

City of Beatrice Nebraska
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2016

Prepared by: Administration & Finance
Tobias Tempelmeyer
City Administrator

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CITY OF BEATRICE, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 TABLE OF CONTENTS

Title Page		<u>Page</u>
Table of Contents		i
		iii – viii
INTRODUCTORY SECTION		
Letter of Transmittal		ix - xii
GFOA Certificate of Achievement		xiii
Organizational Chart		xv
List of Principal Officials		xvi
	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1
Management's Discussion and Analysis		4
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	1	13
Statement of Activities	2	15
Fund Financial Statements		
Balance Sheet - Governmental Funds	3	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	4	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	5	19
Statement of Net Position - Proprietary Funds	6	20
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	7	22
Statement of Cash Flows - Proprietary Funds	8	23
Statement of Fiduciary Net Position	9	25
Statement of Changes in Fiduciary Net Position	10	26
Notes to the Financial Statements		27
	<u>Statement/ Schedule</u>	<u>Page</u>
Required Supplementary Information		
Major Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
General Fund	A-1	71
Streets Special Revenue Fund	A-2	72

CITY OF BEATRICE, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 TABLE OF CONTENTS – CONTINUED

	<u>Statement/ Schedule</u>	<u>Page</u>
FINANCIAL SECTION – CONTINUED		
Supplementary Information		
Combining and Individual Fund Statements		
General Fund		
Comparative Balance Sheet	B-1	73
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-2	74
Street Fund		
Balance Sheet	C-1	78
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-2	79
Nonmajor Governmental Funds		
Combining Balance Sheet	D-1	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	D-2	82
Nonmajor Special Revenue Funds		
Combining Balance Sheet	E-1	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	E-2	84
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
Economic Development Fund	E-3	85
Community Development Block Grant Fund	E-4	86
Keno/Lottery Fund	E-5	87
911 Surcharge Fund	E-6	88
Storm Water Management Plan Fund	E-7	89
Nonmajor Debt Service Funds		
Combining Balance Sheet	F-1	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	F-2	91
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual		
General Obligation Fund	F-3	92
Unbonded Assessments Fund	F-4	93
Nonmajor Capital Project Funds		
Combining Balance Sheet	G-1	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	G-2	95

CITY OF BEATRICE, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 TABLE OF CONTENTS – CONTINUED

	<u>Statement/ Schedule</u>	<u>Page</u>
FINANCIAL SECTION – CONTINUED		
Supplementary Information (Continued)		
Combining and Individual Fund Statements (Continued)		
Nonmajor Capital Projects Funds (Continued)		
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual		
Library Capital Improvements Fund	G-3	96
Public Safety Capital Improvements Fund	G-4	97
Capital Improvements Fund	G-5	98
Electric Fund		
Balance Sheet	H-1	99
Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual	H-2	101
Statement of Cash Flows	H-3	102
Water Fund		
Balance Sheet	H-4	103
Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual	H-5	105
Statement of Cash Flows	H-6	106
Water Pollution Control Fund		
Balance Sheet	H-7	107
Statement of Revenues, Expenses and Changes in Net Position- Budget and Actual	H-8	109
Statement of Cash Flows	H-9	110
Beatrice Area Solid Waste Agency (BASWA) Fund		
Balance Sheet	H-10	111
Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual	H-11	113
Statement of Cash Flows	H-12	114
Sanitation Fund (Nonmajor Enterprise)		
Balance Sheet	H-13	115
Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual	H-14	116
Statement of Cash Flows	H-15	117
Self-Insured Group Insurance Fund (Internal Service)		
Statement of Net Position	I-1	118
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	I-2	119
Statement of Cash Flows	I-3	120

CITY OF BEATRICE, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016
TABLE OF CONTENTS – CONTINUED

	<u>Statement/ Schedule</u>	<u>Page</u>
FINANCIAL SECTION – CONTINUED		
Supplementary Information (Continued)		
Combining and Individual Fund Statements (Continued)		
Pension Trust Funds (Fiduciary)		
Combining Statement of Net Position	J-1	121
Combining Statement of Changes in Net Position	J-2	122
Combining Statement of Cash Flows	J-3	123
Component Units		
Combining Statement of Net Position	K-1	124
Combining Statement of Activities	K-2	125
Beatrice Airport Authority		
Statement of Net Position	K-3	126
Statement of Activities	K-4	127
Beatrice Community Redevelopment Authority		
Statement of Net Position	K-5	128
Statement of Activities	K-6	129
Beatrice Public Library Foundation, Inc.		
Statement of Net Position	K-7	130
Statement of Activities	K-8	131
Statement of Cash Flows	K-9	132
Capital Assets		
Capital Assets Used in the Operation of Governmental Funds - Schedules by Source	L-1	133
Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity	L-2	134
Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by Function and Activity	L-3	135
STATISTICAL SECTION		
Table 1: Net Position by Components	---	137
Table 2: Changes in Net Position	---	138
Table 3: Governmental Activities Tax Revenues by Source	---	140
Table 4: Fund Balances of Governmental Funds	---	141
Table 5: Changes in Fund Balances of Governmental Funds	---	142
Table 6: Assessed and Estimated Actual Value of Taxable Property	---	143
Table 7: Property Tax Rates and Tax Levies (Per \$100 Valuation) Direct and Overlapping Governments	---	144

CITY OF BEATRICE, NEBRASKA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 TABLE OF CONTENTS – CONTINUED

	<u>Page</u>
STATISTICAL SECTION – CONTINUED	
Table 7a: Sales Tax Rates Direct and Overlapping Governments	145
Table 8: Principal Taxpayers	146
Table 8a: Net Taxable Sales by Business Classification	147
Table 9: Property Tax Levies and Collections	148
Table 10: Ratios of Outstanding Debt by Type	149
Table 11: Ratios of General Bonded Debt Outstanding	150
Table 12: Computation of Direct and Overlapping Debt	151
Table 13: Revenue Bond Coverage Electric, Water and Sewer Bonds	152
Table 14: Demographic and Economic Statistics	153
Table 15: Principal Employers	154
Table 16: City Government Employees by Function	155
Table 17: Operating Indicators by Function	156
Table 18: Capital Asset Statistics by Function	157
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS AND OMB UNIFORM GUIDANCE	
Schedule of Expenditures of Federal Awards	159
Notes to the Schedule of Expenditures of Federal Awards	160
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	161
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor's Report	163
Schedule of Findings and Questioned Costs	165
Summary Schedule of Prior Audit Findings	167

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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 10, 2017

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, 2016.

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, 2016 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, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

The biennial budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City

Administrator by June 1st prior to the start of the next biennial budget cycle. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public

hearing on the proposed budget and to adopt the final budget by September 20th. The appropriated budget 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, 2016 remained steady from 3.0% in 2015 to 3.1%, which is slightly lower than the State of Nebraska rate of 3.2% and continued to be lower than the national rate of 5%.

Tax revenues received in 2016 were up from 2015. The property tax levy for fiscal year 2016 was one-cent higher than the property tax levy in 2015. Property valuations increased approximately \$17,500,000, as a result of the completion of TIF projects, and resulted in an increase of property tax revenue received of 4.6%. Sales tax revenues reflect an increase of 1.3% from 2015. Occupation tax revenue decreased 5.5% in 2016.

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

The City has been active in developing the Gage County Industrial Park which provided for 17 manufacturing and commercial industries employed approximately 900 employees in 2016. The park attracted two new companies with plans to build in 2017. Four other major industries are located in the City and employ an additional 700 people.

Beatrice is also the home to numerous non-manufacturing entities including the Beatrice State Developmental Center, the Beatrice School systems and the Beatrice Community Hospital. Total non-manufacturing employment in Beatrice totaled 2,400 employees in 2016.

In 2010 developers began construction on the new Northgate development project on the north edge of the city. This project includes the site of a new Beatrice Community Hospital as well as offer 28 additional sites for commercial use. The new hospital facility opened for business on February 15, 2012, and added an expansion in 2016 to house the new Women's and Children's clinic.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
March 1, 2017

Financial Planning and Initiatives

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

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, 2015. This was the 25th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tobias J. Tempelmeyer
City Administrator



Government Finance Officers Association

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

Presented to

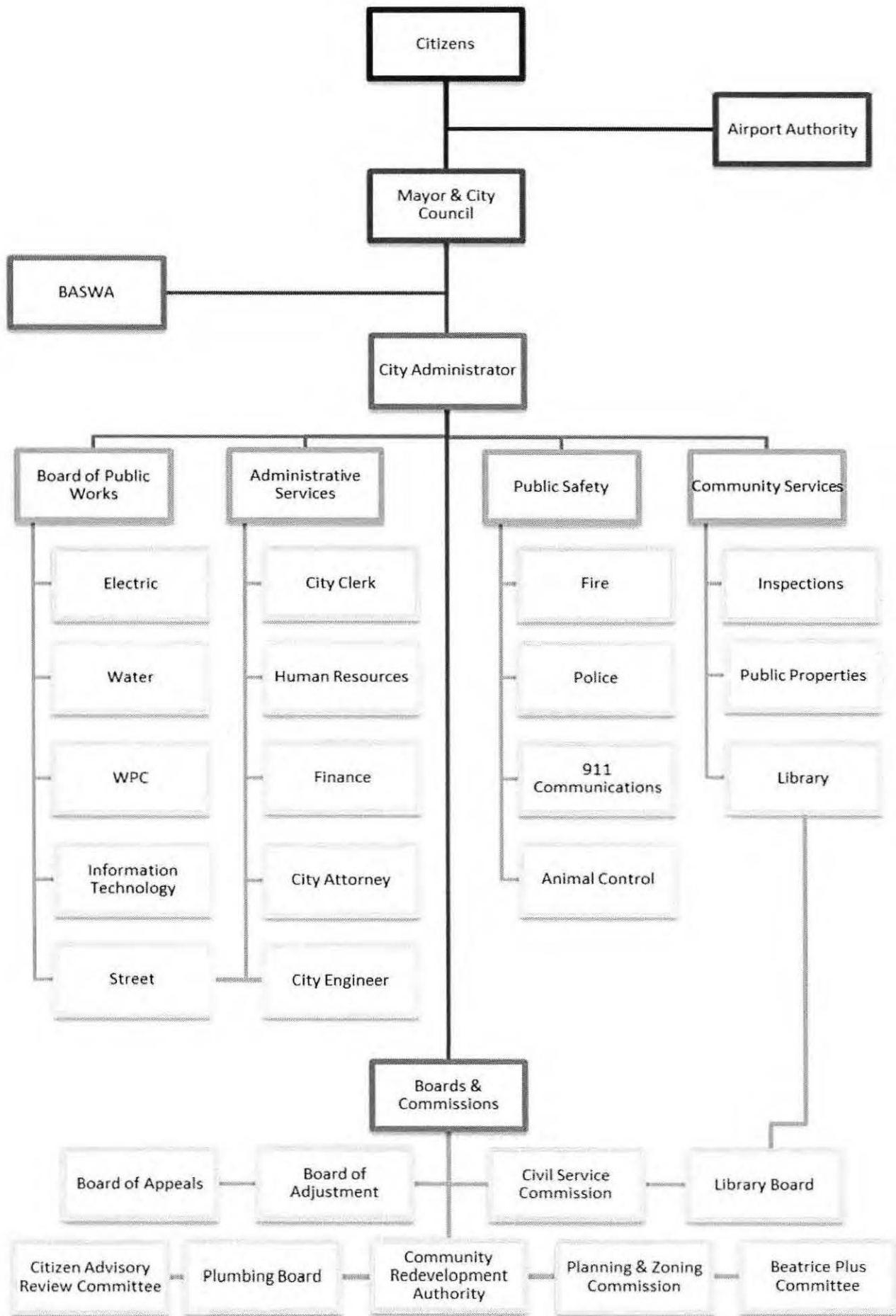
**City of Beatrice
Nebraska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2016**

MAYOR
Stan Wirth

CITY COUNCILMEMBERS

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

CITY ADMINISTRATOR
Tobias Tempelmeyer

CITY OFFICIALS

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

SECTION 2

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska (the City) as of and for the year ended September 30, 2016, 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 represents 19%, 20% and 2%, respectively, of the total assets, net position and revenues of the discretely presented component units. The financial statements of the Beatrice Public Library Foundation were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors. The audit of the Beatrice Public Library Foundation was not conducted in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

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 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 is 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 was audited by other auditors, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors.

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 have also issued our report dated March 10, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
March 10, 2017

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, 2016. 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 \$71,498,855. Of this amount, \$10,668,029 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice total net position increased \$2,767,799 or 4%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$7,565,164, an increase of \$641,988 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$3,155,760, or 36% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, increased \$13,794 during the current fiscal year. The City issued bonds during the year totaling \$1,400,000 and annual debt obligations and bond redemptions of \$1,792,658 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$406,452.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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 \$71,498,855 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)
September 30, 2016 and 2015

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and other assets	8,864	8,227	14,623	14,038	23,487	22,265
Capital assets	31,756	30,693	28,868	28,043	60,624	58,736
TOTAL ASSETS	<u>40,620</u>	<u>38,920</u>	<u>43,491</u>	<u>42,081</u>	<u>84,111</u>	<u>81,001</u>
LIABILITIES						
Long-term liabilities noncurrent	1,252	1,014	7,058	7,237	8,310	8,251
Other liabilities	1,347	1,246	2,955	2,773	4,302	4,019
TOTAL LIABILITIES	<u>2,599</u>	<u>2,260</u>	<u>10,013</u>	<u>10,010</u>	<u>12,612</u>	<u>12,270</u>
NET POSITION						
Net investment in capital assets	30,825	29,927	25,423	24,048	56,248	53,975
Restricted	4,004	3,751	579	630	4,583	4,381
Unrestricted	3,192	2,982	7,476	7,393	10,668	10,375
TOTAL NET POSITION	<u>38,021</u>	<u>36,660</u>	<u>33,478</u>	<u>32,071</u>	<u>71,499</u>	<u>68,731</u>

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City of Beatrice's net position (6.4%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$10,668,029 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 \$1,360,974 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 \$1,406,825. 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, 2016 and 2015

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues						
Charges for services	4,658	5,122	22,939	21,258	27,597	26,380
Operating grants and contributions	1,701	1,947	-	-	1,701	1,947
Capital grants and contributions	2,066	2,022	-	80	2,066	2,102
General revenues						
Taxes	6,181	6,034	-	-	6,181	6,034
Unrestricted intergovernmental	751	607	-	-	751	607
Other revenue	232	181	626	430	858	611
TOTAL REVENUES	15,589	15,913	23,565	21,768	39,154	37,681
EXPENSES						
General government	4,258	5,124	-	-	4,258	5,124
Public safety	6,267	5,218	-	-	6,267	5,218
Highways and streets	1,915	2,042	-	-	1,915	2,042
Culture and recreation	1,773	1,609	-	-	1,773	1,609
Interest on long-term debt	15	15	-	-	15	15
Electric	-	-	15,574	14,968	15,574	14,968
Water	-	-	2,136	2,088	2,136	2,088
Water pollution control (WPC)	-	-	1,546	1,492	1,546	1,492
Solid waste management	-	-	1,636	977	1,636	977
Sanitation	-	-	1,266	1,284	1,266	1,284
TOTAL EXPENSES	14,228	14,008	22,158	20,809	36,386	34,817
CHANGE IN NET POSITION	1,361	1,905	1,407	959	2,768	2,864
NET POSITION, Beginning of Year	36,660	34,755	32,071	31,112	68,731	65,867
NET POSITION, End of Year	38,021	36,660	33,478	32,071	71,499	68,731

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Tax revenues increased 2.4% in 2016 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 2016 was increased 1 cent, resulting in an increase in property tax revenue recognized of 6%. Sales tax revenues collected increased 1.3% in 2016 as compared to 2015. Occupation taxes from utilities, which are based upon gross sales, decreased 5.5% in 2016. The lodging occupation tax brought in \$114,398 in 2016 as compared to \$99,852 in 2015. More information on tax revenue history can be found in Table 3 of the Statistical Section.

Unrestricted intergovernmental revenues, which include county motor vehicle taxes, state aid, and municipal equalization funding (MEF), increased \$143,115 in 2016. 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 2015 the City's MEF revenue was reduced due to the non-bond levy falling below the state-wide average, then in 2016 the City's calculation was above the state-wide average resulting in increased MEF revenue of \$133,731.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance and storm water management. State highway allocation dollars, which are a major funding source to maintain the street fund, increased just 0.6% in 2016 from 2015. 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 2016 the City continued to receive grant funding through the Mutual Finance Organization Assistance Act for fire and EMS equipment and facility improvements. The City experienced a major flood disaster during 2015 and received assistance payments in 2016 from the Federal Emergency Management Agency to repair infrastructure. A recreational trails program grant and private contributions assisted towards ball field and various park improvements and private donations provided for the purchase of library materials and library building improvements.

Expenses increased just 1.6% in 2016 as compared to 2015. 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 2016 as compared to 2015 are as follows: public safety increased 10% as compared to the prior year, streets decreased 6.2%, and culture and recreation increased 10.1%.

Business-Type Activities

Charges for services for business-type activities increased 7.9% in 2016 from 2015. The Electric fund, which distributes purchase power, increased rates 3.8% to cover the cost of purchased power. An increase in kilowatt hours sold due to weather and the mid-year start-up of two large customers, resulted in increased revenues of 6.3%. The Water fund, which increased rates 5.8% in 2016, also had increased sales due to weather resulting in an increase of 17% in revenues. The Water Pollution Control fund, which had implemented an infrastructure improvement fee in 2015, increased that fee an additional \$2.00 per month in 2016 and also increased rates to provide funding for required major plant improvements over the next five years. Garbage service fees, which are accounted for in the Sanitation fund to fund the cost of the hauler contract and landfill disposal fee, decreased slightly in 2016. The Beatrice Area Solid Waste Agency fund revenues increased 5.7% in 2016 due to rate increases and a new large customer contract entered into in July of 2016.

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 \$7,565,164 which is an increase of \$641,988 in comparison with the prior year. Of this amount, 26.6% of this balance is unassigned and is available for spending at the City's discretion (\$2,013,817). The City's unassigned balance increased \$106,825 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 (\$4,006,056), committed for particular purposes (\$254,781), or assigned by management for particular purposes (\$1,290,510).

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 \$3,155,760; an increase from 2015 of \$168,955. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 36% of total General fund expenditures.

General fund revenues increased 8.3% in 2016 from the previous year. Tax revenues increased 2.3% due to increased property tax and sales tax revenue. Intergovernmental revenue available to fund general operations increased 33.7% (\$444,503) due to an increase in state aid, a new interlocal agreement to provide 911 services to a neighboring community and federal disaster assistance. Charges for services increased 5.3%, from ambulance call volume and an increase in camping and water park use fees. Other revenues increased 16.3% (\$30,885) from 2015 due to an increase in donations.

General fund expenditures in 2016 increased 6.4% from the previous year; the cost of operations to provide services increased 10%, less a decrease from 2015 expenditures related to the flood disaster and lightning strike to the 911 center. Other Financing Sources includes the insurance proceeds of \$149,528 and bond proceeds of \$44,542 for the final lightning damage costs. Transfers in for 2016 were \$70,029 as compared to \$101,992 in 2015, 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 2016 were \$360,398, as compared to \$400,051 in 2015.

The fund balance restricted for the Street fund at year end was \$2,239,985, an increase of \$240,117 from 2015. Capital projects awarded but not completed in 2016 were deferred to a future fiscal year and therefore funds are being carried forward to pay for those projects. In 2016 total revenues decreased 9% from 2015. Sales tax revenues increased 1.3% and state aid funding increased 0.9%; other intergovernmental funding for highway improvement projects and federal disaster assistance totaled \$225,546 in 2016 as compared to \$503,934 in 2015. Expenditures increased 11.1% from the previous year. Non-capital operational expenditures decreased 4% from 2015, while capital outlay expenditures in 2016 were \$1,148,662 as compared to \$891,559 in 2015.

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 \$2,169,419 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 and \$39,890 in other revenues; expenditures included professional services to develop

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

a strategic plan and study blight and substandard areas, funding towards a joint economic development organization, and construction of a residential home for resale; economic development loans were awarded in the amount of \$424,080 with \$11,020 paid back during the fiscal year; and the fund balance decreased by \$1,697 from 2015. The Community Development Block Grant fund balance restricted for Revolving Loans of \$355,789 increased \$15,601 from 2015 due to new loans and loans forgiven upon completion of terms (cash increased \$56,281 and loans receivable decreased \$40,680). The Keno fund balance decreased to \$9,859 as compared to \$68,141 in 2015. Keno proceeds decreased 4.2% and transfers out for community betterment capital projects were \$122,472 in 2016 as compared to \$13,637 in 2015. 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 \$60,935 at year end. The 911 Surcharge fund had a fund balance of \$20,321 at the end of 2016 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 2016 equipment of \$45,000 was purchased and \$70,029 was transferred to the General fund for support of the 911 communications center operations. The debt service funds requirements were funded with special levies and special assessment revenues. Capital improvement funds fund balances at year end are restricted, committed or assigned for specific purposes: \$42,860 for library improvements, \$204,005 for public safety equipment, and \$70,510 for a trail project to be completed in the next fiscal year. Major capital projects in 2016 include: completion of the library renovation project; construction of a new trail, two new ballfields, a playground shelter and connecting sidewalks, and new skate park equipment; parks mowers and equipment; new patrol cars and police equipment; and a new ambulance, EMS equipment and other fire equipment.

Proprietary Funds

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

The unrestricted net position of the Electric, Water, Water Pollution Control, Beatrice Area Solid Waste Agency (BASWA), and Sanitation enterprise funds at the end of the year amounted to \$7,475,616, which is an increase of \$82,294 from 2015. The Electric fund decreased \$133,367; the Water Fund increased \$76,101; the Water Pollution Control fund increased \$412,522; and the BASWA fund decreased \$272,962. Restricted net position for debt service was \$579,207 at year end as compared to \$629,955 in 2015. Net investment in capital assets increased from \$24,047,909 in FY2015 to \$25,423,188 in FY2016. Extension and replacement of capital assets is discussed later in this report. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Beatrice's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for governmental funds were relatively minor and amounted to an increase in appropriations of \$137,310 and can be briefly summarized as follows: \$90,000 in the Self-Insured Group Insurance Fund to pay large health insurance claims; \$26,000 in the Keno Fund to pay the lottery tax and an increased transfer for a community betterment project; and \$21,310 in the Public Safety Capital Improvements Capital Projects Fund to pay out increased MFO payments to participating entities. No significant variances between final amended budget figures and actual results occurred for the General Fund for the 2016 fiscal year.

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, 2016, amounts to \$57,497,478, (net of accumulated depreciation), and land of \$3,126,891. 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

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

system. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 3.2% percent (a 3.5% increase for governmental activities and a 2.9% increase for business-type activities).

City of Beatrice's Capital Assets (net of depreciation, except land)
(expressed in thousands)
September 30, 2016 and 2015

	Governmental activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	3,000	2,727	127	127	3,127	2,854
Buildings and system	8,937	8,762	11,022	10,598	19,959	19,360
Improvements other than Bldgs	4,887	4,670	58,893	59,940	63,780	64,610
Machinery & Equipment	10,952	10,360	7,455	8,155	18,407	18,515
Infrastructure	29,797	28,597	-	-	29,797	28,597
Construction in progress	-	-	-	3	-	3
Less accumulated depreciation	(25,817)	(24,423)	(48,629)	(50,781)	(74,446)	(75,204)
TOTAL	31,756	30,693	28,868	28,042	60,624	58,735

Major changes in capital assets in the governmental activities during fiscal year 2016 include infrastructure improvements for street projects and a new trail; other improvements included new ballfields, shelter and sidewalk improvements in the parks; building improvements were done at the street salt barn, fire station, police station, and completion of construction on the library renovation project; equipment purchases included a new ambulance and EMS equipment, new patrol cars and 911 equipment, new skate park equipment, mowers and ATV, a new snow plow, street pickup and message board, and computer equipment. In 2016 there were land acquisitions for future development and to clean-up dilapidated property.

Major changes in capital assets in the business-type activities include: in the Electric fund continuation of 12.5 KV conversions, replacement of underground cable, costs for phase 2 of the AMI system installation, new transformers, new services and extensions for residential and commercial developments, office building renovations and equipment; in the Water fund water main distribution projects in 2016 included the areas of 16th to 19th at Sara Road, 16th Avenue from Jefferson to Hoyt, and an extension on Center Street, and other costs for metering, phase 1 of the AMI installation, a pickup and generator, a chlorination unit for the reservoir, and VFD's at the well field; in the Water Pollution Control fund projects included new pumps at the disposal plant, manhole and sewer repairs, sewer pipe-lining, and a new compost screen and compost site improvements; and the BASWA fund purchased a roll-off truck, skid loader, wind fences, and incurred beginning design costs for future development.

Additional information on the City of Beatrice's capital assets can be found in note E on pages 57 to 58 of this report.

Long-Term Obligations

At the end of the current fiscal year the City of Beatrice, not including component units, had total bonded debt outstanding of \$4,020,000. Of this amount, \$575,000 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 \$347,633 in lease payables, \$1,676,688 for compensated absences, and \$3,679,000 for closure post-closure costs.

During the current fiscal year, the City of Beatrice issued \$575,000 in Public Safety Tax Anticipation Bonds and \$825,000 in BASWA Disposal Facilities Revenue Refunding Bonds, which refunded the Series 2011 Bonds, and with the payment of the annual bond maturities decreased the bonded debt \$160,000.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$365,000 at September 30, 2016; 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 and decreased the bonded debt \$105,000.

Additional information on the City of Beatrice's long-term debt can be found on pages 60 to 64 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice is currently 3.1%, just a slight increase from a rate of 3% a year ago. The City's rate compares favorably to the state average unemployment rate of 3.2% and the national average of 5%.

Sales tax revenues can be affected year to year by tax incentives offered to local business that receive tax credits, thereby reducing the sales tax remitted to the City. Sales tax revenues prior to any tax credits for the calendar year better reflect the retail economy, which for 2016 were essentially the same as the calendar year 2015. Economic development efforts continue to try and attract more new companies. In 2012, City and County officials combined efforts and formed a new economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. Highlights during 2016 included a new meat processing facility, the purchase of a large vacant manufacturing building for expansion of an existing business, the start-up of the former bio-diesel plant, which began biofuels production mid-year, a new larger facility for a business that refines rare earth elements, the sale of land in the industrial park for two new businesses to locate here in 2017, and planning to provide for new housing developments including an assisted living facility.

The City of Beatrice reviewed the budget plan that was previously adopted to include both fiscal years 2016 and fiscal year 2017. That budget presented a balanced budget of operating revenues to meet expenditure needs, along with a contingency, which if not needed, would continue to increase fund balance and establish sufficient cash reserves. Tax revenue projections included a conservative increase in sales tax revenues and in 2017 the total property tax requirements increased 3%, however, with an increase in property valuations of 1.9% the total levy increase for 2017 was just .4 cents at .384337; a general tax levy of .352021 and debt levy of .032316.

Major capital projects for the 2017 fiscal year include: street improvements, including the 2nd Street reconstruction project, construction of a new trail extension, repair of park roads and ballfield parking, a water park study, building improvements to the auditorium and fire station, and public safety vehicles and equipment to be funded through public safety bonds. Funds are being set aside to pay for costs associated with the EPA cleanup at a former gas plant site on property acquired by the City.

In fiscal year 2017, the increase in purchased power from Nebraska Public Power District will be less than 1% therefore the Board proposed a zero rate increase for the Electric fund and if necessary will absorb any excess cost from the rate stabilization fund; projected revenues should be sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies. An increase of 2.7% in rates was budgeted for 2017 in the Water fund to fund replacement of aging water mains and prudent cash reserves. The Water Pollution Control fund revenues for 2017 include an average rate increase of 12% to fund operations and capital costs; the infrastructure improvement fee will continue to be set aside for future major plant improvements. The Beatrice Area Solid Waste Agency projected revenues to cover the cost of operations and fund the closure and post-closure reserves, however a review of the remaining space for solid waste disposal in the current landfill changed the life remaining from 6 years to 1.5 years, therefore a plan was developed to construct a piggy-back in 2017 to be funded with a new bond issue.

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, 2016
 With comparative totals for September 30, 2015

	Primary Government				2016
	Governmental Activities	Business-Type Activities	2016 Total	2015 Total	Component Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 5,005,095	\$ 5,463,048	\$ 10,468,143	\$ 10,986,821	\$ 620,839
Cash on deposit - county treasurer	222,490	-	222,490	159,388	22,623
Accounts receivable	734,416	1,538,009	2,272,425	2,067,216	87,431
Interest receivable	14,554	22,803	37,357	99,488	-
Assessments receivable	25,708	-	25,708	167,786	-
Unbilled and accrued revenues	-	889,328	889,328	872,837	-
Due from other governments	703,217	-	703,217	677,289	-
Materials and supplies inventories	-	946,975	946,975	900,192	47,762
Prepaid expenses	-	13,042	13,042	12,460	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	121,734	-	121,734	116,354	14,204
Current portion of loans receivable	302,576	-	302,576	279,396	-
Total Current Assets	7,139,895	8,873,205	16,013,100	16,349,332	792,859
Noncurrent Assets					
Investments	1,003,159	3,175,000	4,178,159	3,151,413	1,026,748
Restricted Cash and Cash Equivalents					
Cash on deposit - county treasurer	-	-	-	-	19,055
Debt service reserve account	-	-	-	-	90,240
Customer and developer deposits	-	101,987	101,987	97,885	-
Grants and capital projects	-	-	-	-	192,636
Restricted Investments					
Debt service reserve account	-	594,198	594,198	662,990	-
Customer deposits	-	280,000	280,000	280,000	-
Grants and capital projects	-	-	-	-	129,741
Closure and post-closure costs	-	1,598,177	1,598,177	1,351,657	-
Total Restricted Assets	-	2,574,362	2,574,362	2,392,532	431,672
Capital Assets					
Land	3,000,260	126,631	3,126,891	2,853,869	1,321,356
Construction in progress	-	-	-	3,255	-
Capital assets, net of accumulated depreciation	28,755,921	28,741,557	57,497,478	55,878,473	5,583,689
Net Capital Assets	31,756,181	28,868,188	60,624,369	58,735,597	6,905,045
Other Assets					
Loans receivable, net of current portion	720,921	-	720,921	371,721	-
Total Noncurrent Assets	33,480,261	34,617,550	68,097,811	64,651,263	8,363,465
Total Assets	\$ 40,620,156	\$ 43,490,755	\$ 84,110,911	\$ 81,000,595	\$ 9,156,324

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 September 30, 2016
 With comparative totals for September 30, 2015

	Primary Government				2016
	Governmental	Business-Type	2016	2015	Component
	Activities	Activities	Total	Total	Units
Liabilities					
Current Liabilities					
Accounts payable	\$ 613,291	\$ 1,711,681	\$ 2,324,972	\$ 1,829,567	\$ 8,920
Claims incurred but not reported	96,753	-	96,753	147,351	-
Accrued compensated absences	337,072	251,363	588,435	567,839	15,218
Sales tax payable	-	78	78	3,530	-
Accrued interest payable	10,601	14,991	25,592	63,105	2,124
Accrued expenses	-	56,712	56,712	119,224	-
Other accrued liabilities	-	2,783	2,783	19,540	-
Customer and developer deposits	-	381,845	381,845	377,695	-
Due to developer	-	-	-	-	25,449
Current portion of registered warrants	-	-	-	100,000	-
Current maturities of lease obligation	99,904	-	99,904	100,791	-
Current maturities of bonds and notes	190,000	535,000	725,000	690,000	105,000
Total Current Liabilities	1,347,621	2,954,453	4,302,074	4,018,642	156,711
Noncurrent Liabilities, Net of Current Portion					
Compensated absences	618,962	469,291	1,088,253	1,094,397	55,271
Registered warrants payable	-	-	-	31,869	-
Revenue bonds	-	2,910,000	2,910,000	3,490,000	-
General obligation bonds	385,000	-	385,000	-	260,000
Lease obligation	247,729	-	247,729	347,631	-
Closure and postclosure costs	-	3,679,000	3,679,000	3,287,000	-
Total Noncurrent Liabilities	1,251,691	7,058,291	8,309,982	8,250,897	315,271
Total Liabilities	2,599,312	10,012,744	12,612,056	12,269,539	471,982
Net Position					
Net investment in capital assets	30,825,043	25,423,188	56,248,231	53,975,306	6,624,045
Restricted net position					
Restricted for economic development	1,254,631	-	1,254,631	1,256,328	-
Restricted for library capital improvements	1,943	-	1,943	8,641	-
Restricted for debt service	69,784	579,207	648,991	701,065	88,116
Restricted revolving loan fund	355,789	-	355,789	340,188	-
Restricted for E911 public safety	20,321	-	20,321	25,266	-
Restricted for streets	2,239,985	-	2,239,985	1,999,868	-
Restricted for storm water management	60,935	-	60,935	48,965	-
Restricted for Library Foundation	-	-	-	-	322,616
Unrestricted net position	3,192,413	7,475,616	10,668,029	10,375,429	1,649,565
Total Net Position	\$ 38,020,844	\$ 33,478,011	\$ 71,498,855	\$ 68,731,056	\$ 8,684,342

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF ACTIVITIES
For the year ended September 30, 2016
With comparative totals for the year ended September 30, 2015

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position				2016 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-Type Activities	2016 Total	2015 Total	
Primary Government:									
Governmental Activities									
General government	\$ 4,257,592	\$ 2,983,118	\$ -	\$ 211,600	\$ (1,062,874)	\$ -	\$ (1,062,874)	\$ (1,678,680)	\$ -
Public safety	6,267,387	1,380,446	1,101,222	124,435	(3,661,284)	-	(3,661,284)	(2,538,247)	-
Highways and streets	1,914,965	48,877	574,512	1,148,662	(142,914)	-	(142,914)	(23,525)	-
Culture and recreation	1,772,494	245,400	25,280	581,486	(920,328)	-	(920,328)	(662,504)	-
Interest on long-term debt	15,219	-	-	-	(15,219)	-	(15,219)	(14,741)	-
Total Governmental Activities	14,227,657	4,657,841	1,701,014	2,066,183	(5,802,619)	-	(5,802,619)	(4,917,697)	-
Business-type Activities									
Electric	15,573,893	15,672,130	-	-	-	98,237	98,237	(218,222)	-
Water	2,136,106	2,717,237	-	-	-	581,131	581,131	267,135	-
Water pollution control	1,545,877	2,046,952	-	-	-	501,075	501,075	287,357	-
BASWA	1,636,159	1,236,421	-	-	-	(399,738)	(399,738)	193,071	-
Sanitation	1,265,834	1,265,834	-	-	-	-	-	-	-
Total Business-type Activities	22,157,869	22,938,574	-	-	-	780,705	780,705	529,341	-
Total Primary Government	36,385,526	27,596,415	1,701,014	2,066,183	(5,802,619)	780,705	(5,021,914)	(4,388,356)	-
Component Units:									
Beatrice Airport Authority	664,319	416,046	-	1,287,146					1,038,873
Community Redevelopment Authority	346,836	-	-	-					(346,836)
Beatrice Public Library Foundation	297,525	-	-	-					(297,525)
Total Component Units	\$ 1,308,679	\$ 416,046	\$ -	\$ 1,287,146					394,512
General Revenues									
Taxes									
Property tax					2,241,225	-	2,241,225	2,118,371	251,050
Tax increment financing					-	-	-	-	346,836
Sales tax					3,229,496	-	3,229,496	3,186,767	-
Occupation tax					710,457	-	710,457	728,820	-
Unrestricted intergovernmental					750,407	-	750,407	607,292	-
Miscellaneous revenues					104,455	556,631	661,086	543,820	20,731
Unrestricted investment earnings					111,634	69,489	181,123	67,772	40,222
Gain (loss) on disposal of assets					15,919	-	15,919	(532)	-
Total General Revenues					7,163,593	626,120	7,789,713	7,252,310	658,839
Change in Net Position					1,360,974	1,406,825	2,767,799	2,863,954	1,053,351
Net Position, Beginning of Year					36,659,870	32,071,186	68,731,056	65,867,102	7,630,991
Net Position, End of Year					\$ 38,020,844	\$ 33,478,011	\$ 71,498,855	\$ 68,731,056	\$ 8,684,342

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016
With comparative totals for September 30, 2015

	2016				2015
	General Fund	Streets Fund	Other Governmental Funds	Total	Total
Assets					
Cash and cash equivalents	\$ 1,446,030	\$ 2,248,347	\$ 1,000,434	\$ 4,694,811	\$ 4,794,671
Investments	1,003,159	-	-	1,003,159	626,413
Cash on deposit - county treasurer	205,197	-	17,293	222,490	159,388
Accounts receivable	510,634	1,141	222,641	734,416	551,423
Due from other funds	-	-	115,363	115,363	-
Taxes receivable	106,253	-	15,481	121,734	116,354
Due from other governments	448,194	255,023	-	703,217	677,289
Interest receivable	-	-	14,554	14,554	86,907
Assessments receivable	-	-	25,708	25,708	167,786
Loans receivable	-	-	1,023,497	1,023,497	651,117
In-lieu of assessments receivable	-	-	10,105	10,105	10,105
Total Assets	\$ 3,719,467	\$ 2,504,511	\$ 2,445,076	\$ 8,669,054	\$ 7,841,453
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 253,382	\$ 264,526	\$ 95,383	\$ 613,291	\$ 360,735
Due to other funds	-	-	115,363	115,363	-
Accrued interest payable	-	-	2,122	2,122	2,123
Total Liabilities	253,382	264,526	212,868	730,776	362,858
Deferred Inflows of Resources					
Unavailable revenue	310,325	-	62,789	373,114	555,419
Fund Balance					
Restricted for:					
Economic development	-	-	1,254,631	1,254,631	1,256,328
Library capital improvements	-	-	1,943	1,943	8,641
Debt service	-	-	72,452	72,452	71,682
Revolving loan fund	-	-	355,789	355,789	340,188
E911 public safety	-	-	20,321	20,321	25,266
Streets	-	2,239,985	-	2,239,985	1,999,868
Storm water management	-	-	60,935	60,935	48,965
Committed for:					
Library capital improvements	-	-	40,917	40,917	40,896
Public safety equipment	-	-	204,005	204,005	41,542
Community betterment	-	-	9,859	9,859	68,141
Assigned, for:					
Subsequent years' expenditures	1,141,943	-	70,510	1,212,453	1,113,299
Debt service	-	-	78,057	78,057	1,368
Unassigned, reported in:					
General fund	2,013,817	-	-	2,013,817	1,906,992
Total Fund Balance	3,155,760	2,239,985	2,169,419	7,565,164	6,923,176
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,719,467	\$ 2,504,511	\$ 2,445,076		

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 BALANCE SHEET - CONTINUED
 GOVERNMENTAL FUNDS
 September 30, 2016
 With comparative totals for September 30, 2015

	2016 Total	2015 Total
Fund Balance Governmental Funds	7,565,164	6,923,176
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.	\$ 31,756,181	\$ 30,693,398
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.	213,531	237,899
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	373,114	555,419
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	(8,479)	(27,947)
Bonds payable	(575,000)	(190,000)
Notes and leases payable	(347,633)	(444,132)
Registered warrants	-	(131,869)
Compensated absences	(956,034)	(956,074)
Net Position of Governmental Activities	<u>\$ 38,020,844</u>	<u>\$ 36,659,870</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, 2016
 With comparative totals for the year ended September 30, 2015

	2016				2015
	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ 2,045,362	\$ -	\$ 191,451	\$ 2,236,813	\$ 2,137,814
Sales tax	2,333,597	645,899	250,000	3,229,496	3,186,767
Occupation tax	710,457	-	-	710,457	728,820
Licenses and permits	131,063	-	-	131,063	122,002
Intergovernmental	1,764,655	1,699,349	502,490	3,966,494	3,822,758
Charges for services	1,832,205	48,877	110,084	1,991,166	1,884,249
Keno proceeds	-	-	78,192	78,192	81,618
Special assessments	-	-	142,077	142,077	41,789
Interest	8,093	-	103,236	111,329	20,287
Miscellaneous	212,116	-	268,554	480,670	807,558
Total Revenues	<u>9,037,548</u>	<u>2,394,125</u>	<u>1,646,084</u>	<u>13,077,757</u>	<u>12,833,662</u>
Expenditures					
Current					
General government	1,477,288	-	186,456	1,663,744	2,507,695
Public safety	5,699,342	-	-	5,699,342	5,173,814
Highways and streets	-	1,005,346	-	1,005,346	1,047,157
Culture and recreation	1,091,641	-	-	1,091,641	984,968
Debt Service					
Principal	-	-	190,000	190,000	185,000
Interest	-	-	1,235	1,235	2,068
Bond issuance costs	-	-	6,675	6,675	-
Capital outlay	504,428	1,148,662	1,757,819	3,410,909	2,773,458
MFO payments - other entities	-	-	131,810	131,810	110,679
Total Expenditures	<u>8,772,699</u>	<u>2,154,008</u>	<u>2,273,995</u>	<u>13,200,702</u>	<u>12,784,839</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,849	240,117	(627,911)	(122,945)	48,823
Other Financing Sources (Uses)					
Sale of capital assets	406	-	40,000	40,406	2,600
Insurance recoveries	149,528	-	-	149,528	504,436
Bond and lease issuances	44,542	-	530,458	575,000	452,665
Transfers in	70,029	-	482,870	552,899	515,680
Transfers out	(360,398)	-	(192,501)	(552,899)	(515,680)
Total Other Financing Sources	<u>(95,894)</u>	<u>-</u>	<u>860,827</u>	<u>764,933</u>	<u>959,701</u>
Net Change in Fund Balance	168,955	240,117	232,916	641,988	1,008,524
Fund Balance, Beginning of Year	<u>2,986,805</u>	<u>1,999,868</u>	<u>1,936,503</u>	<u>6,923,176</u>	<u>5,914,652</u>
Fund Balance, End of Year	<u>\$ 3,155,760</u>	<u>\$ 2,239,985</u>	<u>\$ 2,169,419</u>	<u>\$ 7,565,164</u>	<u>\$ 6,923,176</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balance - total governmental funds	\$ 641,988	\$ 1,008,524
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	2,993,864	3,035,274
Depreciation expense	(1,906,594)	(1,807,564)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.	(182,305)	28,235
The issuance of long-term debt provides current financial resources to governmental fund, while the repayment of the principal long-term debt consumes the current financial resources of the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	(137,164)	(221,916)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This includes the (increase) decrease in compensated absences.	40	(164,909)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(24,487)	(73,820)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(24,368)</u>	<u>100,933</u>
Change in Net Position of Governmental Activities	<u>\$ 1,360,974</u>	<u>\$ 1,904,757</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 September 30, 2016
 With comparative totals for September 30, 2015

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2016 Total	2015 Total	2016 Total	2015 Total
Current Assets									
Cash and cash equivalents	\$ 2,572,786	\$ 1,060,488	\$ 1,639,485	\$ 145,158	\$ 45,131	\$ 5,463,048	\$ 5,833,229	\$ 310,284	\$ 358,921
Accounts receivable	1,076,484	159,426	100,726	137,392	63,981	1,538,009	1,489,464	-	26,329
Unbilled and accrued revenues	648,079	135,808	105,441	-	-	889,328	872,837	-	-
Materials and supplies inventories	692,765	254,210	-	-	-	946,975	900,192	-	-
Prepaid expenses	5,527	4,617	2,898	-	-	13,042	12,460	-	-
Interest receivable	17,887	1,328	3,588	-	-	22,803	12,581	-	-
Total Current Assets	5,013,528	1,615,877	1,852,138	282,550	109,112	8,873,205	9,120,763	310,284	385,250
Noncurrent Assets									
Investments	2,575,000	-	600,000	-	-	3,175,000	2,525,000	-	-
Restricted Cash and Cash Equivalents									
Customer and developer deposits	101,987	-	-	-	-	101,987	97,885	-	-
Restricted Investments									
Debt service reserve account	79,275	137,603	189,647	187,673	-	594,198	662,990	-	-
Customer deposits	280,000	-	-	-	-	280,000	280,000	-	-
Closure and post-closure costs	-	-	-	1,598,177	-	1,598,177	1,351,657	-	-
Total Restricted Cash, Cash Equivalents and Investments	461,262	137,603	189,647	1,785,850	-	2,574,362	2,392,532	-	-
Capital Assets									
Land and land rights	54,585	55,458	16,588	-	-	126,631	126,631	-	-
Construction in progress	-	-	-	-	-	-	3,255	-	-
Buildings and improvements	1,388,299	125,563	9,507,791	-	-	11,021,653	10,597,823	-	-
Improvements other than buildings	27,932,049	16,797,576	8,800,171	5,363,810	-	58,893,606	59,939,707	-	-
Machinery and equipment	3,204,203	966,806	2,164,820	1,119,122	-	7,454,951	8,155,577	-	-
Total Capital Assets	32,579,136	17,945,403	20,489,370	6,482,932	-	77,496,841	78,822,993	-	-
Less accumulated depreciation	(18,326,471)	(11,700,698)	(14,301,024)	(4,300,460)	-	(48,628,653)	(50,780,794)	-	-
Net Capital Assets	14,252,665	6,244,705	6,188,346	2,182,472	-	28,868,188	28,042,199	-	-
Total Noncurrent Assets	17,288,927	6,382,308	6,977,993	3,968,322	-	34,617,550	32,959,731	-	-
Total Assets	\$ 22,302,455	\$ 7,998,185	\$ 8,830,131	\$ 4,250,872	\$ 109,112	\$ 43,490,755	\$ 42,080,494	\$ 310,284	\$ 385,250

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
September 30, 2016
With comparative totals for September 30, 2015

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2016 Total	2015 Total	2016 Total	2015 Total
Liabilities									
Current Liabilities									
Accounts payable	\$ 1,340,664	\$ 39,660	\$ 166,503	\$ 55,742	\$ 109,112	\$ 1,711,681	\$ 1,468,832	\$ -	\$ -
Claims incurred but not reported	-	-	-	-	-	-	-	96,753	147,351
Accrued compensated absences	126,951	78,308	35,965	10,139	-	251,363	246,692	-	-
Accrued payroll	28,829	13,175	7,936	6,772	-	56,712	119,224	-	-
Sales tax payable	78	-	-	-	-	78	3,530	-	-
Accrued interest	2,389	4,861	7,206	535	-	14,991	33,035	-	-
Other accrued liabilities	1,607	734	442	-	-	2,783	19,540	-	-
Customer and developer deposits	381,845	-	-	-	-	381,845	377,695	-	-
Current maturities of lease obligation	-	-	-	-	-	-	4,290	-	-
Current maturities of long-term debt	63,000	113,220	158,780	200,000	-	535,000	500,000	-	-
Total Current Liabilities	1,945,363	249,958	376,832	273,188	109,112	2,954,453	2,772,838	96,753	147,351
Noncurrent Liabilities, Net of Current Portion									
Compensated absences	258,343	165,964	44,984	-	-	469,291	459,470	-	-
Revenue bonds, net of current portion	463,750	774,790	1,046,460	625,000	-	2,910,000	3,490,000	-	-
Closure and post-closure cost	-	-	-	3,679,000	-	3,679,000	3,287,000	-	-
Total Noncurrent Liabilities	722,093	940,754	1,091,444	4,304,000	-	7,058,291	7,236,470	-	-
Total Liabilities	2,667,456	1,190,712	1,468,276	4,577,188	109,112	10,012,744	10,009,308	96,753	147,351
Net Position									
Net investment in capital assets	13,725,915	5,356,695	4,983,106	1,357,472	-	25,423,188	24,047,909	-	-
Restricted for debt service	76,886	132,742	182,441	187,138	-	579,207	629,955	-	-
Unrestricted	5,832,198	1,318,036	2,196,308	(1,870,926)	-	7,475,616	7,393,322	213,531	237,899
Total Net Position	\$ 19,634,999	\$ 6,807,473	\$ 7,361,855	\$ (326,316)	\$ -	\$ 33,478,011	\$ 32,071,186	\$ 213,531	\$ 237,899

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, 2016
 With comparative totals for the year ended September 30, 2015

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund		
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2016 Total	2015 Total	2016 Total	2015 Total
Operating Revenues									
Charges for services	\$ 15,672,130	\$ 2,717,237	\$ 2,046,952	\$ 1,236,421	\$ 1,265,834	\$ 22,938,574	\$ 21,257,912	\$ 2,521,849	\$ 2,312,949
Reinsurance coverage reimbursements	-	-	-	-	-	-	-	5,578	304,653
Total Operating Revenues	15,672,130	2,717,237	2,046,952	1,236,421	1,265,834	22,938,574	21,257,912	2,527,427	2,617,602
Operating Expenses									
Electric energy purchased	11,459,679	-	-	-	-	11,459,679	10,978,362	-	-
Operating and maintenance expenses	1,044,437	1,037,496	593,855	-	1,265,834	3,941,622	3,928,427	-	-
Customer accounting expenses	279,077	102,747	64,761	-	-	446,585	435,714	-	-
Engineering services	303,200	30,000	30,000	-	-	363,200	214,551	-	-
Administrative and general expense	813,840	391,156	257,481	664,728	-	2,127,205	2,023,519	-	-
Depreciation	1,081,436	509,747	554,489	183,107	-	2,328,779	2,314,987	-	-
Municipal expenses	583,974	48,134	20,326	-	-	652,434	561,204	-	-
Landfill operating contracts	-	-	-	495,146	-	495,146	259,147	-	-
Health insurance claims paid	-	-	-	-	-	-	-	1,900,757	1,887,597
Health and life insurance premiums	-	-	-	-	-	-	-	365,293	348,350
Payflex expenses	-	-	-	-	-	-	-	186,638	175,107
Other services and charges	-	-	-	-	-	-	-	99,412	105,843
Total Operating Expenses	15,565,643	2,119,280	1,520,912	1,342,981	1,265,834	21,814,650	20,715,911	2,552,100	2,516,897
Operating Income (Loss)	106,487	597,957	526,040	(106,560)	-	1,123,924	542,001	(24,673)	100,705
Nonoperating Revenues (Expenses)									
Interest income	34,669	5,685	13,303	15,832	-	69,489	58,918	305	228
Loss on disposal of capital asset	-	-	-	(261,308)	-	(261,308)	(532)	-	-
Miscellaneous	381,454	116,886	58,291	-	-	556,631	371,470	-	-
Interest expense	(8,250)	(16,826)	(24,965)	(31,870)	-	(81,911)	(92,660)	-	-
Total Nonoperating Revenues (Expenses)	407,873	105,745	46,629	(277,346)	-	282,901	337,196	305	228
Income (Loss) Before Contributions	514,360	703,702	572,669	(383,906)	-	1,406,825	879,197	(24,368)	100,933
Capital Contributions	-	-	-	-	-	-	80,000	-	-
Change in Net Position	514,360	703,702	572,669	(383,906)	-	1,406,825	959,197	(24,368)	100,933
Net Position, Beginning of Year	19,120,639	6,103,771	6,789,186	57,590	-	32,071,186	31,111,989	237,899	136,966
Net Position, End of Year	\$ 19,634,999	\$ 6,807,473	\$ 7,361,855	\$ (326,316)	\$ -	\$ 33,478,011	\$ 32,071,186	\$ 213,531	\$ 237,899

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2016 Total	2015 Total	2016 Total	2015 Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 15,627,422	\$ 2,691,606	\$ 2,036,509	\$ 1,259,083	\$ 1,258,918	\$ 22,873,538	\$ 21,216,100	\$ 2,553,756	\$ 2,610,872
Cash paid to suppliers for goods and services	(13,178,657)	(827,158)	(351,774)	(466,202)	(1,295,462)	(16,119,253)	(15,396,658)	(2,602,698)	(2,457,557)
Cash paid to employees for services	(1,334,603)	(789,186)	(470,325)	(249,099)	-	(2,843,213)	(2,802,816)	-	-
Net cash provided by (used in) operating activities	1,114,162	1,075,262	1,214,410	543,782	(36,544)	3,911,072	3,016,626	(48,942)	153,315
Cash Flows from Noncapital Financing Activities									
Other miscellaneous receipts	381,454	116,886	58,291	-	-	556,631	371,470	-	-
Cash Flows from Capital and Related Financing Activities									
Principal payments on long-term debt	(63,000)	(111,600)	(155,400)	(174,290)	-	(504,290)	(622,462)	-	-
Net transfer to bond refunding agent	-	-	-	(45,000)	-	(45,000)	-	-	-
Interest paid on long-term debt	(8,362)	(17,110)	(25,420)	(49,063)	-	(99,955)	(95,582)	-	-
Proceeds from sales of capital assets	-	-	-	85,000	-	85,000	43,004	-	-
Purchases of capital assets	(1,666,051)	(1,024,434)	(556,632)	(253,959)	-	(3,501,076)	(2,617,600)	-	-
Net cash used in capital and related financing activities	(1,737,413)	(1,153,144)	(737,452)	(437,312)	-	(4,065,321)	(3,292,640)	-	-
Cash Flows From Investing Activities									
Sales of investments	-	-	-	-	-	-	95,843	-	-
Purchases of investments	(200,000)	-	(450,000)	(174,549)	-	(824,549)	(277,340)	-	-
Interest received	28,492	3,692	8,072	15,832	-	56,088	58,408	305	228
Net cash provided by (used in) investing activities	(171,508)	3,692	(441,928)	(158,717)	-	(768,461)	(123,089)	305	228
Net Change in Cash and Cash Equivalents	(413,305)	42,696	93,321	(52,247)	(36,544)	(366,079)	(27,633)	(48,637)	153,543
Cash and Cash Equivalents, Beginning of Year	3,088,078	1,017,792	1,546,164	197,405	81,675	5,931,114	5,958,747	358,921	205,378
Cash and Cash Equivalents, End of Year	<u>\$ 2,674,773</u>	<u>\$ 1,060,488</u>	<u>\$ 1,639,485</u>	<u>\$ 145,158</u>	<u>\$ 45,131</u>	<u>\$ 5,565,035</u>	<u>\$ 5,931,114</u>	<u>\$ 310,284</u>	<u>\$ 358,921</u>
Composition of Cash and Cash Equivalents									
Cash and cash equivalents	\$ 2,572,786	\$ 1,060,488	\$ 1,639,485	\$ 145,158	\$ 45,131	\$ 5,463,048	\$ 5,833,229	\$ 310,284	\$ 358,921
Restricted cash and cash equivalents	101,987	-	-	-	-	101,987	97,885	-	-
Total Cash and Cash Equivalents	<u>\$ 2,674,773</u>	<u>\$ 1,060,488</u>	<u>\$ 1,639,485</u>	<u>\$ 145,158</u>	<u>\$ 45,131</u>	<u>\$ 5,565,035</u>	<u>\$ 5,931,114</u>	<u>\$ 310,284</u>	<u>\$ 358,921</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, 2016
With comparative totals for September 30, 2015

	Business-Type Activities Enterprise Funds							Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Nonmajor Sanitation	2016 Total	2015 Total	2016 Total	2015 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Operating income (loss)	\$ 106,487	\$ 597,957	\$ 526,040	\$ (106,560)	\$ -	\$ 1,123,924	\$ 542,001	\$ (24,673)	\$ 100,705
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	1,081,436	509,747	554,489	183,107	-	2,328,779	2,314,987	-	-
Changes in operating assets and liabilities:									
Accounts receivable	(25,308)	(36,431)	(2,552)	22,662	(6,916)	(48,545)	(31,179)	26,329	(6,730)
Unbilled and accrued revenues	(19,400)	10,800	(7,891)	-	-	(16,491)	(21,018)	-	-
Materials and supplies inventory	(38,973)	(7,810)	-	-	-	(46,783)	36,770	-	-
Prepaid expenses	(309)	(119)	(154)	-	-	(582)	299	-	-
Accounts payable	41,715	29,328	155,073	46,361	(29,628)	242,849	210,762	-	-
Accrued compensated absences	17,087	(7,731)	446	-	-	9,802	(76,721)	-	-
Customer and developer deposits	4,150	-	-	-	-	4,150	10,385	-	-
Closure and post-closure care	-	-	-	392,000	-	392,000	168,000	-	-
Other accrued liabilities	(52,723)	(20,479)	(11,041)	6,212	-	(78,031)	(137,660)	(50,598)	59,340
Total adjustments	<u>1,007,675</u>	<u>477,305</u>	<u>688,370</u>	<u>650,342</u>	<u>(36,544)</u>	<u>2,787,148</u>	<u>2,474,625</u>	<u>(24,269)</u>	<u>52,610</u>
Net cash provided by (used in) operating activities	<u>\$ 1,114,162</u>	<u>\$ 1,075,262</u>	<u>\$ 1,214,410</u>	<u>\$ 543,782</u>	<u>\$ (36,544)</u>	<u>\$ 3,911,072</u>	<u>\$ 3,016,626</u>	<u>\$ (48,942)</u>	<u>\$ 153,315</u>
Supplemental Disclosure for NonCash Capital Activities:									
Trade-in value for purchase of capital asset	\$ -	\$ -	\$ -	\$ 42,500	\$ -	\$ 42,500	\$ 36,650	\$ -	\$ -
Capital contributions	-	-	-	-	-	-	80,000	-	-

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2016
 With comparative totals for September 30, 2015

	Pension Trust Fund	
	2016	2015
Assets		
Investments with fiscal agent:		
Guaranteed interest accounts	\$ 7,374,138	\$ 6,947,651
Publicly traded equities	<u>11,343,599</u>	<u>10,265,879</u>
Total Assets	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</u>
Net Position		
Net position restricted for pensions	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</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, 2016
 With comparative totals for September 30, 2015

	Pension Trust Fund	
	2016	2015
Additions		
Contributions		
Employer	\$ 504,327	\$ 462,389
Employee	422,818	418,577
Total Contributions	927,145	880,966
Investment earnings		
Net change in the fair value of investments	1,410,335	(6,409)
Total Additions	2,337,480	874,557
Deductions		
Benefits	831,923	2,439,492
Administrative expenses	1,350	1
Total Deductions	833,273	2,439,493
Change in Net Position	1,504,207	(1,564,936)
Net Position Restricted for Pensions, Beginning of Year	17,213,530	18,778,466
Net Position Restricted for Pensions, End of Year	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

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

Primary Government:	City of Beatrice
Blended Component Unit:	Beatrice Area Solid Waste 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, 2016

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, 2016

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 2016 financial statements are amounts as of and for the Foundation’s fiscal year ended July 31, 2016.

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, 2016

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, 2016

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, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The City reports the following major proprietary funds:

Electric Fund – The Electric Fund accounts for the revenues and expenses of the electric utility. The electric utility purchases electricity wholesale from Nebraska Public Power District (NPPD) and retails it to the residents of the City.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016

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, 2015, 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, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

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

4. Estimates

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

5. Income Taxes

The Internal Revenue Service has determined that the Beatrice Public Library Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Code imposes an excise tax of 2% on net investment income of private foundations.

The Beatrice Public Library Foundation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Beatrice Public Library Foundation continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax laws, and new authoritative rulings. The federal information returns for tax years 2011 and after are subject to examination.

6. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, equity in pooled cash, and original investments with maturities of three months or less from the date of acquisition. The County Treasurer's cash represents revenues collected by Gage County but not yet remitted to the City at September 30, 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Cash and Investments – Continued

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

Investments in the government and enterprise funds are carried at fair value based on quoted market prices. The investments held by the Pension Trust Fund do not have a readily determinable fair value and are recorded at their net asset values, which approximates fair value.

7. Receivables

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

8. Inventories and Prepaid Items

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Restricted Assets

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

10. Capital Assets

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

Government-wide Statements

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

Capital assets are stated at cost or at estimated fair value at time of donation. The accounting for property, plant, and equipment and accumulated depreciation in the Electric, Water, and Water Pollution Control enterprise funds is recorded at cost less retirements in the manner prescribed by the Federal Energy Regulatory Commission and/or the National Association of Railroad and Utilities Commissioners.

The City's policy is to capitalize interest on proprietary fund construction projects until substantially completed. Major expenditures for capital assets which substantially extend the useful lives of the asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized. When capital assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in income.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Capital Assets - Continued

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

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

Fund Financial Statements

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

11. Compensated Absences

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Compensated Absences - Continued

union employees (police and fire) can carry over the amount they earned in the previous year based on their years of service. Non-union and Beatrice Public Works employees are allowed to sell back 80 hours of vacation at calendar year end.

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Long-Term Obligations

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

Government-wide Statements

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

Fund Financial Statements

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

13. Equity Classification

Net Position Classification

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Equity Classification - Continued

Net Position Classification - Continued

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

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

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

Fund Balance Classification

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Equity Classification - Continued

Fund Balance Classification – Continued

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

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

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

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

The City records encumbrances in the form of an approved purchase order when the item is ordered or a contract is entered into. Those encumbrances outstanding at year end are included in restricted, committed, or assigned fund balances, as appropriate. Encumbrances can be made in any fund and do not lapse at year end. There were no encumbrances at the fiscal year ended September 30, 2016.

14. Interfund Transactions

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Interfund Transactions – Continued

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

The General Fund and enterprise funds provide services for each other. Amounts charged for these services are recorded as revenue and expenditures/operating expenses in the respective funds. All lease transactions are interfund, so no further disclosure is deemed necessary.

15. Property Taxes

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

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

Property tax calendar:

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

Property taxes are billed and collected by the County Treasurer of Gage County, Nebraska. The City is permitted to levy taxes up to \$0.499934 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended September 30, 2016 was \$.347766 per \$100 of assessed valuation. The City has a tax margin of \$0.152168 per \$100 of assessed valuation and could raise taxes by \$903,161, based on the present assessed valuation of \$593,528,971, before the limit is reached.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. Sales and Use Tax

On November 4, 1986, the citizens of the City voted in favor of a 1% city sales tax, effective April 1, 1987. A resolution adopted by the City Council stated that 30% of the sales tax revenue was to be used for street improvements and maintenance, and 70% for property tax relief.

On November 3, 1992, the Citizens of the City voted in favor of an additional 1/2% City sales tax, effective April 1, 1993. A resolution adopted by the City Council stated that 50% of the proceeds up to a maximum annual amount of \$250,000 was to be used for the purpose of financing the economic development program to create jobs and ensure the economic stability and vitality for a ten-year period ending March 31, 2003, and the remainder of the proceeds derived on and before March 30, 2003, and 100% of the proceeds derived after March 31, 2003, was to be used for property tax relief.

The citizens of the City voted on November 3, 1998, to extend the effective dates of this resolution by ten years to March 31, 2013. On May 15, 2012, voters approved to continue the economic development program, to be funded \$250,000 annually from the General Fund. The 1/2% sales tax collected after March 31, 2013, is 100% for property tax relief. As of October 1, 2006, sales tax collected on the sale of motor vehicles is reserved for street fund expenditures as required by LB904. The local merchants collect the sales tax and remit it to the Nebraska Department of Revenue by the 25th of the following month. The Department of Revenue remits the sales tax to the City of Beatrice (net of a collection fee) within 30 days after they receive it.

17. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Implementation of New Accounting Principles

In 2016, the City implemented the provisions of the following accounting principles:

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes as well as applying fair value to certain investments and the disclosures related to all fair value measurements.

Implementation of this standard required the City to expand disclosures made about fair value measurements, the level of fair value hierarchy, valuation techniques, and additional disclosure regarding investments in certain investment funds that calculate net asset value per share (or its equivalent).

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The requirements of this Statement are intended to improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contributing entities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may select to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants of those pools with consistent application of an amortized cost-based measurement for financial reporting purposes.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Implementation of New Accounting Principles - Continued

GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, 68, and 73*. The requirements of this statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The implementation of these GASB Statements did not have significant impact on the City's financial statements.

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

2. Revenue Restrictions

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

3. Debt Restrictions and Covenants

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

4. Budgetary Data

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

There were no differences between the City's budgetary basis and GAAP basis for the governmental funds as of September 30, 2016.

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, 2015, and ending September 30, 2016. 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, 2016

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED

5. Budgetary Data - Continued

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

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

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

NOTE C. CASH AND INVESTMENTS

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

The Board of Public Works maintains certificates of deposits, money market accounts for restricted assets for customer deposits and its various debt accounts including the Bond Payment Account, the Debt Service Reserve Account, the Renewal and Replacement Account, and the Retirement and Betterment Account. The Airport Authority maintains restricted cash and cash equivalents for a runway extension project funded by a donor. These accounts are identified on the balance sheet as "Restricted Cash and Cash Equivalents" or "Restricted Investments" in the financial statements.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE C. CASH AND INVESTMENTS - CONTINUED

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

1. Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's cash deposits, including certificates of deposit, are insured up to \$250,000 for each depositor (City and Beatrice Public Works), per insured financial institution, for each ownership category by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2016, 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, 2016, 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, 2016, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$510,199, 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, 2016, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2016, money market accounts held in brokerage accounts were \$52,915.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, the City's investments significant investment concentrations are as follows:

<u>Type</u>	<u>Composition</u>
Certificates of deposit	
Pinnacle Bank	10.69%
Security First Bank	13.27%
Mutual Funds - Ameritas Investment Company	
Stable Value/ Guaranteed	29.30%
Large Equity	8.65%
Balanced	8.27%
Mid-Equity	6.90%

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, 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016:

	Primary Government	Fiduciary Funds	Totals	Component Units
Cash on deposit	\$ 222,490	\$ -	\$ 222,490	\$ 41,678
Demand deposits	10,757,803	-	10,757,803	404,131
Time deposits	6,282,836	-	6,282,836	499,584
Investments	180,025	18,717,737	18,897,762	1,156,489
Totals	<u>\$ 17,443,154</u>	<u>\$ 18,717,737</u>	<u>\$ 36,160,891</u>	<u>\$ 2,101,882</u>

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals	Component Units
Cash and cash equivalents	\$ 10,468,143	\$ -	\$ 10,468,143	\$ 620,839
Cash on deposit	222,490	-	222,490	22,623
Investments	4,178,159	-	4,178,159	1,026,748
Restricted Assets:				
Cash and cash equivalents	101,987	-	101,987	282,876
Cash on deposit	-	-	-	19,055
Investments	2,472,375	18,717,737	21,190,112	129,741
	<u>\$ 17,443,154</u>	<u>\$ 18,717,737</u>	<u>\$ 36,160,891</u>	<u>\$ 2,101,882</u>

As of September 30, 2016, the Beatrice Airport Authority had cash on deposit with the Gage County Treasurer of \$22,623 and demand deposits of \$387,122. As of September 30, 2016, the Community Redevelopment Authority had cash on deposit with the Gage County Treasurer of \$19,055 and demand deposits of \$6,394. The Beatrice Public Library Foundation, Inc. had demand deposits of \$10,615; time deposits of \$499,584; and investments of \$1,156,489 as of July 31, 2016.

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, 2016

NOTE C. CASH AND INVESTMENTS – CONTINUED

6. Summary of Deposit and Investment Balances - Continued

Investments

At September 30, 2016, the City had the following investments, maturities, and credit ratings:

Type	September 30, 2016					Ratings		Fair Value Hierarchy Level
	Carrying Value	Maturities in Years						
		Less than 1	1 - 5	6 - 10	Moody's	S&P		
Primary Government:								
U.S. Treasury Note	\$ 180,025	\$ -	\$ -	\$ 180,025	Aaa	AA+	Level 2	
Certificates of Deposit	6,282,836	2,955,000	3,327,836	-	Not rated	Not rated	N/A	
Total Primary Government	6,462,861	2,955,000	3,327,836	180,025				
Pension Trust Funds:								
Mutual Funds								
Stable Value/ Guaranteed	7,377,225	7,377,225	-	-	Not rated	Not rated	NAV	
Investment Grade Bond	147,768	147,768	-	-	Not rated	Not rated	NAV	
Short-Term Bond	65,537	65,537	-	-	Not rated	Not rated	NAV	
High Yield/ Multisector Bond	47,748	47,748	-	-	Not rated	Not rated	NAV	
Real Estate	937,059	937,059	-	-	Not rated	Not rated	NAV	
Large Equity	2,177,756	2,177,756	-	-	Not rated	Not rated	NAV	
Mid Equity	1,737,019	1,737,019	-	-	Not rated	Not rated	NAV	
Small Equity	1,239,649	1,239,649	-	-	Not rated	Not rated	NAV	
International Equity	806,083	806,083	-	-	Not rated	Not rated	NAV	
Emerging Markets	117,475	117,475	-	-	Not rated	Not rated	NAV	
Balanced	2,083,269	2,083,269	-	-	Not rated	Not rated	NAV	
World Bond	4,774	4,774	-	-	Not rated	Not rated	NAV	
World Stock	113,606	113,606	-	-	Not rated	Not rated	NAV	
Utilities	9,404	9,404	-	-	Not rated	Not rated	NAV	
Technology	645,618	645,618	-	-	Not rated	Not rated	NAV	
Target Date	1,207,747	1,207,747	-	-	Not rated	Not rated	NAV	
Total Pension Funds	18,717,737	18,717,737	-	-				
Total	\$ 25,180,598	\$ 21,672,737	\$ 3,327,836	\$ 180,025				

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, 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	\$ 22,715	\$ -	\$ 5,308	\$ 17,407	Level 1
Common stock	456,739	140,762	-	597,501	Level 1
Corporate bonds	208,592	3,909	-	212,501	Level 1
Foreign bonds	7,001	332	-	7,333	Level 1
Government bonds	71,631	1,813	-	73,444	Level 1
Mutual Funds	72,506	-	4,282	68,224	Level 1
Preferred stock	50,182	156	-	50,338	Level 1
Total unrestricted	<u>889,366</u>	<u>146,972</u>	<u>9,590</u>	<u>1,026,748</u>	
Restricted					
Governmental agencies					
Federal Home Loan Mtg. Corp.	26,252	-	2,250	24,002	Level 1
Government Asset Backed/ CMO	5,223	96	-	5,319	Level 1
Corporate bonds	63,254	2,935	-	66,189	Level 1
Preferred stock	34,476	-	245	34,231	Level 1
Total restricted	<u>129,205</u>	<u>3,031</u>	<u>2,495</u>	<u>129,741</u>	
Total	<u>\$ 1,018,571</u>	<u>\$ 150,003</u>	<u>\$ 12,085</u>	<u>\$ 1,156,489</u>	

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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 53-54 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 53. 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, 2016

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2016, consist of the following:

Fund	Taxes	Accounts	Loans Receivable	Special Assessments	Accrued Interest	Gross Receivables	Allowance	Net
General	\$ 626,156	\$ 538,350	\$ -	\$ -	\$ -	\$ 1,164,506	\$ (99,425)	\$ 1,065,081
Street	112,049	144,115	-	-	-	256,164	-	256,164
Electric	-	1,769,190	-	-	17,887	1,787,077	(44,627)	1,742,450
Water	-	310,834	-	-	1,328	312,162	(15,600)	296,562
WPC	-	213,235	-	-	3,588	216,823	(7,068)	209,755
BASWA	-	137,392	-	-	-	137,392	-	137,392
Nonmajor								
Special Revenue	-	8,776	1,023,497	-	-	1,032,273	-	1,032,273
Debt Service	15,481	10,105	-	25,708	14,554	65,848	-	65,848
Capital Projects	-	213,865	-	-	-	213,865	-	213,865
Sanitation	-	63,981	-	-	-	63,981	-	63,981
Total Primary Government	<u>\$ 753,686</u>	<u>\$ 3,409,843</u>	<u>\$ 1,023,497</u>	<u>\$ 25,708</u>	<u>\$ 37,357</u>	<u>\$ 5,250,091</u>	<u>\$ (166,720)</u>	<u>\$ 5,083,371</u>
Beatrice Airport Authority	14,204	87,431	-	-	-	101,635	-	101,635
Total Component Units	<u>\$ 14,204</u>	<u>\$ 87,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,635</u>	<u>\$ -</u>	<u>\$ 101,635</u>

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE E. CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2016, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 2,727,238	\$ 273,022	\$ -	\$ -	\$ 3,000,260
Total capital assets, not being depreciated	<u>2,727,238</u>	<u>273,022</u>	<u>-</u>	<u>-</u>	<u>3,000,260</u>
Capital assets, being depreciated:					
Buildings and improvements	8,762,479	174,489	-	-	\$ 8,936,968
Improvements other than buildings	4,669,809	217,628	-	-	\$ 4,887,437
Machinery and equipment	10,360,070	1,128,591	(536,625)	-	\$ 10,952,036
Infrastructure	28,596,809	1,200,134	-	-	\$ 29,796,943
Total capital assets, being depreciated	<u>52,389,167</u>	<u>2,720,842</u>	<u>(536,625)</u>	<u>-</u>	<u>54,573,384</u>
Less: accumulated depreciation					
Buildings and improvements	(2,984,595)	(229,503)	-	-	\$ (3,214,098)
Improvements other than buildings	(3,011,490)	(197,100)	-	-	\$ (3,208,590)
Machinery and equipment	(6,185,432)	(696,611)	512,138	-	\$ (6,369,905)
Infrastructure	(12,241,490)	(783,380)	-	-	\$ (13,024,870)
Total accumulated depreciation	<u>(24,423,007)</u>	<u>(1,906,594)</u>	<u>512,138</u>	<u>-</u>	<u>(25,817,463)</u>
Total capital assets, being depreciated, net	<u>27,966,160</u>	<u>814,248</u>	<u>(24,487)</u>	<u>-</u>	<u>28,755,921</u>
Governmental activities capital assets, net	<u>\$ 30,693,398</u>	<u>\$ 1,087,270</u>	<u>\$ (24,487)</u>	<u>\$ -</u>	<u>\$ 31,756,181</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 126,631	\$ -	\$ -	\$ -	126,631
Construction in progress	3,255	-	(3,255)	-	-
Total capital assets, not being depreciated	<u>129,886</u>	<u>-</u>	<u>(3,255)</u>	<u>-</u>	<u>126,631</u>
Capital assets, being depreciated:					
Buildings and improvements	10,597,823	443,973	(20,143)	-	11,021,653
Improvements other than buildings	59,939,707	2,634,689	(3,680,790)	-	58,893,606
Machinery and equipment	8,155,577	469,300	(1,169,926)	-	7,454,951
Total capital assets, being depreciated	<u>78,693,107</u>	<u>3,547,962</u>	<u>(4,870,859)</u>	<u>-</u>	<u>77,370,210</u>
Less: accumulated depreciation					
Buildings and improvements	(8,742,039)	(255,140)	15,503	-	(8,981,676)
Improvements other than buildings	(36,544,642)	(1,666,511)	3,685,562	-	(34,525,591)
Machinery and equipment	(5,494,113)	(407,128)	779,855	-	(5,121,386)
Total accumulated depreciation	<u>(50,780,794)</u>	<u>(2,328,779)</u>	<u>4,480,920</u>	<u>-</u>	<u>(48,628,653)</u>
Total capital assets, being depreciated, net	<u>27,912,313</u>	<u>1,219,183</u>	<u>(389,939)</u>	<u>-</u>	<u>28,741,557</u>
Business-type activities capital assets, net	<u>\$ 28,042,199</u>	<u>\$ 1,219,183</u>	<u>\$ (393,194)</u>	<u>\$ -</u>	<u>\$ 28,868,188</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE E. CAPITAL ASSETS AND DEPRECIATION - CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2016:

Governmental Activities:

General government	\$ 33,275
Public safety	440,683
Highway and streets	935,280
Culture and recreation	497,356
Total depreciation expense	<u>\$ 1,906,594</u>

Business-Type Activities:

Electric	\$ 1,081,436
Water	509,747
Water Pollution Control	554,489
Sanitation	-
BASWA	183,107
Total depreciation expense	<u>\$ 2,328,779</u>

Capital assets activity for the Beatrice Airport Authority for the year ended September 30, 2016, 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	1,718,495	8,555	(38,159)	1,688,891
Improvements other than buildings	7,748,917	1,906,768	(3,406)	9,652,279
Machinery and equipment	319,401	21,403	(19,504)	321,300
Total capital assets, being depreciated	9,786,813	1,936,726	(61,069)	11,662,470
Less: accumulated depreciation				
Buildings and improvements	(1,411,868)	(28,952)	38,159	(1,402,661)
Improvements other than buildings	(4,265,097)	(166,245)	3,406	(4,427,936)
Machinery and equipment	(312,726)	(3,560)	19,504	(296,782)
Total accumulated depreciation	(5,989,691)	(198,757)	61,069	(6,127,379)
Total capital assets, being depreciated, net	3,797,122	1,737,969	-	5,535,091
Beatrice Airport Authority capital assets, net	<u>\$ 5,118,478</u>	<u>\$ 1,737,969</u>	<u>\$ -</u>	<u>\$ 6,856,447</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$48,598 as of July 31, 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, except for the Foundation which are as of July 31, 2016.

	Customer and Developer Deposits	Debt Service Reserve	Closure and Postclosure Costs	Donor/ Grantor Restrictions	Developer Tax Increment Financing	Total
Enterprise Funds						
Electric	\$ 381,987	\$ 79,275	\$ -	\$ -	\$ -	\$ 461,262
Water	-	137,603	-	-	-	137,603
Water Pollution Control	-	189,647	-	-	-	189,647
BASWA	-	187,673	1,598,177	-	-	1,785,850
Total Enterprise Funds	<u>\$ 381,987</u>	<u>\$ 594,198</u>	<u>\$ 1,598,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,574,362</u>
Component Units						
Beatrice Airport Authority	\$ -	\$ 90,240	\$ -	\$ -	\$ -	\$ 90,240
Community Redevelopment Authority	-	-	-	-	25,449	25,449
Beatrice Library Foundation, Inc.	-	-	-	315,983	-	315,983
Total Component Units	<u>\$ -</u>	<u>\$ 90,240</u>	<u>\$ -</u>	<u>\$ 315,983</u>	<u>\$ 25,449</u>	<u>\$ 431,672</u>

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2016:

Transfers Out	Transfers In		
	General Fund	Other Governmental Funds	Total
General Fund	\$ -	\$ 360,398	\$ 360,398
Other Governmental Funds	70,029	122,472	192,501
Total	<u>\$ 70,029</u>	<u>\$ 482,870</u>	<u>\$ 552,899</u>

During the year ended September 30, 2016, the 911 surcharge fund transferred \$70,029 to the general fund; the keno fund transferred \$122,472 to the capital improvements fund; and the general fund transferred \$360,398 to the capital improvements fund.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE H. DEFICIT FUND BALANCES

There were no deficit balances as of September 30, 2016.

NOTE I. LONG-TERM OBLIGATIONS

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

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

The City has entered into a lease agreement, as lessee, to finance the acquisition of a Caterpillar for use by the Beatrice Area Solid Waste Agency ("BASWA"). This lease qualifies as a capital lease for accounting purposes and the cost of the equipment obtained through this lease was capitalized in machinery and equipment. The equipment had an original cost of \$238,580, and has a remaining net book value of \$98,504 at September 30, 2016.

The City has entered into a lease agreement to finance the acquisition of a street sweeper for use by the Street Fund. A separate lease agreement has been entered into to finance the acquisition of a skid loader for use by the Street Fund. Both leases qualify as a capital lease for accounting purposes and the cost of the equipment obtained through these leases was capitalized in machinery and equipment. The equipment had an original cost of \$135,000, and has a remaining net book value of \$105,437 at September 30, 2016.

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 \$290,207 at September 30, 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

In September 2016, the Beatrice Area Solid Waste Agency issued \$825,000 of Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2016. Proceeds from the issuance of these bonds, along with \$157,000 of existing debt service reserve funds, were used to refund \$870,000 of Solid Waste Disposal Facilities Revenue Bonds, Series 2011 and to establish a new debt service reserve fund for the Series 2016 bonds. The refunding resulted in debt service savings of approximately \$94,000 and net present value savings of approximately \$86,000.

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

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

Original Amount	Issued ¹	Issue	Interest Rates	When Due ¹	Date Callable ¹	9/30/2016 Outstanding
Governmental Activities:						
Tax Supported Bonds:						
\$ 575,000	2016	Public Safety Tax Anticipation Bonds	0.75 - 0.95%	2017 to 2019	---	<u>\$ 575,000</u>
Business-Type Activities:						
Combined Utilities Bonds:						
\$ 1,725,000	2011	Combined Utilities Revenue Refunding Bonds	0.45 - 2.80%	2012 to 2021	2016	\$ 1,115,000
2,040,000	2013	Combined Utilities Revenue Refunding Bonds	0.40 - 2.30%	2013 to 2023	2018	<u>1,505,000</u>
		Total Combined Utilities Bonds				<u>\$ 2,620,000</u>
Beatrice Area Solid Waste Agency (BASWA):						
\$ 825,000	2016	BASWA Disposal Facilities Rev Refunding Bonds	0.75 - 1.75%	2017 to 2024	2021	<u>\$ 825,000</u>
Component Units:						
Beatrice Airport Authority:						
\$ 340,000	2010	Airport Authority Bonds	1.00 - 3.35%	2011 to 2018	2015	\$ 90,000
\$ 395,000	2015	Airport Authority Bonds	0.40 - 1.45%	2015 to 2019	2018	<u>275,000</u>
		Total Airport Authority Bonds				<u>\$ 365,000</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, 2016

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations activity for the year ended September 30, 2016, for the City and its component units was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 190,000	\$ 575,000	\$ (190,000)	\$ 575,000	\$ 190,000
Lease payable	444,132	-	(96,499)	347,633	99,904
Compensated absences	956,074	568,398	(568,438)	956,034	337,072
Warrants payable	131,869	-	(131,869)	-	-
	<u>1,722,075</u>	<u>1,143,398</u>	<u>(986,806)</u>	<u>1,878,667</u>	<u>626,976</u>
Business-Type Activities:					
Revenue bonds payable	3,990,000	825,000	(1,370,000)	3,445,000	535,000
Lease payable	4,290	-	(4,290)	-	-
Compensated absences	706,162	295,986	(281,494)	720,654	251,363
Closure and post-closure costs	3,287,000	400,779	(8,779)	3,679,000	-
	<u>7,987,452</u>	<u>1,521,765</u>	<u>(1,664,563)</u>	<u>7,844,654</u>	<u>786,363</u>
Primary Government	<u>\$ 9,709,527</u>	<u>\$ 2,665,163</u>	<u>\$ (2,651,369)</u>	<u>\$ 9,723,321</u>	<u>\$ 1,413,339</u>
Component Units:					
Airport Authority:					
Bonds payable	\$ 470,000	\$ -	\$ (105,000)	\$ 365,000	\$ 105,000
Compensated absences	67,491	16,280	(13,282)	70,489	15,218
Component Units	<u>\$ 537,491</u>	<u>\$ 16,280</u>	<u>\$ (118,282)</u>	<u>\$ 435,489</u>	<u>\$ 120,218</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, 2016

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

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

Fiscal Year Ending September 30	Governmental Activities			
	Tax Allocation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2017	\$ 190,000	\$ 3,479	\$ 99,904	\$ 12,668
2018	190,000	3,468	103,432	9,139
2019	195,000	1,852	75,657	5,480
2020	-	-	68,640	2,761
	<u>\$ 575,000</u>	<u>\$ 8,799</u>	<u>\$ 347,633</u>	<u>\$ 30,048</u>

Fiscal Year Ending September 30	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2017	\$ 535,000	\$ 52,340
2018	525,000	50,320
2019	530,000	43,713
2020	385,000	35,966
2021	400,000	28,550
2022 - 2024	1,070,000	29,121
	<u>\$ 3,445,000</u>	<u>\$ 240,010</u>

Fiscal Year Ending September 30	Component Units	
	Airport Authority Bonds	
	Principal	Interest
2017	\$ 105,000	\$ 6,267
2018	150,000	4,310
2019	110,000	1,595
	<u>\$ 365,000</u>	<u>\$ 12,172</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, there were approximately \$1,338,000 of developer purchased tax increment financing notes and bonds outstanding.

NOTE J. EMPLOYEES’ RETIREMENT PLANS

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

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

The Police and Firefighters plan, the Non-Uniformed Employees plan, and the Board of Public Works plan are administered by the City, and are included within the City’s Pension Trust Funds. The Deferred Compensation plans are administered by trustees independent of the City, thus the assets and liabilities related to these plans are not included in the financial statements. The City does not issue separate, audited financial reports of the retirement plans noted above.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, there were 25 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, 2016, there were 25 total participants in this portion of the plan.

Pre-1984 – Police and firefighters hired prior to January 1, 1984, participate in the defined contribution plan, but are entitled to receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. Only eight participants remained under this arrangement as of September 30, 2016. The City obtained an actuarial study for this arrangement, as of October 1, 2014, which noted the assets held for future benefit payments for these individuals exceeded the actuarial value of projected future benefit payments, thus no obligation exists for the City as of September 30, 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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 \$90,024 for the City, and \$90,024 for the employees, for 2016.

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 \$163,018 and \$81,509, respectively, for 2016.

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, 2016, there were 41 participants in this plan.

Contribution Requirements and Contributions Made

The contribution rate for the non-uniformed employees is 6.0% of base pay, with the City also providing a 6.0% matching contribution. Both the City and the covered employees made the required contributions, amounting to \$86,592 for the City and \$86,592 for the employees, for 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

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, 2016, there were 51 participants in this plan. Plan provisions and contribution requirements are established by and may be amended by the Board of Public Works.

Contribution Requirements and Contributions Made

Through payroll deductions, the employee is required to make pre-tax contributions of 6% of compensation, as a condition of participating in the Plan. The Board of Public Works will make a contribution of 6% of the employee's annual compensation to the Plan. Both the Board of Public Works and covered employees made the required contributions, amounting to \$164,693 for the Board of Public Works, and \$164,693 for the employees, for 2016.

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 \$129,166 to the plan in 2016.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. These liability exposures continue to be insured through an A+ rated insurance company.

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

The City funds its self-insurance program on an "incurred loss" basis. All funds of the City participate in the program and make payments to the Self-Insured Group Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-period claims. The Fund has a claims liability of \$96,753 reported at September 30, 2016.

The change in the Fund's claims liability amount in fiscal 2016 was as follows:

	<u>2016</u>
Beginning claims liability	\$ 147,351
Charges	1,850,159
Claims paid and changes in estimate	<u>(1,900,757)</u>
Ending claims liability	<u>\$ 96,753</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, 2016, approximately 83% of the full-time, regular City's employees are represented by a Union. All future labor contracts involving City employees have been negotiated to cover a period through September 2018.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE L. COMMITMENTS AND CONTINGENCIES - CONTINUED

1. General - Continued

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

The City of Beatrice is identified as a Potentially Responsible Party as defined by the Comprehensive Environmental Compensation and Liability Act of 1980 by reason of current ownership of property with the presence of contamination. The City's potential exposure to the clean-up costs may be up to 25% of the total costs, which the City will try to recover from the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property. The City will participate in studies to evaluate the best course of action to clean up the site in the future. In November 2016, the City worked with environmental specialists and the appropriate agencies to determine a reasonable estimate of the costs to clean-up the site. Based on these initial estimates, the City's exposure should not exceed \$1,000,000.

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, 2016.

At September 30, 2016, the City incurred a liability of approximately \$3,517,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 86% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$587,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 2 years).

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost – Continued

At September 30, 2016, the City incurred a liability of approximately \$22,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 2.2% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$990,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 94 years). The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revisions of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

The City, in a review by the Nebraska Department of Environmental Quality (NDEQ), has demonstrated compliance with the financial requirements as specified in Title 132 – *Integrated Solid Waste Management Regulations*, through the Local Government Financial Test.

The City also owns a municipal solid waste disposal area which discontinued operations in 1998, but still requires certain closure and postclosure care, including the construction of final cover, monitoring of groundwater conditions and landfill gas mitigation, and general site maintenance. At September 30, 2016, a liability for closure and postclosure care costs is recorded in the amount of approximately \$140,000. Any unanticipated corrective action costs related to landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded once these costs can be reasonably estimated.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2016, the City holds investments of \$1,598,177 for these purposes. These are reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE M. SUBSEQUENT EVENTS

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

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, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
Taxes					
Property tax	\$ 2,049,655	\$ 2,049,655	\$ 2,045,362	\$ (4,293)	\$ 1,948,840
Sales tax	2,230,000	2,230,000	2,333,597	103,597	2,299,414
Occupation tax	764,075	764,075	710,457	(53,618)	728,820
Licenses and permits	108,600	108,600	131,063	22,463	122,002
Intergovernmental	1,691,868	1,691,868	1,764,655	72,787	1,320,152
Charges for services	1,840,122	1,840,122	1,832,205	(7,917)	1,739,729
Interest	5,000	5,000	8,093	3,093	3,901
Miscellaneous	150,500	150,500	212,116	61,616	185,423
Total Revenues	<u>8,839,820</u>	<u>8,839,820</u>	<u>9,037,548</u>	<u>197,728</u>	<u>8,348,281</u>
Expenditures					
General government	1,512,326	1,512,326	1,620,247	(107,921)	1,772,594
Public safety	5,515,049	5,515,049	5,785,472	(270,423)	5,269,044
Culture and recreation	1,334,176	1,334,176	1,366,980	(32,804)	1,207,190
Total Expenditures	<u>8,361,551</u>	<u>8,361,551</u>	<u>8,772,699</u>	<u>(411,148)</u>	<u>8,248,828</u>
Excess of Revenues Over Expenditures	478,269	478,269	264,849	(213,420)	99,453
Other Financing Sources (Uses)					
Insurance proceeds	2,000	2,000	149,528	147,528	504,436
Bond proceeds	-	-	44,542	44,542	-
Sales of capital assets	2,000	2,000	406	(1,594)	2,600
Transfers from other funds	70,000	70,000	70,029	29	101,992
Transfers to other funds	(866,179)	(866,179)	(360,398)	505,781	(400,051)
Total Other Financing Sources (Uses)	<u>(792,179)</u>	<u>(792,179)</u>	<u>(95,894)</u>	<u>696,286</u>	<u>208,977</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (313,910)</u>	<u>\$ (313,910)</u>	<u>\$ 168,955</u>	<u>\$ 482,866</u>	<u>\$ 308,430</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, 2016
With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 620,000	\$ 620,000	\$ 645,899	\$ 25,899	\$ 637,353
Intergovernmental:					
Local shared revenue	25,000	25,000	-	(25,000)	-
State shared revenue	1,716,405	1,716,405	1,698,387	(18,018)	1,927,883
Federal grants	-	-	962	962	37,040
Total Intergovernmental	1,741,405	1,741,405	1,699,349	(42,056)	1,964,923
Charges for services	25,000	25,000	48,877	23,877	29,682
Miscellaneous	32,000	32,000	-	(32,000)	-
Total Revenues	2,418,405	2,418,405	2,394,125	(24,280)	2,631,958
Expenditures					
Personal services	777,703	777,703	754,385	23,318	781,925
Other services and charges	86,800	86,800	61,206	25,594	57,562
Supplies	269,500	269,500	189,755	79,745	207,670
Capital outlay	1,803,954	1,803,954	1,148,662	655,292	891,559
Total Expenditures	2,937,957	2,937,957	2,154,008	783,949	1,938,716
Other Financing Sources					
Lease proceeds	-	-	-	-	135,000
Total Other Financing Sources	-	-	-	-	135,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	\$ (519,552)	\$ (519,552)	\$ 240,117	\$ 759,669	\$ 828,242

See independent auditor's report.

SUPPLEMENTARY INFORMATION

City of Beatrice
COMPARATIVE BALANCE SHEET - GENERAL FUND
September 30, 2016
With comparative totals for September 30, 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 1,446,030	\$ 2,162,075
Investments	1,003,159	226,413
Cash on deposit - county treasurer	205,197	147,043
Accounts receivable	510,634	503,212
Taxes receivable	106,253	102,648
Due from other governments	448,194	428,312
Total Assets	<u>\$ 3,719,467</u>	<u>\$ 3,569,703</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 253,382</u>	<u>\$ 303,263</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>310,325</u>	<u>279,635</u>
Fund Balance		
Assigned for subsequent years' expenditures	1,141,943	1,079,813
Unassigned	<u>2,013,817</u>	<u>1,906,992</u>
Total Fund Balance	<u>3,155,760</u>	<u>2,986,805</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,719,467</u>	<u>\$ 3,569,703</u>

See independent auditor's report.

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

For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Taxes					
Property tax	\$ 1,858,655	\$ 1,858,655	\$ 1,815,932	\$ (42,723)	\$ 1,754,800
Homestead exemption allocation	125,000	125,000	135,316	10,316	125,668
Property tax credit	60,000	60,000	88,802	28,802	62,730
Interest on delinquent taxes	6,000	6,000	5,312	(688)	5,642
City sales tax	2,230,000	2,230,000	2,333,597	103,597	2,299,414
Utilities occupation tax	650,000	650,000	573,926	(76,074)	607,257
Beer and liquor occupation tax	20,000	20,000	19,158	(842)	19,056
Insurance company occupation tax	75	75	-	(75)	45
Lodging occupation tax	90,000	90,000	114,398	24,398	99,852
Miscellaneous occupation tax	4,000	4,000	2,975	(1,025)	2,610
Total Taxes	5,043,730	5,043,730	5,089,416	45,686	4,977,074
Licenses and Permits					
Bicycle licenses	100	100	25	(75)	75
Pet licenses	6,000	6,000	4,621	(1,379)	5,511
Plumbers' licenses	2,000	2,000	1,823	(177)	399
Building permits	90,000	90,000	114,385	24,385	108,527
Plumbing permits	4,000	4,000	3,855	(145)	3,749
Mechanical permits	1,500	1,500	1,006	(494)	1,141
Miscellaneous permits	5,000	5,000	5,348	348	2,600
Total Licenses and Permits	108,600	108,600	131,063	22,463	122,002
Intergovernmental					
Motor vehicle tax	215,000	215,000	228,071	13,071	218,441
County library aid	24,000	24,000	23,000	(1,000)	23,000
Interlocal 911 dispatch aid	465,045	465,045	465,199	154	335,861
County ambulance service	180,000	180,000	180,000	-	180,000
Intergovernmental-school officer	37,500	37,500	47,247	9,747	36,466
Other intergovernmental	7,000	7,000	7,000	-	7,000
Municipal equalization funds	515,475	515,475	515,903	428	382,172
Victim assistance grants	90,194	90,194	87,414	(2,780)	49,219
Library state aid	2,700	2,700	2,280	(420)	2,561
Pro-Rate motor vehicle	5,500	5,500	5,879	379	6,085
Other federal grants	139,625	139,625	71,194	(68,431)	70,900
Federal - COPS grants	-	-	30,256	30,256	-
Federal funds police assistance	9,829	9,829	7,335	(2,494)	8,447
Hazard mitigation grant	-	-	93,877	93,877	-
Total Intergovernmental	1,691,868	1,691,868	1,764,655	72,787	1,320,152
Charges for Services					
Publication cost income	500	500	523	23	416
Management and budget miscellaneous charges	1,500	1,500	801	(699)	1,533
Accounting services	34,250	34,250	34,200	(50)	33,580
BASWA management services	23,072	23,072	23,072	-	22,400
Administration and legal services	253,200	253,200	255,462	2,262	201,438

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Charges for Services (Continued)					
CDBG administration fees	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	\$ -
Restitution - fees and damages	2,500	2,500	748	(1,752)	590
Inspection miscellaneous charges	1,000	1,000	2,414	1,414	1,550
Recover demolition charges	5,000	5,000	7,139	2,139	6,395
Police charges	3,000	3,000	3,432	432	2,543
Fire charges	11,000	11,000	11,137	137	10,956
Ambulance charges	1,754,000	1,754,000	1,789,566	35,566	1,799,581
Ambulance contracted adjustments	(535,000)	(535,000)	(573,306)	(38,306)	(594,601)
Public safety miscellaneous charges	27,000	27,000	26,692	(308)	26,679
Stop program charges	1,500	1,500	2,160	660	1,200
Land use agreements	16,700	16,700	16,350	(350)	15,309
Auditorium use fee	28,000	28,000	26,842	(1,158)	24,763
Water park admissions	78,000	78,000	83,616	5,616	76,435
Water park concessions and sales	31,000	31,000	30,169	(831)	27,341
Swim lessons	5,000	5,000	4,901	(99)	4,005
Mowing fees	10,000	10,000	3,307	(6,693)	7,547
Camping receipts	41,000	41,000	52,151	11,151	33,291
Farm income	25,000	25,000	16,637	(8,363)	20,224
Public properties miscellaneous charges	5,000	5,000	506	(4,494)	1,911
Library use fees	7,500	7,500	5,990	(1,510)	5,766
Library copying fees	3,500	3,500	3,471	(29)	3,868
Library miscellaneous charges	2,000	2,000	1,460	(540)	2,564
Interlibrary loan revenue	200	200	-	(200)	-
Parking fines and rents	1,400	1,400	1,165	(235)	1,075
School fines and fees	2,300	2,300	1,600	(700)	1,370
Total Charges for Services	<u>1,840,122</u>	<u>1,840,122</u>	<u>1,832,205</u>	<u>(7,917)</u>	<u>1,739,729</u>
Interest					
Interest earnings	5,000	5,000	8,093	3,093	3,901
Miscellaneous					
Lease income - BASWA	57,500	57,500	57,680	180	56,000
Donations	-	-	27,000	27,000	-
Donations - Beatrice plus program	30,000	30,000	27,760	(2,240)	29,664
Police donations	3,500	3,500	24,548	21,048	15,580
Fire donations	1,000	1,000	4,380	3,380	1,100
Water park donations	1,500	1,500	2,230	730	1,960
Public properties donations	20,000	20,000	39,134	19,134	44,970
Library donations	8,000	8,000	6,537	(1,463)	8,508
Library donations - foundation	29,000	29,000	20,146	(8,854)	27,641
Sidewalk program	-	-	2,701	2,701	-
Total Miscellaneous	<u>150,500</u>	<u>150,500</u>	<u>212,116</u>	<u>61,616</u>	<u>185,423</u>
Total Revenues	<u>\$ 8,839,820</u>	<u>\$ 8,839,820</u>	<u>\$ 9,037,548</u>	<u>\$ 197,728</u>	<u>\$ 8,348,281</u>

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
General Government					
Management and Budget					
Personal services	\$ 688,121	\$ 688,121	\$ 715,906	\$ (27,785)	\$ 624,323
Other services and charges	105,470	105,470	121,488	(16,018)	105,512
Supplies	5,900	5,900	6,520	(620)	6,386
Capital outlay	71,500	71,500	142,959	(71,459)	65,359
Contingency	287,000	287,000	176,563	110,437	678,373
Contractual services	142,865	142,865	232,913	(90,048)	95,077
Total Management and Budget	1,300,856	1,300,856	1,396,349	(95,493)	1,575,030
Inspection					
Personal services	144,945	144,945	156,720	(11,775)	123,168
Other services and charges	62,525	62,525	64,603	(2,078)	70,814
Supplies	4,000	4,000	2,575	1,425	2,633
Capital outlay	-	-	-	-	949
Total Inspection	211,470	211,470	223,898	(12,428)	197,564
Total General Government	1,512,326	1,512,326	1,620,247	(107,921)	1,772,594
Public Safety					
Police					
Personal services	2,627,764	2,627,764	2,732,044	(104,280)	2,431,343
Other services and charges	224,783	224,783	234,364	(9,581)	187,501
Supplies	84,900	84,900	58,898	26,002	64,037
Capital outlay	32,308	32,308	72,124	(39,816)	85,656
Contractual services	60,000	60,000	60,000	-	60,000
Contingencies	1,500	1,500	1,400	100	-
Total Police	3,031,255	3,031,255	3,158,830	(127,575)	2,828,537
Fire and Ambulance					
Personal services	2,096,329	2,096,329	2,261,936	(165,607)	2,071,396
Other services and charges	250,965	250,965	251,880	(915)	265,802
Supplies	125,200	125,200	98,820	26,380	93,735
Capital outlay	11,300	11,300	14,006	(2,706)	9,574
Total Fire	2,483,794	2,483,794	2,626,642	(142,848)	2,440,507
Total Public Safety	5,515,049	5,515,049	5,785,472	(270,423)	5,269,044

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Totals
Culture and Recreation					
Public Properties					
Personal services	\$ 394,597	\$ 394,597	\$ 405,395	\$ (10,798)	\$ 356,428
Other services and charges	103,415	103,415	102,325	1,090	94,879
Supplies	144,750	144,750	130,300	14,450	143,427
Capital outlay	156,850	156,850	182,135	(25,285)	115,161
Contractual services	55,000	55,000	48,236	6,764	38,242
Total Public Properties	854,612	854,612	868,391	(13,779)	748,137
Library					
Personal services	312,558	312,558	346,975	(34,417)	294,858
Other services and charges	49,140	49,140	47,889	1,251	48,195
Supplies	10,200	10,200	10,521	(321)	8,939
Capital outlay	107,666	107,666	93,204	14,462	107,061
Total Library	479,564	479,564	498,589	(19,025)	459,053
Total Culture and Recreation	1,334,176	1,334,176	1,366,980	(32,804)	1,207,190
Total Expenditures	8,361,551	8,361,551	8,772,699	(411,148)	8,248,828
Excess (Deficiency) of Revenues Over Expenditures	478,269	478,269	264,849	(213,420)	99,453
Other Financing Sources (Uses)					
Insurance proceeds	2,000	2,000	149,528	147,528	504,436
Bond proceeds	-	-	44,542	44,542	-
Sale of capital assets	2,000	2,000	406	(1,594)	2,600
Transfers from other funds	70,000	70,000	70,029	29	101,992
Transfers to other funds	(866,179)	(866,179)	(360,398)	505,781	(400,051)
Total Other Financing Sources (Uses)	(792,179)	(792,179)	(95,894)	696,285	208,977
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (313,910)</u>	<u>\$ (313,910)</u>	168,955	<u>\$ 482,865</u>	308,430
Fund Balance, Beginning of Year			2,986,805		2,678,375
Fund Balance, End of Year			<u>\$ 3,155,760</u>		<u>\$ 2,986,805</u>

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 2,248,347	\$ 1,732,132
Accounts receivable	1,141	46,935
Due from other governments	<u>255,023</u>	<u>248,977</u>
Total Assets	<u>\$ 2,504,511</u>	<u>\$ 2,028,044</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 264,526	\$ 28,176
Fund Balance		
Restricted for Streets	<u>2,239,985</u>	<u>1,999,868</u>
Total Liabilities and Fund Balance	<u>\$ 2,504,511</u>	<u>\$ 2,028,044</u>

See independent auditor's report.

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

For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 620,000	\$ 620,000	\$ 645,899	\$ 25,899	\$ 637,353
Intergovernmental					
Local shared revenue	25,000	25,000	-	(25,000)	-
State shared revenue	1,716,405	1,716,405	1,698,387	(18,018)	1,927,883
Federal grants	-	-	962	962	37,040
Total Intergovernmental	1,741,405	1,741,405	1,699,349	(42,056)	1,964,923
Charges for services	25,000	25,000	48,877	23,877	29,682
Miscellaneous	32,000	32,000	-	(32,000)	-
Total Revenues	2,418,405	2,418,405	2,394,125	(24,280)	2,631,958
Expenditures					
Personal Services					
Salaries	541,677	541,677	518,688	22,989	545,222
Social security	33,800	33,800	33,651	149	34,569
Retirement	25,026	25,026	22,836	2,190	22,620
Health and life insurance	151,200	151,200	152,199	(999)	153,865
Workmen's compensation	26,000	26,000	27,011	(1,011)	25,649
Total Personal Services	777,703	777,703	754,385	23,318	781,925
Other Services and Charges					
Insurance	18,000	18,000	16,537	1,463	17,244
Utilities	-	-	-	-	600
Maintenance and repairs	36,000	36,000	21,317	14,683	12,553
Rentals	21,000	21,000	16,588	4,412	19,623
Training and transportation	3,800	3,800	928	2,872	798
Communications	3,000	3,000	2,934	66	3,026
Miscellaneous	5,000	5,000	2,902	2,098	3,718
Total Other Services and Charges	86,800	86,800	61,206	25,594	57,562
Supplies					
Operating supplies	108,500	108,500	52,791	55,709	79,745
Repairs and maintenance supplies	161,000	161,000	136,964	24,036	127,925
Total Supplies	269,500	269,500	189,755	79,745	207,670
Capital Outlay					
Buildings	80,000	80,000	27,500	52,500	38,887
Improvements other than buildings	1,489,704	1,489,704	893,819	595,885	671,573
Machinery and equipment	234,250	234,250	227,343	6,907	181,099
Total Capital Outlay	1,803,954	1,803,954	1,148,662	655,292	891,559
Total Expenditures	\$ 2,937,957	\$ 2,937,957	\$ 2,154,008	\$ 783,949	\$ 1,938,716

See independent auditor's report.

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CONTINUED
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources				2015 Actual
Lease proceeds	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (519,552)</u>	<u>\$ (519,552)</u>	240,117	<u>\$ 759,669</u>
Fund Balance, Beginning of Year			1,999,868	1,171,626
Fund Balance, End of Year			<u>\$ 2,239,985</u>	<u>\$ 1,999,868</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2016
 With comparative totals for September 30, 2015

	2016				2015 Total
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	
Assets					
Cash and cash equivalents	\$ 737,333	\$ 132,279	\$ 130,822	\$ 1,000,434	\$ 900,464
Investments	-	-	-	-	400,000
Cash on deposit - county treasurer	-	17,293	-	17,293	12,345
Accounts receivable	8,776	-	213,865	222,641	1,276
Due from other funds	-	-	115,363	115,363	-
Taxes receivable	-	15,481	-	15,481	13,706
Interest receivable	-	14,554	-	14,554	86,907
Assessments receivable	-	25,708	-	25,708	167,786
Loans receivable	1,023,497	-	-	1,023,497	651,117
In-lieu-of assessments	-	10,105	-	10,105	10,105
Total Assets	\$ 1,769,606	\$ 215,420	\$ 460,050	\$ 2,445,076	\$ 2,243,706
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accounts payable	\$ 68,071	\$ -	\$ 27,312	\$ 95,383	\$ 29,296
Due to other funds	-	-	115,363	115,363	-
Accrued interest payable	-	2,122	-	2,122	2,123
Total Liabilities	68,071	2,122	142,675	212,868	31,419
Deferred Inflows of Resources					
Unavailable revenue	-	62,789	-	62,789	275,784
Fund Balance					
Restricted for:					
Economic development	1,254,631	-	-	1,254,631	1,256,328
Library capital improvements	-	-	1,943	1,943	8,641
Debt service	-	72,452	-	72,452	71,682
Revolving loan fund	355,789	-	-	355,789	340,188
Storm water management	60,935	-	-	60,935	48,965
E-911 public safety	20,321	-	-	20,321	25,266
Committed for:					
Library capital improvements	-	-	40,917	40,917	40,896
Public safety equipment	-	-	204,005	204,005	41,542
Community betterment	9,859	-	-	9,859	68,141
Assigned for:					
Subsequent years' expenditures	-	-	70,510	70,510	33,486
Debt service	-	78,057	-	78,057	1,368
Total Fund Balance	1,701,535	150,509	317,375	2,169,419	1,936,503
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,769,606	\$ 215,420	\$ 460,050	\$ 2,445,076	\$ 2,243,706

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, 2016
With comparative totals for September 30, 2015

	2016				2015
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds	Total
Revenues					
Taxes					
Property tax	\$ -	\$ 191,451	\$ -	\$ 191,451	\$ 188,974
Sales tax	250,000	-	-	250,000	250,000
Intergovernmental	23,825	554	478,111	502,490	537,683
Charges for services	110,084	-	-	110,084	114,838
Keno proceeds	78,192	-	-	78,192	81,618
Special assessments	-	142,077	-	142,077	41,789
Interest	17,256	85,959	21	103,236	16,386
Donations and other revenue	38,235	-	230,319	268,554	622,135
Total Revenues	<u>517,592</u>	<u>420,041</u>	<u>708,451</u>	<u>1,646,084</u>	<u>1,853,423</u>
Expenditures					
General government	186,456	-	-	186,456	801,409
Capital outlay	215,988	151,347	1,390,484	1,757,819	1,498,139
Debt Service:					
Principal	-	190,000	-	190,000	185,000
Interest	-	1,235	-	1,235	2,068
Bond issuance cost	-	-	6,675	6,675	-
MFO payments - other entities	-	-	131,810	131,810	110,679
Total Expenditures	<u>402,444</u>	<u>342,582</u>	<u>1,528,969</u>	<u>2,273,995</u>	<u>2,597,295</u>
Deficiency of Revenues					
Under Expenditures	<u>115,148</u>	<u>77,459</u>	<u>(820,518)</u>	<u>(627,911)</u>	<u>(743,872)</u>
Other Financing Sources (Uses)					
Sale of capital assets	40,000	-	-	40,000	-
Proceeds from long-term debt	-	-	530,458	530,458	317,665
Transfers from other funds	-	-	482,870	482,870	413,688
Transfers to other funds	(192,501)	-	-	(192,501)	(115,629)
Total Other Financing Sources (Uses)	<u>(152,501)</u>	<u>-</u>	<u>1,013,328</u>	<u>860,827</u>	<u>615,724</u>
Net Change in Fund Balance	<u>(37,353)</u>	<u>77,459</u>	<u>192,810</u>	<u>232,916</u>	<u>(128,148)</u>
Fund Balance, Beginning of Year	<u>1,738,888</u>	<u>73,050</u>	<u>124,565</u>	<u>1,936,503</u>	<u>2,064,651</u>
Fund Balance, End of Year	<u>\$ 1,701,535</u>	<u>\$ 150,509</u>	<u>\$ 317,375</u>	<u>\$ 2,169,419</u>	<u>\$ 1,936,503</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2016
 with comparative totals for September 30, 2015

	2016					2015
	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
Assets						
Cash and cash equivalents	\$ 512,715	\$ 130,352	\$ 13,010	\$ 20,321	\$ 60,935	\$ 737,333
Investments	-	-	-	-	-	-
Accounts receivable	8,776	-	-	-	-	8,776
Loans receivable	798,060	225,437	-	-	-	1,023,497
Total Assets	<u>\$ 1,319,551</u>	<u>\$ 355,789</u>	<u>\$ 13,010</u>	<u>\$ 20,321</u>	<u>\$ 60,935</u>	<u>\$ 1,769,606</u>
Liabilities and Fund Balance						
Accounts payable	\$ 64,920	\$ -	\$ 3,151	\$ -	\$ -	\$ 68,071
Fund Balance						
Restricted for:						
Economic development	1,254,631	-	-	-	-	1,254,631
Revolving loan fund	-	355,789	-	-	-	355,789
Storm water management	-	-	-	-	60,935	60,935
E911 public safety	-	-	-	20,321	-	20,321
Committed for:						
Community betterment	-	-	9,859	-	-	9,859
Total Fund Balance	<u>1,254,631</u>	<u>355,789</u>	<u>9,859</u>	<u>20,321</u>	<u>60,935</u>	<u>1,701,535</u>
Total Liabilities and Fund Balance	<u>\$ 1,319,551</u>	<u>\$ 355,789</u>	<u>\$ 13,010</u>	<u>\$ 20,321</u>	<u>\$ 60,935</u>	<u>\$ 1,769,606</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, 2016
 With comparative totals for September 30, 2015

	2016						2015
	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	-	-	-	-	23,825	23,825	323,825
Charges for services	-	-	-	110,084	-	110,084	114,838
Keno proceeds	-	-	78,192	-	-	78,192	81,618
Interest earnings	1,655	15,601	-	-	-	17,256	12,244
Other revenue	38,235	-	-	-	-	38,235	36,737
Total Revenues	<u>289,890</u>	<u>15,601</u>	<u>78,192</u>	<u>110,084</u>	<u>23,825</u>	<u>517,592</u>	<u>819,262</u>
Expenditures							
General government	160,599	-	14,002	-	11,855	186,456	801,409
Capital outlay	170,988	-	-	45,000	-	215,988	24,338
Total Expenditures	<u>331,587</u>	<u>-</u>	<u>14,002</u>	<u>45,000</u>	<u>11,855</u>	<u>402,444</u>	<u>825,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,697)	15,601	64,190	65,084	11,970	115,148	(6,485)
Other Financing Sources (Uses)							
Sale of capital assets	40,000	-	-	-	-	40,000	-
Transfers to other funds	-	-	(122,472)	(70,029)	-	(192,501)	(115,629)
Total Other Financing Uses	<u>40,000</u>	<u>-</u>	<u>(122,472)</u>	<u>(70,029)</u>	<u>-</u>	<u>(152,501)</u>	<u>(115,629)</u>
Net Change in Fund Balance	(1,697)	15,601	(58,282)	(4,945)	11,970	(37,353)	(122,114)
Fund Balance, Beginning of Year	<u>1,256,328</u>	<u>340,188</u>	<u>68,141</u>	<u>25,266</u>	<u>48,965</u>	<u>1,738,888</u>	<u>1,861,002</u>
Fund Balance, End of Year	<u>\$ 1,254,631</u>	<u>\$ 355,789</u>	<u>\$ 9,859</u>	<u>\$ 20,321</u>	<u>\$ 60,935</u>	<u>\$ 1,701,535</u>	<u>\$ 1,738,888</u>

See independent auditor's report.

City of Beatrice, Nebraska
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
State project grant	-	-	-	-	300,000
Interest earnings	4,000	4,000	1,655	(2,345)	4,661
Loans/rents revenue	20,000	20,000	38,235	18,235	36,737
Total Revenues	<u>274,000</u>	<u>274,000</u>	<u>289,890</u>	<u>15,890</u>	<u>591,398</u>
Expenditures					
Economic development	230,000	230,000	160,599	69,401	463,335
Capital outlay	2,241,248	2,241,248	170,988	2,070,260	-
Total Expenditures	<u>2,471,248</u>	<u>2,471,248</u>	<u>331,587</u>	<u>2,139,661</u>	<u>463,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,197,248)</u>	<u>(2,197,248)</u>	<u>(41,697)</u>	<u>2,155,551</u>	<u>128,063</u>
Other Financing Sources					
Sale of capital assets	20,000	20,000	40,000	20,000	-
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>40,000</u>	<u>(980,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ (1,177,248)</u>	<u>\$ (1,177,248)</u>	<u>(1,697)</u>	<u>\$ 1,175,551</u>	<u>128,063</u>
Fund Balance, Beginning of Year			<u>1,256,328</u>		<u>1,128,265</u>
Fund Balance, End of Year			<u>\$ 1,254,631</u>		<u>\$ 1,256,328</u>

See independent auditor's report.

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

For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2015 Actual
Interest earnings	\$ 50	\$ 50	\$ 85	\$ 35
Loan payments	8,905	8,905	15,516	6,611
Total Revenues	8,955	8,955	15,601	6,646
Expenditures				
Re-use loans	100,000	100,000	-	100,000
Loan forgiveness	-	-	-	-
Total Expenditures	100,000	100,000	-	100,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (91,045)</u>	<u>\$ (91,045)</u>	15,601	<u>\$ 106,646</u>
Fund Balance, Beginning of Year			340,188	622,605
Fund Balance, End of Year			<u>\$ 355,789</u>	<u>\$ 340,188</u>

See independent auditor's report.

City of Beatrice, Nebraska
 KENO/LOTTERY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Keno/lottery proceeds	\$ 70,000	\$ 70,000	\$ 78,192	\$ 8,192	\$ 81,618
Expenditures					
Other services and charges	12,500	13,500	14,002	(502)	17,166
Excess of Revenues Over Expenditures	57,500	56,500	64,190	7,690	64,452
Other Financing Uses					
Transfers to other funds	(98,500)	(123,500)	(122,472)	1,028	(13,637)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (41,000)</u>	<u>\$ (67,000)</u>	(58,282)	<u>\$ 8,718</u>	50,815
Fund Balance, Beginning of Year			68,141		17,326
Fund Balance, End of Year			<u>\$ 9,859</u>		<u>\$ 68,141</u>

See independent auditor's report.

City of Beatrice, Nebraska
 911 SURCHARGE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
911 service surcharge	\$ 48,000	\$ 48,000	\$ 40,041	\$ (7,959)	44,836
E911 wireless surcharge	70,000	70,000	70,043	43	70,002
Total Revenues	<u>118,000</u>	<u>118,000</u>	<u>110,084</u>	<u>(7,916)</u>	<u>114,838</u>
Expenditures					
Capital outlay	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>24,338</u>
Excess of Revenues Over Expenditures	<u>73,000</u>	<u>73,000</u>	<u>65,084</u>	<u>(7,916)</u>	<u>90,500</u>
Other Financing Uses					
Transfers to other funds	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,029)</u>	<u>(29)</u>	<u>(101,992)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>(4,945)</u>	<u>\$ (7,945)</u>	<u>(11,492)</u>
Fund Balance, Beginning of Year			<u>25,266</u>		<u>36,758</u>
Fund Balance, End of Year			<u>\$ 20,321</u>		<u>\$ 25,266</u>

See independent auditor's report.

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

For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2015 Totals
Intergovernmental	\$ 25,000	\$ 25,000	\$ 23,825	\$ (1,175)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>23,825</u>	<u>(1,175)</u>
Expenditures				
Personal services	2,000	2,000	-	2,000
Other services and charges	25,000	25,000	11,855	13,145
Supplies	10,000	10,000	-	10,000
Return unallocated grant funds	-	-	-	-
Total Expenditures	<u>37,000</u>	<u>37,000</u>	<u>11,855</u>	<u>25,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>	11,970	<u>\$ 23,970</u>
Fund Balance, Beginning of Year			<u>48,965</u>	<u>56,048</u>
Fund Balance, End of Year			<u>\$ 60,935</u>	<u>\$ 48,965</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2016
 With comparative totals for September 30, 2015

	2016				2015
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Total
Assets					
Cash and cash equivalents	\$ 54,222	\$ -	\$ 78,057	\$ 132,279	\$ 60,108
Cash on deposit - county treasurer	17,293	-	-	17,293	12,345
Taxes receivable	15,481	-	-	15,481	13,706
Assessments receivable:					
Current	-	-	1,988	1,988	9,031
Delinquent	-	-	21,788	21,788	119,572
Deferred	-	-	1,932	1,932	39,183
Accrued interest receivable	-	-	14,554	14,554	86,907
In-lieu-of assessments	-	10,105	-	10,105	10,105
Total Assets	\$ 86,996	\$ 10,105	\$ 118,319	\$ 215,420	\$ 350,957
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities					
Accrued interest payable	\$ 2,122	\$ -	\$ -	\$ 2,122	\$ 2,123
Deferred Inflows of Resources					
Unavailable revenue	12,422	10,105	40,262	62,789	275,784
Fund Balance					
Restricted for debt service	72,452	-	-	72,452	71,682
Assigned for debt service	-	-	78,057	78,057	1,368
Total Fund Balance	72,452	-	78,057	150,509	73,050
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 86,996	\$ 10,105	\$ 118,319	\$ 215,420	\$ 350,957

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, 2016
 With comparative totals for September 30, 2015

	2016				2015
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Taxes					
Property taxes	\$ 191,451	\$ -	\$ -	\$ 191,451	\$ 188,974
Intergovernmental revenues	554	-	-	554	594
Special assessments	-	-	142,077	142,077	41,789
Interest on assessments	-	-	85,959	85,959	4,122
Total Revenues	<u>192,005</u>	<u>-</u>	<u>228,036</u>	<u>420,041</u>	<u>235,479</u>
Expenditures					
Capital projects:					
Principal and interest on registered warrants	-	-	151,347	151,347	58,422
Debt service:					
Interest	1,235	-	-	1,235	2,068
Principal	190,000	-	-	190,000	185,000
Total Expenditures	<u>191,235</u>	<u>-</u>	<u>151,347</u>	<u>342,582</u>	<u>245,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>770</u>	<u>-</u>	<u>76,689</u>	<u>77,459</u>	<u>(10,011)</u>
Fund Balance, Beginning of Year	<u>71,682</u>	<u>-</u>	<u>1,368</u>	<u>73,050</u>	<u>83,061</u>
Fund Balance, End of Year	<u>\$ 72,452</u>	<u>\$ -</u>	<u>\$ 78,057</u>	<u>\$ 150,509</u>	<u>\$ 73,050</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, 2016
 With comparative totals for September 30, 2015

	2016			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				2015 Actual
Property taxes	\$ 190,735	\$ 190,735	\$ 191,451	\$ 716
Intergovernmental revenues	500	500	554	54
Total Revenues	<u>191,235</u>	<u>191,235</u>	<u>192,005</u>	<u>770</u>
Expenditures				
Debt Service:				
Interest	1,235	1,235	1,235	-
Principal	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total Expenditures	<u>191,235</u>	<u>191,235</u>	<u>191,235</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	770	<u>\$ 770</u>
Fund Balance, Beginning of Year			<u>71,682</u>	<u>69,182</u>
Fund Balance, End of Year			<u>\$ 72,452</u>	<u>\$ 71,682</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, 2016
 With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
Special assessments	\$ 116,781	\$ 116,781	\$ 142,077	\$ 25,296	\$ 41,789
Interest on assessments	47,910	47,910	85,959	38,049	4,122
Total Revenues	<u>164,691</u>	<u>164,691</u>	<u>228,036</u>	<u>63,345</u>	<u>45,911</u>
Expenditures					
Interest on registered warrants	18,500	18,500	19,478	(978)	4,665
Principal on registered warrants	141,869	141,869	131,869	10,000	53,757
Total Expenditures	<u>160,369</u>	<u>160,369</u>	<u>151,347</u>	<u>9,022</u>	<u>58,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,322</u>	<u>\$ 4,322</u>	76,689	<u>\$ 72,367</u>	(12,511)
Fund Balance, Beginning of Year			<u>1,368</u>		<u>13,879</u>
Fund Balance, End of Year			<u>\$ 78,057</u>		<u>\$ 1,368</u>

See independent auditor's report.

City of Beatrice, Nebraska
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 September 30, 2016
 With comparative totals for September 30, 2015

	2016				2015
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Assets					
Cash and cash equivalents	\$ 40,917	\$ 89,905	\$ -	\$ 130,822	\$ 148,757
Accounts receivable	-	-	213,865	213,865	-
Due from other funds	-	115,363	-	115,363	-
Total Assets	<u>\$ 40,917</u>	<u>\$ 205,268</u>	<u>\$ 213,865</u>	<u>\$ 460,050</u>	<u>\$ 148,757</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ 1,263	\$ 26,049	\$ 27,312	\$ 24,192
Due to other funds	-	-	115,363	115,363	-
Total Liabilities	<u>-</u>	<u>1,263</u>	<u>141,412</u>	<u>142,675</u>	<u>24,192</u>
Fund Balance					
Restricted for:					
Library capital improvements	-	-	1,943	1,943	8,641
Committed for:					
Library capital improvements	40,917	-	-	40,917	40,896
Public safety equipment	-	204,005	-	204,005	41,542
Assigned for:					
Subsequent years' expenditure	-	-	70,510	70,510	33,486
Total Fund Balance	<u>40,917</u>	<u>204,005</u>	<u>72,453</u>	<u>317,375</u>	<u>124,565</u>
Total Liabilities and Fund Balance	<u>\$ 40,917</u>	<u>\$ 205,268</u>	<u>\$ 213,865</u>	<u>\$ 460,050</u>	<u>\$ 148,757</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, 2016
 With comparative totals for September 30, 2015

	2016				2015
	Library Capital Improvements	Public Safety Capital Improvements	Capital Improvements	Total	Total
Revenues					
Intergovernmental	\$ -	\$ 222,750	\$ 255,361	\$ 478,111	\$ 213,264
Interest	21	-	-	21	20
Donations and other revenue	-	-	230,319	230,319	585,398
Total Revenues	<u>21</u>	<u>222,750</u>	<u>485,680</u>	<u>708,451</u>	<u>798,682</u>
Expenditures					
Capital projects	-	509,725	880,759	1,390,484	1,415,379
MFO payments - other entities	-	131,810	-	131,810	110,679
Debt service					
Bond issuance cost	-	6,675	-	6,675	-
Total Expenditures	<u>-</u>	<u>648,210</u>	<u>880,759</u>	<u>1,528,969</u>	<u>1,526,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21</u>	<u>(425,460)</u>	<u>(395,079)</u>	<u>(820,518)</u>	<u>(727,376)</u>
Other Financing Sources					
Bond and lease proceeds	-	530,458	-	530,458	317,665
Transfers from other funds	-	57,465	425,405	482,870	413,688
Total Other Financing Sources	<u>-</u>	<u>587,923</u>	<u>425,405</u>	<u>1,013,328</u>	<u>731,353</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>21</u>	<u>162,463</u>	<u>30,326</u>	<u>192,810</u>	<u>3,977</u>
Fund Balances, Beginning of Year	<u>40,896</u>	<u>41,542</u>	<u>42,127</u>	<u>124,565</u>	<u>120,588</u>
Fund Balances, End of Year	<u>\$ 40,917</u>	<u>\$ 204,005</u>	<u>\$ 72,453</u>	<u>\$ 317,375</u>	<u>\$ 124,565</u>

See independent auditor's report.

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

For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
Interest	\$ 50	\$ 50	\$ 21	\$ (29)	\$ 20
Total Revenues	<u>50</u>	<u>50</u>	<u>21</u>	<u>(29)</u>	<u>20</u>
Expenditures					
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50</u>	<u>\$ 50</u>	21	<u>\$ (29)</u>	20
Fund Balance, Beginning of Year			<u>40,896</u>		<u>40,876</u>
Fund Balance, End of Year			<u>\$ 40,917</u>		<u>\$ 40,896</u>

See independent auditor's report.

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

For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Intergovernmental	\$ 186,800	\$ 186,800	\$ 222,750	\$ 35,950	\$ 213,264
Donations and other revenue	-	-	-	-	-
Total Revenues	<u>186,800</u>	<u>186,800</u>	<u>222,750</u>	<u>35,950</u>	<u>213,264</u>
Expenditures					
Capital Projects					
Police facility improvements	-	-	-	-	12,850
Fire facility improvements	-	-	6,155	(6,155)	-
Police equipment	186,817	186,817	193,464	(6,647)	-
Fire equipment	352,800	352,800	310,106	42,694	140,565
MFO payments - other entities	110,500	131,810	131,810	-	110,679
Debt service					
Bond issuance cost	-	-	6,675	(6,675)	-
Total Expenditures	<u>650,117</u>	<u>671,427</u>	<u>648,210</u>	<u>23,217</u>	<u>264,094</u>
Deficiency of Revenues Under Expenditures	<u>(463,317)</u>	<u>(484,627)</u>	<u>(425,460)</u>	<u>59,167</u>	<u>(50,830)</u>
Other Financing Sources					
Bond proceeds	486,817	486,817	530,458	43,641	-
Transfers from other funds	75,000	75,000	57,465	(17,535)	22,772
Total Other Financing Sources	<u>561,817</u>	<u>561,817</u>	<u>587,923</u>	<u>26,106</u>	<u>22,772</u>
Deficiency of Revenues and Other Sources Under Expenditures	<u>\$ 98,500</u>	<u>\$ 77,190</u>	162,463	<u>\$ 85,273</u>	(28,058)
Fund Balance, Beginning of Year			<u>41,542</u>		<u>69,600</u>
Fund Balance, End of Year			<u>\$ 204,005</u>		<u>\$ 41,542</u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues					
Intergovernmental	\$ 1,231,427	\$ 1,231,427	\$ 255,361	\$ (976,066)	\$ -
Donations and other revenue	164,400	164,400	230,319	65,919	585,398
Total Revenues	<u>1,395,827</u>	<u>1,395,827</u>	<u>485,680</u>	<u>(910,147)</u>	<u>585,398</u>
Expenditures					
Capital Projects					
Public building improvements	91,000	91,000	5,813	85,187	74,642
Police facility improvements	10,000	10,000	29,046	(19,046)	154,879
Library renovation	80,000	80,000	129,149	(49,149)	496,378
Welcome sign project	-	-	-	-	9,292
Trail improvements	1,596,606	1,596,606	275,136	1,321,470	3,905
Park other improvements	159,400	159,400	107,033	52,367	341,244
Playground improvements	-	-	33,359	(33,359)	74,353
Beatrice Plus projects	36,000	36,000	17,913	18,087	18,737
Lodging tax projects	120,000	120,000	113,075	6,925	7,080
Skateboard park equipment	76,000	76,000	32,861	43,139	-
Public properties equipment	54,000	54,000	58,669	(4,669)	21,989
Computer equipment	62,500	62,500	62,614	(114)	59,465
Total Expenditures	<u>2,285,506</u>	<u>2,285,506</u>	<u>880,759</u>	<u>1,404,747</u>	<u>1,261,964</u>
Deficiency of Revenues Under Expenditures	<u>(889,679)</u>	<u>(889,679)</u>	<u>(395,079)</u>	<u>494,600</u>	<u>(676,566)</u>
Other Financing Sources					
Lease proceeds	-	-	-	-	317,665
Transfers from other funds	889,679	889,679	425,405	(464,274)	390,916
Total Other Financing Sources	<u>889,679</u>	<u>889,679</u>	<u>425,405</u>	<u>(464,274)</u>	<u>708,581</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>30,326</u>	<u>\$ 30,326</u>	<u>32,015</u>
Fund Balance, Beginning of Year			<u>42,127</u>		<u>10,112</u>
Fund Balance, End of Year			<u>\$ 72,453</u>		<u>\$ 42,127</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
September 30, 2016
With comparative totals for September 30, 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,572,786	\$ 2,990,193
Accounts receivable	1,076,484	1,051,176
Unbilled and accrued revenues	648,079	628,679
Materials and supplies inventories	692,765	653,792
Prepaid expenses	5,527	5,218
Interest receivable	17,887	11,710
Total Current Assets	<u>5,013,528</u>	<u>5,340,768</u>
Noncurrent Assets		
Investments	2,575,000	2,375,000
Restricted cash and cash equivalents		
Customer deposits	101,987	97,885
Total Restricted Cash and Cash Equivalents	<u>101,987</u>	<u>97,885</u>
Restricted investments		
Debt service reserve account	79,275	79,275
Customer deposits	280,000	280,000
Total Restricted Investments	<u>359,275</u>	<u>359,275</u>
Capital Assets		
Land and land rights	54,585	54,585
Construction in progress	-	3,255
Buildings and improvements	1,388,299	1,312,599
Improvements other than building	27,932,049	29,916,385
Machinery and equipment	3,204,203	3,590,750
	<u>32,579,136</u>	<u>34,877,574</u>
Less accumulated depreciation	<u>(18,326,471)</u>	<u>(21,209,524)</u>
Net Capital Assets	14,252,665	13,668,050
Total Noncurrent Assets	<u>17,288,927</u>	<u>16,500,210</u>
Total Assets	<u>\$22,302,455</u>	<u>\$21,840,978</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,340,664	\$ 1,298,949
Accrued compensated absences	126,951	124,747
Accrued payroll	28,829	67,004
Sales tax payable	78	3,530
Accrued interest	2,389	2,501
Other accrued liabilities	1,607	12,703
Customer deposits	381,845	377,695
Current portion of long-term debt	63,000	63,000
Total Current Liabilities	<u>1,945,363</u>	<u>1,950,129</u>
Noncurrent Liabilities		
Compensated absences	258,343	243,460
Revenue bonds, net of current portion	<u>463,750</u>	<u>526,750</u>
Total noncurrent liabilities	<u>722,093</u>	<u>770,210</u>
Total Liabilities	<u>2,667,456</u>	<u>2,720,339</u>
Net Position		
Net investment in capital assets	13,725,915	13,078,300
Restricted for debt service	76,886	76,774
Unrestricted	<u>5,832,198</u>	<u>5,965,565</u>
Total Net Position	<u>19,634,999</u>	<u>19,120,639</u>
Total Liabilities and Net Position	<u>\$22,302,455</u>	<u>\$21,840,978</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Totals
Operating Revenues					
Charges for services	\$ 16,448,000	\$ 16,448,000	\$ 15,672,130	\$ (775,870)	\$ 14,749,348
Operating Expenses					
Electric energy purchased	12,245,000	12,245,000	11,459,679	785,321	10,978,362
Operating and maintenance expense	1,212,116	1,212,116	1,044,437	167,679	1,132,075
Customer accounting expenses	253,810	253,810	279,077	(25,267)	280,108
Engineering services	281,894	281,894	303,200	(21,306)	179,951
Administrative and general expense	772,662	772,662	813,840	(41,178)	867,355
Municipal expenses	511,500	511,500	583,974	(72,474)	494,362
Depreciation	1,025,000	1,025,000	1,081,436	(56,436)	1,026,741
Total operating expenses	16,301,982	16,301,982	15,565,643	736,339	14,958,954
Operating Income	146,018	146,018	106,487	(39,531)	(209,606)
Nonoperating Revenues (Expenses)					
Interest income	26,100	26,100	34,669	8,569	32,128
Miscellaneous	147,500	147,500	381,454	233,954	171,049
Interest expense	(8,362)	(8,362)	(8,250)	112	(8,616)
Total Nonoperating Revenues	165,238	165,238	407,873	242,635	194,561
Change in Net Position	<u>\$ 311,256</u>	<u>\$ 311,256</u>	514,360	<u>\$ 203,104</u>	(15,045)
Net Position, Beginning of Year			<u>19,120,639</u>		<u>19,135,684</u>
Net Position, End of Year			<u>\$ 19,634,999</u>		<u>\$ 19,120,639</u>

See independent auditor's report.

City of Beatrice, Nebraska
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016	2015
Cash Flows From Operating Activities		
Cash received from customers	\$15,627,422	\$14,732,937
Cash paid to suppliers for goods and services	(13,178,657)	(12,509,020)
Cash paid to employees for services	(1,334,603)	(1,429,089)
Net cash provided by operating activities	<u>1,114,162</u>	<u>794,828</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>381,454</u>	<u>171,049</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(63,000)	(61,250)
Interest paid on long-term debt	(8,362)	(8,705)
Proceeds from sale of capital assets	-	43,004
Purchases of capital assets	(1,666,051)	(1,682,084)
Net cash used in capital and related financing activities	<u>(1,737,413)</u>	<u>(1,709,035)</u>
Cash Flows From Investing Activities		
Purchases of investments	(200,000)	-
Interest received	28,492	27,847
Net cash provided by (used in) investing activities	<u>(171,508)</u>	<u>27,847</u>
Net Change in Cash and Cash Equivalents	(413,305)	(715,311)
Cash and Cash Equivalents, Beginning of Year	<u>3,088,078</u>	<u>3,803,389</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,674,773</u>	<u>\$ 3,088,078</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 2,572,786	\$ 2,990,193
Restricted cash and cash equivalents	101,987	97,885
Total cash and cash equivalents	<u>\$ 2,674,773</u>	<u>\$ 3,088,078</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 106,487	\$ (209,606)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,081,436	1,026,741
Changes in operating assets and liabilities:		
Accounts receivable	(25,308)	(14,789)
Unbilled and accrued revenues	(19,400)	(12,007)
Materials and supplies inventory	(38,973)	3,867
Prepaid expenses	(309)	(520)
Accounts payable	41,715	154,331
Compensated absences	17,087	(19,912)
Customer and development deposits	4,150	10,385
Other accrued liabilities	(52,723)	(143,662)
Total adjustments	<u>1,007,675</u>	<u>1,004,434</u>
Net cash provided by operating activities	<u>\$ 1,114,162</u>	<u>\$ 794,828</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,060,488	\$ 1,017,792
Accounts receivable	159,426	122,995
Unbilled and accrued revenues	135,808	146,608
Materials and supplies inventories	254,210	246,400
Prepaid expenses	4,617	4,498
Interest receivable	1,328	365
Total Current Assets	<u>1,615,877</u>	<u>1,538,658</u>
Noncurrent Assets		
Restricted Investments		
Debt service reserve account	137,603	136,573
Capital Assets		
Land and land rights	55,458	55,458
Buildings and improvements	125,563	134,285
Improvements other than building	16,797,576	16,050,462
Machinery and equipment	966,806	982,404
	<u>17,945,403</u>	<u>17,222,609</u>
Less accumulated depreciation	<u>(11,700,698)</u>	<u>(11,492,591)</u>
Net Capital Assets	<u>6,244,705</u>	<u>5,730,018</u>
Total Noncurrent Assets	<u>6,382,308</u>	<u>5,866,591</u>
Total Assets	<u><u>\$ 7,998,185</u></u>	<u><u>\$ 7,405,249</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 39,660	\$ 10,332
Accrued compensated absences	78,308	80,518
Accrued payroll	13,175	29,656
Accrued interest	4,861	5,145
Other accrued liabilities	734	4,732
Current portion of long-term debt	113,220	111,600
Total Current Liabilities	<u>249,958</u>	<u>241,983</u>
Noncurrent Liabilities		
Compensated absences	165,964	171,485
Revenue bonds, net of current portion	774,790	888,010
Total Long-term Liabilities	<u>940,754</u>	<u>1,059,495</u>
Total Liabilities	<u>1,190,712</u>	<u>1,301,478</u>
Net Position		
Net investment in capital assets	5,356,695	4,730,408
Restricted for debt service	132,742	131,428
Unrestricted	1,318,036	1,241,935
Total Net Position	<u>6,807,473</u>	<u>6,103,771</u>
Total Liabilities and Net Position	<u>\$ 7,998,185</u>	<u>\$ 7,405,249</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016			Variance Positive (Negative)	2015 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for services	\$ 2,684,500	\$ 2,684,500	\$ 2,717,237	\$ 32,737	\$ 2,321,423
Operating Expenses					
Operating and maintenance expense	1,133,757	1,133,757	1,037,496	96,261	960,866
Customer accounting expenses	101,243	101,243	102,747	(1,504)	91,183
Engineering services	30,000	30,000	30,000	-	18,000
Administrative and general expense	426,046	426,046	391,156	34,890	415,227
Municipal expenses	49,500	49,500	48,134	1,366	51,482
Depreciation	540,000	540,000	509,747	30,253	532,990
Total operating expenses	<u>2,280,546</u>	<u>2,280,546</u>	<u>2,119,280</u>	<u>161,266</u>	<u>2,069,748</u>
Operating Income	403,954	403,954	597,957	194,003	251,675
Nonoperating Revenues (Expenses)					
Interest income	4,500	4,500	5,685	1,185	5,475
Miscellaneous	76,012	76,012	116,886	40,874	113,404
Interest expense	<u>(17,110)</u>	<u>(17,110)</u>	<u>(16,826)</u>	<u>284</u>	<u>(17,751)</u>
Total nonoperating revenues	<u>63,402</u>	<u>63,402</u>	<u>105,745</u>	<u>42,343</u>	<u>101,128</u>
Income Before Contributions	467,356	467,356	703,702	236,346	352,803
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,211</u>
Change in Net Position	<u>\$ 467,356</u>	<u>\$ 467,356</u>	<u>703,702</u>	<u>\$ 236,346</u>	<u>386,014</u>
Net Position, Beginning of Year			<u>6,103,771</u>		<u>5,717,757</u>
Net Position, End of Year			<u>\$ 6,807,473</u>		<u>\$ 6,103,771</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016	2015
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,691,606	\$ 2,320,333
Cash paid to suppliers for goods and services	(827,158)	(831,269)
Cash paid to employees for services	(789,186)	(736,788)
Net cash provided by operating activities	<u>1,075,262</u>	<u>752,276</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>116,886</u>	<u>113,404</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(111,600)	(111,470)
Interest paid on long-term debt	(17,110)	(17,971)
Purchases of capital assets	(1,024,434)	(621,761)
Net cash used in capital and related financing activities	<u>(1,153,144)</u>	<u>(751,202)</u>
Cash Flows From Investing Activities		
Purchases of investments	-	(1,992)
Interest received	3,692	7,600
Net cash provided by investing activities	<u>3,692</u>	<u>5,608</u>
Net Change in Cash and Cash Equivalents	42,696	120,086
Cash and Cash Equivalents, Beginning of Year	<u>1,017,792</u>	<u>897,706</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,060,488</u></u>	<u><u>\$ 1,017,792</u></u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 1,060,488</u>	<u>\$ 1,017,792</u>
Total cash and cash equivalents	<u><u>\$ 1,060,488</u></u>	<u><u>\$ 1,017,792</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 597,957	\$ 251,675
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation	509,747	532,990
Changes in operating assets and liabilities:		
Accounts receivable	(36,431)	9,326
Unbilled and accrued receivable	10,800	(8,627)
Materials and supplies inventory	(7,810)	32,903
Prepaid expenses	(119)	1,055
Accounts payable	29,328	(4,923)
Compensated absences	(7,731)	(61,827)
Customer and developer deposits	-	(1,789)
Other accrued liabilities	(20,479)	1,493
Total adjustments	<u>477,305</u>	<u>500,601</u>
Net cash provided by operating activities	<u><u>\$ 1,075,262</u></u>	<u><u>\$ 752,276</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,639,485	\$ 1,546,164
Accounts receivable	100,726	98,174
Unbilled and accrued revenues	105,441	97,550
Prepaid expenses	2,898	2,744
Interest receivable	3,588	506
Total Current Assets	<u>1,852,138</u>	<u>1,745,138</u>
Noncurrent Assets		
Investments	600,000	150,000
Restricted Investments		
Debt service reserve account	189,647	187,498
Capital Assets		
Land and land rights	16,588	16,588
Buildings and improvements	9,507,791	9,150,939
Improvements other than building	8,800,171	8,637,834
Machinery and equipment	2,164,820	2,247,698
	<u>20,489,370</u>	<u>20,053,059</u>
Less accumulated depreciation	<u>(14,301,024)</u>	<u>(13,866,856)</u>
Net Capital Assets	<u>6,188,346</u>	<u>6,186,203</u>
Total Noncurrent Assets	<u>6,977,993</u>	<u>6,523,701</u>
Total Assets	<u><u>\$ 8,830,131</u></u>	<u><u>\$ 8,268,839</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET - CONTINUED
September 30, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 166,503	\$ 11,430
Accrued compensated absences	35,965	35,978
Accrued payroll	7,936	17,314
Accrued interest	7,206	7,661
Other accrued liabilities	442	2,105
Current portion of long-term debt	158,780	155,400
Total Current Liabilities	<u>376,832</u>	<u>229,888</u>
Noncurrent Liabilities		
Compensated absences	44,984	44,525
Revenue bonds, net of current portion	1,046,460	1,205,240
Total Noncurrent Liabilities	<u>1,091,444</u>	<u>1,249,765</u>
Total Liabilities	<u>1,468,276</u>	<u>1,479,653</u>
Net Position		
Net investment in capital assets	4,983,106	4,825,563
Restricted for debt service	182,441	179,837
Unrestricted	2,196,308	1,783,786
Total Net Position	<u>7,361,855</u>	<u>6,789,186</u>
Total Liabilities and Net Position	<u>\$ 8,830,131</u>	<u>\$ 8,268,839</u>

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Totals
Operating Revenues					
Charges for services	\$ 2,064,000	\$ 2,064,000	\$ 2,046,952	\$ (17,048)	\$ 1,732,788
Operating Expenses					
Operating and maintenance expense	603,023	603,023	593,855	9,168	551,370
Customer accounting expenses	62,570	62,570	64,761	(2,191)	64,423
Engineering services	30,000	30,000	30,000	-	16,600
Administrative and general expense	246,267	246,267	257,481	(11,214)	255,077
Municipal expenses	20,000	20,000	20,326	(326)	15,360
Depreciation	552,000	552,000	554,489	(2,489)	561,159
Total operating expenses	1,513,860	1,513,860	1,520,912	(7,052)	1,463,989
Operating Income	550,140	550,140	526,040	(24,100)	268,799
Nonoperating Revenues (Expenses)					
Interest income	7,500	7,500	13,303	5,803	9,681
Miscellaneous	50,500	50,500	58,291	7,791	87,017
Interest expense	(25,420)	(25,420)	(24,965)	455	(28,231)
Total nonoperating revenues	32,580	32,580	46,629	14,049	68,467
Income Before Contributions	582,720	582,720	572,669	(10,051)	337,266
Capital Contributions	-	-	-	-	46,789
Change in Net Position	\$ 582,720	\$ 582,720	572,669	\$ (10,051)	384,055
Net Position, Beginning of Year			6,789,186		6,405,131
Net Position, End of Year			\$ 7,361,855		\$ 6,789,186

See independent auditor's report.

City of Beatrice, Nebraska
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016	2015
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,036,509	\$ 1,694,628
Cash paid to suppliers for goods and services	(351,774)	(478,925)
Cash paid to employees for services	(470,325)	(408,377)
Net cash provided by operating activities	<u>1,214,410</u>	<u>807,326</u>
Cash Flows From Noncapital Financing Activities		
Other miscellaneous receipts	<u>58,291</u>	<u>87,017</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(155,400)	(239,154)
Interest paid on long-term debt	(25,420)	(29,057)
Purchases of capital assets	(556,632)	(260,325)
Net cash used in capital and related financing activities	<u>(737,452)</u>	<u>(528,536)</u>
Cash Flows From Investing Activities		
Sales of investments	-	95,843
Purchases of investments	(450,000)	-
Interest received	8,072	11,327
Net cash provided by (used in) investing activities	<u>(441,928)</u>	<u>107,170</u>
Net Change in Cash and Cash Equivalents	93,321	472,977
Cash and Restricted Cash, Beginning of Year	1,546,164	1,073,187
Cash and Restricted Cash, End of Year	<u>\$ 1,639,485</u>	<u>\$ 1,546,164</u>
Composition of Cash and Cash Equivalents		
Cash and cash equivalents	<u>\$ 1,639,485</u>	<u>\$ 1,546,164</u>
Total cash and cash equivalents	<u>\$ 1,639,485</u>	<u>\$ 1,546,164</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 526,040	\$ 268,799
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	554,489	561,159
Changes in operating assets and liabilities:		
Accounts receivable	(2,552)	(33,450)
Unbilled and accrued revenues	(7,891)	(6,499)
Prepaid expenses	(154)	(236)
Accounts payable	155,073	8,058
Compensated absences	446	5,018
Customer and developer deposits	-	1,789
Other accrued liabilities	(11,041)	2,688
Total adjustments	<u>688,370</u>	<u>538,527</u>
Net cash provided by operating activities	<u>\$ 1,214,410</u>	<u>\$ 807,326</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 145,158	\$ 197,405
Accounts receivable	137,392	160,054
Total Current Assets	<u>282,550</u>	<u>357,459</u>
Noncurrent Assets		
Restricted investments		
Debt service reserve account	187,673	259,644
Closure/post-closure maintenance account	1,598,177	1,351,657
Total Restricted Assets	<u>1,785,850</u>	<u>1,611,301</u>
Property, Plant and Equipment		
Buildings and improvements other than buildings	5,363,810	5,335,026
Machinery and equipment	1,119,122	1,334,725
Total Property, Plant and Equipment	<u>6,482,932</u>	<u>6,669,751</u>
Less: accumulated depreciation	<u>(4,300,460)</u>	<u>(4,211,823)</u>
Net Property, Plant and Equipment	<u>2,182,472</u>	<u>2,457,928</u>
Total Noncurrent Assets	<u>3,968,322</u>	<u>4,069,229</u>
 Total Assets and Deferred Outflows	 <u>\$ 4,250,872</u>	 <u>\$ 4,426,688</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 BALANCE SHEET - CONTINUED
 September 30, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 55,742	\$ 9,381
Compensated absences	10,139	5,449
Accrued payroll	6,772	5,250
Accrued interest payable	535	17,728
Current maturities of lease obligation	-	4,290
Current maturities of bonds payable	200,000	170,000
Total Current Liabilities	<u>273,188</u>	<u>212,098</u>
Noncurrent Liabilities		
Revenue bonds payable, net of current portion	625,000	870,000
Estimated current cost of closure and post-closure	3,679,000	3,287,000
Total Noncurrent Liabilities	<u>4,304,000</u>	<u>4,157,000</u>
Total Liabilities	<u>4,577,188</u>	<u>4,369,098</u>
Net Position		
Net investment in capital assets	1,357,472	1,413,638
Restricted for debt service	187,138	241,916
Unrestricted	<u>(1,870,926)</u>	<u>(1,597,964)</u>
Net Position	<u>(326,316)</u>	<u>57,590</u>
Total Liabilities and Net Position	<u>\$ 4,250,872</u>	<u>\$ 4,426,688</u>

See independent auditor's report.

City of Beatrice, Nebraska
BASWA ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Operating Revenues					
Other government user fees	\$ 94,505	\$ 94,505	\$ 94,505	\$ -	\$ 94,505
Gate fees	390,000	390,000	456,483	66,483	372,230
Garbage service fees	719,300	719,300	676,683	(42,617)	701,488
Recycling income	2,500	2,500	8,750	6,250	2,014
Total Operating Revenues	<u>1,206,305</u>	<u>1,206,305</u>	<u>1,236,421</u>	<u>30,116</u>	<u>1,170,237</u>
Operating Expenses					
Personal services	247,728	247,728	249,099	(1,371)	230,383
Other services and charges	207,455	207,455	281,793	(74,338)	173,384
Supplies	119,700	119,700	133,836	(14,136)	82,093
Contractual services	105,752	105,752	103,146	2,606	91,147
Depreciation and amortization	250,000	250,000	183,107	66,893	194,097
Landfill closure and post-closure care	200,000	200,000	392,000	(192,000)	168,000
Total Operating Expenses	<u>1,130,635</u>	<u>1,130,635</u>	<u>1,342,981</u>	<u>(212,346)</u>	<u>939,104</u>
Operating Income	<u>75,670</u>	<u>75,670</u>	<u>(106,560)</u>	<u>(182,230)</u>	<u>231,133</u>
Nonoperating Revenues (Expenses)					
Miscellaneous income	500	500	-	-	-
Loss on disposal of capital asset	-	-	(261,308)	(261,308)	(532)
Interest earnings	11,550	11,550	15,832	4,282	11,634
Interest expense	-	-	(31,870)	(31,870)	(38,062)
Total Nonoperating Revenues (Expenses)	<u>12,050</u>	<u>12,050</u>	<u>(277,346)</u>	<u>(288,896)</u>	<u>(26,960)</u>
Change in Net Position	<u>\$ 87,720</u>	<u>\$ 87,720</u>	<u>(383,906)</u>	<u>\$ (471,126)</u>	<u>204,173</u>
Net Position, Beginning of Year			<u>57,590</u>		<u>(146,583)</u>
Net Position, End of Year			<u>\$ (326,316)</u>		<u>\$ 57,590</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BASWA ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016	2015
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,259,083	\$ 1,177,971
Cash paid to suppliers for goods and services	(466,202)	(344,971)
Cash paid to employees for services	(249,099)	(228,562)
Net cash provided by operating activities	<u>543,782</u>	<u>604,438</u>
Cash Flows from Capital and Related Financing Activities		
Bond principal repayments	(170,000)	(160,000)
Note payable repayments	(4,290)	(50,588)
Net transfer to bond refunding agent	(45,000)	-
Interest expenditures	(49,063)	(39,849)
Proceeds from sale of capital assets	85,000	-
Capital expenditures	(253,959)	(53,430)
Net cash used in capital and related financing activities	<u>(437,312)</u>	<u>(303,867)</u>
Cash Flows from Investing Activities		
Interest received	15,832	11,634
Purchase of investments	(174,549)	(275,348)
Net cash used in investing activities	<u>(158,717)</u>	<u>(263,714)</u>
Net Change in Cash and Cash Equivalents	(52,247)	36,857
Cash and Cash Equivalents, Beginning of Year	<u>197,405</u>	<u>160,548</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 145,158</u></u>	<u><u>\$ 197,405</u></u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	<u><u>\$ 145,158</u></u>	<u><u>\$ 197,405</u></u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating income	\$ (106,560)	\$ 231,133
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	183,107	194,097
Changes in operating assets and liabilities:		
Accounts receivable	22,662	7,734
Accounts payable	46,361	1,653
Accrued expenses	6,212	1,821
Closure / post-closure liabilities	392,000	168,000
Total adjustments	<u>650,342</u>	<u>373,305</u>
Net cash provided by operating activities	<u><u>\$ 543,782</u></u>	<u><u>\$ 604,438</u></u>
Supplemental Disclosure for NonCash Capital Activities:		
Trade-in value for purchase of capital asset	\$ 42,500	\$ 36,650

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 September 30, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash	\$ 45,131	\$ 81,675
Accounts receivable	<u>63,981</u>	<u>57,065</u>
Total Assets	<u>\$ 109,112</u>	<u>\$ 138,740</u>
Liabilities and Net Position		
Liabilities		
Accounts payable	<u>\$ 109,112</u>	<u>\$ 138,740</u>
Net Position		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 109,112</u>	<u>\$ 138,740</u>

See independent auditor's report.

City of Beatrice, Nebraska
 BEATRICE SANITATION ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the year ended September 30, 2016
 With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Totals
Operating Revenues					
Garbage service fees	\$ 1,301,700	\$ 1,301,700	\$ 1,265,834	\$ (35,866)	\$ 1,284,116
Operating Expenses					
Bad debt expense	1,000	1,000	1,195	(195)	2,504
Garbage disposal contract	701,300	701,300	669,402	31,898	690,506
Garbage hauler contract	599,400	599,400	595,237	4,163	591,106
Total Operating Expenses	1,301,700	1,301,700	1,265,834	35,866	1,284,116
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<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, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,258,918	\$ 1,290,231
Cash paid to supplies for goods and services	<u>(1,295,462)</u>	<u>(1,232,473)</u>
Net Change in Cash and Cash Equivalents	(36,544)	57,758
Cash and Cash Equivalents, Beginning of Year	<u>81,675</u>	<u>23,917</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 45,131</u></u>	<u><u>\$ 81,675</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by (Used in) Operating Activities		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided		
by operating (used in) activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(6,916)	6,115
Accounts payable	<u>(29,628)</u>	<u>51,643</u>
Total adjustments	<u>(36,544)</u>	<u>57,758</u>
Net cash provided by (used in) operating activities	<u><u>\$ (36,544)</u></u>	<u><u>\$ 57,758</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, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 310,284	\$ 358,921
Accounts receivable	<u>-</u>	<u>26,329</u>
Total Assets	<u>\$ 310,284</u>	<u>\$ 385,250</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Claims incurred but not reported	<u>\$ 96,753</u>	<u>\$ 147,351</u>
Net Position		
Unrestricted	<u>213,531</u>	<u>237,899</u>
Total Liabilities and Net Position	<u>\$ 310,284</u>	<u>\$ 385,250</u>

See independent auditor's report.

City of Beatrice, Nebraska
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the year ended September 30, 2016
With comparative totals for September 30, 2015

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Operating Revenues					
Charges for services, including COBRA	\$ 2,484,920	\$ 2,484,920	\$ 2,521,849	\$ 36,929	\$ 2,312,949
Reinsurance coverage reimbursements	50,000	50,000	5,578	(44,422)	304,653
Total Operating Revenues	<u>2,534,920</u>	<u>2,534,920</u>	<u>2,527,427</u>	<u>(7,493)</u>	<u>2,617,602</u>
Operating Expenses					
Health insurance claims paid	1,875,220	1,965,220	1,900,757	64,463	1,887,597
Insurance premiums	361,000	361,000	365,293	(4,293)	348,350
Payflex expenditures	188,000	188,000	186,638	1,362	175,107
Other services and charges	111,000	111,000	99,412	11,588	105,843
Total Operating Expenses	<u>2,535,220</u>	<u>2,625,220</u>	<u>2,552,100</u>	<u>73,120</u>	<u>2,516,897</u>
Operating Income (Loss)	<u>(300)</u>	<u>(90,300)</u>	<u>(24,673)</u>	<u>65,627</u>	<u>100,705</u>
Nonoperating Revenues					
Interest	<u>100</u>	<u>300</u>	<u>305</u>	<u>5</u>	<u>228</u>
Change in Net Position	<u>(200)</u>	<u>(90,000)</u>	<u>(24,368)</u>	<u>65,632</u>	<u>100,933</u>
Net Position, Beginning of Year			<u>237,899</u>		<u>136,966</u>
Net Position, End of Year			<u>\$ 213,531</u>		<u>\$ 237,899</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, 2016
With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 2,553,756	\$ 2,610,872
Payments to suppliers	<u>(2,602,698)</u>	<u>(2,457,557)</u>
Net cash provided by (used in) operating activities	(48,942)	153,315
Cash Flows From Investing Activities		
Interest received	<u>305</u>	<u>228</u>
Net Change in Cash and Cash Equivalents	<u>(48,637)</u>	<u>153,543</u>
Cash and Cash Equivalents, Beginning of Year	<u>358,921</u>	<u>205,378</u>
Cash and Cash Equivalents, End of Year	<u><u>310,284</u></u>	<u><u>358,921</u></u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Operating income (loss)	(24,673)	100,705
Adjustments to reconcile operating income (loss) to net cash provided		
by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	26,329	(6,730)
Claims incurred but not reported	<u>(50,598)</u>	<u>59,340</u>
Total adjustments	<u>(24,269)</u>	<u>52,610</u>
Net cash provided by (used in) operating activities	<u><u>\$ (48,942)</u></u>	<u><u>\$ 153,315</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
 COMBINING STATEMENT OF NET POSITION
 September 30, 2016
 With comparative totals for September 30, 2015

	2016					2015 Total
	Firefighters	Police	General Government	Board of Public Works	Total	
Assets						
Investments with fiscal agent:						
Guaranteed interest accounts	\$ 1,687,639	\$ 977,362	\$ 1,278,024	\$ 3,431,113	\$ 7,374,138	\$ 6,947,651
Publicly traded equities	4,278,766	2,019,724	1,868,876	3,176,233	11,343,599	10,265,879
Total Assets	<u>\$ 5,966,405</u>	<u>\$ 2,997,086</u>	<u>\$ 3,146,900</u>	<u>\$ 6,607,346</u>	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</u>
Net Position						
Net position restricted for pensions	<u>\$ 5,966,405</u>	<u>\$ 2,997,086</u>	<u>\$ 3,146,900</u>	<u>\$ 6,607,346</u>	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</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, 2016
 With comparative totals for the year ended September 30, 2015

	2016					2015
	Firefighters	Police	General Government	Board of Public Works	Total	Actual
Additions:						
Contributions:						
Employer	\$ 163,018	\$ 90,024	\$ 86,592	\$ 164,693	\$ 504,327	\$ 462,389
Employee	81,509	90,024	86,592	164,693	422,818	418,577
Total Contributions	244,527	180,048	173,184	329,386	927,145	880,966
Investment Income:						
Net appreciation (depreciation) in fair value of investments	492,399	249,732	231,905	436,299	1,410,335	(6,409)
Total Additions	736,926	429,780	405,089	765,685	2,337,480	874,557
Deductions:						
Benefit payments	296,345	53,760	227,942	253,876	831,923	2,439,492
Administrative costs	25	975	250	100	1,350	1
Total Deductions	296,370	54,735	228,192	253,976	833,273	2,439,493
Change in Net Position	440,556	375,045	176,897	511,709	1,504,207	(1,564,936)
Net Position Restricted for Pensions, Beginning of Year	5,525,849	2,622,041	2,970,003	6,095,637	17,213,530	18,778,466
Net Position Restricted for Pensions, End of Year	<u>\$ 5,966,405</u>	<u>\$ 2,997,086</u>	<u>\$ 3,146,900</u>	<u>\$ 6,607,346</u>	<u>\$ 18,717,737</u>	<u>\$ 17,213,530</u>

See independent auditor's report.

City of Beatrice, Nebraska
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
For the year ended September 30, 2016
With comparative totals for the year ended September 30, 2015

	2016					2015
	Firefighters	Police	General Government	Board of Public Works	Total	Total
Cash Flows From Operating Activities						
Cash contributions received	\$ 244,527	\$ 180,048	\$ 173,184	\$ 329,386	\$ 927,145	\$ 880,966
Cash terminations/retirements paid	(296,345)	(53,760)	(227,942)	(253,876)	(831,923)	(2,439,492)
Other operating charges paid	(25)	(975)	(250)	(100)	(1,350)	(1)
Net Cash Provided by (Used in) Operating Activities	(51,843)	125,313	(55,008)	75,410	93,872	(1,558,527)
Cash Flows From Investing Activities						
Interest and dividends on investments	(492,399)	(249,732)	(231,905)	(436,299)	(1,410,335)	6,409
Sale of investments	544,242	124,419	286,913	360,889	1,316,463	1,552,118
Net Cash Provided by (Used in) Investing Activities	51,843	(125,313)	55,008	(75,410)	(93,872)	1,558,527
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ 440,556	\$ 375,045	\$ 176,897	\$ 511,709	\$ 1,504,207	\$(1,564,936)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Interest and dividends on investments	(492,399)	(249,732)	(231,905)	(436,299)	(1,410,335)	6,409
Net Cash Provided by (Used In) Operating Activities	\$ (51,843)	\$ 125,313	\$ (55,008)	\$ 75,410	\$ 93,872	\$(1,558,527)

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 September 30, 2016¹

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation	Total Component Units
Assets				
Current Assets				
Cash and cash equivalents	\$ 296,882	\$ -	\$ 323,957	\$ 620,839
Cash on deposit - county treasurer	22,623	-	-	22,623
Accounts receivable	87,431	-	-	87,431
Taxes receivable	14,204	-	-	14,204
Inventories	47,762	-	-	47,762
Total Current Assets	<u>468,902</u>	<u>-</u>	<u>323,957</u>	<u>792,859</u>
Noncurrent Assets				
Investments	-	-	1,026,748	1,026,748
Restricted Assets				
Cash and cash equivalents	90,240	6,394	186,242	282,876
Cash on deposit - county treasurer	-	19,055	-	19,055
Investments	-	-	129,741	129,741
Total Restricted Assets	<u>90,240</u>	<u>25,449</u>	<u>315,983</u>	<u>431,672</u>
Capital Assets				
Land	1,321,356	-	-	1,321,356
Capital assets, net of accumulated depreciation	5,535,091	-	48,598	5,583,689
Net capital assets	<u>6,856,447</u>	<u>-</u>	<u>48,598</u>	<u>6,905,045</u>
Total Noncurrent Assets	<u>6,946,687</u>	<u>25,449</u>	<u>1,391,329</u>	<u>8,363,465</u>
Total Assets	<u>\$ 7,415,589</u>	<u>\$ 25,449</u>	<u>\$ 1,715,286</u>	<u>\$ 9,156,324</u>
Liabilities				
Current Liabilities				
Accounts payable	\$ 8,920	\$ -	\$ -	\$ 8,920
Accrued interest payable	2,124	-	-	2,124
Accrued compensated absences	15,218	-	-	15,218
Due to developer	-	25,449	-	25,449
Current maturities of long-term debt	105,000	-	-	105,000
Total Current Liabilities	<u>131,262</u>	<u>25,449</u>	<u>-</u>	<u>156,711</u>
Noncurrent Liabilities, Net of Current Portion				
Compensated absences	55,271	-	-	55,271
Long-term debt	260,000	-	-	260,000
Total Noncurrent Liabilities	<u>315,271</u>	<u>-</u>	<u>-</u>	<u>315,271</u>
Total Liabilities	<u>446,533</u>	<u>25,449</u>	<u>-</u>	<u>471,982</u>
Net Position				
Net investment in capital assets	6,575,447	-	48,598	6,624,045
Restricted for debt service	88,116	-	-	88,116
Restricted for Library Foundation	-	-	322,616	322,616
Unrestricted net position	305,493	-	1,344,072	1,649,565
Total Net Position	<u>6,969,056</u>	<u>-</u>	<u>1,715,286</u>	<u>8,684,342</u>
Total Liabilities and Net Position	<u>\$ 7,415,589</u>	<u>\$ 25,449</u>	<u>\$ 1,715,286</u>	<u>\$ 9,156,324</u>

1: Beatrice Library Foundation, Inc.'s financial information is as of its fiscal year end July 31, 2016.

See independent auditor's report.

CITY OF BEATRICE, NEBRASKA
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 For the year ended September 30, 2016¹

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Capital Grants and Contributions	Component Units			
				Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Beatrice Public Library Foundation, Inc.	Total
Beatrice Airport Authority:							
Airport operations	\$ 656,980	\$ 416,046	\$ 1,287,146	\$ 1,046,211	\$ -	\$ -	\$ 1,046,211
Interest on long-term debt	7,339	-	-	(7,339)	-	-	(7,339)
Total Beatrice Airport Authority	<u>664,319</u>	<u>416,046</u>	<u>1,287,146</u>	<u>1,038,873</u>	<u>-</u>	<u>-</u>	<u>1,038,873</u>
Beatrice Community Redevelopment Authority:							
Community development	346,836	-	-	-	(346,836)	-	(346,836)
Total Beatrice Community Redevelopment Authority	<u>346,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(346,836)</u>	<u>-</u>	<u>(346,836)</u>
Beatrice Public Library Foundation, Inc.:							
Foundation operations	<u>297,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,525)</u>	<u>(297,525)</u>
Total Component Units	<u>\$ 1,308,679</u>	<u>\$ 416,046</u>	<u>\$ 1,287,146</u>	<u>1,038,873</u>	<u>(346,836)</u>	<u>(297,525)</u>	<u>394,512</u>
General Revenues							
Property tax				251,050	-	-	251,050
Tax increment financing				-	346,836	-	346,836
Miscellaneous revenues				11,944	-	8,787	20,731
Investment earnings				214	-	40,008	40,222
Total General Revenues				<u>263,208</u>	<u>346,836</u>	<u>48,795</u>	<u>658,839</u>
Change in Net Position				1,302,081	-	(248,730)	1,053,351
Net Position, Beginning of Year				<u>5,666,975</u>	<u>-</u>	<u>1,964,016</u>	<u>7,630,991</u>
Net Position, End of Year				<u>\$ 6,969,056</u>	<u>\$ -</u>	<u>\$ 1,715,286</u>	<u>\$ 8,684,342</u>

1: Beatrice Library Foundation, Inc.'s financial information is for its fiscal year ended July 31, 2016.

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2016
 With comparative totals for September 30, 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 296,882	\$ 456,084
Cash on deposit - county treasurer	22,623	14,817
Accounts receivable	87,431	523,761
Taxes receivable	14,204	13,371
Inventories	47,762	59,594
Total Current Assets	<u>468,902</u>	<u>1,067,627</u>
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents - debt service	90,240	92,383
Cash and cash equivalents - runway extension project	-	565,957
Total Restricted Assets	<u>90,240</u>	<u>658,340</u>
Capital Assets		
Land	1,321,356	1,321,356
Capital assets, net of accumulated depreciation	5,535,091	3,797,122
Total Capital Assets	<u>6,856,447</u>	<u>5,118,478</u>
Total Noncurrent Assets	<u>6,946,687</u>	<u>5,776,818</u>
Total Assets	<u>\$ 7,415,589</u>	<u>\$ 6,844,445</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,291	\$ 630,661
Accrued wages payable	6,629	6,645
Accrued interest payable	2,124	2,673
Current portion of compensated absences	15,218	13,964
Current maturities of long-term debt	105,000	105,000
Total Current Liabilities	<u>131,262</u>	<u>758,943</u>
Noncurrent Liabilities, Net of Current Portion		
Compensated absences	55,271	53,527
Long-term debt	260,000	365,000
Total Noncurrent Liabilities	<u>315,271</u>	<u>418,527</u>
Total Liabilities	<u>446,533</u>	<u>1,177,470</u>
Net Position		
Net investment in capital assets	6,575,447	4,526,086
Restricted for debt service	88,116	89,710
Restricted for runway expansion	-	565,957
Unrestricted net position	305,493	485,222
Total net position	<u>6,969,056</u>	<u>5,666,975</u>
Total Liabilities and Net Position	<u>\$ 7,415,589</u>	<u>\$ 6,844,445</u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE AIRPORT AUTHORITY
 STATEMENT OF ACTIVITIES
 For the year ended September 30, 2016
 With comparative totals for the year ended September 30, 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Property taxes	\$ 251,050	\$ 226,025
Rent and use fees	185,410	160,323
Charges for services	5,402	50,396
Gas, oil, and jet fuel sales	166,720	175,325
Farm income	58,513	69,314
Interest income	214	559
Other income	11,944	5,712
Total Operating Revenues	<u>679,254</u>	<u>687,654</u>
Operating Expenses		
Airport operations	654,310	676,720
Aircraft repair shop	2,670	50,156
Interest on long-term debt	7,339	8,984
Total Operating Expenses	<u>664,319</u>	<u>735,860</u>
Income (Loss) Before Capital Contributions	14,935	(48,206)
Capital Contributions	<u>1,287,146</u>	<u>2,199,002</u>
Change in Net Position	1,302,081	2,150,796
Net Position, Beginning of Year	<u>5,666,975</u>	<u>3,516,179</u>
Net Position, End of Year	<u><u>\$ 6,969,056</u></u>	<u><u>\$ 5,666,975</u></u>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF NET POSITION
 September 30, 2016
 With comparative totals for September 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Restricted Assets		
Cash and cash equivalents	\$ 6,394	\$ 30,726
Cash on deposit - county treasurer	19,055	16,093
Total Assets	<u>\$ 25,449</u>	<u>\$ 46,819</u>
 Liabilities		
Current Liabilities		
Due to developer	<u>\$ 25,449</u>	<u>\$ 46,819</u>
Total Liabilities	<u>25,449</u>	<u>46,819</u>
 Net Position		
Unrestricted	<u>-</u>	<u>-</u>
 Total Liabilities and Net Position	<u>\$ 25,449</u>	<u>\$ 46,819</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, 2016
 With comparative totals for the year ended September 30, 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Tax increment financing	\$ 346,836	\$ 361,500
Total Operating Revenues	<u>346,836</u>	<u>361,500</u>
Operating Expenses		
Developer TIF payments	346,836	235,363
Refund to county treasurer	-	104,367
Interest expense	-	21,770
Total Operating Expenses	<u>346,836</u>	<u>361,500</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>

See independent auditor's report.

City of Beatrice, Nebraska
 COMPONENT UNIT
 BEATRICE PUBLIC LIBRARY FOUNDATION, INC.
 STATEMENT OF NET POSITION
 July 31, 2016
 With comparative totals for July 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 323,957	\$ 575,584
Total Current Assets	<u>323,957</u>	<u>575,584</u>
Noncurrent Assets		
Investments	1,026,748	1,043,763
Cash and cash equivalents - restricted	186,242	185,870
Investments - restricted	129,741	97,923
Capital assets (net of accumulated depreciation of \$-0- in 2016 and \$18,240 in 2015)	48,598	61,791
Total Noncurrent Assets	<u>1,391,329</u>	<u>1,389,347</u>
Total Assets	<u>\$ 1,715,286</u>	<u>\$ 1,964,931</u>
Liabilities		
Current Liabilities		
Accrued liabilities	\$ -	\$ 915
Total Liabilities	<u>-</u>	<u>915</u>
Net Position		
Net investment in capital assets	48,598	61,791
Restricted for Library Foundation	322,616	535,745
Unrestricted net position	1,344,072	1,366,480
Total Net Position	<u>1,715,286</u>	<u>1,964,016</u>
Total Liabilities and Net Position	<u>\$ 1,715,286</u>	<u>\$ 1,964,931</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, 2016
 With comparative totals for the year ended July 31, 2015

	2016	2015
Support and Revenue		
Gifts and bequests	\$ 2,535	\$ 3,127
Investment income	54,512	65,013
Gain (loss) on sale of assets	(17,186)	5,875
Unrealized gain (loss) on assets	2,682	(7,854)
Rental income	-	2,950
Miscellaneous contributions	6,252	3,700
Total Support and Revenue	<u>48,795</u>	<u>72,811</u>
Expenses		
Professional fees	12,736	13,527
Real estate taxes	603	1,554
Other rental expenses	200	175
Depreciation	238	1,143
Supplies and miscellaneous	1,843	2,709
Library support	281,905	767,091
Garden expenses	-	200
Total Expenses	<u>297,525</u>	<u>786,399</u>
Change in Net Position	(248,730)	(713,588)
Net Position, Beginning of Year	<u>1,964,016</u>	<u>2,677,604</u>
Net Position, End of Year	<u>\$ 1,715,286</u>	<u>\$ 1,964,016</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, 2016
 With comparative totals for the year ended July 31, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in net position	\$ (248,730)	\$ (713,588)
Adjustments to change in net position to cash used in operating activities:		
Depreciation	238	1,143
Gain (loss) on sale of assets	17,186	(5,875)
Unrealized (gain) loss on assets	(2,682)	7,854
Decrease in accrued taxes	(915)	(13)
Total adjustments	<u>13,827</u>	<u>3,109</u>
Net cash used in operating activities	<u>(234,903)</u>	<u>(710,479)</u>
Cash Flows from Investment Activities		
Sale of investments	20,972	60,505
Purchase of investments	<u>(37,324)</u>	<u>(71,880)</u>
Net cash used in investing activities	<u>(16,352)</u>	<u>(11,375)</u>
Net Decrease in Cash and Cash Equivalents	(251,255)	(721,854)
Cash and Cash Equivalents, Beginning of Year	<u>761,454</u>	<u>1,483,308</u>
Cash and Cash Equivalents, End of Year	<u>\$ 510,199</u>	<u>\$ 761,454</u>
Cash and Cash Equivalents Consist of:		
Cash and cash equivalents	323,957	575,584
Cash and cash equivalents - restricted	<u>186,242</u>	<u>185,870</u>
	<u>\$ 510,199</u>	<u>\$ 761,454</u>

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY SOURCE
 September 30, 2016
 With comparative totals for September 30, 2015

	2016	2015
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 3,000,260	\$ 2,727,238
Buildings	8,936,968	8,762,479
Improvements other than buildings	4,887,437	4,669,809
Machinery and equipment	10,952,036	10,360,070
Infrastructure	29,796,943	28,596,809
Total	<u>\$ 57,573,644</u>	<u>\$ 55,116,405</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General obligation bonds	\$ 5,850,717	\$ 5,468,859
Federal and state grants	10,057,394	9,665,330
General fund revenues	36,269,600	34,834,443
Donations	5,395,933	5,147,773
Total Investment in Governmental Funds Capital Assets	<u>\$ 57,573,644</u>	<u>\$ 55,116,405</u>

Note:

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

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2016
 With comparative totals for September 30, 2015

Function and Activity	2016						2015 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and budget	\$ 161,003	\$ -	\$ -	\$ 303,091	\$ -	\$ 464,094	\$ 275,778
Legal	-	-	-	5,692	-	5,692	5,692
Inspection	-	-	-	56,644	-	56,644	53,887
Total General Government	161,003	-	-	365,427	-	526,430	335,357
PUBLIC SAFETY							
Police	76,500	-	147,480	2,641,821	-	2,865,801	2,640,803
Fire	-	-	-	4,026,020	-	4,026,020	4,044,344
Total Public Safety	76,500	-	147,480	6,667,841	-	6,891,821	6,685,147
CULTURE AND RECREATION							
Public properties	2,662,179	4,536,578	4,657,753	1,291,335	-	13,147,845	12,597,846
Library	100,578	3,943,601	82,204	733,205	-	4,859,588	4,729,299
Total Culture and Recreation	2,762,757	8,480,179	4,739,957	2,024,540	-	18,007,433	17,327,145
STREETS AND TRAILS	-	456,789	-	1,870,887	28,810,077	31,137,753	29,758,549
STORM WATER MANAGEMENT	-	-	-	23,341	986,866	1,010,207	1,010,207
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 3,000,260</u>	<u>\$ 8,936,968</u>	<u>\$ 4,887,437</u>	<u>\$ 10,952,036</u>	<u>\$ 29,796,943</u>	<u>\$ 57,573,644</u>	<u>\$ 55,116,405</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, 2016

Function and Activity	Governmental Funds Capital Assets 10/1/15	Additions	Deductions	Governmental Funds Capital Assets 9/30/16
GENERAL GOVERNMENT				
Management and budget	\$ 275,778	\$ 192,530	\$ (4,214)	\$ 464,094
Legal	5,692	-	-	5,692
Inspection	53,887	4,180	(1,423)	56,644
Total General Government	<u>335,357</u>	<u>196,710</u>	<u>(5,637)</u>	<u>526,430</u>
PUBLIC SAFETY				
Police	2,640,803	365,578	(140,580)	2,865,801
Fire	4,044,344	318,495	(336,819)	4,026,020
Total Public Safety	<u>6,685,147</u>	<u>684,073</u>	<u>(477,399)</u>	<u>6,891,821</u>
CULTURE AND RECREATION				
Public properties	12,597,846	563,499	(13,500)	13,147,845
Library	4,729,299	136,020	(5,731)	4,859,588
Total Culture and Recreation	<u>17,327,145</u>	<u>699,519</u>	<u>(19,231)</u>	<u>18,007,433</u>
STREETS AND TRAILS	29,758,549	1,413,562	(34,358)	31,137,753
STORM WATER MANAGEMENT	<u>1,010,207</u>	<u>-</u>	<u>-</u>	<u>1,010,207</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$55,116,405</u>	<u>\$ 2,993,864</u>	<u>\$ (536,625)</u>	<u>\$57,573,644</u>

See independent auditor's report.

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

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 – 5

Revenue Capacity

These tables contain information to help the reader assess the City's most significant local revenue source, property taxes.

6 – 9

Debt Capacity

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in capital assets	\$ 24,852,789	\$ 24,951,333	\$ 25,645,880	\$ 25,415,415	\$ 26,471,016	\$ 28,220,897	\$ 28,702,717	\$ 28,986,067	\$ 29,927,397	\$ 30,825,043
Restricted	3,560,378	3,486,512	3,184,634	3,323,885	2,860,602	2,494,379	3,151,861	3,076,005	3,750,366	4,003,388
Unrestricted	1,404,834	1,487,967	1,468,328	1,715,179	2,125,443	2,007,117	2,313,002	2,693,041	2,982,107	3,192,413
Total Governmental Activities Net Position	\$ 29,818,001	\$ 29,925,812	\$ 30,298,842	\$ 30,454,479	\$ 31,457,061	\$ 32,722,393	\$ 34,167,580	\$ 34,755,113	\$ 36,659,870	\$ 38,020,844
Business-type Activities										
Net Investment in capital assets	\$ 24,082,895	\$ 24,456,255	\$ 21,645,203	\$ 21,604,880	\$ 21,153,306	\$ 22,190,417	\$ 22,413,044	\$ 23,166,370	\$ 24,047,909	\$ 25,423,188
Restricted	425,387	598,152	643,308	643,769	467,738	636,926	635,176	618,842	629,955	579,207
Unrestricted	1,550,277	1,009,142	4,306,304	5,628,234	7,988,560	8,198,618	7,975,780	7,326,777	7,393,322	7,475,616
Total Business-type Activities Net Position	\$ 26,058,559	\$ 26,063,549	\$ 26,594,815	\$ 27,876,883	\$ 29,609,604	\$ 31,025,961	\$ 31,024,000	\$ 31,111,989	\$ 32,071,186	\$ 33,478,011
Primary Government										
Net Investment in capital assets	\$ 48,935,684	\$ 49,407,588	\$ 47,291,083	\$ 47,020,295	\$ 47,624,322	\$ 50,411,314	\$ 51,115,761	\$ 52,152,437	\$ 53,975,306	\$ 56,248,231
Restricted	3,985,765	4,084,664	3,827,942	3,967,654	3,328,340	3,131,305	3,787,037	3,694,847	4,380,321	4,582,595
Unrestricted	2,955,111	2,497,109	5,774,632	7,343,413	10,114,003	10,205,735	10,288,782	10,019,818	10,375,429	10,668,029
Total Primary Government Net Position	\$ 55,876,560	\$ 55,989,361	\$ 56,893,657	\$ 58,331,362	\$ 61,066,665	\$ 63,748,354	\$ 65,191,580	\$ 65,867,102	\$ 68,731,056	\$ 71,498,855

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government	\$ 1,525,313	\$ 2,279,782	\$ 1,427,557	\$ 1,501,214	\$ 2,142,072	\$ 1,850,178	\$ 1,543,513	\$ 3,286,519	\$ 5,124,109	\$ 4,257,592
Public Safety	4,814,618	4,961,626	4,986,635	5,342,184	5,524,713	5,711,024	5,686,678	5,609,235	5,218,151	6,267,387
Highways and Streets	1,583,261	1,890,095	1,800,884	2,055,666	2,025,079	1,865,778	1,856,508	2,116,534	2,041,955	1,914,965
Culture and Recreation	1,661,496	1,625,953	1,423,702	1,494,887	1,418,419	1,269,566	1,349,132	1,422,746	1,609,230	1,772,494
Interest on Long-Term Debt	51,357	49,910	38,318	31,322	23,868	21,945	24,120	12,603	14,741	15,219
Total Governmental Activities Expenses	9,636,045	10,807,366	9,677,096	10,425,273	11,134,151	10,718,491	10,459,951	12,447,637	14,008,186	14,227,657
Business-type Activities										
Electric	11,352,226	11,790,452	11,990,639	12,837,407	13,466,171	14,102,853	14,753,172	15,224,361	14,967,570	15,573,893
Water	1,685,340	1,680,952	1,751,778	1,837,721	1,976,606	1,969,687	2,236,224	2,255,678	2,087,499	2,136,106
Water Pollution Control	1,469,718	1,567,092	1,626,419	1,599,624	1,616,210	1,511,319	1,509,212	1,524,519	1,492,220	1,545,877
Beatrice Area Solid Waste Agency	1,075,677	1,649,170	942,608	956,627	1,025,297	1,384,427	1,285,647	992,209	977,166	1,636,159
Sanitation	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834
Total Business-type Activities Expenses	16,722,594	17,896,230	17,485,975	18,421,842	19,269,902	20,202,135	21,036,257	21,292,624	20,808,571	22,157,869
Total Primary Government Expenses	\$26,358,639	\$28,703,596	\$27,163,071	\$28,847,115	\$30,404,053	\$30,920,626	\$31,496,208	\$33,740,261	\$34,816,757	\$36,385,526
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 371,674	\$ 284,335	\$ 205,377	\$ 311,477	\$ 250,053	\$ 272,753	\$ 418,743	\$ 1,744,814	\$ 3,036,542	\$ 2,983,118
Public Safety	1,402,026	1,586,908	1,642,214	1,666,149	1,806,582	1,893,084	1,914,393	1,340,782	1,832,967	1,380,446
Culture and Recreation	192,847	187,454	212,136	234,027	212,851	234,840	228,792	36,988	223,024	245,400
Other Governmental Activities	34,318	38,457	26,790	22,865	50,147	68,552	28,795	219,903	29,682	48,877
Operating Grants and Contributions	1,829,626	1,967,155	1,785,458	1,674,225	1,414,084	1,182,509	1,072,697	1,380,090	1,946,512	1,701,014
Capital Grants and Contributions	1,378,513	597,350	290,637	654,092	2,307,752	2,332,445	1,694,873	1,641,055	2,021,762	2,066,183
Total Governmental Activities Program Revenues	5,209,004	4,661,659	4,162,612	4,562,835	6,041,469	5,984,183	5,358,293	6,363,632	9,090,489	8,425,038
Business-type Activities										
Charges for Services:										
Electric	11,524,236	12,400,570	12,642,133	14,104,065	14,498,621	14,644,110	14,838,324	15,165,993	14,749,348	15,672,130
Water	1,625,956	1,487,231	1,577,016	1,728,981	1,969,342	2,281,472	2,230,423	2,360,903	2,321,423	2,717,237
Water Pollution Control	1,129,261	1,158,511	1,198,716	1,375,951	1,453,143	1,566,247	1,562,711	1,536,331	1,732,788	2,046,952
Beatrice Area Solid Waste Agency	997,495	1,075,120	1,050,149	1,048,397	1,017,931	1,114,194	1,086,095	1,136,396	1,170,237	1,236,421
Sanitation	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618	1,233,849	1,252,002	1,295,857	1,284,116	1,265,834
Capital Grants and Contributions	214,223	199,650	-	-	-	-	-	-	80,000	-
Total Business-type Activities Program Revenues	16,630,804	17,529,646	17,642,545	19,447,857	20,124,655	20,839,872	20,969,555	21,495,480	21,337,912	22,938,574
Total Primary Government Program Revenues	\$21,839,808	\$22,191,305	\$21,805,157	\$24,010,692	\$26,166,124	\$26,824,055	\$26,327,848	\$27,859,112	\$30,428,401	\$31,363,612
Net (Expense) Revenue										
Governmental Activities:	\$ (4,427,041)	\$ (6,145,707)	\$ (5,514,484)	\$ (5,862,438)	\$ (5,092,682)	\$ (4,734,308)	\$ (5,101,658)	\$ (6,084,005)	\$ (4,917,697)	\$ (5,802,619)
Business-type Activities	(91,790)	(366,584)	156,570	1,026,015	854,753	637,737	(66,702)	202,856	529,341	780,705
Total Primary Government Net (Expense)	\$ (4,518,831)	\$ (6,512,291)	\$ (5,357,914)	\$ (4,836,423)	\$ (4,237,929)	\$ (4,096,571)	\$ (5,168,360)	\$ (5,881,149)	\$ (4,388,356)	\$ (5,021,914)

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

Table 2

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

Governmental Activities:

Taxes	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,583,425	\$ 5,762,423	\$ 6,033,958	\$ 6,181,178
Unrestricted Intergovernmental	555,063	587,786	566,172	561,813	597,411	393,613	659,517	689,779	607,292	750,407
Miscellaneous Revenues	302,369	447,468	278,455	146,476	238,004	136,136	298,578	221,673	172,350	104,455
Unrestricted Investment Earnings	136,094	114,399	82,662	72,767	17,708	9,445	5,325	6,231	8,854	111,634
Gain (loss) on Sale of Capital Assets	(84,842)	(6,511)	-	-	-	-	-	(7,074)	-	15,919
Total Governmental Activities	5,896,212	6,253,518	5,887,514	6,018,075	6,095,264	5,999,640	6,546,845	6,673,032	6,822,454	7,163,593

Business-type Activities:

Miscellaneous Revenues	171,536	277,591	321,312	196,031	810,950	727,763	368,806	195,737	371,470	556,631
Investment Earnings	131,793	98,880	53,384	60,022	67,018	50,857	43,348	44,801	58,918	69,489
Special Items	-	-	-	-	-	-	(191,485)	-	-	-
(Loss) Gain on Sale of Capital Assets	-	(4,897)	-	-	-	-	(57,757)	-	(532)	-
Total Business-type Activities	303,329	371,574	374,696	256,053	877,968	778,620	162,912	240,538	429,856	626,120
Total Primary Government	\$ 6,199,541	\$ 6,625,092	\$ 6,262,210	\$ 6,274,128	\$ 6,973,232	\$ 6,778,260	\$ 6,709,757	\$ 6,913,570	\$ 7,252,310	\$ 7,789,713

Change in Net Position

Governmental Activities	\$ 1,469,171	\$ 107,811	\$ 373,030	\$ 155,637	\$ 1,002,582	\$ 1,265,332	\$ 1,445,187	\$ 589,027	\$ 1,904,757	\$ 1,360,974
Business-type Activities	211,539	4,990	531,266	1,282,068	1,732,721	1,416,357	96,210	443,394	959,197	1,406,825
Change in accounting principle	-	-	-	-	-	-	(98,171)	-	-	-
Total Primary Government	\$ 1,680,710	\$ 112,801	\$ 904,296	\$ 1,437,705	\$ 2,735,303	\$ 2,681,689	\$ 1,443,226	\$ 1,032,421	\$ 2,863,954	\$ 2,767,799

2013 - Implementation of GASB 65

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

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

Table 3

<u>FISCAL YEAR</u>		<u>PROPERTY TAX</u>	<u>SALES TAX</u>	<u>UTILITY OCC. TAX</u>	<u>OTHER OCC. TAX</u>	<u>TOTAL</u>
2007		\$ 1,437,813	\$ 2,813,973	\$ 715,056	\$ 20,686	\$ 4,987,528
2008	(1)	1,724,779	2,629,801	736,406	19,390	5,110,376
2009	(2)	1,698,740	2,478,365	713,816	69,304	4,960,225
2010		1,783,347	2,629,559	729,054	95,059	5,237,019
2011		1,757,256	2,687,099	695,828	101,958	5,242,141
2012		1,862,937	2,863,615	627,735	106,159	5,460,446
2013		1,881,463	2,848,579	629,911	106,474	5,466,427
2014		1,980,617	3,082,267	647,380	113,482	5,823,746
2015		2,137,814	3,186,767	607,257	121,563	6,053,401
2016		2,236,813	3,229,496	573,926	136,531	6,176,766

Note:

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

(1) Property tax increase due to new debt service levy for Public Safety Tax Anticipation Notes

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

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

Table 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted	\$ -	\$ 128,019	\$ 48,584	\$ 21,354	\$ 52,588	\$ 63,979	\$ 28,800	\$ -	\$ -	\$ -
Assigned For:										
subsequent years' expenditures	491,000	629,500	592,106	716,164	734,960	644,444	734,986	817,938	1,079,813	1,141,943
Unassigned	1,450,957	1,210,485	1,129,331	1,057,315	849,366	786,619	1,157,311	1,860,437	1,906,992	2,013,817
Total General Fund	<u>\$ 1,941,957</u>	<u>\$ 1,968,004</u>	<u>\$ 1,770,021</u>	<u>\$ 1,794,833</u>	<u>\$ 1,636,914</u>	<u>\$ 1,495,042</u>	<u>\$ 1,921,097</u>	<u>\$ 2,678,375</u>	<u>\$ 2,986,805</u>	<u>\$ 3,155,760</u>
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 675,162	\$ 901,586	\$ 1,066,772	\$ 1,227,426	\$ 1,030,152	\$ 896,621	\$ 1,016,166	\$ 1,128,265	\$ 1,256,328	\$ 1,254,631
Restricted for Library Capital	-	-	-	-	-	-	-	10,112	8,641	1,943
Restricted for Debt Service	217,103	450,392	235,800	212,370	212,845	171,982	177,277	69,182	71,682	72,452
Restricted for CDBG Revolving Loans	2,309,706	1,654,085	1,593,105	1,555,418	1,523,666	1,290,461	1,249,361	622,605	340,188	355,789
Restricted for E911 Public Safety	(5,964)	(4,065)	(2,095)	7,699	41,351	71,336	92,446	36,758	25,266	20,321
Restricted for Storm Water Management	31,262	11,086	31,680	72	21,438	36,900	41,726	56,048	48,965	60,935
Restricted for Streets	4,677	(3,304)	160,092	411,516	378,019	401,241	546,085	1,171,626	1,999,868	2,239,985
Committed For:										
Committed for Community Betterment	181,687	191,405	204,863	162,712	209,771	50,355	4,046	17,326	68,141	9,859
Committed for Library Capital	96,835	80,739	81,705	93,416	82,405	145,349	211,822	40,876	40,896	40,917
Committed for Public Safety	266,131	304,799	158,668	206,202	255,576	292,892	198,964	69,600	41,542	204,005
Committed for Capital Project	-	-	-	-	267,233	-	-	-	-	-
Assigned For:										
Debt service	-	-	-	-	-	-	-	13,879	1,368	78,057
Subsequent Years' Expenditures	-	-	-	-	-	122,678	159,728	-	33,486	70,510
Unassigned, Reported In:										
Debt Service Funds	(235,058)	(214,234)	(129,833)	(53,427)	(16,416)	(146,182)	(10,394)	-	-	-
Capital Projects funds	3,462	91,430	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 3,545,003</u>	<u>\$ 3,463,919</u>	<u>\$ 3,400,757</u>	<u>\$ 3,823,404</u>	<u>\$ 4,006,040</u>	<u>\$ 3,333,633</u>	<u>\$ 3,687,227</u>	<u>\$ 3,236,277</u>	<u>\$ 3,936,371</u>	<u>\$ 4,409,404</u>

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

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

2011 - For comparison purposes restated the fund balances from 2005 thru 2010 per the new definitions

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

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

Table 5

	2007	2008	2009	2010	2011	2012	2013	2014(a)	2015	2016
Revenues										
Taxes	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141	\$ 5,460,446	\$ 5,466,427	\$ 5,823,746	\$ 6,053,401	\$ 6,176,766
Licenses & Permits	199,008	103,070	80,819	173,182	108,465	105,128	78,920	114,685	122,002	131,063
Intergovernmental and Grants	3,457,823	2,827,669	2,494,643	2,801,411	4,254,245	2,430,097	3,191,033	2,794,328	3,822,758	3,966,494
Charges for Services (1)	1,773,046	1,974,053	1,990,050	2,043,066	2,170,302	2,344,477	1,847,614	1,758,473	1,884,249	1,991,166
Keno Proceeds	109,558	113,062	89,668	75,178	83,401	79,132	62,296	73,188	81,618	78,192
Special Assessments	103,792	60,611	85,724	63,252	25,794	133,879	118,261	40,723	41,789	142,077
Interest	152,259	135,906	112,125	72,767	62,518	34,114	43,664	48,928	20,287	111,329
Donations and Misc Revenue	404,930	594,879	236,872	146,778	165,542	644,084	464,741	1,006,947	807,558	480,670
Total revenues	11,187,944	10,919,626	10,050,126	10,612,653	12,112,408	11,231,357	11,272,956	11,661,018	12,833,662	13,077,757
Expenditures										
General Government	1,297,993	2,230,741	1,356,912	1,473,498	2,827,461	1,823,715	1,403,472	1,682,858	2,507,695	1,663,744
Public Safety (1)	4,552,974	4,732,030	4,697,661	4,975,019	5,148,150	5,234,146	4,888,595	5,024,814	5,173,814	5,699,342
Highways and Streets	968,064	1,101,521	1,069,722	1,263,739	1,224,442	1,154,538	1,086,835	1,067,619	1,047,157	1,005,346
Culture and Recreation	1,321,558	1,314,275	1,030,637	1,013,450	1,040,086	942,577	926,500	908,159	984,968	1,091,641
Debt Service:										
Principal	165,000	230,000	375,000	360,148	305,444	270,000	140,000	290,000	185,000	190,000
Interest	51,357	49,910	38,318	31,322	23,868	21,945	18,140	5,050	2,068	1,235
Bond Insurance Costs	-	10,199	-	-	-	-	5,980	-	-	6,675
Capital Outlay	2,755,667	1,913,167	1,616,144	921,519	1,393,246	2,485,269	2,434,862	2,676,626	2,773,458	3,410,909
MFO Payments to Other Entities	122,907	124,292	126,877	126,499	124,994	113,445	108,923	106,438	110,679	131,810
Total Expenditures	11,235,520	11,706,135	10,311,271	10,165,194	12,087,691	12,045,635	11,013,307	11,761,564	12,784,839	13,200,702
Excess of Revenues over (under) Expenditures	(47,576)	(786,509)	(261,145)	447,459	24,717	(814,278)	259,649	(100,546)	48,823	(122,945)
Other Financing Sources (Uses)										
Transfers In	313,958	473,865	448,856	228,934	371,548	715,163	374,263	384,542	515,680	552,899
Transfers Out	(313,958)	(473,865)	(448,856)	(228,934)	(371,548)	(715,163)	(374,263)	(384,542)	(515,680)	(552,899)
Grant write-off	-	(87,857)	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	504,436	149,528
Bond and Lease Proceeds	216,263	819,329	-	-	-	-	520,000	-	452,665	575,000
Sale of Capital Assets	17,854	-	-	-	-	-	-	20,000	2,600	40,406
Total Other Financing Sources (Uses)	234,117	731,472	-	-	-	-	520,000	20,000	959,701	764,933
Net Change in Fund Balances	\$ 186,541	\$ (55,037)	\$ (261,145)	\$ 447,459	\$ 24,717	\$ (814,278)	\$ 779,649	\$ (80,546)	\$ 1,008,524	\$ 641,988
Debt Service as a percentage of noncapital expenditures	2.6%	2.9%	5.3%	4.3%	3.4%	3.2%	1.9%	3.7%	1.9%	2.0%

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

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

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

Table 6

FISCAL YEAR	ASSESSED VALUE (1)	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUATION	TOTAL DIRECT TAX RATE	RATIO OF ASSESSED TO EST. ACTUAL
2007	\$ 481,285,347	\$ 16,002,826	\$ 497,288,173	0.293520	1
2008	486,617,931	15,869,700	502,487,631	0.343520	1
2009	525,995,213	18,150,178	544,145,391	0.315224	1
2010	532,301,625	25,190,566	557,492,191	0.325815	1
2011	530,661,631	15,296,532	545,958,163	0.325839	1
2012	528,758,221	13,937,124	542,695,345	0.345840	1
2013	531,508,050	12,657,956	544,166,006	0.345840	1
2014	552,634,425	22,369,755	575,004,180	0.345707	1
2015	553,844,505	22,185,562	576,030,067	0.370223	1
2016	569,474,021	24,054,950	593,528,971	0.380223	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>
2007	0.29352	1.161632	0.327795	0.132702	0.040008	1.955657
2008	0.34352	1.161632	0.373835	0.142877	0.041529	2.063393
2009	0.315224	1.13984	0.410005	0.144141	0.040084	2.049294
2010	0.325815	1.135029	0.412199	0.14144	0.034099	2.048582
2011	0.325839	1.165588	0.409978	0.133048	0.034819	2.069272
2012	0.34584	1.163807	0.392833	0.134298	0.034847	2.071625
2013	0.34584	1.163216	0.394647	0.134189	0.034422	2.072314
2014	0.345707	1.159466	0.369361	0.123545	0.044156	2.042235
2015	0.370223	1.160844	0.338379	0.109881	0.0396	2.018927
2016	0.380223	1.135307	0.297766	0.122644	0.042898	1.978838

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

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

Table 7a

FISCAL YEAR	CITY OF BEATRICE	STATE OF NEBRASKA	TOTAL TAX RATE
2007	1.50%	5.50%	7.00%
2008	1.50%	5.50%	7.00%
2009	1.50%	5.50%	7.00%
2010	1.50%	5.50%	7.00%
2011	1.50%	5.50%	7.00%
2012	1.50%	5.50%	7.00%
2013	1.50%	5.50%	7.00%
2014	1.50%	5.50%	7.00%
2015	1.50%	5.50%	7.00%
2016	1.50%	5.50%	7.00%

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

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

Table 8

TAXPAYER	TYPE OF BUSINESS	2016			2007		
		ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION
Flint Hills Resources Beatrice LLC	(1) manufacturing plant	\$ 13,712,405	1	2.31%	---	---	---
Exmark Manufacturing Co	(2) manufacturing	6,926,180	2	1.17%	---	---	---
EIP Beatrice Owner, LLC	(2) manufacturing	6,910,460	3	1.16%	---	---	---
Farmers Co-op Elevator	grain/feed elevator	6,494,490	4	1.09%	2,568,325	5	0.53%
Wal-Mart Stores	shopping mall	6,400,000	5	1.08%	6,840,855	2	1.42%
Worldlawn Power Equipment	manufacturing	5,904,610	6	0.99%	---	---	---
Frontier Lodging of Beatrice	hotel	4,283,070	7	0.72%	2,821,370	4	0.59%
Accuma Corp	(2) manufacturing	3,717,360	8	0.63%	---	---	---
Beatrice Retirement Inc.	retirement homes	3,180,470	9	0.54%	3,451,635	3	0.72%
Stanley T & Judy E Meyer	shopping mall plus other	2,517,480	10	0.42%	2,345,290	7	0.49%
KH Beatrice, LLC	manufacturing	---	---	---	13,020,425	1	2.71%
Sea Breeze Land Development	manufacturing	---	---	---	2,484,380	6	0.52%
LTC Properties	retirement home/assisted	---	---	---	2,170,000	8	0.45%
Homestead Village	retirement home/complex	---	---	---	2,072,110	9	0.43%
Beatrice Biodiesel LLC	manufacturing	---	---	---	1,956,650	10	0.41%
		<u>\$ 60,046,525</u>		<u>10.12%</u>	<u>\$ 39,731,040</u>		<u>8.27%</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 2015			Calendar Year 2006		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 86,438,597	1	48.6%	\$ 77,274,726	1	46.9%
Utilities	19,982,691	3	11.2%	21,922,078	2	13.3%
Accommodation & Food Services	25,555,855	2	14.4%	18,424,781	3	11.2%
Wholesale Trade	9,821,184	4	5.5%	9,760,521	4	5.9%
Information	4,641,644	5	2.6%	9,725,695	5	5.9%
Construction	4,112,856	6	2.3%	6,225,598	6	3.8%
Other	27,342,994	---	15.4%	21,593,149	---	13.1%
Total	<u>177,895,821</u>	<u>---</u>	<u>100.0%</u>	<u>164,926,548</u>	<u>---</u>	<u>100.0%</u>

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. 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 2015 that percentage was 88.96% as compared to 87.7% in 2006

**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
2007	\$ 1,459,640	\$ 1,393,092	95.44%	64,786	\$ 1,457,878	99.9%
2008	1,726,146	1,665,902	96.51%	70,215	1,736,117	100.6%
2009	1,715,278	1,635,184	95.33%	77,716	1,712,900	99.9%
2010	1,816,392	1,714,589	94.40%	66,886	1,781,475	98.1%
2011	1,778,950	1,704,384	95.81%	65,904	1,770,288	99.5%
2012	1,876,856	1,810,704	96.48%	69,077	1,879,781	100.2%
2013	1,881,944	1,823,811	96.91%	57,362	1,881,173	100.0%
2014	1,987,832	1,931,893	97.19%	52,670	1,984,563	99.8%
2015	2,132,597	2,099,464	98.45%	53,155	2,152,619	100.9%
2016	2,256,734	2,197,652	97.38%	-	2,197,652	97.4%

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

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

Table 10

FISCAL YEAR	Governmental Activities				Business-type Activities				Total Primary Government	% Personal Income	Per Capita
	General Obligation Bonds	General Notes	Warrants Payable	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2007	\$ 790,000	\$ 216,263	374,022	\$ 139,989	\$ 1,180,000	\$ 2,045,825	\$ 855,000	\$ 59,464	\$ 5,660,563	1.53%	452.19
2008(a)	1,435,000	160,592	312,960	106,372	875,000	1,933,752	655,000	41,635	5,520,311	1.42%	440.99
2009(b)	1,120,000	100,592	247,235	56,146	2,815,000	1,818,086	445,000	22,946	6,625,005	1.71%	529.15
2010	815,000	45,444	207,261	7,667	2,480,000	1,797,287	225,000	3,356	5,581,015	1.38%	438.66
2011(c)	555,000	-	185,771	4,727	2,265,000	1,670,041	1,655,000	200,911	6,536,450	1.52%	524.64
2012(d)	285,000	-	390,471	1,594	3,845,000	90,394	1,520,000	151,259	6,283,718	1.35%	504.35
2013(e)	665,000	-	262,815	-	3,615,000	86,178	1,360,000	103,851	6,092,844	1.30%	488.64
2014	375,000	-	185,626	-	3,280,000	81,874	1,200,000	54,878	5,177,378	1.12%	408.67
2015(f)	190,000	-	131,869	444,132	2,950,000	-	1,040,000	4,290	4,760,291	0.93%	375.74
2016(g)	575,000	-	-	347,633	2,620,000	-	825,000	-	4,367,633	0.81%	344.75

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

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

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

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

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

(e) 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

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

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

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	NET BONDED DEBT	% OF ASSESSED TAXABLE VALUE	NET BONDED PER CAPITA
2007	497,288,173	790,000	217,103	572,897	0.12%	45.77
2008 (a)	502,487,631	1,435,000	450,392	984,608	0.20%	78.66
2009	544,145,391	1,120,000	235,800	884,200	0.16%	70.62
2010	557,492,191	815,000	212,370	602,630	0.11%	47.37
2011	545,958,163	555,000	212,845	342,155	0.06%	27.46
2012	542,695,345	285,000	171,982	113,018	0.02%	9.07
2013 (b)	544,166,006	665,000	177,277	487,723	0.09%	39.11
2014	575,004,180	375,000	69,182	305,818	0.05%	24.14
2015	576,030,067	190,000	71,682	118,318	0.02%	9.34
2016 (c)	593,528,971	575,000	72,452	502,548	0.08%	39.67

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

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

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

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

**CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2016**

Table 12

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO CITY OF BEATRICE(1)</u>	<u>AMOUNT APPLICABLE TO CITY OF BEATRICE</u>
DEBT REPAYED WITH PROPERTY TAXES			
DIRECT:			
City of Beatrice	\$ 922,633	100.00%	\$ 922,633
Total Direct Debt			<u>\$ 922,633</u>
OVERLAPPING:			
Airport Authority	\$ 365,000	100.00%	\$ 365,000
School District #15	5,350,000	50.50%	2,701,750
Lower Big Blue Natural Resources District	2,618,091	10.30%	269,663
Gage County	5,022,788	19.63%	985,973
Total Overlapping Debt			<u>\$ 4,322,387</u>
Total Direct & Overlapping Debt			<u><u>\$ 5,245,020</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	
2007	\$ 14,166,081	\$ 12,355,830	\$ 1,810,251	\$ 403,594	\$ 125,884	\$ 529,478	3.42
2008	15,046,312	12,909,175	2,137,137	417,073	112,079	529,152	4.04
2009	15,417,865	13,180,984	2,236,881	450,952	96,897	547,849	4.08
2010	17,208,997	14,086,503	3,122,494	355,798	165,990	521,788	5.98
2011	17,921,106	14,887,284	3,033,822	342,246	142,390	484,636	6.26
2012 (a)	18,491,829	15,481,231	3,010,598	149,134	113,777	262,911	11.45
2013 (b)	18,631,458	16,300,133	2,331,325	304,217	205,693	509,910	4.57
2014	19,063,227	16,843,514	2,219,713	339,303	52,994	392,297	5.66
2015	18,803,559	16,371,801	2,431,758	411,874	55,733	467,607	5.20
2016	20,436,319	17,060,163	3,376,156	330,000	50,892	380,892	8.86

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)
2007	12,518	\$ 417,149,832	\$ 33,324	40.1	2,181	3.60%
2008	12,518	446,767,420	35,690	41.6	2,146	4.60%
2009	12,520	489,632,160	39,108	42	2,189	5.90%
2010	12,723	497,672,868	39,116	43	2,134	5.60%
2011	12,459	481,253,793	38,627	42.6	2,173	5.00%
2012	12,459	535,475,361	42,979	42.6	2,162	4.20%
2013	12,469	522,999,736	41,944	42.6	2,154	4.10%
2014	12,669	590,134,689	46,581	44	2,145	4.00%
2015	12,669	579,252,018	45,722	43	2,133	3.00%
2016	12,669	575,780,712	45,448	44	2,146	3.10%

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	2016			2007		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice State Developmental Center	Home for mentally handicapped	625	1	5.75%	888	1	7.08%
Beatrice Community Hospital	Medical	530	2	4.87%	441	3	3.52%
NEAPCO	Manufacturing	350	3	3.22%	240	8	1.91%
Exmark Manufacturing	Manufacturing	340	4	3.13%	704	2	5.61%
Beatrice Public Schools	Education	273	5	2.51%	318	5	2.54%
Mosaic	Home for mentally handicapped	270	6	2.48%	310	6	2.47%
Wal-Mart Super Center	Retail	183	7	1.68%	---	---	---
City of Beatrice	Government	153	8	1.41%	141	10	1.12%
Southeast Community College	Education	135	9	1.24%	---	---	---
Good Samaritan Center	Nursing Home & Assisted Living	121	10	1.11%	211	9	1.68%
Store Kraft	Manufacturing	---	---	---	290	7	2.31%
Husqvarna Turf Care	Manufacturing	---	---	---	356	4	2.84%
		<u>2,859</u>		<u>27.40%</u>	<u>3,899</u>		<u>31.08%</u>

Source: Gage Area Growth Community Profile

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

Table 16

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FUNCTION										
General Government	5	8	8	8	8	8	8	8	9	9
Public Safety										
Police										
Commissioned	22	22	22	21	21	22	21	21	21	22
Civilians	11	11	11	11	10	10	10	10	13	13
Fire										
Full-time Firefighters	23	23	23	23	23	23	23	23	23	24
Civilians	1	0	0	0	0	0	0	0	0	0
Culture and Recreation	13	9	9	9	8	7	6	6	6	7
Highways and Streets	10	10	10	9	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	14	12	11	11	11	11	10	10	10	10
Sewer	7	7	7	7	7	7	6	6	6	6
Electric	33	30	30	30	30	29	29	28	25	25
Total Full-Time Employees	143	136	135	133	131	130	126	125	126	129
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FUNCTION										
General Government	0	0	0	0	0	0	0	0	0	1
Public Safety										
Police										
Civilians	3	2	2	2	2	2	2	2	2	3
Fire										
Reserves	9	6	6	8	8	8	8	8	6	0
Culture and Recreation	20	16	18	18	18	18	15	15	15	15
Solid Waste Agency/WPC	5	6	6	6	5	5	4	4	4	4
Electric	2	2	0	0	0	0	0	0	0	0
Total Part-Time Employees	39	32	32	34	33	33	29	29	27	22
*Part-time employment is 1020 hours/yr or less										
C & R Summer Seasonal	40	45	48	48	45	40	40	40	43	50

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

Table 17

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits Issued	253	227	471	395	454	458	442	399	493	381
Commercial Construction Value	\$12,153,494	\$20,991,748	\$ 2,373,880	\$ 3,678,807	\$19,336,559	\$11,323,241	\$ 2,947,834	\$ 2,923,538	\$ 7,907,152	\$11,141,672
Residential Construction Value	\$ 5,714,833	\$ 4,715,420	\$ 5,579,131	\$ 2,501,790	\$ 3,300,316	\$ 2,072,975	\$ 3,330,426	\$ 3,157,487	\$ 4,118,584	\$ 3,796,771
Public Safety										
Police										
Physical Arrests	988	1,048	808	662	928	1,099	871	875	842	673
Patrol Warnings/Citations	2,437	3,078	2,507	2,025	1,699	1,758	1,424	1,364	1,462	1,266
Calls for Service	21,571	23,947	22,230	22,118	21,472	22,577	21,280	20,529	20,937	23,086
Fire										
Ambulance Calls	1,928	2,288	2,349	2,435	2,241	2,223	2,290	2,334	2,220	2,331
Fire & Rescue Calls	886	902	939	887	910	896	967	885	894	906
Culture and recreation										
Water Park Admissions	\$ 90,059	\$ 86,083	\$ 81,453	\$ 88,933	\$ 83,252	\$ 87,796	\$ 78,088	\$ 73,671	\$ 76,435	\$ 83,616
Electric										
Average Daily Usage Commercial (MWH)	283.5	283.2	262.7	282.8	272.7	264.4	261.8	220.5	261.6	281.7
Average Daily Usage Residential (MWH)	189.9	191.1	185.3	201.3	193.7	186.2	186.7	194.2	185.3	185.0
Water										
Average Daily Consumption (gal)	3.95m	3.40m	3.60m	3.36m	3.42m	3.93m	3.53m	3.38m	2.96m	3.63m
Water Pollution Control										
Average Daily Treatment (gal)	1.4m	1.3m	1.2m	1.2m	1.2m	1.1m	1.2m	1.4m	1.2m	1.2m

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

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

FY2012 Commercial building permit increase due to new nursing home construction

FY2016 Commercial building permit increase due to new hospital addition

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

Table 18

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Highway & Streets										
Street Lane Miles, Paved	270	270.9	274.4	278.14	279.44	279.5	280.76	285.68	288.97	288.97
Street Lane Miles, Unpaved	31.7	31.5	31.5	34.15	34.15	34.45	35.33	34.25	34.25	34.25
Storm Sewer Miles	25	25	32	33	33.71	33.9	34.36	34.36	34.36	34.36
Bridges	11	11	9	9	9	9	9	11	11	11
Street Lights	1551	1566	1656	1496	1513	1517	1517	1624	1617	1617
Culture and recreation										
Number of Parks	12	12	12	12	12	13	13	13	13	13
Park acreage	340	340	340	340	340	340	340	340	340	340
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	10	10	10	9	9	9	9
Ballfields	12	12	12	12	12	12	12	12	12	14
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	123	123	123	123	126	126	126	122	122.33	122.66
Fire Hydrants	652	659	668	673	703	703	705	703	708	714
Sewer										
Sanitary Sewer Miles	128	128	128	128	129.3	129.3	94.4	94.73	94.9	94.9
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	10	10	10	10	10	10	10	10	10	10
Miles 12.5KV Service	94	94	98	99	99	99	100	100	103.24	106.54
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	92	92	88	88	88	88	87	87	84.11	81.69

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, 2016

Federal Grantor/ Program or Cluster Title	Pass Through Grantor	Federal CFDA Number	Grant Number	Passed Through to Subrecipients	Expenditures
Department of Housing and Urban Development					
Community Development Block Grants	Nebraska Department of Economic Development	14.228	----	\$ -	\$ 266,117
Community Development Block Grant (Downtown Revitalization)	Nebraska Department of Economic Development	14.228	B-14-DC-31-0001	-	27,500
	Subtotal for Department of Housing and Urban Development			-	293,617
Department of Justice					
Nebraska's VOCA Victim Assistance Formula Grant Program	Nebraska Commission on Law Enforcement	16.575	2015-VA-GX-0010	-	82,738
Crime Victim Assistance/Discretionary Grants	US Department of Justice	16.582	2015-VF-GX-K002	-	4,675
Public Safety Partnership and Community Policing Grants (MS Officer)	US Department of Justice	16.710	2015-UM-WX-0075	-	30,256
Missing Children's Assistance (ICAC computer)	Nebraska State Patrol	16.543	16-IC-06	-	1,472
Bulletproof Vest Partnership Program	Office of Justice	16.607	2012-BUBX12061149	-	4,567
	Subtotal for Department of Justice			-	123,708
Department of Transportation					
Airport Improvement Program	Nebraska Department of Aeronautics	20.106	3-31-0009-15	-	1,184,396
Highway Planning and Construction Cluster:					
Recreational Trails Program	Nebraska Game and Parks Commission	20.219	RTP 2014(003)	-	250,000
Highway Safety Cluster:					
National Priority Safety Programs (in-car cameras)	Nebraska Office of Highway Safety	20.616	405d-16-02-02	-	7,000
State and Community Highway Safety	Nebraska Office of Highway Safety	20.600	402-16-12-01	-	1,297
	Subtotal for Department of Transportation			-	1,442,693
Department of Homeland Security's Federal Emergency Management Agency					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4225-NE	-	68,926
Hazard Mitigation Grant	Nebraska Department of Emergency Management	97.039	DR-4013-NE	-	54,987
	Subtotal for Department of Homeland Security's Federal Emergency Management Agency			-	123,913
Total federal expenditures				\$ -	\$ 1,983,931

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, 2016

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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements of the City of Beatrice, Nebraska.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or 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. No new loans were issued for the year ended September 30, 2016. The outstanding balance of these loans, net of allowance, totaled \$225,437 as of September 30, 2016.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Beatrice, Nebraska (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 10, 2017, 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 audit of the Beatrice Public Library Foundation was not conducted in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 10, 2017

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

Independent Auditor's Report

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

Report on Compliance for 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, 2016. 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, contracts and the terms and condition 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, 2016.

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 our 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 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 10, 2017

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2016

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) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ Yes ☒ No

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 major federal awards was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

☐ Yes ☒ No

City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2016

7. The City's major program was:

Cluster/Program	CFDA Number
Airport Improvement Program	20.106

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
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Beatrice, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2016

Reference Number	Summary of Finding	Status
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No matters are reportable.

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