

City of Beatrice Nebraska
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2019

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

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CITY OF BEATRICE, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019
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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 20, 2020

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, 2019.

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, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Beatrice's financial statements for the fiscal year ended September 30, 2019 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.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 20, 2020

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

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

PROFILE OF THE GOVERNMENT

The City of Beatrice, founded in 1857 and incorporated in 1873, is located in Southeast Nebraska, just 39 miles south of Lincoln, the State Capital. The City of Beatrice is the county seat for Gage County and provides some county-wide services. The City of Beatrice currently occupies a land area of eight square miles and serves a population of 12,669. The City of Beatrice is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

The City provides a full range of municipal services including police and fire protection; rescue, including confined space and hazardous materials, and ambulance services; construction and maintenance of streets and infrastructure; electric, water and water pollution control utilities; a free public library; a system of parks; solid waste management; planning and zoning; and administrative services. The governing body oversees the City's various employee retirement systems and these activities are included in this report. The City also provides for a municipal airport which is governed by a separately elected board.

The biennial budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City Administrator by June 1st prior to the start of the next biennial budget cycle. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 20th. The appropriated budget

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 20, 2020

is adopted on a per fund basis and budgetary control for internal purposes is exercised at the department level. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. This information can be found in the attached schedules for each fund starting on page 73.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The City of Beatrice is located on a four-lane expressway just 39 miles south of Nebraska's state capital, Lincoln, and is the site of the Homestead National Monument of America. Beatrice continues to provide a diverse economical mix of agriculture, light industry, health-related services, and general government for the retail area of Southeast Nebraska. The City unemployment rate at September 30, 2019 was 3%, which is slightly higher than the State of Nebraska rate of 2.8% but continued to be lower than the national rate of 3.5%.

Tax revenues in 2019 were up 13.8% from 2018. The property tax levy for fiscal year 2019 was 1.77 cent higher than the property tax levy in 2018. Despite an increase of assessed valuation for Real Property of \$9,277,002 or 1.6% total assessed valuations, including personal property, decreased \$1,268,616 in 2019. This resulted in an increase in property tax revenue of 4.5%. Sales tax revenues reflect an increase of 24.3% from 2018. This increase was due to a new voted approved ½ cent sales tax for the construction of a new fire station and an increase of 5% on taxable sales. Occupation tax revenue decreased 1.8% in 2019.

The City Council continues to support economic development efforts to promote and market the industrial climate for Beatrice and Gage County. The City of Beatrice maintains a Local Economic Development Plan, funded with one-half of the proceeds from an additional half-cent sales and use tax, up to a maximum of \$250,000, as approved by the voters. This plan was extended to 2023 by a vote of the citizens of Beatrice in May 2012.

The City has been active in developing the Gage County Industrial Park which has 17 manufacturing and commercial industries. Two other major manufacturing companies are located within the City. The area's top private industries are manufacturing, trade, and utilities and makeup over one-third of the area's employment, totaling 3,000 employees. The largest non-manufacturers include government, education, and healthcare services, employing 2,500.

In 2019 the City finalized a number of housing projects throughout the community. The City continues to progressively recruit new businesses and developments to town while working with existing businesses to grow and expand.

Financial Planning and Initiatives

The City Council annually 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

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 20, 2020

strategic objectives for the coming year. The goals and objectives relate to the organization structure, services being provided to the patrons of the City, examining revenue changes, public communications and capital projects.

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

In 2019 the City took another step in the shift of how the City purchases electrical energy. The City shifted 30% of its electrical purchases from NPPD to AEP. This initial shift resulted in a 6.47% savings. The City will continue shifting more of its electrical purchased away from NPPD in the upcoming years.

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, 2018. This was the 28th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tobias J. Tempelmeyer
City Administrator and General Manager



Government Finance Officers Association

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

Presented to

**City of Beatrice
Nebraska**

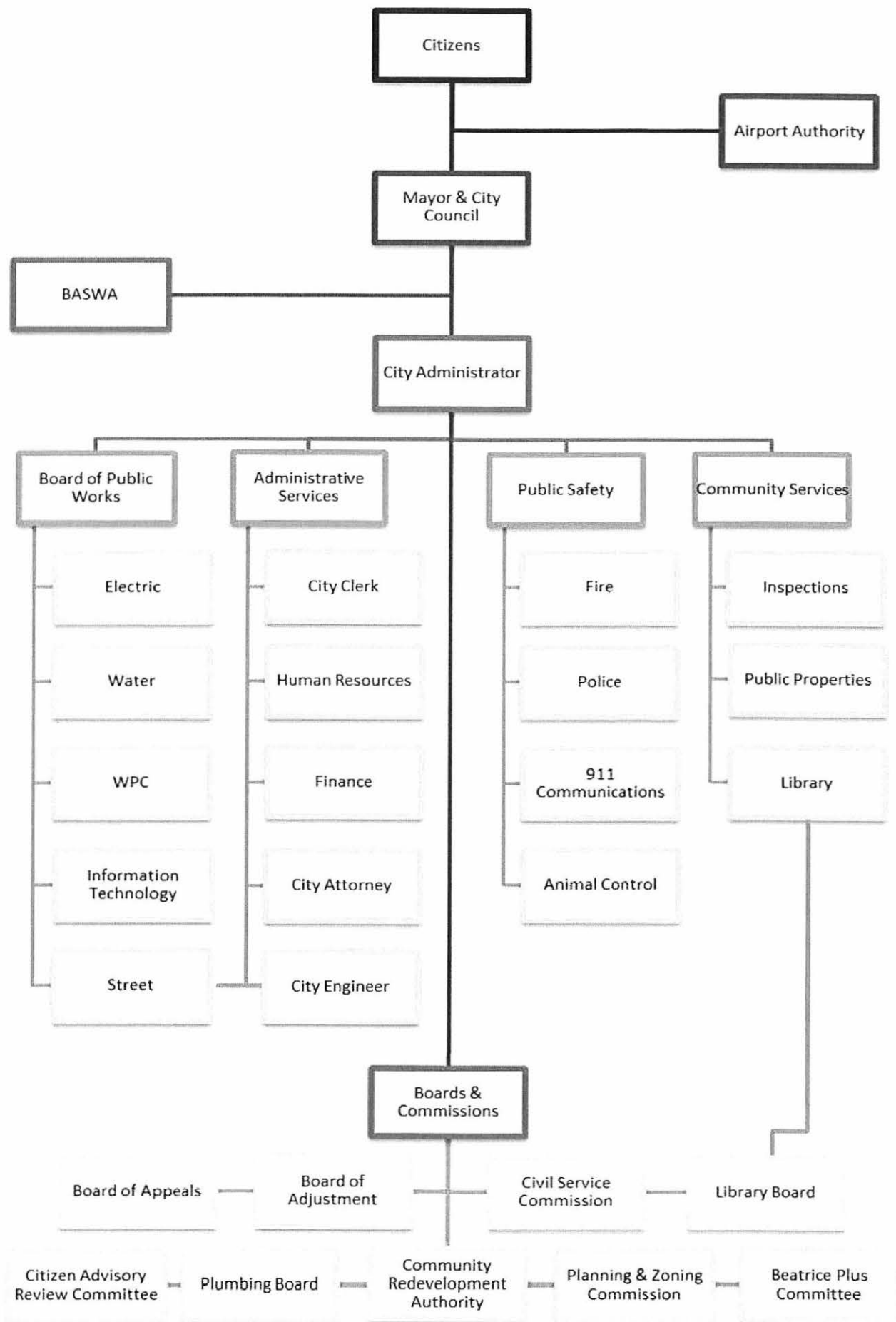
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrell

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2019**

MAYOR
Stan Wirth

CITY COUNCILMEMBERS

Phil Cook	Robert Morgan
Ted Fairbanks	Richard Clabaugh
Rich Kerr	Michael McLain
David “Pede” Catlin	Joe Billesbach

CITY ADMINISTRATOR & GENERAL MANAGER
Tobias Tempelmeyer

CITY OFFICIALS

Linda Koch	Finance Director
Erin Saathoff	City Clerk
Bruce Lang	Police Chief
Brian Daake	Fire Chief
Mark Pethoud	Director of Public Properties
Laureen Riedesel	Library Director
Abigail Stark	City Attorney
Rob Mierau	Community Development Director
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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beatrice Public Library Foundation, which represent 15%, 15% and 5%, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Beatrice Public Library Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated March 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary and other information, consisting of combining and individual fund statements and schedules, capital asset schedules, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules, capital asset schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, capital asset schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. Additionally, the combining and individual fund statements and schedules for the Beatrice Public Library Foundation were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 20, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
March 20, 2020

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Beatrice, Nebraska, we offer readers of the City of Beatrice's financial statements this narrative overview and analysis of the financial activities of the City of Beatrice for the fiscal year ended September 30, 2019. 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 \$83,316,887. Of this amount, \$13,307,979 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice's total net position increased \$3,045,446 or 3.8%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$7,064,002, an increase of \$887,404 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$2,456,293, or 26.4% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, increased \$345,472 during the current fiscal year. The City issued debt during the year totaling \$898,378 and annual debt obligations of \$1,148,024 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$595,118.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Beatrice that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Beatrice include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City of Beatrice include electric distribution, water pumping and distribution, sewage collection and treatment, solid waste management, and sanitation.

The government-wide financial statements include not only the City of Beatrice itself (known as the primary government), but also the Beatrice Area Solid Waste Agency, a legally separate entity. The Beatrice Area Solid Waste

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Agency, although legally separate, functions for all practical purposes as a department of the City of Beatrice, and therefore has been included as an integral part of the primary government. The Beatrice Airport Authority and the Community Redevelopment Authority are determined to be discretely presented component units and included due to the fiscal dependency on the City for any allocation of tax revenues. The Beatrice Library Foundation, also a discretely presented component unit, is included due to the financial support it provides the Beatrice Public Library. The government-wide financial statements can be found on pages 13 to 15 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The City of Beatrice maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and the Street Fund, both of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The City of Beatrice adopts an annual appropriated budget using the General All-Purpose Fund tool for all governmental funds. A budgetary comparison statement has been provided for to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Water Pollution

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Control, and Beatrice Area Solid Waste Agency funds which are considered to be major funds of the City of Beatrice. The proprietary fund financial statements also show the data for the two nonmajor funds: the Sanitation Fund (an enterprise fund) and the Self-Insured Group Insurance Fund (an internal service fund). The basic proprietary fund financial statements can be found on pages 20 to 24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Beatrice's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25 to 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 70 of this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Beatrice, assets exceeded liabilities by \$83,316,887 at the close of the most recent fiscal year. By far the largest portion of the City of Beatrice's net position (78.7%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Beatrice uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Beatrice's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 8,168	\$ 7,688	\$ 18,990	\$ 17,453	\$ 27,158	\$ 25,141
Capital assets	37,364	36,869	33,293	33,015	70,657	69,884
TOTAL ASSETS	<u>45,532</u>	<u>44,557</u>	<u>52,283</u>	<u>50,468</u>	<u>97,815</u>	<u>95,025</u>
LIABILITIES						
Long-term liabilities noncurrent	1,170	793	8,563	8,703	9,733	9,496
Other liabilities	1,427	1,878	3,338	3,380	4,765	5,258
TOTAL LIABILITIES	<u>2,597</u>	<u>2,671</u>	<u>11,901</u>	<u>12,083</u>	<u>14,498</u>	<u>14,754</u>
NET POSITION						
Net investment in capital assets	36,322	35,613	29,208	28,432	65,530	64,045
Restricted	3,754	3,211	725	704	4,479	3,915
Unrestricted	2,859	3,062	10,449	9,249	13,308	12,311
TOTAL NET POSITION	<u>\$ 42,935</u>	<u>\$ 41,886</u>	<u>\$ 40,382</u>	<u>\$ 38,385</u>	<u>\$ 83,317</u>	<u>\$ 80,271</u>

City of Beatrice, Nebraska
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An additional portion of the City of Beatrice's net position (5.4%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$13,307,979 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 \$1,049,006 in net position reported in connection with the City of Beatrice's governmental activities. Business-type activities increased the City of Beatrice's net position by \$1,996,440. 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, 2019 and 2018

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues						
Charges for services	\$ 5,369	\$ 5,675	\$ 25,921	\$ 26,197	\$ 31,290	\$ 31,872
Operating grants and contributions	1,974	1,914	-	-	1,974	1,914
Capital grants and contributions	1,861	3,817	-	30	1,861	3,847
General revenues						
Taxes	7,221	6,347	-	-	7,221	6,347
Unrestricted intergovernmental	823	830	-	-	823	830
Other revenue	191	195	621	690	812	885
TOTAL REVENUES	17,439	18,778	26,542	26,917	43,981	45,695
EXPENSES						
General government	5,228	5,538	-	-	5,228	5,538
Public safety	6,958	6,590	-	-	6,958	6,590
Highways and streets	2,459	2,168	-	-	2,459	2,168
Culture and recreation	1,736	1,685	-	-	1,736	1,685
Interest on long-term debt	9	10	-	-	9	10
Electric	-	-	17,355	18,194	17,355	18,194
Water	-	-	2,315	2,335	2,315	2,335
Water pollution control (WPC)	-	-	1,633	1,577	1,633	1,577
Solid waste management	-	-	1,680	1,532	1,680	1,532
Sanitation	-	-	1,562	1,520	1,562	1,520
TOTAL EXPENSES	16,390	15,991	24,545	25,158	40,935	41,149
CHANGE IN NET POSITION	1,049	2,787	1,997	1,759	3,046	4,546
NET POSITION, Beginning of Year	41,886	39,099	38,385	36,626	80,271	75,725
NET POSITION, End of Year	\$ 42,935	\$ 41,886	\$ 40,382	\$ 38,385	\$ 83,317	\$ 80,271

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Tax revenues increased 13.8% in 2019 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 2019 increased 1.77 cents, resulting in an increase in property tax revenue recognized of 4.5%. Sales tax revenues collected increased \$773,232 in 2019 as compared to 2018, partially due to a new ½ cent sales tax designated for a new fire station, which brought in \$588,570 from April through September, and an increase of 5% in sales, which now include online sales. Occupation taxes from utilities, which are based upon gross sales, decreased 2.5% in 2019. The lodging occupation tax brought in \$98,535 in 2019 as compared to \$96,634 in 2018. 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 \$7,111 in 2019. The formula to calculate MEF aid figures the City's need, based upon population, less resources however that aid is reduced 20% for each cent the city's non-bond levy is less than the state-wide average levy, making this a funding source that can vary greatly from year to year. In 2019 the City's MEF revenue was \$554,399 as compared to \$576,797 in 2018; the City's calculation was above the state-wide average for both fiscal years. County motor vehicle taxes increased 6.5% in 2019 from the previous year.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance and storm water management. Highway allocation dollars, which are a major funding source to maintain the street fund, increased 7.9% in 2019 from 2018; a portion of these funds are also allocated for capital projects. The police department operates a victim assistance program and school resource program with grant funding and other local assistance. Interlocal agreements also provide funding for the 911 communications center and ambulance services. The library continues to receive funding assistance from the county and state aid.

Capital grants and contributions vary from year to year. During 2019 the City continued to receive grant funding through the Mutual Finance Organization Assistance Act for fire and EMS equipment and facility improvements, and various smaller grants for public safety equipment. State funding and sales tax provided for street improvements. The City received payments from the Federal Emergency Management Agency for a hazard mitigation plan and applied for assistance for the 2019 flood damage cleanup. Community Development Block Grant funds provided downtown revitalization assistance. A state grant and private contributions assisted towards park recreational improvements, completion of the indoor batting facility and a new splash pad. Private contributions continue to provide for the purchase of library materials and building improvements.

Expenses increased 2.5% in 2019 as compared to 2018. Changes in General Government can vary from year to year due to changes in economic development and grant expenses, and Internal Service Funds activity. Changes to expenses for other activities in 2019 as compared to 2018 are as follows: public safety increased 5.6% as compared to the prior year, streets increased 13.4%, and culture and recreation increased 3.1%.

Business-Type Activities

Charges for services for business-type activities decreased 1.1% in 2019 from 2018. The Electric fund, which distributes purchased power, did not increase rates during 2019, and revenue decreased 1% due to a decrease in industrial customer sales with the shut-down of a large plant in July 2019. The Electric fund entered into new purchased power arrangements, which became effective January 2019, resulting in an estimated 6.8% savings in purchased power costs. The Water and Water Pollution Control funds also did not increase rates during 2019; revenue in those funds decreased 5% and 1.5% respectively due to decreased sales in both commercial and residential due to a wetter summer. Garbage service fees, which are accounted for in the Sanitation fund to fund the cost of the hauler contract and landfill disposal fee, increased 2.8% in 2019 due to hauler contract rate increases. The Beatrice Area Solid Waste Agency fund revenues increased 1.7% in 2019 due to increased customer landfill sales but a decrease in construction demolition waste disposal sales.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Beatrice's governmental funds reported a combined ending fund balance of \$7,064,002, which is an increase of \$887,404 in comparison with the prior year. Of this amount, 28.8% of this balance is unassigned and is available for spending at the City's discretion (\$2,032,070). The City's unassigned balance increased \$122,225 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 (\$3,757,996), committed for particular purposes (\$875,706), or assigned by management for particular purposes (\$398,230).

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 \$2,456,293; an increase from 2018 of \$21,331. 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 26.4% of total General fund expenditures.

General fund revenues increased 1% from the previous year. Tax revenues increased 3% due to an increase in sales tax and property tax revenue, as discussed on page 8. Intergovernmental revenue available to fund general operations decreased \$248,754, and includes interlocal agreements to provide 911 and EMS services, state aid, and federal grant assistance funding, which decreased in 2019 for the victim assistance program, COPS program, and disaster funding received in 2018. Charges for services increased 2.3% and licenses and permits revenue brought in \$19,215 more than in 2018. Other revenues increased \$118,963 from 2018 due to increased interest earnings and donations for park and landscaping improvements.

General fund expenditures in 2019 increased 3.7% from the previous year, which is largely attributed to personnel costs. Transfers in for 2019 were \$141,259 as compared to \$71,554 in 2018, 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 2019 were \$436,854, as compared to \$717,557 in 2018.

The fund balance restricted for the Street fund at year end was \$1,863,688, an increase of \$403,488 from 2018. In 2019 total revenues increased 2.6% from 2018. Sales tax revenues increased 5.8% and total state aid increased 6.7%, but in 2019 the fund did not receive any federal disaster assistance payments as compared to \$27,822 received in 2018. Expenditures decreased 29.5% from the previous year. Non-capital operational expenditures increased 10.8% from 2018, while capital outlay expenditures in 2019 were less at \$1,030,592 as compared to \$2,101,113 in 2018.

Nonmajor governmental funds include five special revenue funds, three debt service funds, and three capital project funds. The combined fund balance for these funds at the end of the fiscal year was \$2,744,021 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, a \$250,000 grant to assist a local industry, and \$22,614 in other revenues; expenditures included funding towards a joint economic development organization, and assistance for a local industry expansion; economic development loans were awarded in the amount of \$35,000 with \$120,045 paid back or forgiven during

City of Beatrice, Nebraska
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the fiscal year and the fund balance increased by \$33,194 from 2018. The Community Development Block Grant fund balance restricted for Revolving Loans of \$368,605 increased \$3,418 from 2018 due to loan repayments. The Keno fund balance increased to \$213,568 as compared to \$153,385 in 2018. Keno proceeds decreased 17% and \$470 was transferred out for community betterment capital projects in 2019. 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 \$20,261 at year end. The 911 Surcharge fund had a fund balance of \$48,980 at the end of 2019 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 2019 \$72,270 was transferred to the General fund for support of the 911 communications center operations and \$68,989 was transferred to the General fund for 911 software upgrades. The debt service funds requirements were funded with special levies. Capital improvement funds fund balances at year end are restricted, committed or assigned for specific purposes: \$27,882 for library improvements, and \$807,142 for public safety facilities and equipment; the unassigned negative fund balance in the capital improvements fund of \$25,993 will be funded with unavailable revenues to be collected in a future fiscal year. Capital expenditures totaling \$1,613,487 in 2019 were funded with various revenue sources including grants, bonds, private donations, and general fund revenues. More information on these capital assets is discussed later in this report.

Proprietary Funds

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

The unrestricted net position of the Electric, Water, Water Pollution Control, Beatrice Area Solid Waste Agency (BASWA), and Sanitation enterprise funds at the end of the year amounted to \$10,448,562, which is an increase of \$1,199,433 from 2018. The Electric fund increased \$74,912; the Water Fund increased \$235,438; the Water Pollution Control fund increased \$718,879; and the BASWA fund increased \$170,204. Restricted net position for debt service was \$724,649 at year end as compared to \$704,205 in 2018. Net investment in capital assets increased from \$28,432,099 in FY2018 to \$29,208,662 in FY2019. Extension and replacement of capital assets is discussed later in this report. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Beatrice's business-type activities.

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget of expenditures for governmental funds amounted to an increase in appropriations of \$1,130,127 and can be briefly summarized as follows: \$185,000 in the General fund for personnel costs and for capital outlay funded from donations; \$113,037 in the Community Development Block Grant fund for a downtown revitalization grant carried forward from 2018; \$6,590 in the Storm Water fund for the final payment on the hazard mitigation plan carried forward from 2018; \$425,500 in the Capital Improvements fund for 2018 projects not completed until 2019, which include a ballfield hitting facility, trail, and splash pad; and \$400,000 in the Public Safety Capital Improvements fund for land acquisition for the new fire station funded with the new ½ cent sales tax revenues.

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, 2019, amounts to \$65,408,402, (net of accumulated depreciation), construction in progress of \$57,147, and land of \$5,191,095. This investment in capital assets includes land, buildings and park facilities, improvements other than buildings, machinery and equipment, a system of roads, highways, bridges, storm sewers, sanitary sewers, water mains, and an electrical system. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 1.1% percent (a 1.3% increase for governmental activities and a 0.8% increase for business-type activities).

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Beatrice's Capital Assets (net of depreciation, except land)
(expressed in thousands)
September 30, 2019 and 2018

	Governmental activities		Business-Type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 5,054	\$ 4,748	\$ 137	\$ 137	\$ 5,191	\$ 4,885
Buildings and system	9,708	9,359	12,037	11,697	21,745	21,056
Improvements other than bldgs	5,255	5,143	65,684	63,889	70,939	69,032
Machinery and equipment	12,678	11,929	9,720	8,960	22,398	20,889
Infrastructure	35,793	34,829	-	-	35,793	34,829
Construction in progress	-	-	57	5	57	5
Less accumulated depreciation	(31,124)	(29,138)	(54,342)	(51,673)	(85,466)	(80,811)
TOTAL	<u>\$ 37,364</u>	<u>\$ 36,870</u>	<u>\$ 33,293</u>	<u>\$ 33,015</u>	<u>\$ 70,657</u>	<u>\$ 69,885</u>

Major changes in capital assets in the governmental activities during fiscal year 2019 include infrastructure improvements for streets, including highway 77 north resurfacing, Bell Street and Sargent Street concrete reconstruction, and completion of the Standing Bear trail, the Hannibal ballfield hitting facility and a new splash pad. Equipment purchases included a new ambulance, EMS equipment, radios, a police vehicle, and 911 software upgrade for public safety, computer equipment for all departments, a street motor grader, two parks mowers, and a pickup. In 2019 the City began land acquisitions for the site of a new fire station and incurred fire station design costs.

Major changes in capital assets in the business-type activities during fiscal year 2019 include: in the Electric fund continuation of 12.5 KV conversions, replacement of underground cable, new transformers and improvements to substations #6 and #7, metering, new services and extensions for residential and commercial developments, decorative lighting in the downtown business district, a new aerial truck, three pickups, an excavator, and computer equipment; in the Water fund water main projects in 2019 included replacement of old mains in the areas of Washington 16th to 19th, 18th Sara to Hoyt, Sargent Ridgeview to Ashland, Jefferson 16th to 19th, William to 19th, and Jackson 8th to 9th, wells #4 and #5 rehab, generators for wells #1A and #7, equipment costs for metering, and a new pickup; in the Water Pollution Control fund projects included the design phase of a dewatering project at the disposal plant, repairs to lift station #7, and a new pickup; and the BASWA fund in 2019 purchased a new crawler loader and replacement of monitoring wells #MW13 and #MW5.

Additional information on the City of Beatrice's capital assets can be found in note E on pages 56 to 57 of this report.

Long-Term Obligations

At the end of the current fiscal year the City of Beatrice, not including component units, had total bonded debt outstanding of \$3,700,000. Of this amount, \$730,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Beatrice's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term obligations included \$1,142,723 in lease payables, \$2,013,070 for compensated absences, and \$4,805,000 for closure post-closure costs.

During the current fiscal year, the City of Beatrice issued \$615,000 in Tax Obligation Public Safety Bonds, and paid annual bond maturities of \$845,000 thereby decreasing the bonded debt \$230,000. A new lease was issued for the purchase of a crawler loader for the landfill in the amount of \$283,378.

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$230,000 at September 30, 2019; 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 paid the annual maturities of \$110,000, thereby decreasing the bonded debt.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice for September 2019 is 3.0%, which is an increase from 2.7% reported a year ago. The City's rate compares slightly higher than the state average unemployment rate of 2.8% and favorably to the national average of 3.5%.

Sales tax revenue can be affected year to year by tax incentives offered to local business that receive tax credits, thereby reducing the sales tax remitted to the City. Sales tax revenue prior to any tax credits better reflects the retail economy, which for the calendar year 2019 increased 6.6% when compared to 2018 due to a stable economy and the increase of sales tax revenue from internet sales as Nebraska began collecting from online retailers in 2019.

City and County officials provide combined support for an economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. In 2019 the City was disappointed to see the shut-down of a biodiesel plant in July, however other businesses continue to do well, two major manufacturing businesses received state funding for expansion projects, and tax increment financing provided assistance for small businesses and new housing developments. Several downtown business owners have taken advantage of some grant funding the City was awarded to assist with façade improvements.

The City of Beatrice approved a biennial budget plan for fiscal year 2020 and fiscal year 2021. That budget presented a balanced budget of operating revenues to meet expenditure needs and fund various capital projects, along with a plan to replenish general fund cash reserves. Tax revenue projections included a conservative increase in general sales tax revenue, and in 2020 the total property tax requirement increased 5.6% however with an increase of 6.3% to property valuations, the general fund levy remained the same at .360211 while the debt service levy decreased from .0389599 to .0360623 to make required bond maturities in 2020. No increase is projected for the general fund property tax requirements in fiscal year 2021. State aid allocations continue and project an 8.5% increase.

Major capital projects for the 2020 fiscal year include: land acquisition and construction of a new fire station, various street and bridge rail improvements, construction of a new trail, ballfield lighting and fencing, a restroom at the new splash pad, roofing projects on police station and library, masonry work on the Carnegie building, a street sweeper, new ambulance and other public safety equipment, and computer equipment. In 2020 the City began budgeting dollars for the demolition of a large dilapidated vacant industrial structure, which could take up to five years.

In fiscal year 2020, the City proposed a zero rate increase for all three utility funds, Electric, Water, and Water Pollution Control, and if necessary will absorb any excess cost from the rate stabilization and infrastructure fee funds; projected revenues should be sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies. The Beatrice Area Solid Waste Agency in 2017 established small rate increases over a four year period to provide sufficient revenues to cover the cost of operations, fund the closure and post-closure reserves, and cover annual debt service requirements; the life expectancy of the current landfill is projected to 2029.

REQUESTS FOR INFORMATION

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

City of Beatrice, Nebraska
STATEMENT OF NET POSITION
September 30, 2019
With comparative totals for September 30, 2018

	Primary Government				2019
	Governmental	Business-Type	2019	2018	Component
	Activities	Activities	Total	Total	Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 4,551,441	\$ 6,740,557	\$ 11,291,998	\$ 10,385,001	\$ 352,788
Cash on deposit - county treasurer	116,287	-	116,287	91,166	8,132
Accounts receivable	488,484	1,708,272	2,196,756	2,773,831	213,137
Interest receivable	-	6,422	6,422	5,593	-
Assessments receivable	-	-	-	-	-
Unbilled and accrued revenues	-	1,027,842	1,027,842	994,965	-
Due from other governments	961,350	-	961,350	710,376	-
Inventories	-	1,000,260	1,000,260	950,296	44,488
Prepaid expenses	-	16,147	16,147	15,293	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	119,505	-	119,505	111,704	12,706
Loans receivable	38,982	-	38,982	81,150	-
Total Current Assets	6,286,154	10,499,500	16,785,654	16,129,480	631,251
Noncurrent Assets					
Investments	1,237,499	4,729,526	5,967,025	5,119,888	1,450,825
Collateral deposit	-	150,000	150,000	-	-
Restricted Cash and Cash Equivalents					
Cash on deposit - county treasurer	-	-	-	-	1,413
Debt service reserve account	-	-	-	-	51,912
Customer and developer deposits	-	123,072	123,072	122,365	-
Grants and capital projects	-	-	-	-	64,886
Restricted Investments					
Debt service reserve account	-	759,851	759,851	737,957	-
Customer deposits	-	299,515	299,515	294,760	-
Grants and capital projects	-	-	-	-	135,974
Closure and post-closure account	-	2,428,472	2,428,472	1,942,267	-
Total Restricted Assets	-	3,610,910	3,610,910	3,097,349	254,185
Capital Assets					
Land	5,053,991	137,104	5,191,095	4,884,723	1,321,356
Construction in progress	-	57,147	57,147	4,784	-
Capital assets, net of accumulated depreciation	32,309,775	33,098,627	65,408,402	64,995,007	8,250,594
Net Capital Assets	37,363,766	33,292,878	70,656,644	69,884,514	9,571,950
Other Assets					
Loans receivable, net of current portion	645,244	-	645,244	793,818	-
Total Noncurrent Assets	39,246,509	41,783,314	81,029,823	78,895,569	11,276,960
Total Assets	\$ 45,532,663	\$ 52,282,814	\$ 97,815,477	\$ 95,025,049	\$ 11,908,211

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 September 30, 2019
 With comparative totals for September 30, 2018

	Primary Government				2019 Component Units
	Governmental Activities	Business-Type Activities	2019 Total	2018 Total	
Liabilities					
Current Liabilities					
Accounts payable	\$ 542,748	\$ 1,558,108	\$ 2,100,856	\$ 2,754,806	\$ 101,907
Claims incurred but not reported	157,795	-	157,795	118,134	-
Accrued compensated absences	413,840	315,381	729,221	672,133	20,544
Sales tax payable	-	-	-	217	-
Accrued interest payable	4,154	35,202	39,356	39,797	1,498
Accrued payroll	-	115,006	115,006	104,025	-
Other accrued liabilities	-	22,334	22,334	19,188	-
Customer and developer deposits	-	402,450	402,450	402,120	-
Due to developer	-	-	-	-	1,420
Current maturities of lease obligation	68,640	284,044	352,684	302,255	-
Current maturities of bonds and notes	240,000	605,000	845,000	845,000	75,000
Total Current Liabilities	<u>1,427,177</u>	<u>3,337,525</u>	<u>4,764,702</u>	<u>5,257,675</u>	<u>200,369</u>
Noncurrent Liabilities, Net of Current Portion					
Compensated absences	680,472	603,377	1,283,849	1,154,819	62,128
Revenue bonds	-	2,365,000	2,365,000	2,970,000	-
General obligation bonds	490,000	-	490,000	115,000	155,000
Lease obligation	-	790,039	790,039	860,114	-
Closure and post-closure costs	-	4,805,000	4,805,000	4,396,000	-
Total Noncurrent Liabilities	<u>1,170,472</u>	<u>8,563,416</u>	<u>9,733,888</u>	<u>9,495,933</u>	<u>217,128</u>
Total Liabilities	<u>2,597,649</u>	<u>11,900,941</u>	<u>14,498,590</u>	<u>14,753,608</u>	<u>417,497</u>
Net Position					
Net investment in capital assets	36,321,755	29,208,662	65,530,417	64,045,461	9,462,292
Restricted net position					
Restricted for economic development	1,208,272	-	1,208,272	1,175,078	-
Restricted for library capital improvements	303	-	303	303	-
Restricted for new fire station	172,583	-	172,583	-	-
Restricted for debt service	71,150	724,649	795,799	777,914	50,414
Restricted revolving loan fund	368,605	-	368,605	365,187	-
Restricted for E911 public safety	48,980	-	48,980	89,220	-
Restricted for streets	1,863,688	-	1,863,688	1,460,200	-
Restricted for storm water management	20,261	-	20,261	47,679	-
Restricted for Library Foundation	-	-	-	-	203,731
Unrestricted net position	<u>2,859,417</u>	<u>10,448,562</u>	<u>13,307,979</u>	<u>12,310,399</u>	<u>1,774,277</u>
Total Net Position	<u>\$ 42,935,014</u>	<u>\$ 40,381,873</u>	<u>\$ 83,316,887</u>	<u>\$ 80,271,441</u>	<u>\$ 11,490,714</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2019
 8With comparative totals for the year ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			2019 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2019 Total	
Primary Government:								
Governmental Activities								
General government	\$ 5,227,844	\$ 3,761,976	\$ -	\$ 417,681	\$ (1,048,187)	\$ -	\$ (1,048,187)	\$ -
Public safety	6,958,083	1,361,793	1,013,797	148,394	(4,434,099)	-	(4,434,099)	-
Highways and streets	2,458,819	23,313	934,987	1,030,592	(469,927)	-	(469,927)	-
Culture and recreation	1,736,134	222,044	25,222	264,518	(1,224,350)	-	(1,224,350)	-
Interest on long-term debt	9,124	-	-	-	(9,124)	-	(9,124)	-
Total Governmental Activities	16,390,004	5,369,126	1,974,006	1,861,185	(7,185,687)	-	(7,185,687)	-
Business-type Activities								
Electric	17,355,117	17,619,594	-	-	-	264,477	264,477	-
Water	2,315,008	2,650,876	-	-	-	335,868	335,868	-
Water pollution control	1,632,710	2,243,878	-	-	-	611,168	611,168	-
BASWA	1,680,448	1,844,947	-	-	-	164,499	164,499	-
Sanitation	1,562,180	1,562,180	-	-	-	-	-	-
Total Business-type Activities	24,545,463	25,921,475	-	-	-	1,376,012	1,376,012	-
Total Primary Government	40,935,467	31,290,601	1,974,006	1,861,185	(7,185,687)	1,376,012	(5,809,675)	-
Component Units:								
Beatrice Airport Authority	738,413	393,715	-	1,519,015				1,174,316
Community Redevelopment Authority	582,068	-	-	-				(582,068)
Beatrice Public Library Foundation	56,051	-	-	-				(56,051)
Total Component Units	\$ 1,376,532	\$ 393,715	\$ -	\$ 1,519,015				536,198
General Revenues								
Taxes								
Property tax					2,621,375	-	2,621,375	219,106
Tax increment financing					-	-	-	582,068
Sales tax					3,949,691	-	3,949,691	-
Occupation tax					649,757	-	649,757	-
Unrestricted intergovernmental					822,700	-	822,700	614
Miscellaneous revenues					153,239	335,128	488,367	6,320
Unrestricted investment earnings					37,931	285,300	323,231	125,704
Total General Revenues					8,234,693	620,428	8,855,121	933,812
Change in Net Position					1,049,006	1,996,440	3,045,446	1,470,010
Net Position, Beginning of Year					41,886,008	38,385,433	80,271,441	10,020,704
Net Position, End of Year					\$ 42,935,014	\$ 40,381,873	\$ 83,316,887	\$ 11,490,714

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019
With comparative totals for September 30, 2018

	2019				2018
	General Fund	Streets Fund	Other Governmental Funds	Total	Total
Assets					
Cash and cash equivalents	\$ 675,268	\$ 1,814,441	\$ 1,888,267	\$ 4,377,976	\$ 3,838,467
Investments	1,237,499	-	-	1,237,499	1,224,430
Cash on deposit - county treasurer	106,744	-	9,543	116,287	91,166
Accounts receivable	395,355	1,177	68,910	465,442	765,647
Due from other funds	-	-	31,690	31,690	-
Taxes receivable	102,670	-	16,835	119,505	111,704
Due from other governments	473,641	290,358	197,351	961,350	710,376
Loans receivable	-	-	684,226	684,226	874,968
In-lieu of assessments receivable	-	-	10,105	10,105	10,105
Total Assets	\$ 2,991,177	\$ 2,105,976	\$ 2,906,927	\$ 8,004,080	\$ 7,626,863
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 256,307	\$ 242,288	\$ 44,153	\$ 542,748	\$ 1,048,445
Due to other funds	-	-	31,690	31,690	-
Accrued interest payable	-	-	2,122	2,122	2,122
Total Liabilities	256,307	242,288	77,965	576,560	1,050,567
Deferred Inflows of Resources					
Unavailable revenue	278,577	-	84,941	363,518	399,698
Fund Balance					
Restricted for:					
Economic development	-	-	1,208,272	1,208,272	1,175,078
Library capital improvements	-	-	303	303	303
New fire station	-	-	172,583	172,583	-
Debt service	-	-	75,304	75,304	77,632
Revolving loan fund	-	-	368,605	368,605	365,187
E911 public safety	-	-	48,980	48,980	89,220
Streets	-	1,863,688	-	1,863,688	1,460,200
Storm water management	-	-	20,261	20,261	47,679
Committed for:					
Library capital improvements	-	-	27,579	27,579	27,488
Public safety equipment	-	-	634,559	634,559	92,726
Community betterment	-	-	213,568	213,568	153,385
Assigned for:					
Subsequent years' expenditures	398,230	-	-	398,230	763,814
Debt service	-	-	-	-	14,041
Unassigned, reported in:					
General fund	2,058,063	-	-	2,058,063	1,909,845
Capital projects funds	-	-	(25,993)	(25,993)	-
Total Fund Balance	2,456,293	1,863,688	2,744,021	7,064,002	6,176,598
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,991,177	\$ 2,105,976	\$ 2,906,927		

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET - CONTINUED
GOVERNMENTAL FUNDS
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u> Total	<u>2018</u> Total
Fund Balance Governmental Funds	7,064,002	6,176,598
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.	\$ 37,363,766	\$ 36,869,343
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.	38,712	(56,948)
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	363,518	399,698
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	(2,032)	(3,923)
Bonds payable	(730,000)	(365,000)
Lease obligation	(68,640)	(144,297)
Compensated absences	<u>(1,094,312)</u>	<u>(989,463)</u>
Net Position of Governmental Activities	<u>\$ 42,935,014</u>	<u>\$ 41,886,008</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, 2019

With comparative totals for the year ended September 30, 2018

	2019				2018
	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ 2,354,703	\$ -	\$ 252,536	\$ 2,607,239	\$ 2,528,356
Sales tax	2,438,897	672,224	838,570	3,949,691	3,176,459
Occupation tax	649,757	-	-	649,757	661,629
Licenses and permits	229,914	-	-	229,914	210,699
Intergovernmental	1,753,946	1,965,578	687,506	4,407,030	4,300,027
Charges for services	1,893,198	23,313	101,019	2,017,530	1,979,059
Keno proceeds	-	-	73,767	73,767	89,062
Special assessments	-	-	-	-	10,895
Interest	33,955	-	6,819	40,774	33,403
Miscellaneous	272,425	14,041	118,891	405,357	865,172
Total Revenues	<u>9,626,795</u>	<u>2,675,156</u>	<u>2,079,108</u>	<u>14,381,059</u>	<u>13,854,761</u>
Expenditures					
Current					
General government	1,508,904	-	644,057	2,152,961	1,956,583
Public safety	6,303,902	-	-	6,303,902	6,073,864
Highways and streets	-	1,241,076	-	1,241,076	1,120,507
Culture and recreation	1,106,505	-	-	1,106,505	1,073,148
Debt Service					
Principal	-	-	250,000	250,000	190,000
Interest	-	-	5,533	5,533	3,468
Bond issuance costs	-	-	6,000	6,000	2,700
Capital outlay	395,395	1,030,592	1,506,553	2,932,540	4,157,296
MFO payments - other entities	-	-	114,975	114,975	133,863
Total Expenditures	<u>9,314,706</u>	<u>2,271,668</u>	<u>2,527,118</u>	<u>14,113,492</u>	<u>14,711,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	312,089	403,488	(448,010)	267,567	(856,668)
Other Financing Sources (Uses)					
Sale of capital assets	4,837	-	-	4,837	10,790
Insurance and settlement recoveries	-	-	-	-	650,000
Bond and lease proceeds	-	-	615,000	615,000	170,000
Transfers in	141,259	-	437,324	578,583	789,111
Transfers out	(436,854)	-	(141,729)	(578,583)	(789,111)
Total Other Financing Sources	<u>(290,758)</u>	<u>-</u>	<u>910,595</u>	<u>619,837</u>	<u>830,790</u>
Net Change in Fund Balance	21,331	403,488	462,585	887,404	(25,878)
Fund Balance, Beginning of Year	<u>2,434,962</u>	<u>1,460,200</u>	<u>2,281,436</u>	<u>6,176,598</u>	<u>6,202,476</u>
Fund Balance, End of Year	<u>\$ 2,456,293</u>	<u>\$ 1,863,688</u>	<u>\$ 2,744,021</u>	<u>\$ 7,064,002</u>	<u>\$ 6,176,598</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, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balance - total governmental funds	\$ 887,404	\$ (25,878)
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	2,660,676	5,136,020
Depreciation expense	(2,156,152)	(2,021,824)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.	(36,180)	(48,581)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	(287,452)	125,854
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 in compensated absences.	(104,849)	(46,252)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(10,101)	(181,314)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>95,660</u>	<u>(150,520)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,049,006</u>	<u>\$ 2,787,505</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019
With comparative totals for September 30, 2018

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2019 Total	2018 Total	2019 Total	2018 Total
Current Assets									
Cash and cash equivalents	\$ 1,801,156	\$ 1,595,273	\$ 2,827,695	\$ 437,090	\$ 79,343	\$ 6,740,557	\$ 6,485,348	\$ 173,465	\$ 61,186
Accounts receivable	1,239,311	130,897	101,882	178,929	57,253	1,708,272	2,008,184	23,042	-
Unbilled and accrued revenues	766,522	142,693	118,627	-	-	1,027,842	994,965	-	-
Inventories	712,927	287,333	-	-	-	1,000,260	950,296	-	-
Prepaid expenses	7,155	5,864	3,128	-	-	16,147	15,293	-	-
Interest receivable	1,967	1,033	3,422	-	-	6,422	5,593	-	-
Total Current Assets	4,529,038	2,163,093	3,054,754	616,019	136,596	10,499,500	10,459,679	196,507	61,186
Noncurrent Assets									
Investments	2,959,059	506,122	1,264,345	-	-	4,729,526	3,895,458	-	-
Collateral deposit	150,000	-	-	-	-	150,000	-	-	-
Restricted Cash and Cash Equivalents									
Customer deposits	123,072	-	-	-	-	123,072	122,365	-	-
Restricted Investments									
Debt service reserve account	73,509	133,389	187,942	365,011	-	759,851	737,957	-	-
Customer deposits	299,515	-	-	-	-	299,515	294,760	-	-
Closure and post-closure costs	-	-	-	2,428,472	-	2,428,472	1,942,267	-	-
Total Restricted Cash, Cash Equivalents and Investments	496,096	133,389	187,942	2,793,483	-	3,610,910	3,097,349	-	-
Capital Assets									
Land	65,058	55,458	16,588	-	-	137,104	137,104	-	-
Construction in progress	57,147	-	-	-	-	57,147	4,784	-	-
Buildings and improvements	1,419,819	140,988	10,475,787	-	-	12,036,594	11,697,192	-	-
Improvements other than buildings	29,867,881	18,809,600	9,269,291	7,736,594	-	65,683,366	63,889,488	-	-
Machinery and equipment	4,137,634	1,046,479	2,130,812	2,405,513	-	9,720,438	8,959,661	-	-
Total Capital Assets	35,547,539	20,052,525	21,892,478	10,142,107	-	87,634,649	84,688,229	-	-
Less accumulated depreciation	(20,395,604)	(12,979,789)	(15,745,836)	(5,220,542)	-	(54,341,771)	(51,673,058)	-	-
Net Capital Assets	15,151,935	7,072,736	6,146,642	4,921,565	-	33,292,878	33,015,171	-	-
Total Noncurrent Assets	18,757,090	7,712,247	7,598,929	7,715,048	-	41,783,314	40,007,978	-	-
Total Assets	\$ 23,286,128	\$ 9,875,340	\$ 10,653,683	\$ 8,331,067	\$ 136,596	\$ 52,282,814	\$ 50,467,657	\$ 196,507	\$ 61,186

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 PROPRIETARY FUNDS
 September 30, 2019
 With comparative totals for September 30, 2018

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2019 Total	2018 Total	2019 Total	2018 Total
Liabilities									
Current Liabilities									
Accounts payable	\$ 1,360,717	\$ 17,712	\$ 27,529	\$ 15,554	\$ 136,596	\$ 1,558,108	\$ 1,706,361	\$ -	\$ -
Claims incurred but not reported	-	-	-	-	-	-	-	157,795	118,134
Accrued compensated absences	154,205	93,414	46,909	20,853	-	315,381	291,930	-	-
Accrued payroll	62,908	28,352	16,960	6,786	-	115,006	104,025	-	-
Sales tax payable	-	-	-	-	-	-	217	-	-
Accrued interest payable	1,864	3,521	5,056	24,761	-	35,202	33,752	-	-
Other accrued liabilities	14,114	5,826	2,394	-	-	22,334	19,188	-	-
Customer and developer deposits	402,450	-	-	-	-	402,450	402,120	-	-
Current maturities of lease obligation	-	-	-	284,044	-	284,044	226,598	-	-
Current maturities of long-term debt	64,750	114,970	160,280	265,000	-	605,000	595,000	-	-
Total Current Liabilities	2,061,008	263,795	259,128	616,998	136,596	3,337,525	3,379,191	157,795	118,134
Noncurrent Liabilities, Net of Current Portion									
Compensated absences	315,600	225,439	62,338	-	-	603,377	545,559	-	-
Revenue bonds	273,000	433,380	568,620	1,090,000	-	2,365,000	2,970,000	-	-
Lease obligation	-	-	-	790,039	-	790,039	791,474	-	-
Closure and post-closure cost	-	-	-	4,805,000	-	4,805,000	4,396,000	-	-
Total Noncurrent Liabilities	588,600	658,819	630,958	6,685,039	-	8,563,416	8,703,033	-	-
Total Liabilities	2,649,608	922,614	890,086	7,302,037	136,596	11,900,941	12,082,224	157,795	118,134
Net Position									
Net investment in capital assets	14,796,342	6,524,252	5,395,586	2,492,482	-	29,208,662	28,432,099	-	-
Restricted for debt service	71,645	129,868	182,886	340,250	-	724,649	704,205	-	-
Unrestricted	5,768,533	2,298,606	4,185,125	(1,803,702)	-	10,448,562	9,249,129	38,712	(56,948)
Total Net Position	\$ 20,636,520	\$ 8,952,726	\$ 9,763,597	\$ 1,029,030	\$ -	\$ 40,381,873	\$ 38,385,433	\$ 38,712	\$ (56,948)

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, 2019
 With comparative totals for the year ended September 30, 2018

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2019 Total	2018 Total	2019 Total	2018 Total
Operating Revenues									
Charges for services	\$ 17,619,594	\$ 2,650,876	\$ 2,243,878	\$ 1,844,947	\$ 1,562,180	\$ 25,921,475	\$ 26,197,260	\$ 3,056,546	\$ 2,898,324
Reinsurance coverage reimbursements	-	-	-	-	-	-	-	37,066	237,879
Total Operating Revenues	17,619,594	2,650,876	2,243,878	1,844,947	1,562,180	25,921,475	26,197,260	3,093,612	3,136,203
Operating Expenses									
Electric energy purchased	12,849,975	-	-	-	-	12,849,975	13,660,580	-	-
Operating and maintenance expenses	1,290,718	1,063,414	625,072	-	1,562,180	4,541,384	4,392,860	-	-
Customer accounting expenses	239,204	127,101	93,629	-	-	459,934	464,111	-	-
Engineering services	335,502	32,400	32,400	-	-	400,302	383,781	-	-
Administrative and general expense	919,345	476,443	299,722	642,634	-	2,338,144	2,305,401	-	-
Depreciation	1,246,252	545,383	546,480	472,383	-	2,810,498	2,709,612	-	-
Municipal expenses	467,594	58,567	20,296	-	-	546,457	654,200	-	-
Landfill operating contracts	-	-	-	518,001	-	518,001	331,677	-	-
Health insurance claims paid	-	-	-	-	-	-	-	2,185,961	2,506,669
Insurance premiums	-	-	-	-	-	-	-	488,501	460,184
Payflex expenses	-	-	-	-	-	-	-	222,933	190,161
Other services and charges	-	-	-	-	-	-	-	101,072	129,885
Total Operating Expenses	17,348,590	2,303,308	1,617,599	1,633,018	1,562,180	24,464,695	24,902,222	2,998,467	3,286,899
Operating Income (Loss)	271,004	347,568	626,279	211,929	-	1,456,780	1,295,038	95,145	(150,696)
Nonoperating Revenues (Expenses)									
Investment earnings	104,257	44,325	83,297	53,421	-	285,300	170,438	515	176
Gain (loss) on disposal of capital asset	-	720	2,781	5,500	-	9,001	(174,616)	-	-
Miscellaneous revenues	208,013	118,403	8,677	35	-	335,128	519,238	-	-
Interest expense	(6,527)	(12,420)	(17,892)	(52,930)	-	(89,769)	(81,587)	-	-
Total Nonoperating Revenues (Expenses)	305,743	151,028	76,863	6,026	-	539,660	433,473	515	176
Income (Loss) Before Contributions	576,747	498,596	703,142	217,955	-	1,996,440	1,728,511	95,660	(150,520)
Capital Contributions	-	-	-	-	-	-	30,486	-	-
Change in Net Position	576,747	498,596	703,142	217,955	-	1,996,440	1,758,997	95,660	(150,520)
Net Position, Beginning of Year	20,059,773	8,454,130	9,060,455	811,075	-	38,385,433	36,626,436	(56,948)	93,572
Net Position, End of Year	\$ 20,636,520	\$ 8,952,726	\$ 9,763,597	\$ 1,029,030	\$ -	\$ 40,381,873	\$ 38,385,433	\$ 38,712	\$ (56,948)

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2019 Total	2018 Total	2019 Total	2018 Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 17,737,702	\$ 2,738,814	\$ 2,257,528	\$ 1,891,018	\$ 1,563,448	\$ 26,188,510	\$ 25,968,608	\$ 3,070,570	\$ 3,224,199
Cash paid to suppliers for goods and services	(14,675,774)	(922,121)	(538,327)	(464,582)	(1,555,345)	(18,156,149)	(18,952,679)	(2,958,806)	(3,345,180)
Cash paid for collateral deposit	(150,000)	-	-	-	-	(150,000)	-	-	-
Cash paid to employees for services	(1,546,870)	(861,320)	(533,648)	(290,905)	-	(3,232,743)	(3,000,182)	-	-
Net cash provided by (used in) operating activities	1,365,058	955,373	1,185,553	1,135,531	8,103	4,649,618	4,015,747	111,764	(120,981)
Cash Flows from Noncapital Financing Activities									
Other miscellaneous receipts	208,013	118,403	8,677	35	-	335,128	519,238	-	-
Cash Flows from Capital and Related Financing Activities									
Principal payments on long-term debt	(63,000)	(113,220)	(158,780)	(487,367)	-	(822,367)	(745,928)	-	-
Proceeds from long-term debt	-	-	-	283,378	-	283,378	396,500	-	-
Interest paid on long-term debt	(6,740)	(12,949)	(18,732)	(49,898)	-	(88,319)	(83,756)	-	-
Capital contributions	-	-	-	-	-	-	30,486	-	-
Proceeds from sales of capital assets	-	720	2,781	5,500	-	9,001	-	-	-
Purchases of capital assets	(1,683,234)	(690,177)	(363,511)	(311,150)	-	(3,048,072)	(3,151,922)	-	-
Net cash used in capital and related financing activities	(1,752,974)	(815,626)	(538,242)	(559,537)	-	(3,666,379)	(3,554,620)	-	-
Cash Flows From Investing Activities									
Purchases of investments	(1,092,090)	(310,737)	(217,666)	(494,232)	-	(2,114,725)	(1,493,141)	-	-
Sales and maturities of investments	560,053	-	207,750	-	-	767,803	626,500	-	-
Interest received	104,302	43,792	82,956	53,421	-	284,471	204,823	515	176
Net cash provided by (used in) investing activities	(427,735)	(266,945)	73,040	(440,811)	-	(1,062,451)	(661,818)	515	176
Net Change in Cash and Cash Equivalents	(607,638)	(8,795)	729,028	135,218	8,103	255,916	318,547	112,279	(120,805)
Cash and Cash Equivalents, Beginning of Year	2,531,866	1,604,068	2,098,667	301,872	71,240	6,607,713	6,289,166	61,186	181,991
Cash and Cash Equivalents, End of Year	<u>\$ 1,924,228</u>	<u>\$ 1,595,273</u>	<u>\$ 2,827,695</u>	<u>\$ 437,090</u>	<u>\$ 79,343</u>	<u>\$ 6,863,629</u>	<u>\$ 6,607,713</u>	<u>\$ 173,465</u>	<u>\$ 61,186</u>
Composition of Cash and Cash Equivalents									
Cash and cash equivalents	\$ 1,801,156	\$ 1,595,273	\$ 2,827,695	\$ 437,090	\$ 79,343	\$ 6,740,557	\$ 6,485,348	\$ 173,465	\$ 61,186
Restricted cash and cash equivalents	123,072	-	-	-	-	123,072	122,365	-	-
Total Cash and Cash Equivalents	<u>\$ 1,924,228</u>	<u>\$ 1,595,273</u>	<u>\$ 2,827,695</u>	<u>\$ 437,090</u>	<u>\$ 79,343</u>	<u>\$ 6,863,629</u>	<u>\$ 6,607,713</u>	<u>\$ 173,465</u>	<u>\$ 61,186</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2019 Total	2018 Total	2019 Total	2018 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Operating income (loss)	\$ 271,004	\$ 347,568	\$ 626,279	\$ 211,929	\$ -	\$ 1,456,780	\$ 1,295,038	\$ 95,145	\$ (150,696)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	1,246,252	545,383	546,480	472,383	-	2,810,498	2,709,612	-	-
Changes in operating assets and liabilities:									
Accounts receivable	156,554	82,861	13,158	46,071	1,268	299,912	(148,705)	(23,042)	87,996
Unbilled and accrued revenues	(38,446)	5,077	492	-	-	(32,877)	(79,947)	-	-
Materials and supplies inventory	(54,604)	4,640	-	-	-	(49,964)	(25,449)	-	-
Prepaid expenses	(633)	(395)	174	-	-	(854)	(1,439)	-	-
Collateral deposit	(150,000)	-	-	-	-	(150,000)	-	-	-
Accounts payable	(107,758)	(59,854)	(18,892)	(8,717)	6,835	(188,386)	(70,616)	-	-
Accrued compensated absences	34,029	25,649	16,106	-	-	75,784	78,524	-	-
Customer and developer deposits	330	-	-	-	-	330	27,600	-	-
Closure and post-closure care	-	-	-	409,000	-	409,000	226,000	-	-
Other accrued liabilities	8,330	4,444	1,756	4,865	-	19,395	5,129	39,661	(58,281)
Total adjustments	1,094,054	607,805	559,274	923,602	8,103	3,192,838	2,720,709	16,619	29,715
Net cash provided by (used in) operating activities	<u>\$ 1,365,058</u>	<u>\$ 955,373</u>	<u>\$ 1,185,553</u>	<u>\$ 1,135,531</u>	<u>\$ 8,103</u>	<u>\$ 4,649,618</u>	<u>\$ 4,015,747</u>	<u>\$ 111,764</u>	<u>\$ (120,981)</u>
Supplemental Disclosure for NonCash Capital Activities:									
Purchase of capital assets on account	\$ 17,843	\$ 134	\$ 22,156	\$ -	\$ -	\$ 40,133	\$ -	\$ -	\$ -
Trade-in value for purchase of capital asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,350	\$ -	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2019
 With comparative totals for September 30, 2018

	Pension Trust Fund	
	2019	2018
Assets		
Investments with fiscal agent:		
Guaranteed interest accounts	\$ 7,264,449	\$ 8,224,481
Publicly traded mutual funds	<u>16,501,713</u>	<u>14,713,369</u>
Total Assets	<u>\$ 23,766,162</u>	<u>\$ 22,937,850</u>
Net Position		
Net position restricted for pensions	<u>\$ 23,766,162</u>	<u>\$ 22,937,850</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, 2019
 With comparative totals for September 30, 2018

	Pension Trust Fund	
	2019	2018
Additions		
Contributions		
Employer	\$ 546,007	\$ 531,383
Employee	476,044	449,489
Total Contributions	<u>1,022,051</u>	<u>980,872</u>
Investment earnings		
Net change in the fair value of investments	<u>813,595</u>	<u>1,744,395</u>
Total Additions	<u>1,835,646</u>	<u>2,725,267</u>
Deductions		
Benefits	1,006,569	488,160
Administrative expenses	765	500
Total Deductions	<u>1,007,334</u>	<u>488,660</u>
Change in Net Position	<u>828,312</u>	<u>2,236,607</u>
Net Position Restricted for Pensions, Beginning of Year	<u>22,937,850</u>	<u>20,701,243</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 23,766,162</u>	<u>\$ 22,937,850</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

Blended Component Unit

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

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

Discretely Presented Component Units

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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 2019 financial statements are amounts as of and for the Foundation’s fiscal year ended July 31, 2019.

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, 2019

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, 2019

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, 2019

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 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, 2019

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, 2019

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, 2018, 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, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

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

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Income Taxes

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

The Beatrice Public Library Foundation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Beatrice Public Library Foundation continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax laws, and new authoritative rulings.

6. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, equity in pooled cash, and original investments with maturities of three months or less from the date of acquisition. The County Treasurer's cash represents revenues collected by Gage County but not yet remitted to the City at September 30, 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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

8. Inventories and Prepaid Items

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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. Collateral Deposit

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

11. Capital Assets

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

Government-wide Statements

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Capital Assets - Continued

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.

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

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

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.

12. Compensated Absences

City and Beatrice Public Works employees earn sick leave at the rate of one day per month, except fire captains and fire union employees that earn 16 hours per month, and earn hours of vacation per pay period based on years of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Non-union city employees, union police employees, and Beatrice Public Works employees will be paid 50% of any unused sick leave hours in excess of 1,040 (maximum) on January 1 of each year. Fire captains and union fire employees will be paid 25% of any unused sick

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Compensated Absences - Continued

leave hours in excess of 1,460 (maximum) on January 1 of each year, up to a maximum of 48 hours. Non-union city and Beatrice Public Works employees can carry up to 240 hours in vacation leave at calendar year end and fire captains and union employees (police and fire) can carry over the amount they earned in the previous year based on their years of service. Non-union and Beatrice Public Works employees are allowed to sell back 80 hours of vacation at calendar year end.

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. 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, leases payable, bonds payable, and closure/post-closure costs.

Fund Financial Statements

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

14. Net Position and Fund Balance Classification

Net Position Classification

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Net Position and Fund Balance Classification - Continued

Net Position Classification - Continued

Restricted net position – This component of net position consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

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

Fund Balance Classification

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

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

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources by either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Net Position and Fund Balance Classification - Continued

Fund Balance Classification – Continued

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

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

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

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

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

15. 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, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. 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.

16. 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, 2019 was \$.360211 per \$100 of assessed valuation. The City has a tax margin of \$0.139723 per \$100 of assessed valuation and could raise taxes by \$923,660, based on the present assessed valuation of \$661,065,063, before the limit is reached.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

17. 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. As of October 1, 2006, sales tax collected on the sale of motor vehicles is reserved for street fund expenditures as required by LB904.

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

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

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

18. 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, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

19. Implementation of New Accounting Principles

In 2019, the City implemented the provisions of the following GASB Statements:

GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations. An asset retirement obligation is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. It also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to the asset retirement obligations. The implementation of Statement 83 did not have an impact on the City's current financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This statement specifies disclosures that should be made in the financial statements related to debt. It also provides a definition of debt so that governments know which type of liabilities should be included in those disclosures. If a government has direct borrowings or direct placements, disclosure related to these should be provided separately from disclosures related to other types of debt. The implementation of Statement 88 is evidenced by changes in the Debt Obligations footnote and separate disclosure of the City's direct borrowings.

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, 2019

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, 2019

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

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

5. Budgetary Data

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

There were no differences between the City's budgetary basis and GAAP basis for the governmental funds as of September 30, 2019.

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, 2018, and ending September 30, 2019. 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, 2019

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

5. Budgetary Data - Continued

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

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

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

NOTE C. CASH AND INVESTMENTS

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

The Board of Public Works maintains certificates of deposits, money market accounts for restricted assets for customer deposits and its various debt accounts including the Bond Payment Account and the Debt Service Reserve Account. The Airport Authority maintains restricted cash and cash equivalents to be used for future debt service. These accounts are identified on the balance sheet as "Restricted Cash and Cash Equivalents" or "Restricted Investments" in the financial statements.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE C. CASH AND INVESTMENTS - CONTINUED

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

1. Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's cash deposits, including certificates of deposit, are insured up to \$250,000 for each depositor (City and Beatrice Public Works), per insured financial institution, for each ownership category by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2019, 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, 2019, 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, 2019, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$141,913, 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, 2019, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2019, money market accounts held in brokerage accounts were \$67,132.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019, the City's investments significant investment concentrations are as follows:

Certificates of deposit	
Pinnacle Bank	12.50%
Security First Bank	7.09%
First State Bank	6.09%
Mutual Funds - Ameritas Investment Company	
Stable Value/ Guaranteed	24.84%
Large Equity	9.95%
Balanced	7.55%
Mid-Equity	6.58%
Small Equity	5.33%
Target Date	6.57%
Technology	5.35%

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, 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019:

	Primary Government	Fiduciary Funds	Totals	Component Units
Cash on deposit	\$ 116,287	\$ -	\$ 116,287	\$ 9,545
Demand deposits	11,780,082	-	11,780,082	327,673
Time deposits	8,905,036	-	8,905,036	141,913
Investments	184,815	23,766,162	23,950,977	1,586,799
Totals	<u>\$ 20,986,220</u>	<u>\$ 23,766,162</u>	<u>\$ 44,752,382</u>	<u>\$ 2,065,930</u>

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals	Component Units
Cash and cash equivalents	\$ 11,291,998	\$ -	\$ 11,291,998	\$ 352,788
Cash on deposit	116,287	-	116,287	8,132
Investments	5,967,025	-	5,967,025	1,450,825
Restricted Assets:				
Cash and cash equivalents	123,072	-	123,072	116,798
Cash on deposit	-	-	-	1,413
Investments	3,487,838	23,766,162	27,254,000	135,974
	<u>\$ 20,986,220</u>	<u>\$ 23,766,162</u>	<u>\$ 44,752,382</u>	<u>\$ 2,065,930</u>

As of September 30, 2019, the Beatrice Airport Authority had cash on deposit with the Gage County Treasurer of \$8,132 and demand deposits of \$327,666. As of September 30, 2019, the Community Redevelopment Authority had cash on deposit with the Gage County Treasurer of \$1,413 and demand deposits of \$7. The Beatrice Public Library Foundation, Inc. had time deposits of \$141,913; and investments of \$1,586,799 as of July 31, 2019.

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, 2019

NOTE C. CASH AND INVESTMENTS – CONTINUED

6. Summary of Deposit and Investment Balances - Continued

Investments

At September 30, 2019, the City had the following investments, maturities, and credit ratings:

	September 30, 2019						
Type	Carrying Value	Maturities in Years			Ratings		Fair Value Hierarchy Level
		Less than 1	1 - 5	6 - 10	Moody's	S&P	
Primary Government:							
U.S. Treasury Note	\$ 184,815	\$ -	\$ 184,815	\$ -	Aaa	AA+	Level 2
Certificates of Deposit	8,905,036	3,707,857	5,197,179	-	Not rated	Not rated	N/A
Total Primary Government	9,089,851	3,707,857	5,381,994	-			
Pension Trust Funds:							
Mutual Funds							
Stable Value/ Guaranteed	8,162,868	8,162,868	-	-	Not rated	Not rated	NAV
Investment Grade Bond	123,449	123,449	-	-	Not rated	Not rated	NAV
Short-Term Bond	49,446	49,446	-	-	Not rated	Not rated	NAV
High Yield/ Multisector Bond	28,187	28,187	-	-	Not rated	Not rated	NAV
Real Estate	745,757	745,757	-	-	Not rated	Not rated	NAV
Large Equity	3,269,947	3,269,947	-	-	Not rated	Not rated	NAV
Mid Equity	2,162,157	2,162,157	-	-	Not rated	Not rated	NAV
Small Equity	1,750,658	1,750,658	-	-	Not rated	Not rated	NAV
International Equity	818,714	818,714	-	-	Not rated	Not rated	NAV
Emerging Markets	137,793	137,793	-	-	Not rated	Not rated	NAV
Balanced	2,479,691	2,479,691	-	-	Not rated	Not rated	NAV
World Bond	5,211	5,211	-	-	Not rated	Not rated	NAV
World Stock	112,269	112,269	-	-	Not rated	Not rated	NAV
Utilities	2,505	2,505	-	-	Not rated	Not rated	NAV
Technology	1,757,243	1,757,243	-	-	Not rated	Not rated	NAV
Target Date	2,160,267	2,160,267	-	-	Not rated	Not rated	NAV
Total Pension Funds	23,766,162	23,766,162	-	-			
Total	\$ 32,856,013	\$ 27,474,019	\$ 5,381,994	\$ -			

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019, were as follows:

	<u>Cost</u>	<u>Gain</u>	<u>Loss</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy Level</u>
Investments Stated at Fair Value					
Unrestricted					
Governmental agencies	\$ 15,234	\$ -	\$ 6,095	\$ 9,139	Level 1
Common stock	572,016	269,771	-	841,787	Level 1
Corporate bonds	349,839	5,651	-	355,490	Level 1
Foreign bonds	47,001	203	-	47,204	Level 1
Government bonds	71,661	1,237	-	72,898	Level 1
Mutual Funds	81,099	-	3,479	77,620	Level 1
Preferred stock	50,182	-	3,495	46,687	Level 1
Total unrestricted	1,187,032	276,862	13,069	1,450,825	
Restricted					
Governmental agencies					
Government Asset Backed/ CMO	2,970	-	102	2,868	Level 1
Corporate bonds	63,254	49	-	63,303	Level 1
Mutual funds	40,593	-	2,538	38,055	Level 1
Preferred stock	34,476	-	2,728	31,748	Level 1
Total restricted	141,293	49	5,368	135,974	
Total	<u>\$ 1,328,325</u>	<u>\$ 276,911</u>	<u>\$ 18,437</u>	<u>\$ 1,586,799</u>	

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE C. CASH AND INVESTMENTS - CONTINUED

8. Fair Value Measurements

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

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The tables displayed on pages 52-53 present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at year-end.

The City's investment in certificates of deposit are carried at cost, and thus are not included within the fair value hierarchy. Certain investments that are measured using the net asset value per share (or its equivalent practical expedient) have also not been classified within the fair value hierarchy, and are noted with NAV in the table on page 52. These investments carried using the net asset value per share have no unfunded commitments and can be redeemed at any time.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2019, consist of the following:

Fund	Taxes	Accounts	Loans Receivable	Accrued Interest	Gross Receivables	Allowance	Net
General	\$633,584	\$ 445,082	\$ -	\$ -	\$ 1,078,666	\$(107,000)	\$ 971,666
Street	118,411	173,124	-	-	291,535	-	291,535
Electric	-	2,028,492	-	1,967	2,030,459	(22,659)	2,007,800
Water	-	286,202	-	1,033	287,235	(12,612)	274,623
WPC	-	225,549	-	3,422	228,971	(5,040)	223,931
BASWA	-	178,929	-	-	178,929	-	178,929
Nonmajor							
Special Revenue	-	910	1,129,009	-	1,129,919	(444,783)	685,136
Debt Service	16,835	10,105	-	-	26,940	-	26,940
Capital Projects	197,351	68,000	-	-	265,351	-	265,351
Sanitation	-	57,253	-	-	57,253	-	57,253
Internal Service	-	23,042	-	-	23,042	-	23,042
Total Primary Government	<u>\$966,181</u>	<u>\$3,496,688</u>	<u>\$1,129,009</u>	<u>\$ 6,422</u>	<u>\$ 5,598,300</u>	<u>\$(592,094)</u>	<u>\$5,006,206</u>
Beatrice Airport Authority	12,706	213,137	-	-	225,843	-	225,843
Total Component Units	<u>\$ 12,706</u>	<u>\$ 213,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,843</u>	<u>\$ -</u>	<u>\$ 225,843</u>

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE E. CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 4,747,619	\$ 306,372	\$ -	\$ -	\$ 5,053,991
Total capital assets, not being depreciated	<u>4,747,619</u>	<u>306,372</u>	<u>-</u>	<u>-</u>	<u>5,053,991</u>
Capital assets, being depreciated:					
Buildings and improvements	9,358,796	349,562	-	-	9,708,358
Improvements other than buildings	5,143,293	111,975	-	-	5,255,268
Machinery and equipment	11,929,144	928,894	(180,150)	-	12,677,888
Infrastructure	34,828,651	963,873	-	-	35,792,524
Total capital assets, being depreciated	<u>61,259,884</u>	<u>2,354,304</u>	<u>(180,150)</u>	<u>-</u>	<u>63,434,038</u>
Less: accumulated depreciation					
Buildings and improvements	(3,638,667)	(259,273)	-	-	(3,897,940)
Improvements other than buildings	(3,607,150)	(110,108)	-	-	(3,717,258)
Machinery and equipment	(7,205,255)	(778,496)	170,049	-	(7,813,702)
Infrastructure	(14,687,088)	(1,008,275)	-	-	(15,695,363)
Total accumulated depreciation	<u>(29,138,160)</u>	<u>(2,156,152)</u>	<u>170,049</u>	<u>-</u>	<u>(31,124,263)</u>
Total capital assets, being depreciated, net	<u>32,121,724</u>	<u>198,152</u>	<u>(10,101)</u>	<u>-</u>	<u>32,309,775</u>
Governmental activities capital assets, net	<u>\$ 36,869,343</u>	<u>\$ 504,524</u>	<u>\$ (10,101)</u>	<u>\$ -</u>	<u>\$ 37,363,766</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 137,104	\$ -	\$ -	\$ -	137,104
Construction in progress	4,784	57,147	-	(4,784)	57,147
Total capital assets, not being depreciated	<u>141,888</u>	<u>57,147</u>	<u>-</u>	<u>(4,784)</u>	<u>194,251</u>
Capital assets, being depreciated:					
Buildings and improvements	11,697,192	339,402	-	-	12,036,594
Improvements other than buildings	63,889,488	1,801,595	(12,501)	4,784	65,683,366
Machinery and equipment	8,959,661	890,061	(129,284)	-	9,720,438
Total capital assets, being depreciated	<u>84,546,341</u>	<u>3,031,058</u>	<u>(141,785)</u>	<u>4,784</u>	<u>87,440,398</u>
Less: accumulated depreciation					
Buildings and improvements	(9,510,402)	(300,920)	-	-	(9,811,322)
Improvements other than buildings	(36,731,037)	(1,974,924)	12,501	-	(38,693,460)
Machinery and equipment	(5,431,619)	(534,654)	129,284	-	(5,836,989)
Total accumulated depreciation	<u>(51,673,058)</u>	<u>(2,810,498)</u>	<u>141,785</u>	<u>-</u>	<u>(54,341,771)</u>
Total capital assets, being depreciated, net	<u>32,873,283</u>	<u>220,560</u>	<u>-</u>	<u>4,784</u>	<u>33,098,627</u>
Business-type activities capital assets, net	<u>\$ 33,015,171</u>	<u>\$ 277,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,292,878</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE E. CAPITAL ASSETS AND DEPRECIATION - CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2019:

Governmental Activities:

General government	\$ 39,909
Public safety	471,839
Highway and streets	1,187,324
Culture and recreation	457,080
Total depreciation expense	<u>\$2,156,152</u>

Business-Type Activities:

Electric	\$1,246,252
Water	545,383
Water Pollution Control	546,480
Sanitation	-
BASWA	472,383
Total depreciation expense	<u>\$2,810,498</u>

Capital assets activity for the Beatrice Airport Authority for the year ended September 30, 2019, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Beatrice Airport Authority:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,321,356	\$ -	\$ -	\$ 1,321,356
Capital assets, being depreciated:				
Buildings and improvements	1,764,170	25,080	-	1,789,250
Improvements other than buildings	11,331,306	1,573,211	-	12,904,517
Machinery and equipment	380,902	22,952	-	403,854
Total capital assets, being depreciated	13,476,378	1,621,243	-	15,097,621
Less: accumulated depreciation				
Buildings and improvements	(1,470,137)	(35,845)	-	(1,505,982)
Improvements other than buildings	(4,847,872)	(222,474)	-	(5,070,346)
Machinery and equipment	(308,027)	(11,270)	-	(319,297)
Total accumulated depreciation	(6,626,036)	(269,589)	-	(6,895,625)
Total capital assets, being depreciated, net	6,850,342	1,351,654	-	8,201,996
Beatrice Airport Authority capital assets, net	<u>\$ 8,171,698</u>	<u>\$ 1,351,654</u>	<u>\$ -</u>	<u>\$ 9,523,352</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$48,598 as of July 31, 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019, except for the Foundation which are as of July 31, 2019.

	<u>Customer and Developer Deposits</u>	<u>Debt Service Reserve</u>	<u>Closure and Postclosure Account</u>	<u>Donor/ Grantor Restrictions</u>	<u>Developer Tax Increment Financing</u>	<u>Total</u>
Enterprise Funds						
Electric	\$ 422,587	\$ 73,509	\$ -	\$ -	\$ -	\$ 496,096
Water	-	133,389	-	-	-	133,389
Water Pollution Control	-	187,942	-	-	-	187,942
BASWA	-	365,011	2,428,472	-	-	2,793,483
Total Enterprise Funds	<u>\$ 422,587</u>	<u>\$ 759,851</u>	<u>\$ 2,428,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,610,910</u>
Component Units						
Beatrice Airport Authority	\$ -	\$ 51,912	\$ -	\$ -	\$ -	\$ 51,912
Community Redevelopment Authority	-	-	-	-	1,420	1,420
Beatrice Library Foundation, Inc.	-	-	-	200,853	-	200,853
Total Component Units	<u>\$ -</u>	<u>\$ 51,912</u>	<u>\$ -</u>	<u>\$ 200,853</u>	<u>\$ 1,420</u>	<u>\$ 254,185</u>

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2019:

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 436,854	\$ 436,854
Keno Fund	-	470	470
Other Governmental Funds	141,259	-	141,259
Total	<u>\$ 141,259</u>	<u>\$ 437,324</u>	<u>\$ 578,583</u>

During the year ended September 30, 2019, the 911 surcharge fund transferred \$141,259 to the general fund; the keno fund transferred \$470 to the capital improvements fund; and the general fund transferred \$436,854 to the capital improvements fund.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE H. DEFICIT FUND BALANCES

The Capital Improvements capital projects fund had a deficit balance of \$25,993 as of September 30, 2019. The deficit is expected to be reduced through the collection of deferred revenues.

NOTE I. LONG-TERM OBLIGATIONS

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

The City has entered into three separate lease agreements, as lessee, to finance the acquisition of a large equipment for use by the Beatrice Area Solid Waste Agency ("BASWA"); a Caterpillar 826K compactor, a Caterpillar dozer and a John Deere 755K loader. All three leases qualify as a capital lease for accounting purposes and the cost of the equipment obtained through this lease was capitalized in machinery and equipment. The compactor had an original cost of \$772,500, and has a remaining net book value of \$629,429 at September 30, 2019, the dozer had an original cost of \$412,750, and has a remaining net book value of \$369,100 at September 30, 2019, and the lease entered into March 2019 for a loader had an original cost of \$283,378 and has a remaining net book value of \$272,250 at September 30, 2019.

The City has entered into a lease agreement to finance the acquisition of a skid loader for use by the Street Fund. This lease qualifies as a capital lease for accounting purposes and the cost of the equipment obtained was capitalized in machinery and equipment. The equipment had an original cost of \$45,000, and has a remaining net book value of \$23,425 at September 30, 2019.

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 \$242,557 at September 30, 2019.

In August 2019, the City issued \$615,000 of Tax Obligation Public Safety Bonds, Series 2019, to finance the costs of purchasing and maintaining public safety equipment, purchasing real estate for fire or police station quarters, repairing fire or police station quarters, or equipping an emergency communication system.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

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

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

Original Amount	Issued ¹	Issue	Interest Rates	When Due ¹	Date Callable ¹	9/30/2019 Outstanding
Governmental Activities:						
Tax Supported Bonds:						
\$ 615,000	2019	Public Safety Tax Obligation Bonds	1.75 - 1.85%	2020 to 2022	---	\$ 615,000
\$ 170,000	2018	Public Safety Tax Obligation Bonds	1.65 - 2.00%	2019 to 2021	---	115,000
		Total Public Safety Bonds				<u>\$ 730,000</u>
Business-Type Activities:						
Combined Utilities Bonds:						
\$ 1,725,000	2011	Combined Utilities Revenue Refunding Bonds	0.45 - 2.80%	2012 to 2021	2016	\$ 650,000
\$ 2,040,000	2013	Combined Utilities Revenue Refunding Bonds	0.40 - 2.30%	2013 to 2023	2018	965,000
		Total Combined Utilities Bonds				<u>\$ 1,615,000</u>
Beatrice Area Solid Waste Agency (BASWA):						
\$ 1,250,000	2017	BASWA Facilities Revenue Bonds	1.10 - 2.55%	2017 to 2024	2023	\$ 1,115,000
\$ 825,000	2016	BASWA Disposal Facilities Rev Refunding Bonds	0.75 - 1.75%	2017 to 2024	2021	240,000
		Total BASWA Bonds				<u>\$ 1,355,000</u>
Component Units:						
Beatrice Airport Authority:						
\$ 230,000	2018	Airport Authority Bonds	2.40 - 2.80%	2020 to 2022	2021	\$ 230,000
		Total Airport Authority Bonds				<u>\$ 230,000</u>

¹ Fiscal year

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations activity for the year ended September 30, 2019, for the City and its component units was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 365,000	\$ 615,000	\$ (250,000)	\$ 730,000	\$ 240,000
Lease payable-Direct borrowing	144,297	-	(75,657)	68,640	68,640
Compensated absences	989,463	548,046	(443,197)	1,094,312	413,840
	<u>1,498,760</u>	<u>1,163,046</u>	<u>(768,854)</u>	<u>1,892,952</u>	<u>722,480</u>
Business-Type Activities:					
Revenue bonds payable	3,565,000	-	(595,000)	2,970,000	605,000
Lease payable-Direct borrowing	1,018,072	283,378	(227,367)	1,074,083	284,044
Compensated absences	837,489	365,792	(284,523)	918,758	315,381
Closure and post-closure costs	4,396,000	409,000	-	4,805,000	-
	<u>9,816,561</u>	<u>1,058,170</u>	<u>(1,106,890)</u>	<u>9,767,841</u>	<u>1,204,425</u>
Primary Government	<u>\$ 11,315,321</u>	<u>\$ 2,221,216</u>	<u>\$ (1,875,744)</u>	<u>\$ 11,660,793</u>	<u>\$ 1,926,905</u>
Component Units:					
Airport Authority:					
Bonds payable	\$ 340,000	\$ -	\$ (110,000)	\$ 230,000	\$ 75,000
Compensated absences	77,790	18,448	(13,566)	82,672	20,544
Component Units	<u>\$ 417,790</u>	<u>\$ 18,448</u>	<u>\$ (123,566)</u>	<u>\$ 312,672</u>	<u>\$ 95,544</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, 2019

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-Direct Borrowing	
	Principal	Interest	Principal	Interest
2020	\$ 240,000	\$ 11,498	\$ 68,640	\$ 2,761
2021	245,000	9,063	-	-
2022	245,000	4,532	-	-
	<u>\$ 730,000</u>	<u>\$ 25,093</u>	<u>\$ 68,640</u>	<u>\$ 2,761</u>

Fiscal Year Ending September 30	Business-Type Activities			
	Revenue Bonds		Capital Lease-Direct Borrowing	
	Principal	Interest	Principal	Interest
2020	\$ 605,000	\$ 59,021	\$ 284,044	\$ 26,651
2021	615,000	48,085	290,163	20,531
2022	800,000	33,320	296,738	13,896
2023	470,000	19,446	142,578	7,087
2024	480,000	9,040	60,560	2,124
	<u>\$ 2,970,000</u>	<u>\$ 168,912</u>	<u>\$ 1,074,083</u>	<u>\$ 70,289</u>

Fiscal Year Ending September 30	Component Units	
	Airport Authority Bonds	
	Principal	Interest
2020	\$ 75,000	\$ 5,990
2021	75,000	4,190
2022	80,000	2,240
	<u>\$ 230,000</u>	<u>\$ 12,420</u>

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019, there were approximately \$6,286,800 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, 2019

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 original 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, 2019, there were 27 total participants (active and inactive) in this portion of the plan.

Firefighters – Firefighters can retire at age 55 with 21 or more years of service. Their plan also provides for death and disability benefits. A member is 40% vested after 4 years of service, plus 20% for each year thereafter up to 100%. At September 30, 2019, there were 30 total participants (active and inactive) in this portion of the plan.

Pre-1984 – Police and firefighters hired prior to January 1, 1984, participate in the defined contribution plan, but are entitled to receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. There are no active participants in this plan however five retired firefighters, or their beneficiary, continue to receive monthly benefit payments under this arrangement as of September 30, 2019. The City obtained an actuarial study for this arrangement, as of October 1, 2018, which noted the assets held for future benefit payments for these individuals exceeded the actuarial value of projected future benefit payments, thus no obligation exists for the City as of September 30, 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

1. Police and Firefighters - Continued

Contribution Requirements and Contributions Made

Police – The contribution rate for police employees is 7% of gross compensation, with the City also providing a 7% matching contribution. Both the City and covered employees made the required contributions, amounting to \$91,869 for the City and use of \$5,400 in forfeitures, and \$97,269 for the employees, for 2019.

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 \$162,004 for the City and use of \$8,854 in forfeitures, and \$85,430 for the employees, for 2019.

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, 2019, there were 46 participants (active and inactive) in this plan.

Contribution Requirements and Contributions Made

The contribution rate for the non-uniformed employees is 6.0% of base pay, with the City also providing a 6.0% matching contribution. Both the City and the covered employees made the required contributions, amounting to \$111,190 for the City and use of \$1,211 in forfeitures, and \$112,401 for the employees, for 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

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, 2019, there were 53 participants (active and inactive) in this plan. Plan provisions and contribution requirements are established by and may be amended by the Board of Public Works.

Contribution Requirements and Contributions Made

Through payroll deductions, the employee is required to make pre-tax contributions of 6% of compensation, as a condition of participating in the Plan. The Board of Public Works will make a contribution of 6% of the employee's annual compensation to the Plan. Both the Board of Public Works and covered employees made the required contributions, amounting to \$180,944 for the Board of Public Works, and \$180,944 for the employees, for 2019.

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 \$141,533 to the plan in 2019.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE K. RISK MANAGEMENT

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

The City is exposed to various risks of loss related to medical claims of employees and dependents. The City established a Self-Insured Group Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured Group Insurance Fund provides coverage for up to a maximum of \$90,000 per person annually for medical claims.

The City funds its self-insurance program on an “incurred loss” basis. All funds of the City participate in the program and make payments to the Self-Insured Group Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-period claims. The Fund has a claims liability of \$157,795 reported at September 30, 2019.

The change in the Fund's claims liability amount in fiscal 2019 was as follows:

	<u>2019</u>
Beginning claims liability	\$ 118,134
Charges	2,225,622
Claims paid and changes in estimate	<u>(2,185,961)</u>
Ending claims liability	<u><u>\$ 157,795</u></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, 2019, approximately 85% of the full-time, regular City’s employees are represented by a Union. All existing labor contracts involving City employees have been negotiated to cover a period through September 2021.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE L. COMMITMENTS AND CONTINGENCIES - CONTINUED

1. General - Continued

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

The City of Beatrice is identified as a Potentially Responsible Party as defined by the Comprehensive Environmental Compensation and Liability Act of 1980 by reason of current ownership of property with the presence of contamination. The City's exposure was up to 25% of the total clean-up costs, which was completed and covered as of September 30, 2019, with the City incurring approximately \$2 million in costs, plus other professional services and legal fees for a total overall cost of \$2.5 million. In 2018, the City reached a settlement agreement with the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property to reimburse the City \$650,000 for costs previously incurred by the City. The City is currently negotiating a settlement of future monitoring costs at the site with the other responsible party.

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, 2019.

At September 30, 2019, the City incurred a liability of approximately \$4,740,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 68.6% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$2,170,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 9 years).

At September 30, 2019, the City incurred a liability of approximately \$65,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 6% of the landfill capacity used to date. The remaining

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost – Continued

estimated liability for these costs is approximately \$990,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 80 years). The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revisions of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The City, in a review by the Nebraska Department of Environmental and Energy (NDEE), 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. In 2017, when cell 5 was constructed between this area and the current solid waste landfill the cost for closure and postclosure care were combined into the current landfill liability. Any unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded when incurred.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2019, the City holds investments of \$2,428,472 for these purposes. These are reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or future tax revenue.

3. Power Purchase Agreement

During 2018, the City entered into a power purchase agreement to purchase energy from the Cottonwood Wind Project (the Project). The Project is currently rated to produce approximately 16.1 megawatts of energy, and the power purchase agreement requires the City to purchase the entire output from the Project over a period of 25 years. Payments made under the agreement during 2019 totaled \$1,175,064.53.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE M. TAX ABATEMENTS

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in Neb.Rev.Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains accessible to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project, which must not exceed a 15-year period. For the ended September 30, 2019, the City abated \$117,674 in property tax revenue under the tax increment financing program.

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. The statute for these Acts are found in Neb. Rev. Stat. SS 77-4101. Businesses that qualify must be involved in research, data processing, finance or insurance, manufacturing, technology-related services or a headquarters operation. The Act is available to businesses transporting, wholesaling, storing, or selling products, but not to retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits, but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to requalify. For the year ended September 30, 2019, the City abated \$21,466 in sales tax revenue under these two programs.

NOTE N. SUBSEQUENT EVENTS

In November 2019, the City issued \$7,075,000 of Fire Station Bonds (Sales Tax and General Obligation), Series 2019, to pay the costs of constructing and equipping a new fire station to be used jointly by the City and the Beatrice Rural Fire Protection District.

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

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, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Taxes					
Property tax	\$ 2,363,650	\$ 2,363,650	\$ 2,354,703	\$ (8,947)	\$ 2,332,138
Sales tax	2,400,000	2,400,000	2,438,897	38,897	2,291,167
Occupation tax	723,000	723,000	649,757	(73,243)	661,629
Licenses and permits	138,100	138,100	229,914	91,814	210,699
Intergovernmental	1,692,579	1,692,579	1,753,946	61,367	2,002,700
Charges for services	1,904,371	1,959,371	1,893,198	(66,173)	1,851,235
Interest	15,000	15,000	33,955	18,955	24,438
Miscellaneous	155,200	230,200	272,425	42,225	162,979
Total Revenues	<u>9,391,900</u>	<u>9,521,900</u>	<u>9,626,795</u>	<u>104,895</u>	<u>9,536,985</u>
Expenditures					
General government	1,498,330	1,553,330	1,513,961	39,369	1,574,061
Public safety	6,409,284	6,464,284	6,438,936	25,348	6,158,405
Culture and recreation	1,332,654	1,407,654	1,361,809	45,845	1,248,008
Total Expenditures	<u>9,240,268</u>	<u>9,425,268</u>	<u>9,314,706</u>	<u>110,562</u>	<u>8,980,474</u>
Excess of Revenues Over Expenditures	151,632	96,632	312,089	215,457	556,511
Other Financing Sources (Uses)					
Insurance and settlement recoveries	2,000	2,000	-	(2,000)	650,000
Sales of capital assets	2,000	2,000	4,837	2,837	2,790
Transfers in	156,500	156,500	141,259	(15,241)	71,554
Transfers out	(485,200)	(485,200)	(436,854)	48,346	(717,557)
Total Other Financing Sources (Uses)	<u>(324,700)</u>	<u>(324,700)</u>	<u>(290,758)</u>	<u>33,942</u>	<u>6,787</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (173,068)</u>	<u>\$ (228,068)</u>	<u>\$ 21,331</u>	<u>\$ 249,399</u>	<u>\$ 563,298</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, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Taxes					
Sales tax	\$ 665,700	\$ 665,700	\$ 672,224	\$ 6,524	\$ 635,292
Intergovernmental:					
State shared revenue	1,954,066	1,954,066	1,965,578	11,512	1,841,484
Federal grants	-	-	-	-	27,822
Total Intergovernmental	1,954,066	1,954,066	1,965,578	11,512	1,869,306
Charges for services	31,000	31,000	23,313	(7,687)	24,085
Miscellaneous	-	-	14,041	14,041	79,835
Total Revenues	<u>2,650,766</u>	<u>2,650,766</u>	<u>2,675,156</u>	<u>24,390</u>	<u>2,608,518</u>
Expenditures					
Personal services	817,731	817,731	867,661	(49,930)	820,989
Other services and charges	77,000	77,000	89,165	(12,165)	67,891
Supplies	282,000	282,000	284,250	(2,250)	231,627
Capital outlay	1,780,174	1,780,174	1,030,592	749,582	2,101,113
Total Expenditures	<u>2,956,905</u>	<u>2,956,905</u>	<u>2,271,668</u>	<u>685,237</u>	<u>3,221,620</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (306,139)</u>	<u>\$ (306,139)</u>	<u>\$ 403,488</u>	<u>\$ 709,627</u>	<u>\$ (613,102)</u>

See independent auditor's report.

SUPPLEMENTARY INFORMATION

City of Beatrice
GENERAL FUND
BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 675,268	\$ 533,036
Investments	1,237,499	1,224,430
Cash on deposit - county treasurer	106,744	85,504
Accounts receivable	395,355	508,475
Taxes receivable	102,670	96,822
Due from other governments	473,641	441,591
Total Assets	<u>\$ 2,991,177</u>	<u>\$ 2,889,858</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 256,307</u>	<u>\$ 241,469</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>278,577</u>	<u>213,427</u>
Fund Balance		
Assigned for subsequent years' expenditures	398,230	525,117
Unassigned	<u>2,058,063</u>	<u>1,909,845</u>
Total Fund Balance	<u>2,456,293</u>	<u>2,434,962</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,991,177</u>	<u>\$ 2,889,858</u>

See independent auditor's report.

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

For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Taxes					
Property tax	\$ 2,117,650	\$ 2,117,650	\$ 2,109,145	\$ (8,505)	\$ 2,084,600
Homestead exemption allocation	140,000	140,000	143,216	3,216	142,554
Property tax credit	100,000	100,000	94,420	(5,580)	97,824
Interest on delinquent taxes	6,000	6,000	7,922	1,922	7,160
City sales tax	2,400,000	2,400,000	2,438,897	38,897	2,291,167
Utilities occupation tax	600,000	600,000	528,359	(71,641)	541,730
Beer and liquor occupation tax	20,000	20,000	20,140	140	20,855
Lodging occupation tax	100,000	100,000	98,535	(1,465)	96,634
Miscellaneous occupation tax	3,000	3,000	2,723	(277)	2,410
Total Taxes	5,486,650	5,486,650	5,443,357	(43,293)	5,284,934
Licenses and Permits					
Bicycle licenses	100	100	50	(50)	20
Pet licenses	6,000	6,000	4,861	(1,139)	3,765
Plumbers' licenses	500	500	50	(450)	1,100
Building permits	120,000	120,000	211,649	91,649	188,114
Plumbing permits	5,000	5,000	4,479	(521)	10,165
Mechanical permits	1,500	1,500	3,115	1,615	2,222
Miscellaneous permits	5,000	5,000	5,710	710	5,313
Total Licenses and Permits	138,100	138,100	229,914	91,814	210,699
Intergovernmental					
Motor vehicle tax	235,000	235,000	261,937	26,937	246,013
County library aid	23,000	23,000	23,000	-	23,000
Interlocal 911 dispatch aid	498,300	498,300	520,133	21,833	513,154
County ambulance service	180,000	180,000	180,000	-	180,000
Intergovernmental-school officer	73,000	73,000	78,535	5,535	54,332
Other intergovernmental	7,500	7,500	7,000	(500)	7,000
Municipal equalization funds	534,972	534,972	554,399	19,427	576,797
Victim assistance grants	115,672	115,672	99,923	(15,749)	156,664
Library state aid	2,700	2,700	2,222	(478)	2,177
Pro-Rate motor vehicle	6,000	6,000	5,695	(305)	6,451
Other federal grants	-	-	-	-	129,274
Federal - COPS grants	7,435	7,435	1,198	(6,237)	49,314
Federal funds police assistance	9,000	9,000	2,484	(6,516)	28,451
Hazard mitigation grant	-	-	17,420	17,420	20,073
CDBG downtown revitalization	-	-	-	-	10,000
Total Intergovernmental	1,692,579	1,692,579	1,753,946	61,367	2,002,700
Charges for Services					
Publication cost income	500	500	478	(22)	461
Administration miscellaneous charges	1,500	1,500	68	(1,432)	1,058
Accounting services	36,760	36,760	36,771	11	35,880
BASWA management services	25,211	25,211	25,200	(11)	24,477
Administration and legal services	282,000	337,000	336,660	(340)	273,201

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Charges for Services (Continued)					
CDBG administration fees	\$ 1,000	\$ 1,000	\$ 1,068	\$ 68	\$ 10,376
Recycling agreement fees	2,000	2,000	1,296	(704)	2,294
Restitution - fees and damages	2,500	2,500	1,513	(987)	1,713
Community development miscellaneous charges	2,000	2,000	1,344	(656)	2,529
Recover demolition charges	5,000	5,000	10,026	5,026	13,461
Police charges	3,000	3,000	2,453	(547)	2,347
Fire charges	11,400	11,400	13,202	1,802	10,712
Ambulance charges	1,875,000	1,875,000	1,875,776	776	1,823,013
Ambulance contracted adjustments	(616,000)	(616,000)	(675,448)	(59,448)	(644,636)
Public safety miscellaneous charges	14,600	14,600	36,252	21,652	34,684
Stop program charges	2,000	2,000	1,160	(840)	920
Land use agreements	16,000	16,000	16,457	457	15,924
Auditorium use fee	28,000	28,000	32,137	4,137	29,832
Water park admissions	90,000	90,000	69,922	(20,078)	83,531
Water park concessions and sales	31,000	31,000	25,879	(5,121)	29,171
Swim lessons	5,000	5,000	3,555	(1,445)	3,195
Mowing fees	5,000	5,000	1,257	(3,743)	10,228
Camping receipts	43,000	43,000	40,845	(2,155)	53,511
Farm income	19,000	19,000	18,986	(14)	18,890
Public properties miscellaneous charges	3,000	3,000	880	(2,120)	2,093
Library use fees	6,500	6,500	4,909	(1,591)	3,904
Library copying fees	3,500	3,500	3,777	277	3,103
Library miscellaneous charges	2,000	2,000	3,442	1,442	1,578
Interlibrary loan revenue	200	200	-	(200)	-
Parking fines and rents	1,400	1,400	1,270	(130)	1,345
School fines and fees	2,300	2,300	2,063	(237)	2,440
Total Charges for Services	<u>1,904,371</u>	<u>1,959,371</u>	<u>1,893,198</u>	<u>(66,173)</u>	<u>1,851,235</u>
Interest					
Interest earnings	15,000	15,000	33,955	18,955	24,438
Miscellaneous					
Lease income - BASWA	63,000	63,000	63,036	36	61,200
Donations	100	100	-	(100)	20
Donations - Beatrice plus program	30,000	30,000	25,723	(4,277)	25,797
Police donations	2,000	2,000	49,567	47,567	5,950
Fire donations	4,000	4,000	6,845	2,845	8,475
Water park donations	2,000	2,000	1,894	(106)	1,702
Public properties donations	20,000	95,000	85,802	(9,198)	24,961
Library donations	8,000	8,000	10,117	2,117	8,517
Library donations - foundation	25,000	25,000	29,188	4,188	25,965
Sidewalk program	1,100	1,100	253	(847)	392
Total Miscellaneous	<u>155,200</u>	<u>230,200</u>	<u>272,425</u>	<u>42,225</u>	<u>162,979</u>
Total Revenues	<u>\$ 9,391,900</u>	<u>\$ 9,521,900</u>	<u>\$ 9,626,795</u>	<u>\$ 104,895</u>	<u>\$ 9,536,985</u>

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019			Variance Positive (Negative)	2018 Actual
	Original Budget	Final Budget	Actual		
General Government					
Administration					
Personal services	\$ 750,611	\$ 805,611	\$ 839,943	\$ (34,332)	\$ 757,697
Other services and charges	123,300	123,300	133,353	(10,053)	110,483
Supplies	7,200	7,200	6,320	880	5,971
Capital outlay	11,500	11,500	4,397	7,103	22,999
Contingency	142,000	142,000	79,950	62,050	162,064
Contractual services	164,865	164,865	149,699	15,166	254,464
Total Administration	1,199,476	1,254,476	1,213,662	40,814	1,313,678
Community Development					
Personal services	209,054	209,054	220,151	(11,097)	204,553
Other services and charges	82,200	82,200	75,199	7,001	50,480
Supplies	7,600	7,600	4,289	3,311	4,640
Capital outlay	-	-	660	(660)	710
Total Community Development	298,854	298,854	300,299	(1,445)	260,383
Total General Government	1,498,330	1,553,330	1,513,961	39,369	1,574,061
Public Safety					
Police					
Personal services	3,029,970	3,029,970	3,013,800	16,170	2,893,927
Other services and charges	296,919	296,919	272,539	24,380	273,666
Supplies	76,880	76,880	65,401	11,479	66,618
Capital outlay	102,240	102,240	120,659	(18,419)	68,409
Contractual services	60,000	60,000	60,000	-	60,000
Contingencies	1,500	1,500	2,600	(1,100)	1,500
Total Police	3,567,509	3,567,509	3,534,999	32,510	3,364,120
Fire and Rescue					
Personal services	2,405,575	2,460,575	2,507,965	(47,390)	2,399,635
Other services and charges	295,100	295,100	272,812	22,288	275,360
Supplies	126,400	126,400	108,785	17,615	103,158
Capital outlay	14,700	14,700	14,375	325	16,132
Total Fire and Rescue	2,841,775	2,896,775	2,903,937	(7,162)	2,794,285
Total Public Safety	6,409,284	6,464,284	6,438,936	25,348	6,158,405

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Totals
Culture and Recreation					
Public Properties					
Personal services	\$ 436,282	\$ 436,282	\$ 436,211	\$ 71	\$ 428,825
Other services and charges	107,115	107,115	104,454	2,661	91,752
Supplies	142,250	142,250	122,105	20,145	127,098
Capital outlay	67,800	142,800	139,237	3,563	72,995
Contractual services	55,000	55,000	48,657	6,343	48,327
Total Public Properties	808,447	883,447	850,664	32,783	768,997
Library					
Personal services	349,535	349,535	333,479	16,056	311,380
Other services and charges	54,312	54,312	51,399	2,913	55,002
Supplies	10,500	10,500	10,200	300	10,764
Capital outlay	109,860	109,860	116,067	(6,207)	101,865
Total Library	524,207	524,207	511,145	13,062	479,011
Total Culture and Recreation	1,332,654	1,407,654	1,361,809	45,845	1,248,008
Total Expenditures	9,240,268	9,425,268	9,314,706	110,562	8,980,474
Excess of Revenues Over Expenditures	151,632	96,632	312,089	215,457	556,511
Other Financing Sources (Uses)					
Insurance and settlement recoveries	2,000	2,000	-	(2,000)	650,000
Sale of capital assets	2,000	2,000	4,837	2,837	2,790
Transfers in	156,500	156,500	141,259	(15,241)	71,554
Transfers out	(485,200)	(485,200)	(436,854)	48,346	(717,557)
Total Other Financing Sources (Uses)	(324,700)	(324,700)	(290,758)	33,943	6,787
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (173,068)</u>	<u>\$ (228,068)</u>	21,331	<u>\$ 249,399</u>	563,298
Fund Balance, Beginning of Year			2,434,962		1,871,664
Fund Balance, End of Year			<u>\$ 2,456,293</u>		<u>\$ 2,434,962</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,814,441	\$ 1,896,780
Accounts receivable	1,177	22,131
Due from other governments	<u>290,358</u>	<u>268,785</u>
Total Assets	<u>\$ 2,105,976</u>	<u>\$ 2,187,696</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 242,288</u>	<u>\$ 727,496</u>
Fund Balance		
Restricted for Streets	<u>1,863,688</u>	<u>1,460,200</u>
Total Liabilities and Fund Balance	<u>\$ 2,105,976</u>	<u>\$ 2,187,696</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2018 Actual
Revenues				
Taxes				
Sales tax	\$ 665,700	\$ 665,700	\$ 672,224	\$ 6,524
Intergovernmental				
State shared revenue	1,954,066	1,954,066	1,965,578	11,512
Federal grants	-	-	-	-
Total Intergovernmental	1,954,066	1,954,066	1,965,578	11,512
Charges for services	31,000	31,000	23,313	(7,687)
Miscellaneous	-	-	14,041	14,041
Total Revenues	2,650,766	2,650,766	2,675,156	24,390
Expenditures				
Personal Services				
Salaries	545,557	545,557	586,210	(40,653)
Social security	34,815	34,815	37,719	(2,904)
Retirement	26,086	26,086	27,021	(935)
Health and life insurance	178,200	178,200	178,200	-
Workmen's compensation	33,073	33,073	38,511	(5,438)
Total Personal Services	817,731	817,731	867,661	(49,930)
Other Services and Charges				
Insurance	20,000	20,000	20,420	(420)
Maintenance and repairs	31,000	31,000	30,760	240
Rentals	15,500	15,500	13,899	1,601
Training and transportation	3,000	3,000	2,135	865
Communications	3,000	3,000	2,893	107
Miscellaneous	4,500	4,500	19,058	(14,558)
Total Other Services and Charges	77,000	77,000	89,165	(12,165)
Supplies				
Operating supplies	95,500	95,500	93,220	2,280
Repairs and maintenance supplies	186,500	186,500	191,030	(4,530)
Total Supplies	282,000	282,000	284,250	(2,250)
Capital Outlay				
Buildings	75,000	75,000	10,033	64,967
Improvements other than buildings	1,466,924	1,466,924	788,602	678,322
Machinery and equipment	238,250	238,250	231,957	6,293
Total Capital Outlay	1,780,174	1,780,174	1,030,592	749,582
Total Expenditures	\$ 2,956,905	\$ 2,956,905	\$ 2,271,668	\$ 685,237

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2018 Actual
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (306,139)</u>	<u>\$ (306,139)</u>	403,488	<u>\$ 709,627</u>
Fund Balance, Beginning of Year			<u>1,460,200</u>	<u>2,073,302</u>
Fund Balance, End of Year			<u>\$ 1,863,688</u>	<u>\$ 1,460,200</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2019
 With comparative totals for September 30, 2018

	2019				2018
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 1,177,446	\$ 63,884	\$ 646,937	\$ 1,888,267	\$ 1,408,651
Cash on deposit - county treasurer	-	9,543	-	9,543	5,662
Accounts receivable	910	-	68,000	68,910	235,041
Due from other funds	-	-	31,690	31,690	-
Due from other governments	-	-	197,351	197,351	-
Taxes receivable	-	16,835	-	16,835	14,882
Loans receivable	684,226	-	-	684,226	874,968
In-lieu-of assessments	-	10,105	-	10,105	10,105
Total Assets	\$ 1,862,582	\$ 100,367	\$ 943,978	\$ 2,906,927	\$ 2,549,309
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable	\$ 2,896	\$ -	\$ 41,257	\$ 44,153	\$ 79,480
Due to other funds	-	-	31,690	31,690	-
Accrued interest payable	-	2,122	-	2,122	2,122
Total Liabilities	2,896	2,122	72,947	77,965	81,602
Deferred Inflows of Resources					
Unavailable revenue	-	22,941	62,000	84,941	186,271
Fund Balance					
Restricted for:					
Economic development	1,208,272	-	-	1,208,272	1,175,078
Library capital improvements	-	-	303	303	303
New fire station	-	-	172,583	172,583	-
Debt service	-	75,304	-	75,304	77,632
Revolving loan fund	368,605	-	-	368,605	365,187
Storm water management	20,261	-	-	20,261	47,679
E-911 public safety	48,980	-	-	48,980	89,220
Committed for:					
Library capital improvements	-	-	27,579	27,579	27,488
Public safety equipment	-	-	634,559	634,559	92,726
Community betterment	213,568	-	-	213,568	153,385
Assigned for:					
Subsequent years' expenditures	-	-	-	-	238,697
Debt service	-	-	-	-	14,041
Unassigned	-	-	(25,993)	(25,993)	-
Total Fund Balance	1,859,686	75,304	809,031	2,744,021	2,281,436
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,862,582	\$ 100,367	\$ 943,978	\$ 2,906,927	\$ 2,549,309

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, 2019
With comparative totals for September 30, 2018

	2019				2018
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ -	\$ 252,536	\$ -	\$ 252,536	\$ 196,218
Sales tax	250,000	-	588,570	838,570	250,000
Intergovernmental	363,037	669	323,800	687,506	428,021
Charges for services	101,019	-	-	101,019	103,739
Keno proceeds	73,767	-	-	73,767	89,062
Special assessments	-	-	-	-	10,895
Interest	6,728	-	91	6,819	8,965
Donations and other revenue	20,372	-	98,519	118,891	622,358
Total Revenues	<u>814,923</u>	<u>253,205</u>	<u>1,010,980</u>	<u>2,079,108</u>	<u>1,709,258</u>
Expenditures					
General government	644,057	-	-	644,057	406,231
Capital outlay	-	14,041	1,492,512	1,506,553	1,773,073
Debt Service:					
Principal	-	250,000	-	250,000	190,000
Interest	-	5,533	-	5,533	3,468
Bond issuance cost	-	-	6,000	6,000	2,700
MFO payments - other entities	-	-	114,975	114,975	133,863
Total Expenditures	<u>644,057</u>	<u>269,574</u>	<u>1,613,487</u>	<u>2,527,118</u>	<u>2,509,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>170,866</u>	<u>(16,369)</u>	<u>(602,507)</u>	<u>(448,010)</u>	<u>(800,077)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	8,000
Bond and lease proceeds	-	-	615,000	615,000	170,000
Transfers in	-	-	437,324	437,324	717,557
Transfers out	(141,729)	-	-	(141,729)	(71,554)
Total Other Financing Sources (Uses)	<u>(141,729)</u>	<u>-</u>	<u>1,052,324</u>	<u>910,595</u>	<u>824,003</u>
Net Change in Fund Balance	<u>29,137</u>	<u>(16,369)</u>	<u>449,817</u>	<u>462,585</u>	<u>23,926</u>
Fund Balance, Beginning of Year	<u>1,830,549</u>	<u>91,673</u>	<u>359,214</u>	<u>2,281,436</u>	<u>2,257,510</u>
Fund Balance, End of Year	<u>\$ 1,859,686</u>	<u>\$ 75,304</u>	<u>\$ 809,031</u>	<u>\$ 2,744,021</u>	<u>\$ 2,281,436</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2019
 with comparative totals for September 30, 2018

	2019						2018
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total	Total
Assets							
Cash and cash equivalents	\$ 583,699	\$ 308,042	\$ 216,464	\$ 48,980	\$ 20,261	\$ 1,177,446	\$ 954,832
Accounts receivable	910	-	-	-	-	910	38,131
Loans receivable	623,663	60,563	-	-	-	684,226	874,968
Total Assets	<u>\$ 1,208,272</u>	<u>\$ 368,605</u>	<u>\$ 216,464</u>	<u>\$ 48,980</u>	<u>\$ 20,261</u>	<u>\$ 1,862,582</u>	<u>\$ 1,867,931</u>
Liabilities and Fund Balance							
Accounts payable	\$ -	\$ -	\$ 2,896	\$ -	\$ -	\$ 2,896	\$ 37,382
Fund Balance							
Restricted for:							
Economic development	1,208,272	-	-	-	-	1,208,272	1,175,078
Revolving loan fund	-	368,605	-	-	-	368,605	365,187
Storm water management	-	-	-	-	20,261	20,261	47,679
E911 public safety	-	-	-	48,980	-	48,980	89,220
Committed for:							
Community betterment	-	-	213,568	-	-	213,568	153,385
Total Fund Balance	<u>1,208,272</u>	<u>368,605</u>	<u>213,568</u>	<u>48,980</u>	<u>20,261</u>	<u>1,859,686</u>	<u>1,830,549</u>
Total Liabilities and Fund Balance	<u>\$ 1,208,272</u>	<u>\$ 368,605</u>	<u>\$ 216,464</u>	<u>\$ 48,980</u>	<u>\$ 20,261</u>	<u>\$ 1,862,582</u>	<u>\$ 1,867,931</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, 2019
 With comparative totals for September 30, 2018

	2019						2018
	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	250,000	113,037	-	-	-	363,037	213,946
Charges for services	-	-	-	101,019	-	101,019	103,739
Keno proceeds	-	-	73,767	-	-	73,767	89,062
Interest	2,242	4,486	-	-	-	6,728	6,609
Miscellaneous	20,372	-	-	-	-	20,372	364,623
Total Revenues	<u>522,614</u>	<u>117,523</u>	<u>73,767</u>	<u>101,019</u>	<u>-</u>	<u>814,923</u>	<u>1,027,979</u>
Expenditures							
General government	489,420	114,105	13,114	-	27,418	644,057	406,231
Capital outlay	-	-	-	-	-	-	676,946
Total Expenditures	<u>489,420</u>	<u>114,105</u>	<u>13,114</u>	<u>-</u>	<u>27,418</u>	<u>644,057</u>	<u>1,083,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,194	3,418	60,653	101,019	(27,418)	170,866	(55,198)
Other Financing Sources (Uses)							
Sale of capital assets	-	-	-	-	-	-	8,000
Transfers out	-	-	(470)	(141,259)	-	(141,729)	(71,554)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(470)</u>	<u>(141,259)</u>	<u>-</u>	<u>(141,729)</u>	<u>(63,554)</u>
Net Change in Fund Balance	33,194	3,418	60,183	(40,240)	(27,418)	29,137	(118,752)
Fund Balance, Beginning of Year	<u>1,175,078</u>	<u>365,187</u>	<u>153,385</u>	<u>89,220</u>	<u>47,679</u>	<u>1,830,549</u>	<u>1,949,301</u>
Fund Balance, End of Year	<u>\$ 1,208,272</u>	<u>\$ 368,605</u>	<u>\$ 213,568</u>	<u>\$ 48,980</u>	<u>\$ 20,261</u>	<u>\$ 1,859,686</u>	<u>\$ 1,830,549</u>

See independent auditor's report.

City of Beatrice, Nebraska
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Intergovernmental	-	-	250,000	250,000	-
Interest	1,000	1,000	2,242	1,242	1,116
Loans/rents revenue	14,088	14,088	20,372	6,284	364,623
Total Revenues	<u>265,088</u>	<u>265,088</u>	<u>522,614</u>	<u>257,526</u>	<u>615,739</u>
Expenditures					
Economic development	450,000	450,000	489,420	(39,420)	152,152
Capital outlay	1,372,653	1,372,653	-	1,372,653	676,946
Total Expenditures	<u>1,822,653</u>	<u>1,822,653</u>	<u>489,420</u>	<u>1,333,233</u>	<u>829,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,557,565)</u>	<u>(1,557,565)</u>	<u>33,194</u>	<u>1,590,759</u>	<u>(213,359)</u>
Other Financing Sources					
Sale of capital assets	20,000	20,000	-	(20,000)	8,000
Bond proceeds	1,000,000	1,000,000	-	(1,000,000)	-
Total Other Financing Sources	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>	<u>(1,020,000)</u>	<u>8,000</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (537,565)</u>	<u>\$ (537,565)</u>	<u>33,194</u>	<u>\$ 570,759</u>	<u>(205,359)</u>
Fund Balance, Beginning of Year			<u>1,175,078</u>		<u>1,380,437</u>
Fund Balance, End of Year			<u>\$ 1,208,272</u>		<u>\$ 1,175,078</u>

See independent auditor's report.

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

For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Intergovernmental	\$ -	\$ 113,037	\$ 113,037	\$ -	\$ 213,946
Interest	50	50	1,128	1,078	349
Interest on loans	2,274	2,274	3,358	1,084	5,144
Total Revenues	<u>2,324</u>	<u>115,361</u>	<u>117,523</u>	<u>2,162</u>	<u>219,439</u>
Expenditures					
Administration	-	-	1,068	(1,068)	10,376
Grant distributions	-	113,037	113,037	(0)	203,946
Re-use loans	305,138	305,138	-	305,138	-
Total Expenditures	<u>305,138</u>	<u>418,175</u>	<u>114,105</u>	<u>304,072</u>	<u>214,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (302,814)</u>	<u>\$ (302,814)</u>	3,418	<u>\$ 306,234</u>	5,117
Fund Balance, Beginning of Year			<u>365,187</u>		<u>360,070</u>
Fund Balance, End of Year			<u>\$ 368,605</u>		<u>\$ 365,187</u>

See independent auditor's report.

City of Beatrice, Nebraska
 KENO/LOTTERY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Keno/lottery proceeds	\$ 92,000	\$ 92,000	\$ 73,767	\$ (18,233)	\$ 89,062
Expenditures					
Other services and charges	16,355	16,355	13,114	3,241	15,934
Excess of Revenues Over Expenditures	75,645	75,645	60,653	(14,992)	73,128
Other Financing Uses					
Transfers out	(237,322)	(237,322)	(470)	236,852	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (161,677)</u>	<u>\$ (161,677)</u>	60,183	<u>\$ 221,860</u>	73,128
Fund Balance, Beginning of Year			153,385		80,257
Fund Balance, End of Year			<u>\$ 213,568</u>		<u>\$ 153,385</u>

See independent auditor's report.

City of Beatrice, Nebraska
 911 SURCHARGE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
911 service surcharge	\$ 36,000	\$ 36,000	\$ 28,749	\$ (7,251)	\$ 31,989
E911 wireless surcharge	71,500	71,500	72,270	770	71,750
Total Revenues	<u>107,500</u>	<u>107,500</u>	<u>101,019</u>	<u>(6,481)</u>	<u>103,739</u>
Other Financing Uses					
Transfers out	<u>(156,500)</u>	<u>(156,500)</u>	<u>(141,259)</u>	<u>15,241</u>	<u>(71,554)</u>
Excess (Deficiency) of Revenues Over (Under)					
Other Financing Uses	<u>\$ (49,000)</u>	<u>\$ (49,000)</u>	(40,240)	<u>\$ 8,760</u>	32,185
Fund Balance, Beginning of Year			<u>89,220</u>		<u>57,035</u>
Fund Balance, End of Year			<u>\$ 48,980</u>		<u>\$ 89,220</u>

See independent auditor's report.

City of Beatrice, Nebraska
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
				2018 Totals
Revenues				
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total Revenues	20,000	20,000	-	(20,000)
Expenditures				
Personal services	1,000	1,000	-	1,000
Other services and charges	23,500	30,090	27,418	2,672
Supplies	500	500	-	500
Total Expenditures	25,000	31,590	27,418	4,172
Deficiency of Revenues Under Expenditures	<u>\$ (5,000)</u>	<u>\$ (11,590)</u>	(27,418)	<u>\$ (15,828)</u>
Fund Balance, Beginning of Year			47,679	71,502
Fund Balance, End of Year			<u>\$ 20,261</u>	<u>\$ 47,679</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2019
 With comparative totals for September 30, 2018

	2019			2018
	General Obligation	Bonded Districts	Unbonded Assessments	Total
Assets				Total
Cash and cash equivalents	\$ 63,884	\$ -	\$ -	\$ 63,884
Cash on deposit - county treasurer	9,543	-	-	9,543
Taxes receivable	16,835	-	-	16,835
In-lieu-of assessments	-	10,105	-	10,105
Total Assets	<u>\$ 90,262</u>	<u>\$ 10,105</u>	<u>\$ -</u>	<u>\$ 100,367</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accrued interest payable	<u>\$ 2,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,122</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>12,836</u>	<u>10,105</u>	<u>-</u>	<u>22,941</u>
Fund Balance				
Restricted for debt service	75,304	-	-	75,304
Assigned for debt service	-	-	-	-
Total Fund Balance	<u>75,304</u>	<u>-</u>	<u>-</u>	<u>75,304</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 90,262</u>	<u>\$ 10,105</u>	<u>\$ -</u>	<u>\$ 100,367</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, 2019
 With comparative totals for September 30, 2018

	2019				2018
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Taxes					
Property taxes	\$ 252,536	\$ -	\$ -	\$ 252,536	\$ 196,218
Intergovernmental	669	-	-	669	550
Special assessments	-	-	-	-	10,895
Interest on assessments	-	-	-	-	2,330
Total Revenues	<u>253,205</u>	<u>-</u>	<u>-</u>	<u>253,205</u>	<u>209,993</u>
Expenditures					
Capital projects:					
Streets and highways	-	-	14,041	14,041	-
Debt service:					
Interest	5,533	-	-	5,533	3,468
Principal	250,000	-	-	250,000	190,000
Total Expenditures	<u>255,533</u>	<u>-</u>	<u>14,041</u>	<u>269,574</u>	<u>193,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,328)</u>	<u>-</u>	<u>(14,041)</u>	<u>(16,369)</u>	<u>16,525</u>
Fund Balance, Beginning of Year	<u>77,632</u>	<u>-</u>	<u>14,041</u>	<u>91,673</u>	<u>75,148</u>
Fund Balance, End of Year	<u>\$ 75,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,304</u>	<u>\$ 91,673</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, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Property taxes	\$ 255,000	\$ 255,000	\$ 252,536	\$ (2,464)	\$ 196,218
Intergovernmental	533	533	669	136	550
Total Revenues	<u>255,533</u>	<u>255,533</u>	<u>253,205</u>	<u>(2,328)</u>	<u>196,768</u>
Expenditures					
Debt Service:					
Interest	5,533	5,533	5,533	-	3,468
Principal	250,000	250,000	250,000	-	190,000
Total Expenditures	<u>255,533</u>	<u>255,533</u>	<u>255,533</u>	<u>-</u>	<u>193,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,328)	<u>\$ (2,328)</u>	3,300
Fund Balance, Beginning of Year			<u>77,632</u>		<u>74,332</u>
Fund Balance, End of Year			<u>\$ 75,304</u>		<u>\$ 77,632</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, 2019
 With comparative totals for September 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 10,895
Interest on assessments	-	-	-	-	2,330
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,225</u>
Expenditures					
Capital outlay	-	-	14,041	(14,041)	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,041</u>	<u>(14,041)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(14,041)	<u>\$ (14,041)</u>	13,225
Fund Balance, Beginning of Year			<u>14,041</u>		<u>816</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ 14,041</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	2019				2018
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Assets					
Cash and cash equivalents	\$ 27,579	\$ 619,358	\$ -	\$ 646,937	\$ 370,312
Accounts receivable	-	-	68,000	68,000	196,910
Due from other funds	-	31,690	-	31,690	-
Due from other governments	-	197,351	-	197,351	-
Total Assets	<u>\$ 27,579</u>	<u>\$ 848,399</u>	<u>\$ 68,000</u>	<u>\$ 943,978</u>	<u>\$ 567,222</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ 41,257	\$ -	\$ 41,257	\$ 42,098
Due to other funds	-	-	31,690	31,690	-
Total Liabilities	<u>-</u>	<u>41,257</u>	<u>31,690</u>	<u>72,947</u>	<u>42,098</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>-</u>	<u>-</u>	<u>62,000</u>	<u>62,000</u>	<u>165,910</u>
Fund Balance					
Restricted for:					
Library capital improvements	-	-	303	303	303
New fire station	-	172,583	-	172,583	-
Committed for:					
Library capital improvements	27,579	-	-	27,579	27,488
Public safety equipment	-	634,559	-	634,559	92,726
Assigned for:					
Subsequent years' expenditures	-	-	-	-	238,697
Unassigned	-	-	(25,993)	(25,993)	-
Total Fund Balance	<u>27,579</u>	<u>807,142</u>	<u>(25,690)</u>	<u>809,031</u>	<u>359,214</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 27,579</u>	<u>\$ 848,399</u>	<u>\$ 68,000</u>	<u>\$ 943,978</u>	<u>\$ 567,222</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, 2019
With comparative totals for September 30, 2018

	2019				2018
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Revenues					
Taxes					
Sales Tax	\$ -	\$ 588,570	\$ -	\$ 588,570	\$ -
Intergovernmental	-	206,615	117,185	323,800	213,525
Interest	91	-	-	91	26
Donations and other revenue	-	-	98,519	98,519	257,735
Total Revenues	<u>91</u>	<u>795,185</u>	<u>215,704</u>	<u>1,010,980</u>	<u>471,286</u>
Expenditures					
Capital outlay	-	833,761	658,751	1,492,512	1,096,127
MFO payments - other entities	-	114,975	-	114,975	133,863
Debt service					
Bond issuance cost	-	6,000	-	6,000	2,700
Total Expenditures	<u>-</u>	<u>954,736</u>	<u>658,751</u>	<u>1,613,487</u>	<u>1,232,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91</u>	<u>(159,551)</u>	<u>(443,047)</u>	<u>(602,507)</u>	<u>(761,404)</u>
Other Financing Sources					
Bond and lease proceeds	-	615,000	-	615,000	170,000
Transfers in	-	258,967	178,357	437,324	717,557
Total Other Financing Sources	<u>-</u>	<u>873,967</u>	<u>178,357</u>	<u>1,052,324</u>	<u>887,557</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>91</u>	<u>714,416</u>	<u>(264,690)</u>	<u>449,817</u>	<u>126,153</u>
Fund Balances, Beginning of Year	<u>27,488</u>	<u>92,726</u>	<u>239,000</u>	<u>359,214</u>	<u>233,061</u>
Fund Balances, End of Year	<u>\$ 27,579</u>	<u>\$ 807,142</u>	<u>\$ (25,690)</u>	<u>\$ 809,031</u>	<u>\$ 359,214</u>

See independent auditor's report.

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

For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Interest	\$ 50	\$ 50	\$ 91	\$ 41	\$ 26
Total Revenues	<u>50</u>	<u>50</u>	<u>91</u>	<u>41</u>	<u>26</u>
Expenditures					
Capital outlay	-	-	-	-	13,475
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50</u>	<u>\$ 50</u>	91	<u>\$ 41</u>	(13,449)
Fund Balance, Beginning of Year			<u>27,488</u>		<u>40,937</u>
Fund Balance, End of Year			<u>\$ 27,579</u>		<u>\$ 27,488</u>

See independent auditor's report.

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

For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Revenues					
Taxes					
Sales Tax	\$ -	\$ 400,000	\$ 588,570	\$ 188,570	\$ -
Intergovernmental	222,000	222,000	206,615	(15,385)	213,525
Donations and other revenue	-	-	-	-	35,248
Total Revenues	<u>222,000</u>	<u>622,000</u>	<u>795,185</u>	<u>173,185</u>	<u>248,773</u>
Expenditures					
Capital Projects					
New fire station	70,500	470,500	386,103	84,397	29,885
Police equipment	138,400	138,400	122,831	15,569	172,079
Fire equipment	678,000	678,000	324,827	353,173	127,397
MFO payments - other entities	134,000	134,000	114,975	19,025	133,863
Debt service					
Bond issuance cost	-	-	6,000	(6,000)	2,700
Total Expenditures	<u>1,020,900</u>	<u>1,420,900</u>	<u>954,736</u>	<u>466,164</u>	<u>465,924</u>
Deficiency of Revenues Under Expenditures	<u>(798,900)</u>	<u>(798,900)</u>	<u>(159,551)</u>	<u>639,349</u>	<u>(217,151)</u>
Other Financing Sources					
Bond and lease proceeds	581,400	581,400	615,000	33,600	170,000
Transfers in	278,000	278,000	258,967	(19,033)	14,080
Total Other Financing Sources	<u>859,400</u>	<u>859,400</u>	<u>873,967</u>	<u>14,567</u>	<u>184,080</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ 60,500</u>	<u>\$ 60,500</u>	714,416	<u>\$ 653,916</u>	(33,071)
Fund Balance, Beginning of Year			<u>92,726</u>		<u>125,797</u>
Fund Balance, End of Year			<u>\$ 807,142</u>		<u>\$ 92,726</u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ -	\$ 87,000	\$ 117,185	\$ 30,185	\$ -
Donations and other revenue	71,400	161,400	98,519	(62,881)	222,487
Total Revenues	<u>71,400</u>	<u>248,400</u>	<u>215,704</u>	<u>(32,696)</u>	<u>222,487</u>
Expenditures					
Capital Projects					
Public building improvements	45,000	244,700	214,318	30,382	122,199
Police facility improvements	-	-	14,061	(14,061)	-
Library renovation	-	-	-	-	11,911
Trail improvements	237,322	392,322	155,453	236,869	133,733
Park other improvements	71,400	71,400	71,401	(1)	71,401
Ball field improvements	-	-	4,275	(4,275)	82,897
Lodging tax projects	17,500	88,300	81,526	6,774	199,108
Other vehicles and equipment	35,000	35,000	28,357	6,643	-
Public properties equipment	45,000	45,000	44,998	2	24,121
Computer equipment	64,700	64,700	44,362	20,338	107,921
Total Expenditures	<u>515,922</u>	<u>941,422</u>	<u>658,751</u>	<u>282,671</u>	<u>753,291</u>
Deficiency of Revenues Under Expenditures	<u>(444,522)</u>	<u>(693,022)</u>	<u>(443,047)</u>	<u>249,975</u>	<u>(530,804)</u>
Other Financing Sources					
Transfers in	444,522	444,522	178,357	(266,165)	703,477
Total Other Financing Sources	<u>444,522</u>	<u>444,522</u>	<u>178,357</u>	<u>(266,165)</u>	<u>703,477</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (248,500)</u>	<u>(264,690)</u>	<u>\$ (16,190)</u>	<u>172,673</u>
Fund Balance, Beginning of Year			<u>239,000</u>		<u>66,327</u>
Fund Balance, End of Year			<u>\$ (25,690)</u>		<u>\$ 239,000</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,801,156	\$ 2,409,501
Accounts receivable	1,239,311	1,395,865
Unbilled and accrued revenues	766,522	728,076
Inventories	712,927	658,323
Prepaid expenses	7,155	6,522
Interest receivable	1,967	2,012
Total Current Assets	<u>4,529,038</u>	<u>5,200,299</u>
Noncurrent Assets		
Investments	2,959,059	2,433,417
Collateral deposit	<u>150,000</u>	<u>-</u>
Restricted cash and cash equivalents		
Customer deposits	<u>123,072</u>	<u>122,365</u>
Total Restricted Cash and Cash Equivalents	<u>123,072</u>	<u>122,365</u>
Restricted investments		
Debt service reserve account	73,509	71,869
Customer deposits	<u>299,515</u>	<u>294,760</u>
Total Restricted Investments	<u>373,024</u>	<u>366,629</u>
Capital Assets		
Land	65,058	65,058
Construction in progress	57,147	4,784
Buildings and improvements	1,419,819	1,407,872
Improvements other than building	29,867,881	28,767,887
Machinery and equipment	<u>4,137,634</u>	<u>3,652,263</u>
	35,547,539	33,897,864
Less accumulated depreciation	<u>(20,395,604)</u>	<u>(19,200,754)</u>
Net Capital Assets	<u>15,151,935</u>	<u>14,697,110</u>
Total Noncurrent Assets	<u>18,757,090</u>	<u>17,619,521</u>
Total Assets	<u><u>\$23,286,128</u></u>	<u><u>\$22,819,820</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,360,717	\$ 1,450,632
Accrued compensated absences	154,205	147,522
Accrued payroll	62,908	56,155
Sales tax payable	-	217
Accrued interest payable	1,864	2,077
Other accrued liabilities	14,114	12,320
Customer deposits	402,450	402,120
Current portion of long-term debt	64,750	63,000
Total Current Liabilities	<u>2,061,008</u>	<u>2,134,043</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	315,600	288,254
Revenue bonds	273,000	337,750
Total noncurrent liabilities	<u>588,600</u>	<u>626,004</u>
Total Liabilities	<u>2,649,608</u>	<u>2,760,047</u>
Net Position		
Net investment in capital assets	14,796,342	14,296,360
Restricted for debt service	71,645	69,792
Unrestricted	5,768,533	5,693,621
Total Net Position	<u>20,636,520</u>	<u>20,059,773</u>
Total Liabilities and Net Position	<u><u>\$23,286,128</u></u>	<u><u>\$22,819,820</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Totals
Operating Revenues					
Charges for services	\$ 17,550,200	\$ 18,050,200	\$ 17,619,594	\$ (430,606)	\$ 17,794,990
Operating Expenses					
Electric energy purchased	12,431,000	12,931,000	12,849,975	81,025	13,660,580
Operating and maintenance expense	1,373,194	1,373,194	1,290,718	82,476	1,184,005
Customer accounting expenses	252,891	252,891	239,204	13,687	240,194
Engineering services	316,021	316,021	335,502	(19,481)	320,781
Administrative and general expense	948,513	948,513	919,345	29,168	855,702
Municipal expenses	578,900	578,900	467,594	111,306	526,231
Depreciation	1,170,000	1,170,000	1,246,252	(76,252)	1,206,054
Total operating expenses	<u>17,070,519</u>	<u>17,570,519</u>	<u>17,348,590</u>	<u>221,929</u>	<u>17,993,547</u>
Operating Income (Loss)	479,681	479,681	271,004	(208,677)	(198,557)
Nonoperating Revenues (Expenses)					
Investment earnings	41,500	41,500	104,257	62,757	77,711
Miscellaneous revenues	154,500	154,500	208,013	53,513	344,865
Loss on disposal of capital asset	-	-	-	-	(192,866)
Interest expense	<u>(6,740)</u>	<u>(6,740)</u>	<u>(6,527)</u>	<u>213</u>	<u>(7,228)</u>
Total Nonoperating Revenues	189,260	189,260	305,743	116,483	222,482
Income Before Contributions	668,941	668,941	576,747	(92,194)	23,925
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,486</u>
Change in Net Position	<u>\$ 668,941</u>	<u>\$ 668,941</u>	<u>576,747</u>	<u>\$ (92,194)</u>	<u>54,411</u>
Net Position, Beginning of Year			<u>20,059,773</u>		<u>20,005,362</u>
Net Position, End of Year			<u>\$ 20,636,520</u>		<u>\$ 20,059,773</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019	2018
Cash Flows From Operating Activities		
Cash received from customers	\$17,737,702	\$17,588,241
Cash paid to suppliers for goods and services	(14,675,774)	(15,155,560)
Cash paid for collateral deposit	(150,000)	-
Cash paid to employees for services	(1,546,870)	(1,438,849)
Net cash provided by operating activities	<u>1,365,058</u>	<u>993,832</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>208,013</u>	<u>344,865</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(63,000)	(63,000)
Interest paid on long-term debt	(6,740)	(7,402)
Capital contributions	-	30,486
Purchases of capital assets	(1,683,234)	(1,366,603)
Net cash used in capital and related financing activities	<u>(1,752,974)</u>	<u>(1,406,519)</u>
Cash Flows From Investing Activities		
Purchases of investments	(1,092,090)	(270,046)
Sales and maturities of investments	560,053	229,275
Interest received	104,302	103,675
Net cash provided by (used in) investing activities	<u>(427,735)</u>	<u>62,904</u>
Net Change in Cash and Cash Equivalents	(607,638)	(4,918)
Cash and Cash Equivalents, Beginning of Year	<u>2,531,866</u>	<u>2,536,784</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,924,228</u></u>	<u><u>\$ 2,531,866</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 1,801,156	\$ 2,409,501
Restricted cash and cash equivalents	123,072	122,365
Total cash and cash equivalents	<u><u>\$ 1,924,228</u></u>	<u><u>\$ 2,531,866</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities		
Operating Income (Loss)	\$ 271,004	\$ (198,557)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,246,252	1,206,054
Changes in operating assets and liabilities:		
Accounts receivable	156,554	(131,818)
Unbilled and accrued revenues	(38,446)	(74,931)
Materials and supplies inventory	(54,604)	(9,436)
Prepaid expenses	(633)	(769)
Collateral deposit	(150,000)	-
Accounts payable	(107,758)	140,624
Compensated absences	34,029	32,701
Customer and development deposits	330	27,600
Other accrued liabilities	8,330	2,364
Total adjustments	<u>1,094,054</u>	<u>1,192,389</u>
Net cash provided by operating activities	<u><u>\$ 1,365,058</u></u>	<u><u>\$ 993,832</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ 17,843	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,595,273	\$ 1,604,068
Accounts receivable	130,897	213,758
Unbilled and accrued revenues	142,693	147,770
Inventories	287,333	291,973
Prepaid expenses	5,864	5,469
Interest receivable	1,033	500
Total Current Assets	<u>2,163,093</u>	<u>2,263,538</u>
Noncurrent Assets		
Investments	<u>506,122</u>	<u>20,000</u>
Restricted Investments		
Debt service reserve account	<u>133,389</u>	<u>128,774</u>
Capital Assets		
Land	55,458	55,458
Buildings and improvements	140,988	125,563
Improvements other than building	18,809,600	18,171,294
Machinery and equipment	<u>1,046,479</u>	<u>1,041,592</u>
	20,052,525	19,393,907
Less accumulated depreciation	<u>(12,979,789)</u>	<u>(12,466,099)</u>
Net Capital Assets	<u>7,072,736</u>	<u>6,927,808</u>
Total Noncurrent Assets	<u>7,712,247</u>	<u>7,256,582</u>
Total Assets	<u><u>\$ 9,875,340</u></u>	<u><u>\$ 9,520,120</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 17,712	\$ 77,432
Accrued compensated absences	93,414	86,437
Accrued payroll	28,352	25,007
Accrued interest payable	3,521	4,050
Other accrued liabilities	5,826	4,727
Current portion of long-term debt	114,970	113,220
Total Current Liabilities	<u>263,795</u>	<u>310,873</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	225,439	206,767
Revenue bonds	433,380	548,350
Total Long-term Liabilities	<u>658,819</u>	<u>755,117</u>
Total Liabilities	<u>922,614</u>	<u>1,065,990</u>
Net Position		
Net investment in capital assets	6,524,252	6,266,238
Restricted for debt service	129,868	124,724
Unrestricted	2,298,606	2,063,168
Total Net Position	<u>8,952,726</u>	<u>8,454,130</u>
Total Liabilities and Net Position	<u>\$ 9,875,340</u>	<u>\$ 9,520,120</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Totals
Operating Revenues					
Charges for services	\$ 2,849,700	\$ 2,849,700	\$ 2,650,876	\$ (198,824)	\$ 2,789,557
Operating Expenses					
Operating and maintenance expense	1,061,159	1,061,159	1,063,414	(2,255)	1,062,272
Customer accounting expenses	132,835	132,835	127,101	5,734	137,053
Engineering services	32,300	32,300	32,400	(100)	31,500
Administrative and general expense	453,984	453,984	476,443	(22,459)	439,186
Municipal expenses	56,000	56,000	58,567	(2,567)	105,907
Depreciation	540,000	540,000	545,383	(5,383)	545,100
Total operating expenses	<u>2,276,278</u>	<u>2,276,278</u>	<u>2,303,308</u>	<u>(27,030)</u>	<u>2,321,018</u>
Operating Income	573,422	573,422	347,568	(225,854)	468,539
Nonoperating Revenues (Expenses)					
Investment earnings	5,000	5,000	44,325	39,325	18,555
Gain (loss) on disposal of capital asset	-	-	720	720	(309)
Miscellaneous revenues	108,600	108,600	118,403	9,803	121,738
Interest expense	<u>(12,950)</u>	<u>(12,950)</u>	<u>(12,420)</u>	<u>530</u>	<u>(14,170)</u>
Total nonoperating revenues	<u>100,650</u>	<u>100,650</u>	<u>151,028</u>	<u>50,378</u>	<u>125,814</u>
Change in Net Position	<u>\$ 674,072</u>	<u>\$ 674,072</u>	498,596	<u>\$ (175,476)</u>	594,353
Net Position, Beginning of Year			<u>8,454,130</u>		<u>7,859,777</u>
Net Position, End of Year			<u>\$ 8,952,726</u>		<u>\$ 8,454,130</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019	2018
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,738,814	\$ 2,781,923
Cash paid to suppliers for goods and services	(922,121)	(930,092)
Cash paid to employees for services	(861,320)	(785,869)
Net cash provided by operating activities	<u>955,373</u>	<u>1,065,962</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>118,403</u>	<u>121,738</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(113,220)	(113,220)
Interest paid on long-term debt	(12,949)	(14,616)
Proceeds from sales of capital assets	720	-
Purchases of capital assets	(690,177)	(572,696)
Net cash used in capital and related financing activities	<u>(815,626)</u>	<u>(700,532)</u>
Cash Flows From Investing Activities		
Purchases of investments	(310,737)	(271,081)
Sales and maturities of investments	-	79,275
Interest received	43,792	20,352
Net cash used in investing activities	<u>(266,945)</u>	<u>(171,454)</u>
Net Change in Cash and Cash Equivalents	(8,795)	315,714
Cash and Cash Equivalents, Beginning of Year	1,604,068	1,288,354
Cash and Cash Equivalents, End of Year	<u>\$ 1,595,273</u>	<u>\$ 1,604,068</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 1,595,273</u>	<u>\$ 1,604,068</u>
Total cash and cash equivalents	<u>\$ 1,595,273</u>	<u>\$ 1,604,068</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 347,568	\$ 468,539
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation	545,383	545,100
Changes in operating assets and liabilities:		
Accounts receivable	82,861	(6,437)
Unbilled and accrued receivable	5,077	(1,197)
Materials and supplies inventory	4,640	(16,013)
Prepaid expenses	(395)	(431)
Accounts payable	(59,854)	37,228
Compensated absences	25,649	39,128
Other accrued liabilities	4,444	45
Total adjustments	<u>607,805</u>	<u>597,423</u>
Net cash provided by operating activities	<u>\$ 955,373</u>	<u>\$ 1,065,962</u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ 134	\$ -

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,827,695	\$ 2,098,667
Accounts receivable	101,882	115,040
Unbilled and accrued revenues	118,627	119,119
Prepaid expenses	3,128	3,302
Interest receivable	3,422	3,081
Total Current Assets	<u>3,054,754</u>	<u>2,339,209</u>
Noncurrent Assets		
Investments	1,264,345	1,262,041
Restricted Investments		
Debt service reserve account	187,942	180,330
Capital Assets		
Land	16,588	16,588
Buildings and improvements	10,475,787	10,163,757
Improvements other than building	9,269,291	9,232,448
Machinery and equipment	2,130,812	2,112,206
	<u>21,892,478</u>	<u>21,524,999</u>
Less accumulated depreciation	<u>(15,745,836)</u>	<u>(15,217,544)</u>
Net Capital Assets	6,146,642	6,307,455
Total Noncurrent Assets	<u>7,598,929</u>	<u>7,749,826</u>
Total Assets	<u><u>\$10,653,683</u></u>	<u><u>\$10,089,035</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 27,529	\$ 24,265
Accrued compensated absences	46,909	42,603
Accrued payroll	16,960	15,457
Accrued interest payable	5,056	5,896
Other accrued liabilities	2,394	2,141
Current portion of long-term debt	160,280	158,780
Total Current Liabilities	<u>259,128</u>	<u>249,142</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	62,338	50,538
Revenue bonds	568,620	728,900
Total Noncurrent Liabilities	<u>630,958</u>	<u>779,438</u>
Total Liabilities	<u>890,086</u>	<u>1,028,580</u>
Net Position		
Net investment in capital assets	5,395,586	5,419,775
Restricted for debt service	182,886	174,434
Unrestricted	4,185,125	3,466,246
Total Net Position	<u>9,763,597</u>	<u>9,060,455</u>
Total Liabilities and Net Position	<u>\$10,653,683</u>	<u>\$10,089,035</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019				2018
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Totals
Operating Revenues					
Charges for services	\$ 2,282,500	\$ 2,282,500	\$ 2,243,878	\$ (38,622)	\$ 2,278,816
Operating Expenses					
Operating and maintenance expense	638,704	638,704	625,072	13,632	626,837
Customer accounting expenses	87,957	87,957	93,629	(5,672)	86,864
Engineering services	32,300	32,300	32,400	(100)	31,500
Administrative and general expense	293,344	293,344	299,722	(6,378)	280,392
Municipal expenses	20,000	20,000	20,296	(296)	22,062
Depreciation	560,000	560,000	546,480	13,520	514,414
Total operating expenses	<u>1,632,305</u>	<u>1,632,305</u>	<u>1,617,599</u>	<u>14,706</u>	<u>1,562,069</u>
Operating Income	650,195	650,195	626,279	(23,916)	716,747
Nonoperating Revenues (Expenses)					
Investment earnings	16,000	16,000	83,297	67,297	44,066
Gain on disposal of capital asset	-	-	2,781	2,781	5,529
Miscellaneous revenues	37,500	37,500	8,677	(28,823)	32,788
Interest expense	<u>(18,732)</u>	<u>(18,732)</u>	<u>(17,892)</u>	<u>840</u>	<u>(20,678)</u>
Total nonoperating revenues	<u>34,768</u>	<u>34,768</u>	<u>76,863</u>	<u>42,095</u>	<u>61,705</u>
Change in Net Position	<u>\$ 684,963</u>	<u>\$ 684,963</u>	703,142	<u>\$ 18,179</u>	778,452
Net Position, Beginning of Year			<u>9,060,455</u>		<u>8,282,003</u>
Net Position, End of Year			<u>\$ 9,763,597</u>		<u>\$ 9,060,455</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, 2019
With comparative totals for September 30, 2018

	2019	2018
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,257,528	\$ 2,268,706
Cash paid to suppliers for goods and services	(538,327)	(587,977)
Cash paid to employees for services	(533,648)	(503,580)
Net cash provided by operating activities	<u>1,185,553</u>	<u>1,177,149</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>8,677</u>	<u>32,788</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(158,780)	(158,780)
Interest paid on long-term debt	(18,732)	(21,395)
Proceeds from sales of capital assets	2,781	-
Purchases of capital assets	(363,511)	(770,697)
Net cash used in capital and related financing activities	<u>(538,242)</u>	<u>(950,872)</u>
Cash Flows From Investing Activities		
Purchases of investments	(217,666)	(622,000)
Sales and maturities of investments	207,750	317,950
Interest received	82,956	50,690
Net cash provided by (used in) investing activities	<u>73,040</u>	<u>(253,360)</u>
Net Change in Cash and Cash Equivalents	729,028	5,705
Cash and Restricted Cash, Beginning of Year	2,098,667	2,092,962
Cash and Restricted Cash, End of Year	<u>\$ 2,827,695</u>	<u>\$ 2,098,667</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 2,827,695</u>	<u>\$ 2,098,667</u>
Total cash and cash equivalents	<u>\$ 2,827,695</u>	<u>\$ 2,098,667</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 626,279	\$ 716,747
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	546,480	514,414
Changes in operating assets and liabilities:		
Accounts receivable	13,158	(6,291)
Unbilled and accrued revenues	492	(3,819)
Prepaid expenses	174	(239)
Accounts payable	(18,892)	(51,648)
Compensated absences	16,106	6,695
Other accrued liabilities	1,756	1,290
Total adjustments	<u>559,274</u>	<u>460,402</u>
Net cash provided by operating activities	<u>\$ 1,185,553</u>	<u>\$ 1,177,149</u>
Supplemental Disclosure for NonCash Capital Activities:		
Purchase of capital assets on account	\$ 22,156	\$ -
Trade-in value for purchase of capital asset	\$ -	\$ 15,100

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 437,090	\$ 301,872
Accounts receivable	178,929	225,000
Total Current Assets	<u>616,019</u>	<u>526,872</u>
Noncurrent Assets		
Restricted investments		
Debt service reserve account	365,011	356,984
Closure and post-closure account	2,428,472	1,942,267
Total Restricted Assets	<u>2,793,483</u>	<u>2,299,251</u>
Property, Plant and Equipment		
Buildings and improvements other than buildings	7,736,594	7,717,859
Machinery and equipment	2,405,513	2,153,600
	<u>10,142,107</u>	<u>9,871,459</u>
Less accumulated depreciation	(5,220,542)	(4,788,661)
Net Capital Assets	<u>4,921,565</u>	<u>5,082,798</u>
Total Noncurrent Assets	<u>7,715,048</u>	<u>7,382,049</u>
Total Assets	<u>\$ 8,331,067</u>	<u>\$ 7,908,921</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 15,554	\$ 24,271
Compensated absences	20,853	15,368
Accrued payroll	6,786	7,406
Accrued interest payable	24,761	21,729
Current maturities of lease obligation	284,044	226,598
Current maturities of bonds payable	<u>265,000</u>	<u>260,000</u>
Total Current Liabilities	616,998	555,372
Noncurrent Liabilities, Net of Current Portion		
Revenue bonds	1,090,000	1,355,000
Lease obligation	790,039	791,474
Closure and post-closure cost	<u>4,805,000</u>	<u>4,396,000</u>
Total Noncurrent Liabilities	<u>6,685,039</u>	<u>6,542,474</u>
Total Liabilities	<u>7,302,037</u>	<u>7,097,846</u>
Net Position		
Net investment in capital assets	2,492,482	2,449,726
Restricted for debt service	340,250	335,255
Unrestricted	<u>(1,803,702)</u>	<u>(1,973,906)</u>
Net Position	<u>1,029,030</u>	<u>811,075</u>
Total Liabilities and Net Position	<u><u>\$ 8,331,067</u></u>	<u><u>\$ 7,908,921</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Actual
Operating Revenues					
Other government user fees	\$ 94,505	\$ 94,505	\$ 94,505	\$ -	\$ 94,505
Gate fees	620,000	620,000	803,838	183,838	824,082
Garbage service fees	849,100	849,100	945,804	96,704	893,603
Recycling income	2,000	2,000	800	(1,200)	1,961
Total Operating Revenues	<u>1,565,605</u>	<u>1,565,605</u>	<u>1,844,947</u>	<u>279,342</u>	<u>1,814,151</u>
Operating Expenses					
Personal services	278,299	278,299	295,770	(17,471)	273,314
Other services and charges	245,200	245,200	228,842	16,358	340,782
Supplies	103,500	103,500	118,022	(14,522)	116,025
Contractual services	109,239	109,239	109,001	238	105,677
Depreciation and amortization	250,000	250,000	472,383	(222,383)	444,044
Landfill closure and post-closure care	211,093	211,093	409,000	(197,907)	226,000
Total Operating Expenses	<u>1,197,331</u>	<u>1,197,331</u>	<u>1,633,018</u>	<u>(435,687)</u>	<u>1,505,842</u>
Operating Income	<u>368,274</u>	<u>368,274</u>	<u>211,929</u>	<u>(156,345)</u>	<u>308,309</u>
Nonoperating Revenues (Expenses)					
Miscellaneous revenue	500	500	35	-	19,847
Gain on disposal of capital asset	-	-	5,500	5,500	13,030
Investment earnings	700	700	53,421	52,721	30,106
Interest expense	-	-	(52,930)	(52,930)	(39,511)
Total Nonoperating Revenues (Expenses)	<u>1,200</u>	<u>1,200</u>	<u>6,026</u>	<u>5,291</u>	<u>23,472</u>
Change in Net Position	<u>\$ 369,474</u>	<u>\$ 369,474</u>	<u>217,955</u>	<u>\$ (151,054)</u>	<u>331,781</u>
Net Position, Beginning of Year			<u>811,075</u>		<u>479,294</u>
Net Position, End of Year			<u>\$ 1,029,030</u>		<u>\$ 811,075</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019	2018
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,891,018	\$ 1,820,563
Cash paid to suppliers for goods and services	(464,582)	(806,895)
Cash paid to employees for services	(290,905)	(271,884)
Net cash provided by operating activities	<u>1,135,531</u>	<u>741,784</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>35</u>	<u>19,847</u>
Cash Flows from Capital and Related Financing Activities		
Principal payments on bonds	(260,000)	(260,000)
Principal payments on notes	(227,367)	(150,928)
Interest paid on long-term debt	(49,898)	(40,343)
Proceeds on long-term debt	283,378	396,500
Proceeds from sales of capital assets	5,500	-
Purchases of capital assets	(311,150)	(441,926)
Net cash used in capital and related financing activities	<u>(559,537)</u>	<u>(496,697)</u>
Cash Flows from Investing Activities		
Interest received	53,421	30,106
Purchases of investments	(494,232)	(330,014)
Net cash used in investing activities	<u>(440,811)</u>	<u>(299,908)</u>
Net Change in Cash and Cash Equivalents	135,218	(34,974)
Cash and Cash Equivalents, Beginning of Year	<u>301,872</u>	<u>336,846</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 437,090</u></u>	<u><u>\$ 301,872</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	<u><u>\$ 437,090</u></u>	<u><u>\$ 301,872</u></u>
Reconciliation of Net Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 211,929	\$ 308,309
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation and amortization	472,383	444,044
Changes in operating assets and liabilities:		
Accounts receivable	46,071	6,412
Accounts payable	(8,717)	(244,411)
Accrued expenses	4,865	1,430
Closure / post-closure liabilities	409,000	226,000
Total adjustments	<u>923,602</u>	<u>433,475</u>
Net cash provided by operating activities	<u><u>\$ 1,135,531</u></u>	<u><u>\$ 741,784</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Trade-in value for purchase of capital asset	\$ -	\$ 16,250

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash	\$ 79,343	\$ 71,240
Accounts receivable	<u>57,253</u>	<u>58,521</u>
Total Assets	<u>\$ 136,596</u>	<u>\$ 129,761</u>
Liabilities and Net Position		
Liabilities		
Accounts payable	<u>\$ 136,596</u>	<u>\$ 129,761</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 136,596</u>	<u>\$ 129,761</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2018 Totals
Operating Revenues					
Garbage service fees	\$ 1,527,600	\$ 1,559,600	\$ 1,562,180	\$ 2,580	\$ 1,519,746
Operating Expenses					
Bad debt expense	1,500	1,500	1,326	174	1,671
Garbage disposal contract	882,100	902,100	905,224	(3,124)	735,280
Garbage hauler contract	644,000	656,000	655,630	370	782,795
Total Operating Expenses	1,527,600	1,559,600	1,562,180	(2,580)	1,519,746
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	\$ -
Net Position, Beginning of Year			<u>\$ -</u>		<u>\$ -</u>
Net Position, End of Year			<u>\$ -</u>		<u>\$ -</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,563,448	\$ 1,509,175
Cash paid to supplies for goods and services	<u>(1,555,345)</u>	<u>(1,472,155)</u>
Net Change in Cash and Cash Equivalents	8,103	37,020
Cash and Cash Equivalents, Beginning of Year	<u>71,240</u>	<u>34,220</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 79,343</u></u>	<u><u>\$ 71,240</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	1,268	(10,571)
Accounts payable	<u>6,835</u>	<u>47,591</u>
Total adjustments	<u>8,103</u>	<u>37,020</u>
Net cash provided by operating activities	<u><u>\$ 8,103</u></u>	<u><u>\$ 37,020</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, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 173,465	\$ 61,186
Accounts receivable	23,042	-
	<u>196,507</u>	<u>61,186</u>
Total Assets		
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Claims incurred but not reported	\$ 157,795	\$ 118,134
	<u>38,712</u>	<u>(56,948)</u>
Net Position		
Unrestricted	<u>196,507</u>	<u>61,186</u>
Total Liabilities and Net Position		

See independent auditor's report.

City of Beatrice, Nebraska
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2019
With comparative totals for September 30, 2018

	2019			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues				
Charges for services	\$ 3,015,720	\$ 3,015,720	\$ 3,056,546	\$ 40,826
Reinsurance coverage reimbursements	50,000	50,000	37,066	(12,934)
Total Operating Revenues	<u>3,065,720</u>	<u>3,065,720</u>	<u>3,093,612</u>	<u>27,892</u>
Operating Expenses				
Health insurance claims paid	2,352,020	2,352,020	2,185,961	166,059
Insurance premiums	396,000	396,000	488,501	(92,501)
Payflex expenses	200,000	200,000	222,933	(22,933)
Other services and charges	118,000	118,000	101,072	16,928
Total Operating Expenses	<u>3,066,020</u>	<u>3,066,020</u>	<u>2,998,467</u>	<u>67,553</u>
Operating Income (Loss)	<u>(300)</u>	<u>(300)</u>	<u>95,145</u>	<u>95,445</u>
Nonoperating Revenues				
Interest income	<u>100</u>	<u>300</u>	<u>515</u>	<u>215</u>
Change in Net Position	<u>(200)</u>	<u>-</u>	<u>95,660</u>	<u>95,660</u>
Net Position, Beginning of Year			<u>(56,948)</u>	<u>93,572</u>
Net Position, End of Year			<u>\$ 38,712</u>	<u>\$ (56,948)</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, 2019
With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash received from users	\$ 3,070,570	\$ 3,224,199
Cash paid to suppliers for services	<u>(2,958,806)</u>	<u>(3,345,180)</u>
Net cash provided by (used in) operating activities	111,764	(120,981)
Cash Flows From Investing Activities		
Interest received	<u>515</u>	<u>176</u>
Net Change in Cash and Cash Equivalents	<u>112,279</u>	<u>(120,805)</u>
Cash and Cash Equivalents, Beginning of Year	<u>61,186</u>	<u>181,991</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 173,465</u></u>	<u><u>\$ 61,186</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 95,145	\$ (150,696)
Adjustments to reconcile operating income (loss) to net cash		
provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(23,042)	87,996
Claims incurred but not reported	<u>39,661</u>	<u>(58,281)</u>
Total adjustments	<u>16,619</u>	<u>29,715</u>
Net cash provided by (used in) operating activities	<u><u>\$ 111,764</u></u>	<u><u>\$ (120,981)</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
COMBINING STATEMENT OF NET POSITION
September 30, 2019
With comparative totals for September 30, 2018

	2019					2018
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Assets						
Investments with fiscal agent:						
Guaranteed interest accounts	\$ 1,115,645	\$ 1,221,494	\$ 1,179,802	\$ 3,747,508	\$ 7,264,449	\$ 8,224,481
Publicly traded mutual funds	5,987,751	2,833,745	2,650,901	5,029,316	16,501,713	14,713,369
Total Assets	<u>\$ 7,103,396</u>	<u>\$ 4,055,239</u>	<u>\$ 3,830,703</u>	<u>\$ 8,776,824</u>	<u>\$ 23,766,162</u>	<u>\$ 22,937,850</u>
Net Position						
Net position restricted for pensions	<u>\$ 7,103,396</u>	<u>\$ 4,055,239</u>	<u>\$ 3,830,703</u>	<u>\$ 8,776,824</u>	<u>\$ 23,766,162</u>	<u>\$ 22,937,850</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, 2019
With comparative totals for the year ended September 30, 2018

	2019					2018
	Firefighters	Police	General Government	Board of Public Works	Total	Actual
Additions:						
Contributions:						
Employer	\$ 162,004	\$ 91,869	\$ 111,190	\$ 180,944	\$ 546,007	\$ 531,383
Employee	85,430	97,269	112,401	180,944	476,044	449,489
Total Contributions	247,434	189,138	223,591	361,888	1,022,051	980,872
Investment Income:						
Net appreciation in fair value of investments	254,811	117,624	133,220	307,940	813,595	1,744,395
Total Additions	502,245	306,762	356,811	669,828	1,835,646	2,725,267
Deductions:						
Benefit payments	118,941	144,974	330,005	412,649	1,006,569	488,160
Administrative costs	90	250	300	125	765	500
Total Deductions	119,031	145,224	330,305	412,774	1,007,334	488,660
Change in Net Position	383,214	161,538	26,506	257,054	828,312	2,236,607
Net Position Restricted for Pensions, Beginning of Year	6,720,182	3,893,701	3,804,197	8,519,770	22,937,850	20,701,243
Net Position Restricted for Pensions, End of Year	\$ 7,103,396	\$ 4,055,239	\$ 3,830,703	\$ 8,776,824	\$ 23,766,162	\$ 22,937,850

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, 2019
With comparative totals for the year ended September 30, 2018

	2019					2018
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Cash Flows From Operating Activities						
Cash contributions received	\$ 247,434	\$ 189,138	\$ 223,591	\$ 361,888	\$ 1,022,051	\$ 980,872
Cash terminations/retirements paid	(118,941)	(144,974)	(330,005)	(412,649)	(1,006,569)	(488,160)
Other operating charges paid	(90)	(250)	(300)	(125)	(765)	(500)
Net Cash Provided by (Used in) Operating Activities	128,403	43,914	(106,714)	(50,886)	14,717	492,212
Cash Flows From Investing Activities						
Net (purchases) sales of investments	(128,403)	(43,914)	106,714	50,886	(14,717)	(492,212)
Net Cash Provided by (Used in) Investing Activities	(128,403)	(43,914)	106,714	50,886	(14,717)	(492,212)
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities						
Operating income	\$ 383,214	\$ 161,538	\$ 26,506	\$ 257,054	\$ 828,312	\$ 2,236,607
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:						
Net appreciation in fair value of investments	(254,811)	(117,624)	(133,220)	(307,940)	(813,595)	(1,744,395)
Net Cash Provided by (Used In) Operating Activities	\$ 128,403	\$ 43,914	\$ (106,714)	\$ (50,886)	\$ 14,717	\$ 492,212

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 September 30, 2019¹

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation	Total Component Units
Assets				
Current Assets				
Cash and cash equivalents	\$ 275,754	\$ -	\$ 77,034	\$ 352,788
Cash on deposit - county treasurer	8,132	-	-	8,132
Accounts receivable	213,137	-	-	213,137
Taxes receivable	12,706	-	-	12,706
Inventories	44,488	-	-	44,488
Total Current Assets	<u>554,217</u>	<u>-</u>	<u>77,034</u>	<u>631,251</u>
Noncurrent Assets				
Investments	-	-	1,450,825	1,450,825
Restricted Assets				
Cash and cash equivalents	51,912	7	64,879	116,798
Cash on deposit - county treasurer	-	1,413	-	1,413
Investments	-	-	135,974	135,974
Total Restricted Assets	<u>51,912</u>	<u>1,420</u>	<u>200,853</u>	<u>254,185</u>
Capital Assets				
Land	1,321,356	-	-	1,321,356
Capital assets, net of accumulated depreciation	8,201,996	-	48,598	8,250,594
Net capital assets	<u>9,523,352</u>	<u>-</u>	<u>48,598</u>	<u>9,571,950</u>
Total Noncurrent Assets	<u>9,575,264</u>	<u>1,420</u>	<u>1,700,276</u>	<u>11,276,960</u>
Total Assets	<u>\$ 10,129,481</u>	<u>\$ 1,420</u>	<u>\$ 1,777,310</u>	<u>\$ 11,908,211</u>
Liabilities				
Current Liabilities				
Accounts payable	\$ 101,907	\$ -	\$ -	\$ 101,907
Accrued interest payable	1,498	-	-	1,498
Accrued compensated absences	20,544	-	-	20,544
Due to developer	-	1,420	-	1,420
Current maturities of long-term debt	75,000	-	-	75,000
Total Current Liabilities	<u>198,949</u>	<u>1,420</u>	<u>-</u>	<u>200,369</u>
Noncurrent Liabilities, Net of Current Portion				
Compensated absences	62,128	-	-	62,128
Long-term debt	155,000	-	-	155,000
Total Noncurrent Liabilities	<u>217,128</u>	<u>-</u>	<u>-</u>	<u>217,128</u>
Total Liabilities	<u>416,077</u>	<u>1,420</u>	<u>-</u>	<u>417,497</u>
Net Position				
Net investment in capital assets	9,413,694	-	48,598	9,462,292
Restricted for debt service	50,414	-	-	50,414
Restricted for Library Foundation	-	-	203,731	203,731
Unrestricted net position	249,296	-	1,524,981	1,774,277
Total Net Position	<u>9,713,404</u>	<u>-</u>	<u>1,777,310</u>	<u>11,490,714</u>
Total Liabilities and Net Position	<u>\$ 10,129,481</u>	<u>\$ 1,420</u>	<u>\$ 1,777,310</u>	<u>\$ 11,908,211</u>

1: Beatrice Library Foundation, Inc.'s financial information is as of its fiscal year end July 31, 2019.

See independent auditor's report.

CITY OF BEATRICE, NEBRASKA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the year ended September 30, 2019¹

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Units		
	Expenses	Charges for Services	Capital Grants and Contributions	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation, Inc.
						Total
Beatrice Airport Authority:						
Airport operations	\$ 731,837	\$ 393,715	\$ 1,519,015	\$ 1,180,892	\$ -	\$ -
Interest on long-term debt	6,576	-	-	(6,576)	-	-
Total Beatrice Airport Authority	738,413	393,715	1,519,015	1,174,316	-	-
Beatrice Community Redevelopment Authority:						
Community development	582,068	-	-	-	(582,068)	-
Total Beatrice Community Redevelopment Authority	582,068	-	-	-	(582,068)	-
Beatrice Public Library Foundation, Inc.:						
Foundation operations	56,051	-	-	-	-	(56,051)
Total Component Units	\$ 1,376,532	\$ 393,715	\$ 1,519,015	1,174,316	(582,068)	(56,051)
General Revenues						
Property tax				219,106	-	-
Unrestricted intergovernmental				614		
Tax increment financing				-	582,068	-
Miscellaneous revenues				1,129	-	5,191
Investment earnings				1,294	-	124,410
Total General Revenues				222,144	582,068	129,601
Change in Net Position				1,396,460	-	73,550
Net Position, Beginning of Year				8,316,944	-	1,703,760
Net Position, End of Year				\$ 9,713,404	\$ -	\$ 1,777,310

1: Beatrice Library Foundation, Inc.'s financial information is for its fiscal year ended July 31, 2019.

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2019
 With comparative totals for September 30, 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 275,754	\$ 587,872
Cash on deposit - county treasurer	8,132	6,673
Accounts receivable	213,137	1,339,991
Taxes receivable	12,706	11,968
Inventories	44,488	75,439
Total Current Assets	<u>554,217</u>	<u>2,021,943</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents - debt service	51,912	56,664
Total Restricted Assets	<u>51,912</u>	<u>56,664</u>
Capital Assets		
Land	1,321,356	1,321,356
Capital assets, net of accumulated depreciation	8,201,996	6,850,342
Total Capital Assets	<u>9,523,352</u>	<u>8,171,698</u>
Total Noncurrent Assets	<u>9,575,264</u>	<u>8,228,362</u>
Total Assets	<u>\$ 10,129,481</u>	<u>\$ 10,250,305</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 93,976	\$ 1,507,380
Accrued wages payable	7,931	7,231
Accrued interest payable	1,498	960
Compensated absences	20,544	17,313
Current maturities of long-term debt	75,000	110,000
Total Current Liabilities	<u>198,949</u>	<u>1,642,884</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	62,128	60,477
Long-term debt	155,000	230,000
Total Noncurrent Liabilities	<u>217,128</u>	<u>290,477</u>
Total Liabilities	<u>416,077</u>	<u>1,933,361</u>
Net Position		
Net investment in capital assets	9,413,694	7,663,141
Restricted for debt service	50,414	55,704
Unrestricted net position	249,296	598,099
Total net position	<u>9,713,404</u>	<u>8,316,944</u>
Total Liabilities and Net Position	<u>\$ 10,129,481</u>	<u>\$ 10,250,305</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2019
 With comparative totals for the year ended September 30, 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Property taxes	\$ 219,106	\$ 228,340
Intergovernmental revenue	614	654
Rent and use fees	188,822	188,069
Gas, oil, and jet fuel sales	133,250	168,878
Farm income	71,643	65,931
Interest income	1,294	410
Miscellaneous revenues	1,129	10,155
Total Operating Revenues	<u>615,858</u>	<u>662,437</u>
Operating Expenses		
Airport operations	731,837	742,296
Interest on long-term debt	6,576	3,810
Total Operating Expenses	<u>738,413</u>	<u>746,106</u>
Loss Before Capital Contributions	(122,555)	(83,669)
Capital Contributions	<u>1,519,015</u>	<u>1,387,520</u>
Change in Net Position	1,396,460	1,303,851
Net Position, Beginning of Year	<u>8,316,944</u>	<u>7,013,093</u>
Net Position, End of Year	<u><u>\$ 9,713,404</u></u>	<u><u>\$ 8,316,944</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2019
 With comparative totals for September 30, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Restricted Assets		
Cash and cash equivalents	\$ 7	\$ 14,524
Cash on deposit - county treasurer	1,413	19,127
Total Assets	<u>\$ 1,420</u>	<u>\$ 33,651</u>
Liabilities		
Current Liabilities		
Due to developer	<u>\$ 1,420</u>	<u>\$ 33,651</u>
Total Liabilities	<u>1,420</u>	<u>33,651</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 1,420</u>	<u>\$ 33,651</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, 2019
 With comparative totals for the year ended September 30, 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Tax increment financing	\$ 582,068	\$ 400,543
Total Operating Revenues	<u>582,068</u>	<u>400,543</u>
Operating Expenses		
Developer TIF payments	582,068	398,644
Refund to county treasurer	<u>-</u>	<u>1,899</u>
Total Operating Expenses	<u>582,068</u>	<u>400,543</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, 2019
 With comparative totals for July 31, 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 77,034	\$ 82,178
Total Current Assets	<u>77,034</u>	<u>82,178</u>
Noncurrent Assets		
Investments	1,450,825	1,374,456
Cash and cash equivalents - restricted	64,879	64,717
Investments - restricted	135,974	133,811
Capital assets (net of accumulated depreciation of \$-0- in 2019 and 2018)	<u>48,598</u>	<u>48,598</u>
Total Noncurrent Assets	<u>1,700,276</u>	<u>1,621,582</u>
Total Assets	<u><u>\$ 1,777,310</u></u>	<u><u>\$ 1,703,760</u></u>
Liabilities		
Current Liabilities		
Accrued liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Net Position		
Net investment in capital assets	48,598	48,598
Restricted for Library Foundation	203,731	201,992
Unrestricted net position	<u>1,524,981</u>	<u>1,453,170</u>
Total Net Position	<u>1,777,310</u>	<u>1,703,760</u>
Total Liabilities and Net Position	<u><u>\$ 1,777,310</u></u>	<u><u>\$ 1,703,760</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, 2019
 With comparative totals for the year ended July 31, 2018

	<u>2019</u>	<u>2018</u>
Support and Revenue		
Gifts and bequests	\$ 5,191	\$ 5,117
Investment income	48,678	48,224
Gain on sale of assets	21,384	12,260
Unrealized gain on assets	54,348	38,367
Total Support and Revenue	<u>129,601</u>	<u>103,968</u>
Expenses		
Professional fees	15,462	14,725
Supplies and miscellaneous	605	441
Library support	37,214	86,024
Seminar and travel expense	2,770	2,442
Total Expenses	<u>56,051</u>	<u>103,632</u>
Change in Net Position	73,550	336
Net Position, Beginning of Year	<u>1,703,760</u>	<u>1,703,424</u>
Net Position, End of Year	<u><u>\$ 1,777,310</u></u>	<u><u>\$ 1,703,760</u></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, 2019
 With comparative totals for the year ended July 31, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net position	\$ 73,550	\$ 336
Adjustments to change in net position to cash used in operating activities:		
Gain on sale of assets	(21,384)	(12,260)
Unrealized gain on assets	(54,348)	(38,367)
Total adjustments	<u>(75,732)</u>	<u>(50,627)</u>
Net cash used in operating activities	<u>(2,182)</u>	<u>(50,291)</u>
Cash Flows from Investment Activities		
Sale of investments	285,566	127,363
Purchase of investments	<u>(288,366)</u>	<u>(116,372)</u>
Net cash used in investing activities	<u>(2,800)</u>	<u>10,991</u>
Net Decrease in Cash and Cash Equivalents	(4,982)	(39,300)
Cash and Cash Equivalents, Beginning of Year	<u>146,895</u>	<u>186,195</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 141,913</u></u>	<u><u>\$ 146,895</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	77,034	82,178
Cash and cash equivalents - restricted	<u>64,879</u>	<u>64,717</u>
	<u><u>\$ 141,913</u></u>	<u><u>\$ 146,895</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY SOURCE
 September 30, 2019
 With comparative totals for September 30, 2018

	2019	2018
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 5,053,991	\$ 4,747,619
Buildings	9,708,358	9,358,796
Improvements other than buildings	5,255,268	5,143,293
Machinery and equipment	12,677,888	11,929,144
Infrastructure	35,792,524	34,828,651
Total	<u>\$ 68,488,029</u>	<u>\$ 66,007,503</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General obligation bonds	\$ 6,195,129	\$ 6,094,098
Federal and state grants	11,353,769	11,328,006
General fund revenues	44,246,206	42,024,414
Donations	6,692,925	6,560,985
Total Investment in Governmental Funds Capital Assets	<u>\$ 68,488,029</u>	<u>\$ 66,007,503</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, 2019
 With comparative totals for September 30, 2018

Function and Activity	2019						2018 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Administration	\$ -	\$ -	\$ -	\$ 361,655	\$ -	\$ 361,655	\$ 343,824
Legal	-	-	-	5,692	-	5,692	5,692
Community development	-	-	-	81,878	-	81,878	61,861
Total General Government	-	-	-	449,225	-	449,225	411,377
PUBLIC SAFETY							
Police	76,500	-	147,480	3,230,288	-	3,454,268	3,230,956
Fire and rescue	274,952	111,150	-	4,327,390	-	4,713,492	3,999,245
Total Public Safety	351,452	111,150	147,480	7,557,678	-	8,167,760	7,230,201
CULTURE AND RECREATION							
Public properties	4,601,961	5,121,637	5,025,584	1,398,945	-	16,148,127	15,744,073
Library	100,578	4,003,349	82,204	860,876	-	5,047,007	5,041,203
Total Culture and Recreation	4,702,539	9,124,986	5,107,788	2,259,821	-	21,195,134	20,785,276
STREETS AND TRAILS	-	472,222	-	2,387,823	34,793,172	37,653,217	36,557,956
STORM WATER MANAGEMENT	-	-	-	23,341	999,352	1,022,693	1,022,693
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 5,053,991</u>	<u>\$ 9,708,358</u>	<u>\$ 5,255,268</u>	<u>\$ 12,677,888</u>	<u>\$ 35,792,524</u>	<u>\$ 68,488,029</u>	<u>\$ 66,007,503</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, 2019

Function and Activity	Governmental Funds Capital Assets 10/1/18	Additions	Deductions	Governmental Funds Capital Assets 9/30/19
GENERAL GOVERNMENT				
Administration	\$ 343,824	\$ 17,831	\$ -	\$ 361,655
Legal	5,692	-	-	5,692
Community development	61,861	29,017	(9,000)	81,878
Total General Government	411,377	46,848	(9,000)	449,225
PUBLIC SAFETY				
Police	3,230,956	245,112	(21,800)	3,454,268
Fire and rescue	3,999,245	714,247	-	4,713,492
Total Public Safety	7,230,201	959,359	(21,800)	8,167,760
CULTURE AND RECREATION				
Public properties	15,744,073	453,591	(49,537)	16,148,127
Library	5,041,203	5,804	-	5,047,007
Total Culture and Recreation	20,785,276	459,395	(49,537)	21,195,134
STREETS AND TRAILS	36,557,956	1,195,074	(99,813)	37,653,217
STORM WATER MANAGEMENT	1,022,693	-	-	1,022,693
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$66,007,503</u>	<u>\$ 2,660,676</u>	<u>\$ (180,150)</u>	<u>\$68,488,029</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.

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

SECTION 3

STATISTICAL SECTION

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

Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in capital assets	\$25,415,415	\$26,471,016	\$28,220,897	\$28,702,717	\$28,986,067	\$29,927,397	\$30,825,043	\$33,303,732	\$35,613,362	\$36,321,755
Restricted	3,323,885	2,860,602	2,494,379	3,151,861	3,076,005	3,750,366	4,003,388	4,050,739	3,211,376	3,753,842
Unrestricted	1,715,179	2,125,443	2,007,117	2,313,002	2,693,041	2,982,107	3,192,413	1,744,032	3,061,270	2,859,417
Total Governmental Activities Net Position	\$30,454,479	\$31,457,061	\$32,722,393	\$34,167,580	\$34,755,113	\$36,659,870	\$38,020,844	\$39,098,503	\$41,886,008	\$42,935,014
Business-type Activities										
Net Investment in capital assets	\$21,604,880	\$21,153,306	\$22,190,417	\$22,413,044	\$23,166,370	\$24,047,909	\$25,423,188	\$27,814,977	\$28,432,099	\$29,208,662
Restricted	643,769	467,738	636,926	635,176	618,842	629,955	579,207	721,481	704,205	724,649
Unrestricted	5,628,234	7,988,560	8,198,618	7,975,780	7,326,777	7,393,322	7,475,616	8,089,978	9,249,129	10,448,562
Total Business-type Activities Net Position	\$27,876,883	\$29,609,604	\$31,025,961	\$31,024,000	\$31,111,989	\$32,071,186	\$33,478,011	\$36,626,436	\$38,385,433	\$40,381,873
Primary Government										
Net Investment in capital assets	\$47,020,295	\$47,624,322	\$50,411,314	\$51,115,761	\$52,152,437	\$53,975,306	\$56,248,231	\$61,118,709	\$64,045,461	\$65,530,417
Restricted	3,967,654	3,328,340	3,131,305	3,787,037	3,694,847	4,380,321	4,582,595	4,772,220	3,915,581	4,478,491
Unrestricted	7,343,413	10,114,003	10,205,735	10,288,782	10,019,818	10,375,429	10,668,029	9,834,010	12,310,399	13,307,979
Total Primary Government Net Position	\$58,331,362	\$61,066,665	\$63,748,354	\$65,191,580	\$65,867,102	\$68,731,056	\$71,498,855	\$75,724,939	\$80,271,441	\$83,316,887

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General Government	\$ 1,501,214	\$ 2,142,072	\$ 1,850,178	\$ 1,543,513	\$ 3,286,519	\$ 5,124,109	\$ 4,257,592	\$ 4,722,164	\$ 5,538,033	\$ 5,227,844
Public Safety	5,342,184	5,524,713	5,711,024	5,686,678	5,609,235	5,218,151	6,267,387	6,580,523	6,589,459	6,958,083
Highways and Streets	2,055,666	2,025,079	1,865,778	1,856,508	2,116,534	2,041,955	1,914,965	1,948,452	2,168,474	2,458,819
Culture and Recreation	1,494,887	1,418,419	1,269,566	1,349,132	1,422,746	1,609,230	1,772,494	1,604,137	1,684,625	1,736,134
Interest on Long-Term Debt	31,322	23,868	21,945	24,120	12,603	14,741	15,219	14,039	10,185	9,124
Total Governmental Activities Expenses	10,425,273	11,134,151	10,718,491	10,459,951	12,447,637	14,008,186	14,227,657	14,869,315	15,990,776	16,390,004
Business-type Activities										
Electric	12,837,407	13,466,171	14,102,853	14,753,172	15,224,361	14,967,570	15,573,893	16,339,629	18,193,641	17,355,117
Water	1,837,721	1,976,606	1,969,687	2,236,224	2,255,678	2,087,499	2,136,106	2,130,625	2,335,497	2,315,008
Water Pollution Control	1,599,624	1,616,210	1,511,319	1,509,212	1,524,519	1,492,220	1,545,877	1,539,418	1,577,218	1,632,710
Beatrice Area Solid Waste Agency	956,627	1,025,297	1,384,427	1,285,647	992,209	977,166	1,636,159	1,467,795	1,532,323	1,680,448
Sanitation	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180
Total Business-type Activities Expenses	18,421,842	19,269,902	20,202,135	21,036,257	21,292,624	20,808,571	22,157,869	22,800,091	25,158,425	24,545,463
Total Primary Government Expenses	\$28,847,115	\$30,404,053	\$30,920,626	\$31,496,208	\$33,740,261	\$34,816,757	\$36,385,526	\$37,669,406	\$41,149,201	\$40,935,467
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 311,477	\$ 250,053	\$ 272,753	\$ 418,743	\$ 1,744,814	\$ 3,036,542	\$ 2,983,118	\$ 3,487,714	\$ 4,077,215	\$ 3,761,976
Public Safety	1,666,149	1,806,582	1,893,084	1,914,393	1,340,782	1,832,967	1,380,446	1,361,264	1,319,054	1,361,793
Culture and Recreation	234,027	212,851	234,840	228,792	36,988	223,024	245,400	244,772	254,960	222,044
Other Governmental Activities	22,865	50,147	68,552	28,795	219,903	29,682	48,877	24,098	24,085	23,313
Operating Grants and Contributions	1,674,225	1,414,084	1,182,509	1,072,697	1,380,090	1,946,512	1,701,014	1,236,279	1,914,016	1,974,006
Capital Grants and Contributions	654,092	2,307,752	2,332,445	1,694,873	1,641,055	2,021,762	2,066,183	2,391,685	3,816,796	1,861,185
Total Governmental Activities Program Revenues	4,562,835	6,041,469	5,984,183	5,358,293	6,363,632	9,090,489	8,425,038	8,745,812	11,406,126	9,204,317
Business-type Activities										
Charges for Services:										
Electric	14,104,065	14,498,621	14,644,110	14,838,324	15,165,993	14,749,348	15,672,130	16,235,194	17,794,990	17,619,594
Water	1,728,981	1,969,342	2,281,472	2,230,423	2,360,903	2,321,423	2,717,237	2,862,930	2,789,557	2,650,876
Water Pollution Control	1,375,951	1,453,143	1,566,247	1,562,711	1,536,331	1,732,788	2,046,952	2,315,112	2,278,816	2,243,878
Beatrice Area Solid Waste Agency	1,048,397	1,017,931	1,114,194	1,086,095	1,136,396	1,170,237	1,236,421	2,249,641	1,814,151	1,844,947
Sanitation	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180
Capital Grants and Contributions	-	-	-	-	-	80,000	-	351,388	30,486	-
Total Business-type Activities Program Revenues	19,447,857	20,124,655	20,839,872	20,969,555	21,495,480	21,337,912	22,938,574	25,336,889	26,227,746	25,921,475
Total Primary Government Program Revenues	\$24,010,692	\$26,166,124	\$26,824,055	\$26,327,848	\$27,859,112	\$30,428,401	\$31,363,612	\$34,082,701	\$37,633,872	\$35,125,792
Net (Expense) Revenue										
Governmental Activities:	\$ (5,862,438)	\$ (5,092,682)	\$ (4,734,308)	\$ (5,101,658)	\$ (6,084,005)	\$ (4,917,697)	\$ (5,802,619)	\$ (6,123,503)	\$ (4,584,650)	\$ (7,185,687)
Business-type Activities	1,026,015	854,753	637,737	(66,702)	202,856	529,341	780,705	2,536,798	1,069,321	1,376,012
Total Primary Government Net (Expense)	\$ (4,836,423)	\$ (4,237,929)	\$ (4,096,571)	\$ (5,168,360)	\$ (5,881,149)	\$ (4,388,356)	\$ (5,021,914)	\$ (3,586,705)	\$ (3,515,329)	\$ (5,809,675)

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	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,583,425	\$ 5,762,423	\$ 6,033,958	\$ 6,181,178	\$ 6,160,210	\$ 6,347,216	\$ 7,220,823
Unrestricted Intergovernmental	561,813	597,411	393,613	659,517	689,779	607,292	750,407	788,647	829,811	822,700
Miscellaneous Revenues	146,476	238,004	136,136	298,578	221,673	172,350	104,455	218,493	161,549	153,239
Unrestricted Investment Earnings	72,767	17,708	9,445	5,325	6,231	8,854	111,634	33,812	33,579	37,931
Gain (loss) on Sale of Capital Assets	-	-	-	-	(7,074)	-	15,919	-	-	-
Total Governmental Activities	6,018,075	6,095,264	5,999,640	6,546,845	6,673,032	6,822,454	7,163,593	7,201,162	7,372,155	8,234,693
Business-type Activities:										
Miscellaneous Revenues	196,031	810,950	727,763	368,806	195,737	371,470	556,631	508,280	519,238	335,128
Investment Earnings	60,022	67,018	50,857	43,348	44,801	58,918	69,489	103,347	170,438	285,300
Special Items	-	-	-	(191,485)	-	-	-	-	-	-
(Loss) Gain on Sale of Capital Assets	-	-	-	(57,757)	-	(532)	-	-	-	-
Total Business-type Activities	256,053	877,968	778,620	162,912	240,538	429,856	626,120	611,627	689,676	620,428
Total Primary Government	\$ 6,274,128	\$ 6,973,232	\$ 6,778,260	\$ 6,709,757	\$ 6,913,570	\$ 7,252,310	\$ 7,789,713	\$ 7,812,789	\$ 8,061,831	\$ 8,855,121

Change in Net Position

Governmental Activities	\$ 155,637	\$ 1,002,582	\$ 1,265,332	\$ 1,445,187	\$ 589,027	\$ 1,904,757	\$ 1,360,974	\$ 1,077,659	\$ 2,787,505	\$ 1,049,006
Business-type Activities	1,282,068	1,732,721	1,416,357	96,210	443,394	959,197	1,406,825	3,148,425	1,758,997	1,996,440
Change in accounting principle	-	-	-	(98,171)	-	-	-	-	-	-
Total Primary Government	\$ 1,437,705	\$ 2,735,303	\$ 2,681,689	\$ 1,443,226	\$ 1,032,421	\$ 2,863,954	\$ 2,767,799	\$ 4,226,084	\$ 4,546,502	\$ 3,045,446

2013 - Implementation of GASB 65

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

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

Table 3

FISCAL YEAR	PROPERTY TAX	SALES TAX	UTILITY OCC. TAX	OTHER OCC. TAX	TOTAL
2010	\$ 1,783,347	\$ 2,629,559	\$ 729,054	\$ 95,059	\$ 5,237,019
2011	1,757,256	2,687,099	695,828	101,958	5,242,141
2012	1,862,937	2,863,615	627,735	106,159	5,460,446
2013	1,881,463	2,848,579	629,911	106,474	5,466,427
2014	1,980,617	3,082,267	647,380	113,482	5,823,746
2015	2,137,814	3,186,767	607,257	121,563	6,053,401
2016	2,236,813	3,229,496	573,926	136,531	6,176,766
2017	2,311,345	3,182,824	555,380	112,128	6,161,677
2018	2,528,356	3,176,459	541,730	119,899	6,366,444
2019 (a)	2,607,239	3,949,691	528,359	121,398	7,206,687

Note:

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

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

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

Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ 21,354	\$ 52,588	\$ 63,979	\$ 28,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned For:										
subsequent years' expenditures	716,164	734,960	644,444	734,986	817,938	1,079,813	1,141,943	674,023	525,117	398,230
Unassigned	1,057,315	849,366	786,619	1,157,311	1,860,437	1,906,992	2,013,817	1,197,641	1,909,845	2,058,063
Total General Fund	<u>\$ 1,794,833</u>	<u>\$ 1,636,914</u>	<u>\$ 1,495,042</u>	<u>\$ 1,921,097</u>	<u>\$ 2,678,375</u>	<u>\$ 2,986,805</u>	<u>\$ 3,155,760</u>	<u>\$ 1,871,664</u>	<u>\$ 2,434,962</u>	<u>\$ 2,456,293</u>
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 1,227,426	\$ 1,030,152	\$ 896,621	\$ 1,016,166	\$ 1,128,265	\$ 1,256,328	\$ 1,254,631	\$ 1,380,437	\$ 1,175,078	\$ 1,208,272
Restricted for Library Capital	-	-	-	-	10,112	8,641	1,943	40,406	303	303
Restricted for New Fire Station	-	-	-	-	-	-	-	-	-	172,583
Restricted for Debt Service	212,370	212,845	171,982	177,277	69,182	71,682	72,452	74,332	77,632	75,304
Restricted for CDBG Revolving Loans	1,555,418	1,523,666	1,290,461	1,249,361	622,605	340,188	355,789	360,070	365,187	368,605
Restricted for E911 Public Safety	7,699	41,351	71,336	92,446	36,758	25,266	20,321	57,035	89,220	48,980
Restricted for Storm Water Management	72	21,438	36,900	41,726	56,048	48,965	60,935	71,502	47,679	20,261
Restricted for Streets	411,516	378,019	401,241	546,085	1,171,626	1,999,868	2,239,985	2,073,302	1,460,200	1,863,688
Committed For:										
Committed for Community Betterment	162,712	209,771	50,355	4,046	17,326	68,141	9,859	80,257	153,385	213,568
Committed for Library Capital	93,416	82,405	145,349	211,822	40,876	40,896	40,917	40,937	27,488	27,579
Committed for Public Safety	206,202	255,576	292,892	198,964	69,600	41,542	204,005	125,797	92,726	634,559
Committed for Capital Projects	-	267,233	-	-	-	-	-	-	-	-
Assigned For:										
Debt service	-	-	-	-	13,879	1,368	78,057	816	14,041	-
Subsequent Years' Expenditures	-	-	122,678	159,728	-	33,486	70,510	25,921	238,697	-
Unassigned, Reported In:										
Debt Service Funds	(53,427)	(16,416)	(146,182)	(10,394)	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	(25,993)
Total All Other Governmental Funds	<u>\$ 3,823,404</u>	<u>\$ 4,006,040</u>	<u>\$ 3,333,633</u>	<u>\$ 3,687,227</u>	<u>\$ 3,236,277</u>	<u>\$ 3,936,371</u>	<u>\$ 4,409,404</u>	<u>\$ 4,330,812</u>	<u>\$ 3,741,636</u>	<u>\$ 4,607,709</u>

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

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

Table 5

	2010	2011	2012	2013	2014(a)	2015	2016	2017(b)	2018	2019
Revenues										
Taxes	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,466,427	\$ 5,823,746	\$ 6,053,401	\$ 6,176,766	\$ 6,161,677	\$ 6,366,444	\$ 7,206,687
Licenses and Permits	173,182	108,465	105,128	78,920	114,685	122,002	131,063	182,377	210,699	229,914
Intergovernmental and Grants	2,801,411	4,254,245	2,430,097	3,191,033	2,794,328	3,822,758	3,966,494	4,021,278	4,300,027	4,407,030
Charges for Services (1)	2,043,066	2,170,302	2,344,477	1,847,614	1,758,473	1,884,249	1,991,166	1,990,886	1,979,059	2,017,530
Keno Proceeds	75,178	83,401	79,132	62,296	73,188	81,618	78,192	85,619	89,062	73,767
Special Assessments	63,252	25,794	133,879	118,261	40,723	41,789	142,077	14,814	10,895	-
Interest	72,767	62,518	34,114	43,664	48,928	20,287	111,329	33,512	33,403	40,774
Donations and Misc Revenue	146,778	165,542	644,084	464,741	1,006,947	807,558	480,670	501,139	865,172	405,357
Total revenues	10,612,653	12,112,408	11,231,357	11,272,956	11,661,018	12,833,662	13,077,757	12,991,302	13,854,761	14,381,059
Expenditures										
General Government	1,473,498	2,827,461	1,823,715	1,403,472	1,682,858	2,507,695	1,663,744	3,012,687	1,956,583	2,152,961
Public Safety (1)	4,975,019	5,148,150	5,234,146	4,888,595	5,024,814	5,173,814	5,699,342	5,944,639	6,073,864	6,303,902
Highways and Streets	1,263,739	1,224,442	1,154,538	1,086,835	1,067,619	1,047,157	1,005,346	1,034,929	1,120,507	1,241,076
Culture and Recreation	1,013,450	1,040,086	942,577	926,500	908,159	984,968	1,091,641	1,061,376	1,073,148	1,106,505
Debt Service:										
Principal	360,148	305,444	270,000	140,000	290,000	185,000	190,000	190,000	190,000	250,000
Interest	31,322	23,868	21,945	18,140	5,050	2,068	1,235	3,479	3,468	5,533
Bond Issuance Costs	-	-	-	5,980	-	-	6,675	-	2,700	6,000
Capital Outlay	921,519	1,393,246	2,485,269	2,434,862	2,676,626	2,773,458	3,410,909	3,199,788	4,157,296	2,932,540
MFO Payments to Other Entities	126,499	124,994	113,445	108,923	106,438	110,679	131,810	132,460	133,863	114,975
Total Expenditures	10,165,194	12,087,691	12,045,635	11,013,307	11,761,564	12,784,839	13,200,702	14,579,358	14,711,429	14,113,492
Excess (Deficiency) of Revenues over (under) Expenditures	447,459	24,717	(814,278)	259,649	(100,546)	48,823	(122,945)	(1,588,056)	(856,668)	267,567
Other Financing Sources (Uses)										
Transfers In	228,934	371,548	715,163	374,263	384,542	515,680	552,899	379,838	789,111	578,583
Transfers Out	(228,934)	(371,548)	(715,163)	(374,263)	(384,542)	(515,680)	(552,899)	(379,838)	(789,111)	(578,583)
Insurance Recoveries	-	-	-	-	-	504,436	149,528	-	650,000	-
Bond and Lease Proceeds	-	-	-	520,000	-	452,665	575,000	-	170,000	615,000
Sale of Capital Assets	-	-	-	-	20,000	2,600	40,405	225,368	10,790	4,837
Total Other Financing Sources (Uses)	-	-	-	520,000	20,000	959,701	764,933	-	830,790	619,837
Net Change in Fund Balances	\$ 447,459	\$ 24,717	\$ (814,278)	\$ 779,649	\$ (80,546)	\$ 1,008,524	\$ 641,988	\$ (1,588,056)	\$ (25,878)	\$ 887,404
Debt Service as a percentage of noncapital expenditures	4.3%	3.4%	3.2%	1.9%	3.7%	1.9%	2.0%	1.9%	2.0%	2.3%

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

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

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

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

Table 6

FISCAL YEAR	ASSESSED VALUE (1)	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUATION	TOTAL DIRECT TAX RATE	RATIO OF ASSESSED TO EST. ACTUAL
2010	\$ 532,301,625	\$ 25,190,566	\$ 557,492,191	0.325815	1
2011	530,661,631	15,296,532	545,958,163	0.325839	1
2012	528,758,221	13,937,124	542,695,345	0.345840	1
2013	531,508,050	12,657,956	544,166,006	0.345840	1
2014	552,634,425	22,369,755	575,004,180	0.345707	1
2015	553,844,505	22,185,562	576,030,067	0.370223	1
2016	569,474,021	24,054,950	593,528,971	0.380223	1
2017	574,189,141	30,867,026	605,056,167	0.384337	1
2018	586,305,850	76,027,829	662,333,679	0.381447	1
2019	595,582,852	65,482,211	661,065,063	0.399171	1

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

Table 7

<u>FISCAL YEAR</u>	<u>CITY OF BEATRICE</u>	<u>SCHOOL DIST. #15</u>	<u>GAGE COUNTY</u>	<u>SPECIAL TAX DIST.</u>	<u>AIRPORT</u>	<u>TOTAL TAX RATE</u>
2010	0.325815	1.135029	0.412199	0.14144	0.034099	2.048582
2011	0.325839	1.165588	0.409978	0.133048	0.034819	2.069272
2012	0.34584	1.163807	0.392833	0.134298	0.034847	2.071625
2013	0.34584	1.163216	0.394647	0.134189	0.034422	2.072314
2014	0.345707	1.159466	0.369361	0.123545	0.044156	2.042235
2015	0.370223	1.160844	0.338379	0.109881	0.0396	2.018927
2016	0.380223	1.135307	0.297766	0.122644	0.042898	1.978838
2017	0.384337	1.082016	0.288082	0.120706	0.038347	1.913488
2018	0.381447	1.087157	0.297594	0.136028	0.035031	1.937257
2019	0.399171	1.079515	0.419871	0.13506	0.033529	2.067146

(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>
2010	1.50%	5.50%	7.00%
2011	1.50%	5.50%	7.00%
2012	1.50%	5.50%	7.00%
2013	1.50%	5.50%	7.00%
2014	1.50%	5.50%	7.00%
2015	1.50%	5.50%	7.00%
2016	1.50%	5.50%	7.00%
2017	1.50%	5.50%	7.00%
2018	1.50%	5.50%	7.00%
2019 (a)	2.00%	5.50%	7.50%

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

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

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

Table 8

TAXPAYER	TYPE OF BUSINESS	2019			2010		
		ASSESSED VALUATION	Rank	% OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank	% OF TOTAL ASSESSED VALUATION
Flint Hills Resources Beatrice LLC	(1) manufacturing	\$ 18,741,740	1	2.84%	---	---	---
Exmark Manufacturing Co	(2) manufacturing	9,621,045	2	1.46%	---	---	---
Worldlawn Power Equipment	manufacturing	7,996,900	3	1.21%	---	---	---
EIP Beatrice Owner, LLC	(2) manufacturing	6,910,460	4	1.05%	---	---	---
Wal-Mart Stores	shopping mall	6,400,000	5	0.97%	6,373,165	3	1.14%
Farmers Co-op Elevator	grain/feed elevator	6,384,995	6	0.97%	3,059,335	5	0.55%
Hybrid Turkeys LLC	manufacturing	5,980,500	7	0.90%	---	---	---
Equinox, Stanley & Judy Meyer	shopping mall plus other	5,009,615	8	0.76%	2,331,815	7	0.42%
Beatrice Hospitality LLC	hotel	4,319,105	9	0.65%	2,707,530	6	0.49%
Accuma Corp	(2) manufacturing	3,717,360	10	0.56%	---	---	---
Beatrice Biodiesel LLC	manufacturing	---	---	---	21,958,325	1	3.94%
KH Beatrice, LLC	manufacturing	---	---	---	13,020,425	2	2.34%
Beatrice Retirement Inc.	retirement homes	---	---	---	3,213,745	4	0.58%
Store Kraft Mfg	manufacturing	---	---	---	2,277,730	8	0.41%
LTC Properties	retirement home/assisted	---	---	---	2,027,485	9	0.36%
Homestead Village	retirement home/complex	---	---	---	1,933,715	10	0.35%
		<u>\$ 75,081,720</u>		<u>11.36%</u>	<u>\$ 58,903,270</u>		<u>10.58%</u>

Source: Gage County Assessor

(1) Currently under Tax Increment Financing

(2) Added in 2014 due to annexation

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

Table 8a

Business Classification	Calendar Year 2018			Calendar Year 2009		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 86,381,256	1	48.2%	\$ 76,250,044	1	48.7%
Accommodation & Food Services	25,295,931	2	14.1%	17,772,905	3	11.4%
Utilities	22,418,953	3	12.5%	19,873,828	2	12.7%
Manufacturing	15,461,019	4	8.6%	1,941,432	7	1.2%
Wholesale Trade	8,896,687	5	5.0%	10,308,422	4	6.6%
Construction	2,508,322	6	1.4%	3,845,773	6	2.5%
Information	1,360,498	7	0.8%	8,349,425	5	5.3%
Other	16,940,801	---	9.5%	18,154,829	---	11.6%
Total	<u>179,263,467</u>	<u>---</u>	<u>100.0%</u>	<u>156,496,658</u>	<u>---</u>	<u>100.0%</u>

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

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 2018 that percentage was 87.94% as compared to 86.71% in 2009

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

Table 9

FISCAL YEAR	TOTAL TAX LEVY	FISCAL YEARS TAX COLL.	% OF LEVY COLL.	SUBSEQUENT YEARS TAX COLL.	TOTAL TAX COLL. TO DATE	% TOTAL TAX COLL. OF LEVY
2010	\$ 1,816,392	\$ 1,714,589	94.40%	\$ 67,422	\$ 1,782,011	98.1%
2011	1,778,950	1,704,384	95.81%	66,060	1,770,444	99.5%
2012	1,876,856	1,810,704	96.48%	69,243	1,879,947	100.2%
2013	1,881,944	1,823,811	96.91%	58,552	1,882,363	100.0%
2014	1,987,832	1,931,893	97.19%	54,034	1,985,927	99.9%
2015	2,132,597	2,099,464	98.45%	57,468	2,156,932	101.1%
2016	2,256,734	2,197,652	97.38%	58,095	2,255,747	100.0%
2017	2,325,455	2,269,795	97.61%	60,443	2,330,238	100.2%
2018	2,526,451	2,481,587	98.22%	53,161	2,534,748	100.3%
2019	2,638,777	2,566,434	97.26%	-	2,566,434	97.3%

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

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

Table 10

FISCAL YEAR	Governmental Activities				Business-type Activities				Total Primary Government	% Personal Income	Per Capita
	General Obligation Bonds	General Notes	Warrants Payable	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2010	\$ 815,000	\$ 45,444	\$ 207,261	\$ 7,667	\$ 2,480,000	\$ 1,797,287	\$ 225,000	\$ 3,356	\$ 5,581,015	1.12%	438.66
2011(a)	555,000	-	185,771	4,727	2,265,000	1,670,041	1,655,000	200,911	6,536,450	1.36%	524.64
2012(b)	285,000	-	390,471	1,594	3,845,000	90,394	1,520,000	151,259	6,283,718	1.17%	504.35
2013(c)	665,000	-	262,815	-	3,615,000	86,178	1,360,000	103,851	6,092,844	1.16%	488.64
2014	375,000	-	185,626	-	3,280,000	81,874	1,200,000	54,878	5,177,378	0.88%	408.67
2015(d)	190,000	-	131,869	444,132	2,950,000	-	1,040,000	4,290	4,760,291	0.82%	375.74
2016(e)	575,000	-	-	347,633	2,620,000	-	825,000	-	4,367,633	0.74%	344.75
2017(f)	385,000	-	-	247,729	2,285,000	-	1,875,000	772,500	5,565,229	0.93%	439.28
2018(g)	365,000	-	-	144,297	1,950,000	-	1,615,000	1,018,072	5,092,369	0.84%	401.96
2019(h)	730,000	-	-	68,640	1,615,000	-	1,355,000	1,074,083	4,842,723	0.77%	382.25

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

- (a) Issued Solid Waste Disposal Facility Revenue bonds in the amount of \$1,655,000
- (b) Issued Combined Utilities Refunding Bonds in the amount of \$1,725,000 to call in the 2002 State Notes
- (c) 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
- (d) Issued Capital Leases for purchase of street equipment and installation of ballfield lighting
- (e) Issued BASWA Revenue Refunding Bonds in the amount of \$825,000 and Public Safety Tax Anticipation Bonds in the amount of \$575,000
- (f) Issued BASWA Revenue Bonds in the amount of \$1,250,000 and a capital lease in the amount of \$772,500 for the purchase of a compactor
- (g) Issued Public Safety Tax Anticipation Bonds in the amount of \$170,000 and a capital lease in the amount of \$396,500 for a dozer
- (h) Issued Public Safety Tax Anticipation Bonds in the amount of \$615,000 and a capital lease in the amount of \$283,378 for a loader

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

Table 11

FISCAL YEAR	ESTIMATED ACTUAL VALUE	GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUNDS AVAILABLE(1)	NET BONDED DEBT	% OF ASSESSED TAXABLE VALUE	NET BONDED PER CAPITA
2010	\$ 557,492,191	\$ 815,000	\$ 212,370	\$ 602,630	0.11%	47.37
2011	545,958,163	555,000	212,845	342,155	0.06%	27.46
2012	542,695,345	285,000	171,982	113,018	0.02%	9.07
2013 (a)	544,166,006	665,000	177,277	487,723	0.09%	39.11
2014	575,004,180	375,000	69,182	305,818	0.05%	24.14
2015	576,030,067	190,000	71,682	118,318	0.02%	9.34
2016 (b)	593,528,971	575,000	72,452	502,548	0.08%	39.67
2017	605,056,167	385,000	74,332	310,668	0.05%	24.52
2018 (c)	662,333,679	365,000	77,632	287,368	0.04%	22.68
2019 (d)	661,065,063	730,000	75,304	654,696	0.10%	51.68

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

(1) Fund balance restricted for debt service

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

(b) Public Safety Tax Anticipation Bonds issued September 2016 in the amount of \$575,000

(c) Public Safety Tax Anticipation Bonds issued April 2018 in the amount of \$170,000

(d) Public Safety Tax Anticipation Bonds issued August 2019 in the amount of \$615,000

**CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2019**

Table 12

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO CITY OF BEATRICE(1)</u>	<u>AMOUNT APPLICABLE TO CITY OF BEATRICE</u>
DEBT RE-PAID WITH PROPERTY TAXES			
DIRECT:			
City of Beatrice	\$ 798,640	100.00%	\$ 798,640
Total Direct Debt			<u>\$ 798,640</u>
OVERLAPPING:			
Airport Authority	\$ 230,000	100.00%	\$ 230,000
School District #15	3,307,946	54.11%	1,789,930
Lower Big Blue Natural Resources District	2,425,432	11.16%	270,678
Gage County	3,135,828	20.43%	640,650
Total Overlapping Debt			<u>\$ 2,931,257</u>
Total Direct & Overlapping Debt			<u><u>\$ 3,729,897</u></u>

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

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

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

Table 13

FISCAL YEAR	OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
				PRINCIPAL	INTEREST	TOTAL	
2010	\$ 17,208,997	\$ 14,086,503	\$ 3,122,494	\$ 355,798	\$ 165,990	\$ 521,788	5.98
2011	17,921,106	14,887,284	3,033,822	342,246	142,390	484,636	6.26
2012 (a)	18,491,829	15,481,231	3,010,598	149,134	113,777	262,911	11.45
2013 (b)	18,631,458	16,300,133	2,331,325	304,217	205,693	509,910	4.57
2014	19,063,227	16,843,514	2,219,713	339,303	52,994	392,297	5.66
2015	18,803,559	16,371,801	2,431,758	411,874	55,733	467,607	5.20
2016	20,436,319	17,060,163	3,376,156	330,000	50,892	380,892	8.86
2017	21,413,236	17,794,814	3,618,422	335,000	47,577	382,577	9.46
2018	22,863,363	19,611,066	3,252,297	335,000	43,413	378,413	8.59
2019	22,514,348	18,931,382	3,582,966	335,000	38,421	373,421	9.59

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

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

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

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

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

Table 14

FISCAL YEAR	POPULATION(1)	TOTAL PERSONAL INCOME	PER CAPITA PERSONAL INCOME(4)	MEDIAN AGE (1)	SCHOOL ENROLLMENT(2)	UNEMPLOYMENT RATE(3)
2010	12,723	\$ 497,672,868	\$ 39,116	43	2,134	5.60%
2011	12,459	481,253,793	38,627	42.6	2,173	5.00%
2012	12,459	535,475,361	42,979	42.6	2,162	4.20%
2013	12,469	522,999,736	41,944	42.6	2,154	4.10%
2014	12,669	590,134,689	46,581	44	2,145	4.00%
2015	12,669	579,252,018	45,722	43	2,133	3.00%
2016	12,669	593,251,263	46,827	44	2,146	3.10%
2017	12,669	599,775,798	47,342	44	2,133	5.40%
2018	12,669	609,112,851	48,079	45	2,164	2.70%
2019	12,669	631,714,347	49,863	45	2,129	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 TEN YEARS AGO**

Table 15

Employer	Type of Activity	2019			2010		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice Community Hospital	Medical	555	1	3.78%	469	2	3.73%
Exmark Manufacturing	Manufacturing	450	2	3.07%	400	3	3.18%
Beatrice State Developmental Center	Home for mentally handicapped	425	3	2.90%	799	1	6.36%
Beatrice Public Schools	Education	353	4	2.40%	340	5	2.71%
Mosaic	Home for mentally handicapped	325	5	2.21%	365	4	2.91%
NEAPCO	Manufacturing	260	6	1.77%	145	10	1.15%
Wal-Mart Super Center	Retail	195	7	1.33%	---	---	---
City of Beatrice	Government	154	8	1.05%	168	9	1.34%
Good Samaritan Center	Nursing Home & Assisted Living	125	9	0.85%	203	6	1.62%
Southeast Community College	Education	122	10	0.83%	---	---	---
Store Kraft	Manufacturing	---	---	---	192	8	1.53%
Husqvarna Turf Care	Manufacturing	---	---	---	201	7	1.60%
		<u>1,959</u>		<u>13.34%</u>	<u>3,282</u>		<u>26.13%</u>

Source: Gage Area Growth Community Profile

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

Table 16

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION										
General Government	8	8	8	8	8	9	9	10	10	10
Public Safety										
Police										
Commissioned	21	21	22	21	21	21	22	22	22	22
Civilians	11	10	10	10	10	13	13	14	14	14
Fire										
Full-time Firefighters	23	23	23	23	23	23	24	24	23	22
Civilians	0	0	0	0	0	0	0	0	0	0
Culture and Recreation	9	8	7	6	6	6	7	7	7	7
Highways and Streets	9	9	9	9	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	11	11	11	10	10	10	10	10	10	10
Sewer	7	7	7	6	6	6	6	6	6	6
Electric	30	30	29	29	28	25	25	26	26	26
Total Full-Time Employees	133	131	130	126	125	126	129	132	131	130
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION										
General Government	0	0	0	0	0	0	1	0	0	0
Public Safety										
Police										
Civilians	2	2	2	2	2	2	3	2	1	1
Fire										
Reserves	8	8	8	8	8	6	0	2	2	2
Culture and Recreation	18	18	18	15	15	15	15	15	15	15
Solid Waste Agency/WPC	6	5	5	4	4	4	4	4	6	6
Electric	0	0	0	0	0	1	1	0	0	0
Total Part-Time Employees	34	33	33	29	29	28	23	23	24	24
*Part-time employment is 1020 hours/yr or less										
C & R Summer Seasonal	48	45	40	40	40	43	50	60	60	60

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

Table 17

FUNCTION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building Permits Issued	395	454	458	442	399	493	381	388	552	530
Commercial Construction Value	\$ 3,678,807	\$19,336,559	\$11,323,241	\$ 2,947,834	\$ 2,923,538	\$ 7,907,152	\$11,141,672	\$11,570,361	\$ 8,715,888	\$22,225,904
Residential Construction Value	\$ 2,501,790	\$ 3,300,316	\$ 2,072,975	\$ 3,330,426	\$ 3,157,487	\$ 4,118,584	\$ 3,796,771	\$ 4,499,850	\$ 9,750,343	\$ 6,813,314
Public Safety										
Police										
Physical Arrests	662	928	1,099	871	875	842	673	821	681	905
Patrol Warnings/Citations	2,025	1,699	1,758	1,424	1,364	1,462	1,266	1,696	1,474	1,425
Calls for Service (1)	22,118	21,472	22,577	21,280	20,529	20,937	23,086	27,564	26,278	26,684
Fire										
Ambulance Calls	2,435	2,241	2,223	2,290	2,334	2,220	2,331	2,248	2,388	2,444
Fire & Rescue Calls	887	910	896	967	885	894	906	1,028	1,178	1,061
Culture and recreation										
Water Park Admissions	\$ 88,933	\$ 83,252	\$ 87,796	\$ 78,088	\$ 73,671	\$ 76,435	\$ 83,616	\$ 85,501	\$ 83,531	\$ 69,922
Electric										
Average Daily Usage Commercial (MWH)	282.8	272.7	264.4	261.8	220.5	261.6	281.7	307.1	316.5	307.4
Average Daily Usage Residential (MWH)	201.3	193.7	186.2	186.7	194.2	185.3	185.0	180.6	196.2	188.5
Water										
Average Daily Consumption (gal)	3.36m	3.42m	3.93m	3.53m	3.38m	2.96m	3.63m	3.65m	3.49m	3.41m
Water Pollution Control										
Average Daily Treatment (gal)	1.2m	1.2m	1.1m	1.2m	1.4m	1.2m	1.2m	1.1m	1.1m	1.1m

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

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

FY2012 Commercial building construction increase due to new nursing home construction

FY2016 Commercial building construction increase due to new hospital addition

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

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

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

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

Table 18

FUNCTION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	278.14	279.44	279.5	280.76	285.68	288.97	288.97	291	291	291
Street Lane Miles, Unpaved	34.15	34.15	34.45	35.33	34.25	34.25	34.25	34.25	34.25	34.25
Storm Sewer Miles	33	33.71	33.9	34.36	34.36	34.36	34.36	34.72	34.72	34.72
Bridges	9	9	9	9	11	11	11	11	11	11
Street Lights	1496	1513	1517	1517	1624	1617	1617	1605	1609	1609
Culture and recreation										
Number of Parks	12	12	13	13	13	13	13	13	13	13
Park acreage	340	340	340	340	340	340	340	340	340	340
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	9	9	9	9	9	9	9
Ballfields	12	12	12	12	12	12	14	13	13	13
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	123	126	126	126	122	122.33	122.66	122.66	123	123.33
Fire Hydrants	673	703	703	705	703	708	714	723	726	729
Sewer										
Sanitary Sewer Miles	128	129.3	129.3	94.4	94.73	94.9	94.9	95.35	95.91	95.91
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	10	10	10	10	10	10	10	10	10	10
Miles 12.5KV Service	99	99	99	100	100	103.24	106.54	110.84	113.04	117.1
Miles 34.5KV Service	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
Miles 4.16KV Service	88	88	88	87	87	84.11	81.69	77.39	75.19	71.13

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, 2019

Federal Grantor/ Program Title	Pass-Through Grantor	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Department of Housing and Urban Development					
Community Development Block Grants	Nebraska Department of Economic Development	14.228	-----	\$ -	\$ 370,206
Community Development Block Grant (Downtown Revitalization)	Nebraska Department of Economic Development	14.228	B-15-DC-31-0001	-	113,037
	Subtotal for Department of Housing and Urban Development			-	483,243
Department of the Interior National Parks Service					
Outdoor Recreation, Acquisition, Development and Planning	Nebraska Game & Parks Commission	15.916	31-01039		4,275
Department of Justice					
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	2016-VA-GX-0067	-	83,871
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	17-VA-801	-	3
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	109-2020-VA1013		28,083
Public Safety Partnership and Community Policing Grants	US Department of Justice	16.710	2015-UM-WX-0075	-	1,198
Bulletproof Vest Partnership Program	US Department of Justice	16.607	2019-BUBX19096409	-	1,584
	Subtotal for Department of Justice			-	114,739
Department of Transportation					
Airport Improvement Program	Nebraska Department of Transportation	20.106	3-31-0009-016	-	1,519,015
Highway Safety Cluster: State and Community Highway	Nebraska Office of Highway Safety	20.600	69A37518300004020NE0		900
	Subtotal for Department of Transportation			-	1,519,915
Department of Homeland Security's Federal Emergency Management Agency					
Hazard Mitigation Grant Program	Nebraska Department of Emergency Management	97.039	DR-4325-NE-0002	-	17,420
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4420-NE	-	37,224
Homeland Security Grant	Nebraska Department of Emergency Management	97.067	EMW-2018-SS-00037-S01	-	19,024
	Subtotal for Department of Homeland Security's Federal Emergency Management Agency			-	73,668
Total federal expenditures				\$ -	\$ 2,195,840

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, 2019

NOTES TO SCHEDULE

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Beatrice, Nebraska under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements of the City of Beatrice, Nebraska. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The City administers loans under the Community Development Block Grants program (CFDA 14.228), for which the federal government imposes continuing compliance requirements on the outstanding balances. Loans outstanding at the beginning of the year are included in the federal expenditures in the Schedule. New loans issued for the year ended September 30, 2019 totaled \$113,037. The outstanding balance of these loans totaled \$377,546 as of September 30, 2019.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beatrice, Nebraska (the City), as of and for the year ended September 30, 2019, 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 20, 2020, which includes a reference to other auditors who audited the financial statements of the Beatrice Public Library Foundation, as described in our report on the City's financial statements. The financial statements of the Beatrice Public Library Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Beatrice Public Library Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BKD, LLP

Lincoln, Nebraska
March 20, 2020

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

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

We have audited the City of Beatrice, Nebraska's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2019. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Beatrice, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

BKD, LLP

Lincoln, Nebraska
March 20, 2020

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) were:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for the major federal award program was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

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

7. The City's major program was:

Cluster/Program	CFDA Number
Airport Improvement Program	20.106

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2019

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

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

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
No matters are reportable.	

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
No matters are reportable.	

City of Beatrice, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2019

Reference Number	Summary of Finding	Status
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No matters are reportable.

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