Other services and charges	27,800	105,600	105,843	(243)
Total Operating Expenses	<u>1,324,300</u>	<u>2,524,400</u>	<u>2,516,897</u>	<u>7,503</u>
Operating Income (Loss)	<u>82,240</u>	<u>82,240</u>	<u>100,705</u>	<u>18,465</u>
Nonoperating Revenues				
Interest	<u>100</u>	<u>100</u>	<u>228</u>	<u>128</u>
Change in Net Position	<u>82,340</u>	<u>82,340</u>	<u>100,933</u>	<u>18,593</u>
Net Position, Beginning of Year			<u>136,966</u>	<u>221,807</u>
Net Position, End of Year			<u>\$ 237,899</u>	<u>\$ 136,966</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, 2015  
With comparative totals for September 30, 2014

	2015	2014
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 2,610,872	\$ 1,391,507
Payments to suppliers	<u>(2,457,557)</u>	<u>(1,442,113)</u>
Net cash provided by (used in) operating activities	153,315	(50,606)
Cash Flows From Investing Activities		
Interest received	<u>228</u>	<u>242</u>
Net Change in Cash and Cash Equivalents	<u>153,543</u>	<u>(50,364)</u>
Cash and Cash Equivalents, Beginning of Year	<u>205,378</u>	<u>255,742</u>
Cash and Cash Equivalents, End of Year	<u><u>358,921</u></u>	<u><u>205,378</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Operating income (loss)	100,705	(85,083)
Adjustments to reconcile operating income (loss) to net cash provided		
by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(6,730)	(2,169)
Claims incurred but not reported	<u>59,340</u>	<u>36,646</u>
Total adjustments	<u>52,610</u>	<u>34,477</u>
Net cash provided by (used in) operating activities	<u><u>\$ 153,315</u></u>	<u><u>\$ (50,606)</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
 EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND  
 COMBINING STATEMENT OF NET POSITION  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015					2014
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Assets						
Investments with fiscal agent:						
Guaranteed interest accounts	\$ 1,596,655	\$ 823,110	\$ 1,194,336	\$ 3,333,550	\$ 6,947,651	\$ 8,034,780
Publicly traded equities	3,929,194	1,798,931	1,775,667	2,762,087	10,265,879	10,743,686
Total Assets	<u>\$ 5,525,849</u>	<u>\$ 2,622,041</u>	<u>\$ 2,970,003</u>	<u>\$ 6,095,637</u>	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</u>
Net Position						
Net position restricted for pensions	<u>\$ 5,525,849</u>	<u>\$ 2,622,041</u>	<u>\$ 2,970,003</u>	<u>\$ 6,095,637</u>	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</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, 2015  
With comparative totals for the year ended September 30, 2014

	2015					2014
	Firefighters	Police	General Government	Board of Public Works	Total	Actual
Additions:						
Contributions:						
Employer	\$ 148,962	\$ 75,472	\$ 83,447	\$ 154,508	\$ 462,389	\$ 460,665
Employee	74,482	78,835	83,447	181,813	418,577	390,493
Total Contributions	223,444	154,307	166,894	336,321	880,966	851,158
Investment Income:						
Net appreciation (depreciation) in fair value of investments	(35,326)	(25,553)	(2,209)	56,679	(6,409)	1,412,712
Total Additions	188,118	128,754	164,685	393,000	874,557	2,263,870
Deductions:						
Benefit payments	926,351	204,262	186,323	1,122,556	2,439,492	2,209,982
Administrative costs	-	-	-	1	1	36
Total Deductions	926,351	204,262	186,323	1,122,557	2,439,493	2,210,018
Change in Net Position	(738,233)	(75,508)	(21,638)	(729,557)	(1,564,936)	53,852
Transfer between Plans	-	-	68,257	(68,257)	-	-
Net Position Restricted for Pensions, Beginning of Year	6,264,082	2,697,549	2,923,384	6,893,451	18,778,466	18,724,614
Net Position Restricted for Pensions, End of Year	<u>\$ 5,525,849</u>	<u>\$ 2,622,041</u>	<u>\$ 2,970,003</u>	<u>\$ 6,095,637</u>	<u>\$ 17,213,530</u>	<u>\$ 18,778,466</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, 2015  
With comparative totals for the year ended September 30, 2014

	2015					2014
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Cash Flows From Operating Activities						
Cash contributions received	\$ 223,444	\$ 154,307	\$ 166,894	\$ 336,321	\$ 880,966	\$ 851,158
Cash terminations/retirements paid	(926,351)	(204,262)	(186,323)	(1,122,556)	(2,439,492)	(2,209,982)
Other operating charges paid	-	-	-	(1)	(1)	(36)
Net Cash Used in Operating Activities	(702,907)	(49,955)	(19,429)	(786,236)	(1,558,527)	(1,358,860)
Cash Flows From Investing Activities						
Interest and dividends on investments	35,326	25,553	2,209	(56,679)	6,409	(1,412,712)
Sale (purchase) of investments	667,581	24,402	17,220	842,915	1,552,118	2,771,572
Net Cash Provided by Investing Activities	702,907	49,955	19,429	786,236	1,558,527	1,358,860
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities						
Operating income (loss)	\$ (738,233)	\$ (75,508)	\$ (21,638)	\$ (729,557)	\$(1,564,936)	\$ 53,852
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:						
Interest and dividends on investments	<u>35,326</u>	<u>25,553</u>	<u>2,209</u>	<u>(56,679)</u>	<u>6,409</u>	<u>(1,412,712)</u>
Net Cash Used In Operating Activities	<u>\$ (702,907)</u>	<u>\$ (49,955)</u>	<u>\$ (19,429)</u>	<u>\$ (786,236)</u>	<u>\$(1,558,527)</u>	<u>\$(1,358,860)</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 COMPONENT UNITS  
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS  
 September 30, 2015<sup>1</sup>

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation	Total Component Units
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 456,084	\$ -	\$ 575,584	\$ 1,031,668
Cash on deposit - county treasurer	14,817	-	-	14,817
Accounts receivable	523,761	-	-	523,761
Taxes receivable	13,371	-	-	13,371
Inventories	59,594	-	-	59,594
Total Current Assets	<u>1,067,627</u>	<u>-</u>	<u>575,584</u>	<u>1,643,211</u>
Noncurrent Assets				
Investments	-	-	1,043,763	1,043,763
Restricted Assets				
Cash and cash equivalents	658,340	30,726	185,870	874,936
Cash on deposit - county treasurer	-	16,093	-	16,093
Investments	-	-	97,923	97,923
Total Restricted Assets	<u>658,340</u>	<u>46,819</u>	<u>283,793</u>	<u>988,952</u>
Capital Assets				
Land	1,321,356	-	-	1,321,356
Capital assets, net of accumulated depreciation	<u>3,797,122</u>	<u>-</u>	<u>61,791</u>	<u>3,858,913</u>
Net capital assets	<u>5,118,478</u>	<u>-</u>	<u>61,791</u>	<u>5,180,269</u>
Total Noncurrent Assets	<u>5,776,818</u>	<u>46,819</u>	<u>1,389,347</u>	<u>7,212,984</u>
Total Assets	<u>\$ 6,844,445</u>	<u>\$ 46,819</u>	<u>\$ 1,964,931</u>	<u>\$ 8,856,195</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable	\$ 637,306	\$ -	\$ -	\$ 637,306
Accrued interest payable	2,673	-	-	2,673
Accrued compensated absences	13,964	-	-	13,964
Accrued liabilities	-	-	915	915
Due to developer	-	46,819	-	46,819
Current maturities of long-term debt	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>105,000</u>
Total Current Liabilities	<u>758,943</u>	<u>46,819</u>	<u>915</u>	<u>806,677</u>
Noncurrent Liabilities, Net of Current Portion				
Compensated absences	53,527	-	-	53,527
Long-term debt	<u>365,000</u>	<u>-</u>	<u>-</u>	<u>365,000</u>
Total Noncurrent Liabilities	<u>418,527</u>	<u>-</u>	<u>-</u>	<u>418,527</u>
Total Liabilities	<u>1,177,470</u>	<u>46,819</u>	<u>915</u>	<u>1,225,204</u>
<b>Net Position</b>				
Net investment in capital assets	4,526,086	-	61,791	4,587,877
Restricted for debt service	89,710	-	-	89,710
Restricted for runway expansion	565,957	-	-	565,957
Restricted for Library Foundation	-	-	535,745	535,745
Unrestricted net position	<u>485,222</u>	<u>-</u>	<u>1,366,480</u>	<u>1,851,702</u>
Total Net Position	<u>5,666,975</u>	<u>-</u>	<u>1,964,016</u>	<u>7,630,991</u>
Total Liabilities and Net Position	<u>\$ 6,844,445</u>	<u>\$ 46,819</u>	<u>\$ 1,964,931</u>	<u>\$ 8,856,195</u>

1: Beatrice Library Foundation, Inc.'s financial information is as of its fiscal year end July 31, 2015.

See independent auditor's report.



CITY OF BEATRICE, NEBRASKA  
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS  
For the year ended September 30, 2015<sup>1</sup>

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Units			Total
	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	\$ 726,876	\$ 455,358	\$ 2,199,002	\$ 1,927,484	\$ -	\$ -	\$ 1,927,484
Interest on long-term debt	8,984	-	-	(8,984)	-	-	(8,984)
Total Beatrice Airport Authority	<u>735,860</u>	<u>455,358</u>	<u>2,199,002</u>	<u>1,918,500</u>	<u>-</u>	<u>-</u>	<u>1,918,500</u>
Beatrice Community Redevelopment Authority:							
Community development	339,730	-	-	-	(339,730)	-	(339,730)
Interest on long-term debt	21,770	-	-	-	(21,770)	-	(21,770)
Total Beatrice Community Redevelopment Authority	<u>361,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,500)</u>	<u>-</u>	<u>(361,500)</u>
Beatrice Public Library Foundation, Inc.:							
Foundation operations	786,399	2,950	-	-	-	(783,449)	(783,449)
Total Component Units	<u>\$ 1,883,759</u>	<u>\$ 458,308</u>	<u>\$ 2,199,002</u>	<u>1,918,500</u>	<u>(361,500)</u>	<u>(783,449)</u>	<u>773,551</u>
General Revenues							
Property tax				226,025	-	-	226,025
Tax increment financing				-	361,500	-	361,500
Miscellaneous revenues				5,712	-	6,827	12,539
Investment earnings				559	-	63,034	63,593
Total General Revenues				<u>232,296</u>	<u>361,500</u>	<u>69,861</u>	<u>663,657</u>
Change in Net Position				2,150,796	-	(713,588)	1,437,208
Net Position, Beginning of Year				3,516,179	-	2,677,604	6,193,783
Net Position, End of Year				<u>\$ 5,666,975</u>	<u>\$ -</u>	<u>\$ 1,964,016</u>	<u>\$ 7,630,991</u>

1: Beatrice Library Foundation, Inc.'s financial information is for its fiscal year ended July 31, 2015.

See independent auditor's report.

City of Beatrice, Nebraska  
 COMPONENT UNIT  
 BEATRICE AIRPORT AUTHORITY  
 STATEMENT OF NET POSITION  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 456,084	\$ 257,107
Cash on deposit - county treasurer	14,817	16,376
Accounts receivable	523,761	17,143
Taxes receivable	13,371	17,465
Inventories	59,594	62,016
Total Current Assets	<u>1,067,627</u>	<u>370,107</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents - debt service	92,383	87,945
Cash and cash equivalents - runway extension project	565,957	538,219
Total Restricted Assets	<u>658,340</u>	<u>626,164</u>
Capital Assets		
Land	1,321,356	1,321,356
Capital assets, net of accumulated depreciation	<u>3,797,122</u>	<u>1,452,833</u>
Total Capital Assets	<u>5,118,478</u>	<u>2,774,189</u>
Total Noncurrent Assets	<u>5,776,818</u>	<u>3,400,353</u>
Total Assets	<u>\$ 6,844,445</u>	<u>\$ 3,770,460</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 630,661	\$ 627
Accrued wages payable	6,645	5,270
Accrued interest payable	2,673	892
Current portion of compensated absences	13,964	13,069
Current portion of unearned rent	-	7,956
Current maturities of long-term debt	105,000	45,000
Total Current Liabilities	<u>758,943</u>	<u>72,814</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	53,527	46,467
Long-term debt	365,000	135,000
Total Noncurrent Liabilities	<u>418,527</u>	<u>181,467</u>
Total Liabilities	<u>1,177,470</u>	<u>254,281</u>
Net Position		
Net investment in capital assets	4,526,086	2,594,189
Restricted for debt service	89,710	93,817
Restricted for runway expansion	565,957	538,219
Unrestricted net position	485,222	289,954
Total net position	<u>5,666,975</u>	<u>3,516,179</u>
Total Liabilities and Net Position	<u>\$ 6,844,445</u>	<u>\$ 3,770,460</u>

See independent auditor's report.

City of Beatrice, Nebraska  
 COMPONENT UNIT  
 BEATRICE AIRPORT AUTHORITY  
 STATEMENT OF ACTIVITIES  
 For the year ended September 30, 2015  
 With comparative totals for the year ended September 30, 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Property taxes	\$ 226,025	\$ 249,270
Contributions and grants	-	240,506
Rent and use fees	160,323	160,997
Charges for services	50,396	68,516
Gas, oil, and jet fuel sales	175,325	254,685
Farm income	69,314	67,319
Interest income	559	274
Other income	5,712	7,515
Total Operating Revenues	<u>687,654</u>	<u>1,049,082</u>
Operating Expenses		
Airport operations	676,720	734,106
Aircraft repair shop	50,156	47,527
Interest on long-term debt	8,984	6,050
Total Operating Expenses	<u>735,860</u>	<u>787,683</u>
Income (Loss) Before Capital Contributions	(48,206)	261,399
Capital Contributions	<u>2,199,002</u>	<u>-</u>
Change in Net Position	2,150,796	261,399
Net Position, Beginning of Year	<u>3,516,179</u>	<u>3,254,780</u>
Net Position, End of Year	<u><u>\$ 5,666,975</u></u>	<u><u>\$ 3,516,179</u></u>

See independent auditor's report.

City of Beatrice, Nebraska  
 COMPONENT UNIT  
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY  
 STATEMENT OF NET POSITION  
 September 30, 2015  
 With comparative totals for September 30, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Restricted Assets		
Cash and cash equivalents	\$ 30,726	\$ 216,899
Cash on deposit - county treasurer	16,093	35,243
TIF receivable	-	185,745
Total Assets	<u>\$ 46,819</u>	<u>\$ 437,887</u>
Liabilities		
Current Liabilities		
Accrued interest payable	\$ -	\$ 1,872
Due to developer	46,819	36,015
Current maturities of long-term debt	-	90,000
Total Current Liabilities	<u>46,819</u>	<u>127,887</u>
Noncurrent Liabilities, Net of Current Portion		
Long-term debt	<u>-</u>	<u>310,000</u>
Total Liabilities	<u>46,819</u>	<u>437,887</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 46,819</u>	<u>\$ 437,887</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, 2015  
 With comparative totals for the year ended September 30, 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Tax increment financing	\$ 361,500	\$ 356,478
Developer contributions	-	12,725
Total Operating Revenues	<u>361,500</u>	<u>369,203</u>
Operating Expenses		
Developer TIF payments	235,363	335,517
Refund to county treasurer	104,367	-
Interest expense	21,770	33,686
Total Operating Expenses	<u>361,500</u>	<u>369,203</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, 2015  
 With comparative totals for July 31, 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 575,584	\$ 1,297,832
Investments	-	1,016,422
Total Current Assets	<u>575,584</u>	<u>2,314,254</u>
Noncurrent Assets		
Investments	1,043,763	-
Cash and cash equivalents - restricted	185,870	185,476
Investments - restricted	97,923	116,218
Capital assets (net of accumulated depreciation of \$18,240 in 2015 and \$17,097 in 2014)	<u>61,791</u>	<u>62,934</u>
Total Noncurrent Assets	<u>1,389,347</u>	<u>364,628</u>
Total Assets	<u><u>\$ 1,964,931</u></u>	<u><u>\$ 2,678,882</u></u>
Liabilities		
Current Liabilities		
Accrued liabilities	<u>\$ 915</u>	<u>\$ 1,278</u>
Total Liabilities	<u>915</u>	<u>1,278</u>
Net Position		
Net investment in capital assets	61,791	62,934
Restricted for Library Foundation	535,745	1,257,412
Unrestricted net position	<u>1,366,480</u>	<u>1,357,258</u>
Total Net Position	<u>1,964,016</u>	<u>2,677,604</u>
Total Liabilities and Net Position	<u><u>\$ 1,964,931</u></u>	<u><u>\$ 2,678,882</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, 2015  
 With comparative totals for the year ended July 31, 2014

	<u>2015</u>	<u>2014</u>
Support and Revenue		
Gifts and bequests	\$ 3,127	\$ 3,124
Investment income	65,013	69,494
Gain (loss) on sale of assets	5,875	(1,811)
Unrealized gain (loss) on assets	(7,854)	43,010
Rental income	2,950	4,500
Miscellaneous contributions	3,700	1,080
Total Support and Revenue	<u>72,811</u>	<u>119,397</u>
Expenses		
Professional fees	13,527	12,888
Real estate taxes	1,554	1,548
Other rental expenses	175	164
Depreciation	1,143	1,143
Income taxes	-	4,948
Supplies and miscellaneous	2,709	339
Library support	767,091	376,917
Garden expenses	200	406
Total Expenses	<u>786,399</u>	<u>398,353</u>
Change in Net Position	(713,588)	(278,956)
Net Position, Beginning of Year	<u>2,677,604</u>	<u>2,956,560</u>
Net Position, End of Year	<u>\$ 1,964,016</u>	<u>\$ 2,677,604</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, 2015  
 With comparative totals for the year ended July 31, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in net position	\$ (713,588)	\$ (278,956)
Adjustments to change in net position to cash used in operating activities:		
Depreciation	1,143	1,143
Gain (loss) on sale of assets	(5,875)	1,811
Unrealized (gain) loss on assets	7,854	(43,010)
Decrease in accrued taxes	<u>(13)</u>	<u>(43)</u>
Total adjustments	<u>3,109</u>	<u>(40,099)</u>
Net cash used in operating activities	<u>(710,479)</u>	<u>(319,055)</u>
Cash Flows from Investment Activities		
Sale of investments	60,505	2,036,778
Purchase of investments	<u>(71,880)</u>	<u>(2,043,505)</u>
Net cash used in investing activities	<u>(11,375)</u>	<u>(6,727)</u>
Net Decrease in Cash and Cash Equivalents	(721,854)	(325,782)
Cash and Cash Equivalents, Beginning of Year	<u>1,483,308</u>	<u>1,809,090</u>
Cash and Cash Equivalents, End of Year	<u>\$ 761,454</u>	<u>\$ 1,483,308</u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	575,584	1,297,832
Cash and cash equivalents - restricted	<u>185,870</u>	<u>185,476</u>
	<u>\$ 761,454</u>	<u>\$ 1,483,308</u>

See independent auditor's report.



City of Beatrice, Nebraska  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULES BY SOURCE  
 September 30, 2015  
 With comparative totals for September 30, 2014

	2015	2014
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 2,727,238	\$ 2,663,388
Buildings	8,762,479	8,067,935
Improvements other than buildings	4,669,809	4,272,884
Machinery and equipment	10,360,070	9,850,708
Infrastructure	28,596,809	28,002,604
Total	<u>\$ 55,116,405</u>	<u>\$ 52,857,519</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General obligation bonds	\$ 5,468,859	\$ 5,468,859
Federal and state grants	9,665,330	9,117,251
General fund revenues	34,834,443	33,724,287
Donations	5,147,773	4,547,122
Total Investment in Governmental Funds Capital Assets	<u>\$ 55,116,405</u>	<u>\$ 52,857,519</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, 2015  
 With comparative totals for September 30, 2014

Function and Activity	2015						2014 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and budget	\$ -	\$ -	\$ -	\$ 275,778	\$ -	\$ 275,778	\$ 251,219
Legal	-	-	-	5,692	-	5,692	5,692
Inspection	-	-	-	53,887	-	53,887	40,288
Total General Government	-	-	-	335,357	-	335,357	297,199
PUBLIC SAFETY							
Police	76,500	-	147,480	2,416,823	-	2,640,803	2,573,435
Fire	-	-	-	4,044,344	-	4,044,344	3,900,264
Total Public Safety	76,500	-	147,480	6,461,167	-	6,685,147	6,473,699
CULTURE AND RECREATION							
Public properties	2,550,160	4,514,011	4,440,125	1,093,550	-	12,597,846	11,900,389
Library	100,578	3,819,179	82,204	727,338	-	4,729,299	4,223,994
Total Culture and Recreation	2,650,738	8,333,190	4,522,329	1,820,888	-	17,327,145	16,124,383
STREETS AND TRAILS	-	429,289	-	1,719,317	27,609,943	29,758,549	28,952,031
STORM WATER MANAGEMENT	-	-	-	23,341	986,866	1,010,207	1,010,207
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 2,727,238</u>	<u>\$ 8,762,479</u>	<u>\$ 4,669,809</u>	<u>\$ 10,360,070</u>	<u>\$ 28,596,809</u>	<u>\$ 55,116,405</u>	<u>\$ 52,857,519</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, 2015

Function and Activity	Governmental Funds Capital Assets 10/1/14	Additions	Deductions	Governmental Funds Capital Assets 9/30/15
<b>GENERAL GOVERNMENT</b>				
Management and budget	\$ 251,219	\$ 24,559	\$ -	\$ 275,778
Legal	5,692	-	-	5,692
Inspection	40,288	13,599	-	53,887
Total General Government	297,199	38,158	-	335,357
<b>PUBLIC SAFETY</b>				
Police	2,573,435	680,258	(612,890)	2,640,803
Fire	3,900,264	144,080	-	4,044,344
Total Public Safety	6,473,699	824,338	(612,890)	6,685,147
<b>CULTURE AND RECREATION</b>				
Public properties	11,900,389	855,893	(158,436)	12,597,846
Library	4,223,994	505,305	-	4,729,299
Total Culture and Recreation	16,124,383	1,361,198	(158,436)	17,327,145
<b>STREETS AND TRAILS</b>	28,952,031	806,518	-	29,758,549
<b>STORM WATER MANAGEMENT</b>	1,010,207	-	-	1,010,207
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$52,857,519</u>	<u>\$ 3,030,212</u>	<u>\$ (771,326)</u>	<u>\$55,116,405</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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in capital assets	\$ 21,437,464	\$ 24,852,789	\$ 24,951,333	\$ 25,645,880	\$ 25,415,415	\$ 26,471,016	\$ 28,220,897	\$ 28,702,717	\$ 28,986,067	\$ 29,927,397
Restricted	3,733,809	3,560,378	3,486,512	3,184,634	3,323,885	2,860,602	2,494,379	3,151,861	3,076,005	3,750,366
Unrestricted	1,018,752	1,404,834	1,487,967	1,468,328	1,715,179	2,125,443	2,007,117	2,313,002	2,693,041	2,982,107
Total Governmental Activities Net Position	\$ 26,190,025	\$ 29,818,001	\$ 29,925,812	\$ 30,298,842	\$ 30,454,479	\$ 31,457,061	\$ 32,722,393	\$ 34,167,580	\$ 34,755,113	\$ 36,659,870
Business-type Activities										
Net Investment in capital assets	\$ 23,669,489	\$ 24,082,895	\$ 24,456,255	\$ 21,645,203	\$ 21,604,880	\$ 21,153,306	\$ 22,190,417	\$ 22,413,044	\$ 23,166,370	\$ 24,047,909
Restricted	732,489	425,387	598,152	643,308	643,769	467,738	636,926	635,176	618,842	629,955
Unrestricted	1,445,042	1,550,277	1,009,142	4,306,304	5,628,234	7,988,560	8,198,618	7,975,780	7,326,777	7,393,322
Total Business-type Activities Net Position	\$ 25,847,020	\$ 26,058,559	\$ 26,063,549	\$ 26,594,815	\$ 27,876,883	\$ 29,609,604	\$ 31,025,961	\$ 31,024,000	\$ 31,111,989	\$ 32,071,186
Primary Government										
Net Investment in capital assets	\$ 45,106,953	\$ 48,935,684	\$ 49,407,588	\$ 47,291,083	\$ 47,020,295	\$ 47,624,322	\$ 50,411,314	\$ 51,115,761	\$ 52,152,437	\$ 53,975,306
Restricted	4,466,298	3,985,765	4,084,664	3,827,942	3,967,654	3,328,340	3,131,305	3,787,037	3,694,847	4,380,321
Unrestricted	2,463,794	2,955,111	2,497,109	5,774,632	7,343,413	10,114,003	10,205,735	10,288,782	10,019,818	10,375,429
Total Primary Government Net Position	\$ 52,037,045	\$ 55,876,560	\$ 55,989,361	\$ 56,893,657	\$ 58,331,362	\$ 61,066,665	\$ 63,748,354	\$ 65,191,580	\$ 65,867,102	\$ 68,731,056

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 1,534,901	\$ 1,525,313	\$ 2,279,782	\$ 1,427,557	\$ 1,501,214	\$ 2,142,072	\$ 1,850,178	\$ 1,543,513	\$ 3,286,519	\$ 5,124,109
Public Safety	4,221,570	4,814,618	4,961,626	4,986,635	5,342,184	5,524,713	5,711,024	5,686,678	5,609,235	5,218,151
Highways and Streets	1,322,483	1,583,261	1,890,095	1,800,884	2,055,666	2,025,079	1,865,778	1,856,508	2,116,534	2,041,955
Culture and Recreation	1,337,021	1,661,496	1,625,953	1,423,702	1,494,887	1,418,419	1,269,566	1,349,132	1,422,746	1,609,230
Interest on Long-Term Debt	156,582	51,357	49,910	38,318	31,322	23,868	21,945	24,120	12,603	14,741
Total Governmental Activities Expenses	8,572,557	9,636,045	10,807,366	9,677,096	10,425,273	11,134,151	10,718,491	10,459,951	12,447,637	14,008,186
Business-type Activities										
Electric	10,754,605	11,352,226	11,790,452	11,990,639	12,837,407	13,466,171	14,102,853	14,753,172	15,224,361	14,967,570
Water	1,716,187	1,685,340	1,680,952	1,751,778	1,837,721	1,976,606	1,969,687	2,236,224	2,255,678	2,087,499
Water Pollution Control	1,434,806	1,469,718	1,567,092	1,626,419	1,599,624	1,616,210	1,511,319	1,509,212	1,524,519	1,492,220
Beatrice Area Solid Waste Agency	1,048,967	1,075,677	1,649,170	942,608	956,627	1,025,297	1,384,427	1,285,647	992,209	977,166
Sanitation	1,072,664	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116
Total Business-type Activities Expenses	16,027,229	16,722,594	17,896,230	17,485,975	18,421,842	19,269,902	20,202,135	21,036,257	21,292,624	20,808,571
Total Primary Government Expenses	\$24,599,786	\$26,358,639	\$28,703,596	\$27,163,071	\$28,847,115	\$30,404,053	\$30,920,626	\$31,496,208	\$33,740,261	\$34,816,757
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 345,007	\$ 371,674	\$ 284,335	\$ 205,377	\$ 311,477	\$ 250,053	\$ 272,753	\$ 418,743	\$ 1,744,814	\$ 3,036,542
Public Safety	1,306,089	1,402,026	1,586,908	1,642,214	1,666,149	1,806,582	1,893,084	1,914,393	1,340,782	1,832,967
Culture and Recreation	250,418	192,847	187,454	212,136	234,027	212,851	234,840	228,792	36,988	223,024
Other Governmental Activities	37,492	34,318	38,457	26,790	22,865	50,147	68,552	28,795	219,903	29,682
Operating Grants and Contributions	1,525,902	1,829,626	1,967,155	1,785,458	1,674,225	1,414,084	1,182,509	1,072,697	1,380,090	1,946,512
Capital Grants and Contributions	461,506	1,378,513	597,350	290,637	654,092	2,307,752	2,332,445	1,694,873	1,641,055	2,021,762
Total Governmental Activities Program Revenues	3,926,414	5,209,004	4,661,659	4,162,612	4,562,835	6,041,469	5,984,183	5,358,293	6,363,632	9,090,489
Business-type Activities										
Charges for Services:										
Electric	10,964,847	11,524,236	12,400,570	12,642,133	14,104,065	14,498,621	14,644,110	14,838,324	15,165,993	14,749,348
Water	1,643,628	1,625,956	1,487,231	1,577,016	1,728,981	1,969,342	2,281,472	2,230,423	2,360,903	2,321,423
Water Pollution Control	1,156,364	1,129,261	1,158,511	1,198,716	1,375,951	1,453,143	1,566,247	1,562,711	1,536,331	1,732,788
Beatrice Area Solid Waste Agency	923,420	997,495	1,075,120	1,050,149	1,048,397	1,017,931	1,114,194	1,086,095	1,136,396	1,170,237
Sanitation	1,072,664	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116
Capital Grants and Contributions	455,095	214,223	199,650	-	-	-	-	-	-	80,000
Total Business-type Activities Program Revenues	16,216,018	16,630,804	17,529,646	17,642,545	19,447,857	20,124,655	20,839,872	20,969,555	21,495,480	21,337,912
Total Primary Government Program Revenues	\$20,142,432	\$21,839,808	\$22,191,305	\$21,805,157	\$24,010,692	\$26,166,124	\$26,824,055	\$26,327,848	\$27,859,112	\$30,428,401
<b>Net (Expense) Revenue</b>										
Governmental Activities:	\$ (4,646,143)	\$ (4,427,041)	\$ (6,145,707)	\$ (5,514,484)	\$ (5,862,438)	\$ (5,092,682)	\$ (4,734,308)	\$ (5,101,658)	\$ (6,084,005)	\$ (4,917,697)
Business-type Activities	188,789	(91,790)	(366,584)	156,570	1,026,015	854,753	637,737	(66,702)	202,856	529,341
Total Primary Government Net (Expense)	\$ (4,457,354)	\$ (4,518,831)	\$ (6,512,291)	\$ (5,357,914)	\$ (4,836,423)	\$ (4,237,929)	\$ (4,096,571)	\$ (5,168,360)	\$ (5,881,149)	\$ (4,388,356)

**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	\$ 4,668,783	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,583,425	\$ 5,762,423	\$ 6,033,958
Unrestricted Intergovernmental	453,478	555,063	587,786	566,172	561,813	597,411	393,613	659,517	689,779	607,292
Miscellaneous Revenues	414,510	302,369	447,468	278,455	146,476	238,004	136,136	298,578	221,673	172,350
Unrestricted Investment Earnings	142,609	136,094	114,399	82,662	72,767	17,708	9,445	5,325	6,231	8,854
Gain (loss) on Sale of Capital Assets	4,451	(84,842)	(6,511)	-	-	-	-	-	(7,074)	-
<b>Total Governmental Activities</b>	<b>5,683,831</b>	<b>5,896,212</b>	<b>6,253,518</b>	<b>5,887,514</b>	<b>6,018,075</b>	<b>6,095,264</b>	<b>5,999,640</b>	<b>6,546,845</b>	<b>6,673,032</b>	<b>6,822,454</b>

**Business-type Activities:**

Miscellaneous Revenues	121,725	171,536	277,591	321,312	196,031	810,950	727,763	368,806	195,737	371,470
Investment Earnings	110,699	131,793	98,880	53,384	60,022	67,018	50,857	43,348	44,801	58,918
Special Items	-	-	-	-	-	-	-	(191,485)	-	-
(Loss) Gain on Sale of Capital Assets	-	-	(4,897)	-	-	-	-	(57,757)	-	(532)
<b>Total Business-type Activities</b>	<b>232,424</b>	<b>303,329</b>	<b>371,574</b>	<b>374,696</b>	<b>256,053</b>	<b>877,968</b>	<b>778,620</b>	<b>162,912</b>	<b>240,538</b>	<b>429,856</b>
<b>Total Primary Government</b>	<b>\$ 5,916,255</b>	<b>\$ 6,199,541</b>	<b>\$ 6,625,092</b>	<b>\$ 6,262,210</b>	<b>\$ 6,274,128</b>	<b>\$ 6,973,232</b>	<b>\$ 6,778,260</b>	<b>\$ 6,709,757</b>	<b>\$ 6,913,570</b>	<b>\$ 7,252,310</b>

**Change in Net Position**

Governmental Activities	\$ 1,037,688	\$ 1,469,171	\$ 107,811	\$ 373,030	\$ 155,637	\$ 1,002,582	\$ 1,265,332	\$ 1,445,187	\$ 589,027	\$ 1,904,757
Business-type Activities	421,213	211,539	4,990	531,266	1,282,068	1,732,721	1,416,357	96,210	443,394	959,197
Change in accounting principle	-	-	-	-	-	-	-	(98,171)	-	-
<b>Total Primary Government</b>	<b>\$ 1,458,901</b>	<b>\$ 1,680,710</b>	<b>\$ 112,801</b>	<b>\$ 904,296</b>	<b>\$ 1,437,705</b>	<b>\$ 2,735,303</b>	<b>\$ 2,681,689</b>	<b>\$ 1,443,226</b>	<b>\$ 1,032,421</b>	<b>\$ 2,863,954</b>

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

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**  
**(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>
2006	(1)	\$ 1,345,681	\$ 2,609,294	\$ 693,266	\$ 20,542	\$ 4,668,783
2007		1,437,813	2,813,973	715,056	20,686	4,987,528
2008	(2)	1,724,779	2,629,801	736,406	19,390	5,110,376
2009	(3)	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	3,082,267	629,911	106,474	5,700,115
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

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) Utility Occupation Taxes amended to include wireless phone service
- (2) Property tax increase due to new debt service levy for Public Safety Tax Anticipation Notes
- (3) 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	\$ -	\$ -	\$ 128,019	\$ 48,584	\$ 21,354	\$ 52,588	\$ 63,979	\$ 28,800	\$ -	\$ -
Assigned For:										
subsequent years' expenditures	445,000	491,000	629,500	592,106	716,164	734,960	644,444	734,986	817,938	1,079,813
Unassigned	1,262,195	1,450,957	1,210,485	1,129,331	1,057,315	849,366	786,619	1,157,311	1,860,437	1,906,992
Total General Fund	<u>\$ 1,707,195</u>	<u>\$ 1,941,957</u>	<u>\$ 1,968,004</u>	<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>
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 861,742	\$ 675,162	\$ 901,586	\$ 1,066,772	\$ 1,227,426	\$ 1,030,152	\$ 896,621	\$ 1,016,166	\$ 1,128,265	\$ 1,256,328
Restricted for Library Capital	-	-	-	-	-	-	-	-	10,112	8,641
Restricted for Debt Service	223,587	217,103	450,392	235,800	212,370	212,845	171,982	177,277	69,182	71,682
Restricted for CDBG Revolving Loans	2,314,689	2,309,706	1,654,085	1,593,105	1,555,418	1,523,666	1,290,461	1,249,361	622,605	340,188
Restricted for E911 Public Safety	(8,651)	(5,964)	(4,065)	(2,095)	7,699	41,351	71,336	92,446	36,758	25,266
Restricted for Storm Water Management	-	31,262	11,086	31,680	72	21,438	36,900	41,726	56,048	48,965
Restricted for Streets	(163,548)	4,677	(3,304)	160,092	411,516	378,019	401,241	546,085	1,171,626	1,999,868
Committed For:										
Committed for Community Betterment	181,805	181,687	191,405	204,863	162,712	209,771	50,355	4,046	17,326	68,141
Committed for Library Capital	97,106	96,835	80,739	81,705	93,416	82,405	145,349	211,822	40,876	40,896
Committed for Public Safety	235,366	266,131	304,799	158,668	206,202	255,576	292,892	198,964	69,600	41,542
Committed for Capital Project	-	-	-	-	-	267,233	-	-	-	-
Assigned For:										
Debt service	-	-	-	-	-	-	-	-	13,879	1,368
Subsequent Years' Expenditures	-	-	-	-	-	-	122,678	159,728	-	33,486
Unassigned, Reported In:										
Debt Service Funds	(183,671)	(235,058)	(214,234)	(129,833)	(53,427)	(16,416)	(146,182)	(10,394)	-	-
Capital Projects funds	34,799	3,462	91,430	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 3,593,224</u>	<u>\$ 3,545,003</u>	<u>\$ 3,463,919</u>	<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>

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

2008 - Decrease in Reserve for CDBG Revolving Loans due to large loan forgiveness

Increase in Reserve for Debt Service due to Public Safety Tax Anticipation Levy

2011 - For comparison purposes restated the fund balances from 2005 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014(a)	2015
<b>Revenues</b>										
Taxes	\$ 4,668,783	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,466,427	\$ 5,823,746	\$ 6,053,401
Licenses & Permits	94,817	199,008	103,070	80,819	173,182	108,465	105,128	78,920	114,685	122,002
Intergovernmental and Grants	2,452,508	3,457,823	2,827,669	2,494,643	2,801,411	4,254,245	2,430,097	3,191,033	2,794,328	3,822,758
Charges for Services (1)	1,461,191	1,773,046	1,974,053	1,990,050	2,043,066	2,170,302	2,344,477	1,847,614	1,758,473	1,884,249
Keno Proceeds	93,706	109,558	113,062	89,668	75,178	83,401	79,132	62,296	73,188	81,618
Special Assessments	159,761	103,792	60,611	85,724	63,252	25,794	133,879	118,261	40,723	41,789
Interest	141,297	152,259	135,906	112,125	72,767	62,518	34,114	43,664	48,928	20,287
Donations and Misc Revenue	532,419	404,930	594,879	236,872	146,778	165,542	644,084	464,741	1,006,947	807,558
Total revenues	9,604,482	11,187,944	10,919,626	10,050,126	10,612,653	12,112,408	11,231,357	11,272,956	11,661,018	12,833,662
<b>Expenditures</b>										
General Government	1,338,934	1,297,993	2,230,741	1,356,912	1,473,498	2,827,461	1,823,715	1,403,472	1,682,858	2,507,695
Public Safety (1)	4,105,029	4,552,974	4,732,030	4,697,661	4,975,019	5,148,150	5,234,146	4,888,595	5,024,814	5,173,814
Highways and Streets	898,007	968,064	1,101,521	1,069,722	1,263,739	1,224,442	1,154,538	1,086,835	1,067,619	1,047,157
Culture and Recreation	1,141,291	1,321,558	1,314,275	1,030,637	1,013,450	1,040,086	942,577	926,500	908,159	984,968
Debt Service:										
Principal	325,000	165,000	230,000	375,000	360,148	305,444	270,000	140,000	290,000	185,000
Interest	156,582	51,357	49,910	38,318	31,322	23,868	21,945	18,140	5,050	2,068
Bond Insurance Costs	-	-	10,199	-	-	-	-	5,980	-	-
Capital Outlay	2,077,272	2,755,667	1,913,167	1,616,144	921,519	1,393,246	2,485,269	2,434,862	2,676,626	2,773,458
MFO Payments to Other Entities	122,576	122,907	124,292	126,877	126,499	124,994	113,445	108,923	106,438	110,679
Total Expenditures	10,164,691	11,235,520	11,706,135	10,311,271	10,165,194	12,087,691	12,045,635	11,013,307	11,761,564	12,784,839
<b>Excess of Revenues over (under) Expenditures</b>	(560,209)	(47,576)	(786,509)	(261,145)	447,459	24,717	(814,278)	259,649	(100,546)	48,823
<b>Other Financing Sources (Uses)</b>										
Transfers In	387,000	313,958	473,865	448,856	228,934	371,548	715,163	374,263	384,542	515,680
Transfers Out	(387,000)	(313,958)	(473,865)	(448,856)	(228,934)	(371,548)	(715,163)	(374,263)	(384,542)	(515,680)
Grant write-off	-	-	(87,857)	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	504,436
Bond and Lease Proceeds	-	216,263	819,329	-	-	-	-	520,000	-	452,665
Sale of Capital Assets	39,100	17,854	-	-	-	-	-	-	20,000	2,600
Total Other Financing Sources (Uses)	39,100	234,117	731,472	-	-	-	-	520,000	20,000	959,701
<b>Net Change in Fund Balances</b>	<b>\$ (521,109)</b>	<b>\$ 186,541</b>	<b>\$ (55,037)</b>	<b>\$ (261,145)</b>	<b>\$ 447,459</b>	<b>\$ 24,717</b>	<b>\$ (814,278)</b>	<b>\$ 779,649</b>	<b>\$ (80,546)</b>	<b>\$ 1,008,524</b>
Debt Service as a percentage of noncapital expenditures	5.9%	2.6%	2.9%	5.3%	4.3%	3.4%	3.2%	1.9%	3.7%	1.9%

(1) 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

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

**Table 6**

<b>FISCAL YEAR</b>	<b>ASSESSED VALUE (1)</b>	<b>PERSONAL PROPERTY ASSESSED VALUE (1)</b>	<b>TOTAL ASSESSED VALUATION</b>	<b>TOTAL DIRECT TAX RATE</b>	<b>RATIO OF ASSESSED TO EST. ACTUAL</b>
2006	\$ 463,420,813	n/a	\$ 463,420,813	0.293520	1
2007	481,285,347	16,002,826	497,288,173	0.293520	1
2008	486,617,931	15,869,700	502,487,631	0.343520	1
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

(1) As provided by the County Assessor, includes both real and personal property  
 Breakdown not available for 2006.

**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>
2006	0.29352	1.161633	0.369699	0.127308	0.041655	1.993815
2007	0.29352	1.161632	0.327795	0.132702	0.040008	1.955657
2008	0.34352	1.161632	0.373835	0.142877	0.041529	2.063393
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

(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**

<u>FISCAL YEAR</u>	<u>CITY OF BEATRICE</u>	<u>STATE OF NEBRASKA</u>	<u>TOTAL TAX RATE</u>
2006	1.50%	5.50%	7.00%
2007	1.50%	5.50%	7.00%
2008	1.50%	5.50%	7.00%
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%

(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	2015			2006		
		ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION
Flint Hills Resources Beatrice LLC	(1) manufacturing plant	\$ 13,712,405	1	2.38%	---	---	---
Exmark Manufacturing Co	(2) manufacturing	6,926,180	2	1.20%	---	---	---
Farmers Co-op Elevator	grain/feed elevator	6,444,925	3	1.12%	2,568,325	5	0.55%
Wal-Mart Stores	shopping mall	6,400,000	4	1.11%	6,269,140	2	1.35%
EIP Beatrice Owner, LLC	(2) manufacturing	5,719,400	5	0.99%	---	---	---
KH Beatrice LLC	(1) manufacturing vacant	4,500,000	6	0.78%	11,400,000	1	2.46%
Accuma Corp	(2) manufacturing	3,717,360	7	0.65%	---	---	---
Beatrice Retirement Inc.	retirement homes	3,197,850	8	0.56%	3,451,635	3	0.74%
Frontier Lodging of Beatrice	hotel	2,737,970	9	0.48%	2,821,370	4	0.61%
Meridian Bank Texas (SK)	manufacturing	2,322,355	10	0.40%	---	---	---
Stanley T & Judy E Meyer	shopping mall plus other	---	---	---	2,325,415	7	0.50%
Sea Breeze Land Development	manufacturing	---	---	---	2,484,380	6	0.54%
LTC Properties	retirement home/assisted	---	---	---	2,170,000	8	0.47%
Homestead Village	retirement home/complex	---	---	---	2,072,110	9	0.45%
Equinox Consulting LLC	mall/commercial property	---	---	---	1,877,520	10	0.41%
		<u>\$ 55,678,445</u>		<u>9.67%</u>	<u>\$ 37,439,895</u>		<u>8.08%</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 NINE YEARS AGO**

**Table 8a**

<b>Business Classification</b>	<b>Calendar Year 2014</b>			<b>Calendar Year 2006</b>		
	<b>Net Taxable Sales</b>	<b>Rank</b>	<b>% of Total Net Taxable Sales</b>	<b>Net Taxable Sales</b>	<b>Rank</b>	<b>% of Total Net Taxable Sales</b>
Retail Trade	\$ 80,797,605	1	47.4%	\$ 77,274,726	1	46.9%
Utilities	20,818,367	2	12.2%	21,922,078	2	13.3%
Accommodation & Food Services	22,741,740	3	13.3%	18,424,781	3	11.2%
Wholesale Trade	13,091,895	4	7.7%	9,760,521	4	5.9%
Information	3,834,680	6	2.2%	9,725,695	5	5.9%
Construction	5,623,504	5	3.3%	6,225,598	6	3.8%
Other	23,611,967	---	13.8%	21,593,149	---	13.1%
Total	<u>170,519,758</u>	<u></u>	<u>100.0%</u>	<u>164,926,548</u>	<u></u>	<u>100.0%</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis and are only available for the past nine years for comparison. 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 2014 that percentage was 87.69% as compared to 87.7% in 2006



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

**Table 9**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>FISCAL YEARS TAX COLL.</b>	<b>% OF LEVY COLL.</b>	<b>SUBSEQUENT YEARS TAX COLL.</b>	<b>TOTAL TAX COLL. TO DATE</b>	<b>% TOTAL TAX COLL. OF LEVY</b>
2006	\$ 1,360,231	\$ 1,302,036	95.72%	\$ 57,986	\$ 1,360,022	100.0%
2007	1,459,640	1,393,092	95.44%	64,786	1,457,878	99.9%
2008	1,726,146	1,665,902	96.51%	70,215	1,736,117	100.6%
2009	1,715,278	1,635,184	95.33%	77,698	1,712,882	99.9%
2010	1,816,392	1,714,589	94.40%	66,886	1,781,475	98.1%
2011	1,778,950	1,704,384	95.81%	65,879	1,770,263	99.5%
2012	1,876,856	1,810,704	96.48%	68,654	1,879,358	100.1%
2013	1,881,944	1,823,811	96.91%	57,040	1,880,851	99.9%
2014	1,987,832	1,931,893	97.19%	51,942	1,983,835	99.8%
2015	2,132,597	2,099,464	98.45%	-	2,099,464	98.4%

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	Development Revenue Bonds	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2006	\$ 955,000	-	\$ 2,040,000	\$ 185,739	\$ 1,475,000	\$ 2,154,419	\$ 1,050,000	\$ 76,441	\$ 7,936,599	2.04%	634.01
2007(a)	790,000	216,263	-	139,989	1,180,000	2,045,825	855,000	59,464	5,286,541	1.36%	422.32
2008(b)	1,435,000	160,592	-	106,372	875,000	1,933,752	655,000	41,635	5,207,351	1.29%	415.99
2009 (c)	1,120,000	100,592	-	56,146	2,815,000	1,818,086	445,000	22,946	6,377,770	1.48%	509.41
2010	815,000	45,444	-	7,667	2,480,000	1,797,287	225,000	3,356	5,373,754	1.15%	422.37
2011(d)	555,000	-	-	4,727	2,265,000	1,670,041	1,655,000	200,911	6,350,679	1.36%	509.73
2012 (e)	285,000	-	-	1,594	3,845,000	90,394	1,520,000	151,259	5,893,247	1.28%	473.01
2013 (f)	665,000	-	-	-	3,615,000	86,178	1,360,000	103,851	5,830,029	1.14%	467.56
2014	375,000	-	-	-	3,280,000	81,874	1,200,000	54,878	4,991,752	0.92%	394.01
2015 (g)	190,000	-	-	444,132	2,950,000	-	1,040,000	4,290	4,628,422	0.86%	365.33

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) 2007 Community Redevelopment Authority reclassified as a component unit

(b) 2008 Issued Public Safety Tax Anticipation Bonds in the amount of \$815,000

(c) 2009 Issued Board of Public Works Revenue Utilities Bonds in the amount of \$2,265,000

(d) 2011 Issued Solid Waste Disposal Facility Revenue bonds in the amount of \$1,655,000

(e) 2012 Issued Combined Utilities Refunding Bonds in the amount of \$1,725,000 to call in the 2002 State Notes

(f) 2013 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

(g) 2015 Issued Capital Leases for purchase of street equipment and installation of ballfield lighting

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

**Table 11**

<b>FISCAL YEAR</b>	<b>ESTIMATED ACTUAL VALUE</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LESS DEBT SERVICE FUNDS AVAILABLE</b>	<b>NET BONDED DEBT</b>	<b>% OF ASSESSED TAXABLE VALUE</b>	<b>NET BONDED PER CAPITA</b>
2006	463,420,813	995,000	223,587	771,413	0.17%	61.62
2007	497,288,173	790,000	217,103	572,897	0.12%	45.77
2008 (a)	502,487,631	1,435,000	450,392	984,608	0.20%	78.66
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 (b)	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

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.

(a) Public Safety Tax Anticipation Bonds issued July 2008 in the amount of \$815,000

(b) Public Safety Tax Anticipation Bonds issued June 2013 in the amount of \$520,000

**CITY OF BEATRICE, NEBRASKA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**SEPTEMBER 30, 2015**

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>
<b>DEBT REPAYED WITH PROPERTY TAXES</b>			
<b>DIRECT:</b>			
City of Beatrice	\$ 190,000	100.00%	\$ 190,000
Total Direct Debt			<u>\$ 190,000</u>
<b>OVERLAPPING:</b>			
Airport Authority	\$ 470,000	100.00%	\$ 470,000
School District #15	6,000,000	51.21%	3,072,600
Lower Big Blue Natural Resources District	2,730,873	11.29%	308,316
Gage County	5,655,978	22.06%	1,247,709
Total Overlapping Debt			<u>\$ 5,098,624</u>
Total Direct & Overlapping Debt			<u><u>\$ 5,288,624</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**

<b>FISCAL YEAR</b>	<b>OPERATING REVENUES</b>	<b>TOTAL OPERATING EXPENSES(1)</b>	<b>TOTAL REVENUE AVAILABLE FOR DEBT SERVICE</b>	<b>DEBT SERVICE REQUIREMENTS</b>			<b>COV- ERAGE</b>
				<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2006	\$ 13,681,795	\$ 11,719,683	\$ 1,962,112	\$ 395,220	\$ 160,872	\$ 556,092	3.53
2007	14,166,081	12,355,830	1,810,251	403,594	125,884	529,478	3.42
2008	15,046,312	12,909,175	2,137,137	417,073	112,079	529,152	4.04
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

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**

<b>FISCAL YEAR</b>	<b>POPULATION(1)</b>	<b>TOTAL PERSONAL INCOME</b>	<b>PER CAPITA PERSONAL INCOME(4)</b>	<b>MEDIAN AGE (1)</b>	<b>SCHOOL ENROLLMENT(2)</b>	<b>UNEMPLOYMENT RATE(3)</b>
2006	12,518	\$ 387,294,402	\$ 30,939	40.1	2,221	3.30%
2007	12,518	404,619,314	32,323	40.1	2,181	3.60%
2008	12,518	430,368,840	34,380	41.6	2,146	4.60%
2009	12,520	465,368,400	37,170	42	2,189	5.90%
2010	12,723	468,142,785	36,795	43	2,134	5.60%
2011	12,459	460,833,492	36,988	42.6	2,173	5.00%
2012	12,459	510,096,378	40,942	42.6	2,162	4.20%
2013	12,469	539,857,824	43,296	42.6	2,154	4.10%
2014	12,669	612,698,178	48,362	44	2,145	4.00%
2015	12,669	607,377,198	47,942	43	2,133	3.00%

**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 EIGHT YEARS AGO**

Table 15

Employer	Type of Activity	2015			2006		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice State Developmental Center	Home for mentally handicapped	700	1	6.46%	888	1	8.56%
Beatrice Community Hospital	Medical	515	2	4.75%	441	3	4.25%
NEAPCO	Manufacturing	350	3	3.23%	226	7	2.18%
Exmark Manufacturing	Manufacturing	340	4	3.14%	704	2	6.79%
Beatrice Public Schools	Education	273	5	2.52%	352	4	3.39%
Mosaic	Home for mentally handicapped	270	6	2.49%	164	10	1.58%
Wal-Mart Super Center	Retail	183	7	1.69%	---	---	---
City of Beatrice	Government	153	8	1.41%	181	8	1.73%
Southeast Community College	Education	135	9	1.25%	---	---	---
Good Samaritan Center	Nursing Home & Assisted Living	121	10	1.12%	180	9	1.73%
Store Kraft	Manufacturing	---	---	---	280	6	2.70%
Husqvarna Turf Care	Manufacturing	---	---	---	350	5	3.37%
		<u>2,919</u>		<u>28.06%</u>	<u>3,766</u>		<u>36.28%</u>

Source: Gage Area Growth Community Profile

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

Table 16

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>FUNCTION</b>										
General Government	5	5	8	8	8	8	8	8	8	9
Public Safety										
Police										
Commissioned	22	22	22	22	21	21	22	21	21	21
Civilians	11	11	11	11	11	10	10	10	10	13
Fire										
Full-time Firefighters	23	23	23	23	23	23	23	23	23	23
Civilians	1	1	0	0	0	0	0	0	0	0
Culture and Recreation	14	13	9	9	9	8	7	6	6	6
Highways and Streets	9	10	10	10	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	14	14	12	11	11	11	11	10	10	10
Sewer	7	7	7	7	7	7	7	6	6	6
Electric	33	33	30	30	30	30	29	29	28	25
Total Full-Time Employees	143	143	136	135	133	131	130	126	125	126

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>FUNCTION</b>										
Public Safety										
Police										
Civilians	3	3	2	2	2	2	2	2	2	2
Fire										
Reserves	8	9	6	6	8	8	8	8	8	6
Culture and Recreation	20	20	16	18	18	18	18	15	15	15
Solid Waste Agency/WPC	5	5	6	6	6	5	5	4	4	4
Electric	2	2	2	0	0	0	0	0	0	0
Total Part-Time Employees	38	39	32	32	34	33	33	29	29	27
*Part-time employment is 1020 hours/yr or less										
C & R Summer Seasonal	40	40	45	48	48	45	40	40	40	43



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

**Table 17**

<b>FUNCTION</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government										
Building Permits Issued	208	253	227	471	395	454	458	442	399	493
Commercial Construction Value	\$ 2,508,711	\$12,153,494	\$20,991,748	\$ 2,373,880	\$ 3,678,807	\$19,336,559	\$11,323,241	\$ 2,947,834	\$ 2,923,538	\$ 7,907,152
Residential Construction Value	\$ 6,749,220	\$ 5,714,833	\$ 4,715,420	\$ 5,579,131	\$ 2,501,790	\$ 3,300,316	\$ 2,072,975	\$ 3,330,426	\$ 3,157,487	\$ 4,118,584
Public Safety										
Police										
Physical Arrests	1,191	988	1,048	808	662	928	1,099	871	875	842
Patrol Warnings/Citations	2,815	2,437	3,078	2,507	2,025	1,699	1,758	1,424	1,364	1,462
Calls for Service	21,736	21,571	23,947	22,230	22,118	21,472	22,577	21,280	20,529	20,937
Fire										
Ambulance Calls	1,960	1,928	2,288	2,349	2,435	2,241	2,223	2,290	2,334	2,220
Fire & Rescue Calls	776	886	902	939	887	910	896	967	885	894
Culture and recreation										
Water Park Admissions	\$ 85,892	\$ 90,059	\$ 86,083	\$ 81,453	\$ 88,933	\$ 83,252	\$ 87,796	\$ 78,088	\$ 73,671	\$ 76,435
Electric										
Average Daily Usage Commercial (MWH)	286.6	283.5	283.2	262.7	282.8	272.7	264.4	261.8	220.5	261.6
Average Daily Usage Residential (MWH)	186.3	189.9	191.1	185.3	201.3	193.7	186.2	186.7	194.2	185.3
Water										
Average Daily Consumption (gal)	4.25m	3.95m	3.40m	3.60m	3.36m	3.42m	3.93m	3.53m	3.38m	2.96m
Water Pollution Control										
Average Daily Treatment (gal)	1.5m	1.4m	1.3m	1.2m	1.2m	1.2m	1.1m	1.2m	1.4m	1.2m

Information provided by department annual reports for the 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

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

**Table 18**

<b>FUNCTION</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
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	270	270	270.9	274.4	278.14	279.44	279.5	280.76	285.68	288.97
Street Lane Miles, Unpaved	31.7	31.7	31.5	31.5	34.15	34.15	34.45	35.33	34.25	34.25
Storm Sewer Miles	25	25	25	32	33	33.71	33.9	34.36	34.36	34.36
Bridges	11	11	11	9	9	9	9	9	11	11
Street Lights	1535	1551	1566	1656	1496	1513	1517	1517	1624	1617
Culture and recreation										
Number of Parks	11	12	12	12	12	12	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	10	10	10	9	9	9
Ballfields	12	12	12	12	12	12	12	12	12	12
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	123	123	123	123	123	126	126	126	122	122.33
Fire Hydrants	652	652	659	668	673	703	703	705	703	708
Sewer										
Sanitary Sewer Miles	127	128	128	128	128	129.3	129.3	94.4	94.73	94.9
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	94	94	94	98	99	99	99	100	100	103.24
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	101	92	92	88	88	88	88	87	87	84.11

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, 2015

Federal Grantor/ Program Title	Pass Through Grantor	CFDA Number	Grant Number	Expenditures
Department of Housing and Urban Development CDBG - State-Administered Small Cities Program Cluster Community Development Block Grants	Nebraska Department of Economic Development	14.228	-----	1,199,139
Department of Justice Nebraska's VOCA Victim Assistance Formula Grant Program	Nebraska Commission on Law Enforcement	16.575	2014-VA-GX-0030	49,219
Bulletproof Vest Partnership Program		16.607	2012-BUBX12061149	1,871
Department of Transportation Airport Improvement Program	Nebraska Department of Aeronautics	20.106	3-31-0009-15	2,161,631
Highway Planning and Construction Cluster	Nebraska Office of Highway Safety	20.205	-----	6,577
Department of Homeland Security's Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4225-NE	111,170
Hazard Mitigation Grant	Nebraska Department of Emergency Management	97.039	DR-4013-NE	38,890
Total federal expenditures				<u>3,568,497</u>

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, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General

This schedule presents the federal awards activity of the City of Beatrice, Nebraska, presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

The City provided no federal awards to subrecipients for the year ended September 30, 2015.

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. The outstanding balance of these loans, net of allowance, totaled \$266,117 as of September 30, 2015. New loans included in the schedule totaled \$80,000 for the year ended September 30, 2015.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards***

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, 2015, 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 17, 2016. Our report includes a reference to other auditors who audited the financial statements of the Beatrice Public Library Foundation, as described in our report on the City's financial statements. The audit of the Beatrice Public Library Foundation was not conducted in accordance with *Government Auditing Standards*.

### ***Internal Control Over Financial Reporting***

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated March 17, 2016.

### ***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 17, 2016



## Report on Compliance for Each 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 Each 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 each of the City's major federal programs for the year ended September 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### *Opinion on Each 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 each of its major federal programs for the year ended September 30, 2015.



## 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Lincoln, Nebraska  
March 17, 2016

# City of Beatrice, Nebraska

## Schedule of Findings and Questioned Costs

### For the Year Ended September 30, 2015

#### **Summary of Auditor's Results**

1. The opinion expressed in the independent auditor's report was:  
☒ 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
  
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 major federal awards was:  
☒ Unmodified    ☐ Qualified    ☐ Adverse    ☐ Disclaimer
  
6. The audit disclosed findings required to be reported by OMB Circular A-133?    ☐ Yes    ☒ No
  
7. The City's major programs were:

Cluster/Program	CFDA Number
CDBG – State Administered Small Cities Program Cluster	14.228
Airport Improvement Program	20.106

**City of Beatrice, Nebraska**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the Year Ended September 30, 2015**

***Summary of Auditor's Results - Continued***

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.
9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? ☐ Yes ☒ No

**Findings Required to be Reported by Government Auditing Standards**

Reference Number	Finding	Questioned Costs
	No matters are reportable.	None

**Findings Required to be Reported by OMB Circular A-133**

Reference Number	Finding	Questioned Costs
	No matters are reportable.	None

**City of Beatrice, Nebraska**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended September 30, 2015**

Reference Number	Summary of Finding	Status
No matters are reportable.		

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