

City of Beatrice, Nebraska
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended September 30, 2024

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

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CITY OF BEATRICE, NEBRASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024
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SECTION 1

INTRODUCTORY SECTION

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**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

February 10, 2025

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

The Revised Statutes of Nebraska, Chapter 19, require that all cities of the first-class publish within six months of the close of each fiscal year a complete set of financial statements. These financial statements shall be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants and shall be presented in conformity with accounting principles generally accepted in the United States of America. Therefore, we hereby issue the annual comprehensive financial report of the City of Beatrice for the fiscal year ended September 30, 2024.

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

Forvis Mazars, 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, 2024 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, 2024 are fairly presented in accordance with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
February 10, 2025

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

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

PROFILE OF THE GOVERNMENT

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

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

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

The biennial budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City Administrator by June 1st prior to the start of the next biennial budget cycle. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 30th. The appropriated budget is adopted on a per fund basis and budgetary control for internal purposes is exercised at the department level. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. This information can be found in the attached schedules for each fund starting on page 67.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
February 10, 2025

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The City of Beatrice is located on a four-lane expressway just 39 miles south of Nebraska's state capital, Lincoln, and is the site of the Homestead National Historical Park. Beatrice continues to provide a diverse economical mix of agriculture, light industry, health-related services, and general government for the retail area of Southeast Nebraska. The City unemployment rate at September 30, 2024 was 2.6%, which compares favorably to the State of Nebraska rate of 2.7% and continued to be lower than the national rate of 4.1%.

Tax revenues in 2024 decreased 2% from 2023. The property tax levy for fiscal year 2024 was 0.007974 cent lower than the property tax levy in 2023. Assessed valuation for Real Property increased \$113,522,799, or 15.4%, and total assessed valuations increased \$117,798,418, while personal property assessed valuations increased by \$4,275,619. This resulted in an increase in property tax revenue recognized of 9.2%. Sales tax revenues reflect a decrease of 4.7% from 2024. The sales tax revenues are due in part to the recently voter approved ½ cent sales tax for the construction of a new fire station and an increase in taxable sales. Occupation tax revenue decreased 33% in 2024.

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

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

In 2024, the City completed the installation of fiber to every home and business in the community, acquired over thirty (30) acres for residential development, completed the major street improvement project at 33rd and Lincoln Street that was necessary for the new elementary school, and received a \$21.4M RAISE Grant for the Court Street Access & Safety Transformation (CAST) Initiative. The City also welcomed several new retail, service businesses, and industrial businesses in 2024 most notably were two (2) data centers. The City continues to progressively recruit new businesses and developments to town while working with existing businesses to grow and expand.

Tax Increment Financing (TIF) continues to be the largest economic development tool for the City. Without the use of TIF, the City would not have been able to recruit many companies and developments and those properties would continue to be vacant or underutilized. With TIF the City is bringing much needed housing, jobs, and taxbase diversification to our community. The long-term benefits of TIF far outweigh any possible short-term costs.

Honorable Mayor, City Council and
Citizens of the City of Beatrice, Nebraska
February 10, 2025

Financial Planning and Initiatives

The City Council annually reviews the financial budget which includes projected annual capital improvements for the succeeding 8-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.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beatrice, Nebraska, for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the 33rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tobias J. Tempelmeyer
City Administrator and General Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Beatrice
Nebraska**

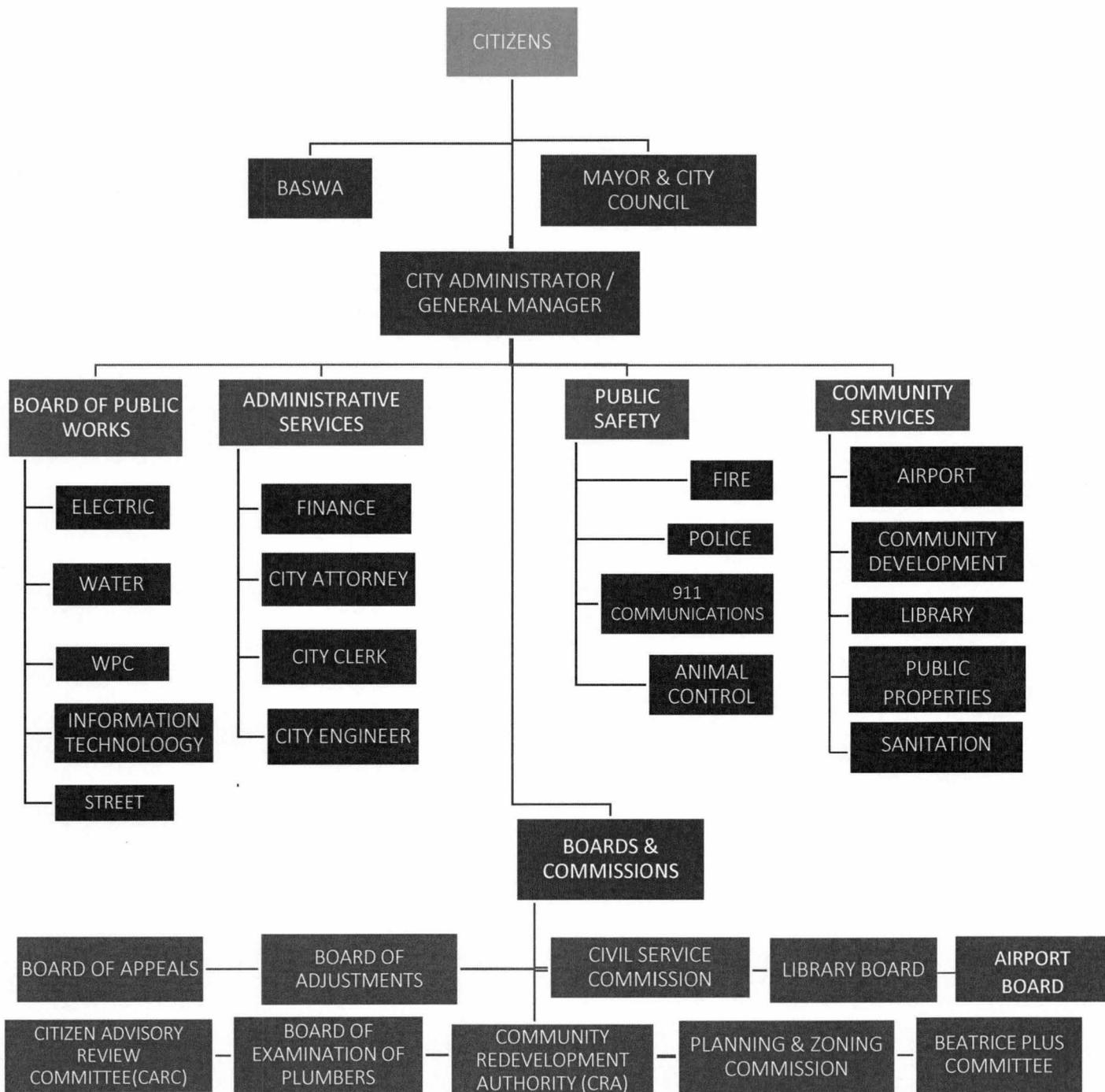
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

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**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2024**

MAYOR
Robert Morgan

CITY COUNCILMEMBERS

Gary Barnard
Terry Doyle
David Eskra
Ted Fairbanks

Tim Fralin
Rich Kerr
Michael McLain
Duane Ruh

CITY ADMINISTRATOR & GENERAL MANAGER
Tobias Tempelmeyer

CITY OFFICIALS

Hannah Bell
Erin Saathoff
Jay Murphy
Brian Daake
Mark Pethoud
Joanne Neemann
Taylor Rivera
Chet McGrury
James Burroughs
Jason Moore

Pat Feist
Rob Mierau

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

SECTION 2

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Beatrice Public Library Foundation, the discretely presented component unit of the City of Beatrice, Nebraska as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beatrice Public Library Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Beatrice, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Beatrice Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Lincoln, Nebraska
February 10, 2025

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

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, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section on pages ix to xii of this report.

FINANCIAL HIGHLIGHTS

The City of Beatrice's assets exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$129,884,232. Of this amount, \$25,425,265 may be used to meet the City's ongoing obligations to citizens and creditors. The City of Beatrice's total net position increased \$5,526,696 or 4.4%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$18,141,096, a decrease of \$738,832 in comparison with the prior year. At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$8,964,046, or 64.9% of total General Fund expenditures.

The City of Beatrice's total long-term obligations, not including component units, increased \$2,286,035 during the current fiscal year. The City issued debt during the year totaling \$3,431,113 and annual debt obligations of \$2,038,500 were paid. Obligations for compensated absences and closure and post-closure costs recognized a net increase of \$494,383.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements include not only the City of Beatrice itself (known as the primary government), but also the Beatrice Area Solid Waste Agency, a legally separate entity. The Beatrice Area Solid Waste 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 Community Redevelopment Authority is determined to be a discretely presented component unit and included due to the fiscal dependency on the City for any allocation of tax revenues. The Beatrice Library

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

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 maintains twelve 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, Airport Fund, and Street Fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

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

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Water Pollution Control, Sanitation, and Beatrice Area Solid Waste Agency funds which are considered to be major funds of the City of Beatrice. The proprietary fund financial statements also show the data for the Self-insured Group Insurance Fund, an internal service fund. The basic proprietary fund financial statements can be found on pages 20 to 24 of this report.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

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 66 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 67 to 68 of this report, followed by other supplementary information including nonmajor combining balance sheets and statements and schedules of individual fund information in further detail.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Beatrice, assets exceeded liabilities and deferred inflows of resources by \$129,884,232 at the close of the most recent fiscal year. By far the largest portion of the City of Beatrice's net position (74%) 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, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 22,178	\$ 24,842	\$ 27,403	\$ 25,473	\$ 49,581	\$ 50,315
Capital assets	64,912	61,309	49,698	46,666	114,610	107,975
TOTAL ASSETS	87,090	86,151	77,101	72,139	164,191	158,290
LIABILITIES						
Long-term liabilities noncurrent	6,856	8,073	17,766	14,263	24,622	22,336
Other liabilities	3,625	4,174	3,796	4,835	7,421	9,009
TOTAL LIABILITIES	10,481	12,247	21,562	19,098	32,043	31,345
DEFERRED INFLOWS OF RESOURCES						
Deferred lease arrangements	1,070	1,283	1,193	1,303	2,263	2,586
TOTAL DEFERRED INFLOWS OF RESOURCES	1,070	1,283	1,193	1,303	2,263	2,586
NET POSITION						
Net investment in capital assets	56,948	52,675	38,734	37,316	95,682	89,991
Restricted	8,270	8,294	506	1,090	8,776	9,384
Unrestricted	10,320	11,651	15,105	13,331	25,425	24,982
TOTAL NET POSITION	\$ 75,538	\$ 72,620	\$ 54,345	\$ 51,737	\$ 129,884	\$ 124,357

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

An additional portion of the City of Beatrice's net position (7%) represents resources that are subject to external restrictions on how they may be used for specific purposes. The remaining balance of unrestricted net position \$25,425,265 may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$2,918,249 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 \$2,608,447. 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, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues						
Charges for services	\$ 8,710	\$ 8,355	\$ 27,403	\$ 27,865	\$ 36,113	\$ 36,220
Operating grants and contributions	2,196	2,631	5	300	2,201	2,931
Capital grants and contributions	5,421	2,297	230	18	5,651	2,315
General revenues						
Taxes	9,615	9,815	-	-	9,615	9,815
Unrestricted intergovernmental	1,068	1,058	-	-	1,068	1,058
Insurance and settlement recoveries	76	597	-	-	76	597
Other revenue	1,031	587	1,799	1,090	2,830	1,677
TOTAL REVENUES	28,116	25,339	29,437	29,273	57,554	54,613
EXPENSES						
General government	9,429	6,892	-	-	9,429	6,892
Airport	856	961	-	-	856	961
Public safety	9,424	8,939	-	-	9,424	8,939
Highways and streets	3,187	2,772	-	-	3,187	2,772
Culture and recreation	2,139	2,006	-	-	2,139	2,006
Interest on long-term debt	163	134	-	-	163	134
Electric	-	-	16,870	16,379	16,870	16,379
Water	-	-	2,875	2,546	2,875	2,546
Water pollution control (WPC)	-	-	1,919	1,889	1,919	1,889
Solid waste management	-	-	2,428	2,303	2,428	2,303
Sanitation	-	-	2,737	2,574	2,737	2,574
TOTAL EXPENSES	25,198	21,704	26,829	25,691	52,027	47,395
CHANGE IN NET POSITION	2,918	3,635	2,608	3,582	5,527	7,218
NET POSITION, Beginning of Year	72,620	68,985	51,737	48,156	124,358	117,140
NET POSITION, End of Year	\$ 75,538	\$ 72,620	\$ 54,345	\$ 51,738	\$ 129,885	\$ 124,358

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

Governmental Activities

Tax revenues decreased 2% in 2024 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 2024 decreased 0.8%, and property valuations increased by 14.79%, resulting in an increase in property tax revenue recognized of 9.2%. Sales tax revenues collected decreased \$280,378 in 2024 as compared to 2023 with an increase of 2.8% in sales. Occupation taxes from utilities, which are based upon gross sales, decreased 25% in 2024. The lodging occupation tax brought in \$112,082 in 2024 as compared to \$177,776 in 2023, as 2023 was a higher than average year. 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 \$9,396 in 2024. 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 2024 the City's MEF revenue was \$755,023 as compared to \$753,234 in 2023; the City's calculation was above the state-wide average for both fiscal years. County motor vehicle taxes increased 2.5% in 2024 from the previous year.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance. Highway allocation dollars, which are a major funding source to maintain the street fund, increased 3.3% from 2023 to 2024; a portion of these funds are also allocated for capital projects. The police department operates a victim assistance program and school resource program with matching assistance from the local school district. Interlocal agreements also provide funding for the 911 communications center and ambulance services. The library continues to receive funding assistance from the county and state aid.

Capital grants and contributions vary from year to year. During 2024, the City received a multitude of Federal grants for use in various areas including a safe streets action plan, tourism support, and Airport improvements. Community Development Block Grants funds were utilized for housing rehabilitation and downtown revitalization. The City continued to receive grant funding through the Mutual Finance Organization (MFO) Assistance Act for fire and EMS equipment and facility improvements, and various smaller grants for public safety equipment. The City also received grant funds to assist with the purchase of a new ambulance. State funding and sales tax provided for street improvements. In 2021 and 2022 ARPA funds were received, and in 2024 the balance of the funds were expended and therefore recognized as revenue. Donations from local businesses were pledged and received for improvements at Hannibal Park. Private contributions continue to provide for the purchase of library materials and building improvements.

Expenses increased 16% in 2024 as compared to 2023. Changes in General Government can vary from year to year due to changes in economic development, grant expenses, and Internal Service Funds activity. Changes to expenses for other activities in 2024 as compared to 2023 are as follows: public safety increased 5.4% as compared to the prior year, streets increased 14.9% due to a large reconstruction project, and culture and recreation increased 6.6%.

Business-Type Activities

Charges for services for business-type activities decreased slightly in 2024, with a decrease of 1.7%. The Electric fund, which distributes purchased power, did not increase rates during 2024. The Electric Fund revenue decreased 2.6% and expenses increased 3%. The Water fund and Water Pollution Control fund also did not increase rates during 2024. Revenue increased 1.5% and 0.9% respectively, and expenses increased 12.9% and 1.6% respectively. The Sanitation fund did not increase rates in 2024. Sanitation Fund revenue increased 4.3% and expenses increased 6.3%, both due to the continued expansion of communities served. The Beatrice Area Solid Waste Agency fund revenues decreased 10.7% due a reduction in the residential landfill fees charged to the Sanitation Fund and expenses increased 5.4%.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

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 \$18,141,096, which is a decrease of \$738,832 in comparison with the prior year. Of this amount, 38.3% of this balance is unassigned and is available for spending at the City's discretion (\$6,942,837). The City's unassigned balance decreased \$115,876 from the prior year. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is in a nonspendable form (\$63,000), restricted for particular purposes (\$8,302,868), committed for particular purposes (\$1,790,299), or assigned by management for particular purposes (\$1,042,092).

The General fund is the chief operating fund of the City of Beatrice. At the end of the current fiscal year, the unrestricted fund balance (made up of unassigned, assigned, and committed balances) of the General Fund was \$8,964,046; a decrease from 2023 of \$220,900. 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 64.8% of total General fund expenditures.

General fund revenues decreased 0.4% from the previous year. Tax revenues increased 1.4% due to an increase in property tax revenue, as discussed on page 7. Intergovernmental revenue available to fund general operations includes interlocal agreements to provide 911 and EMS services, state aid, and federal grant assistance funding. Revenue for intergovernmental decreased 8.1% largely due to ARPA funds reported in 2023. Municipal equalization funds and interlocal school resource officer aid increased in 2024, and the City received \$184,352 in other state and federal grants, however, funding for interlocal 911 dispatch aid and victim assistance aid both decreased in 2024 due to loss of cities participating in the interlocal agreement and loss of grant funding. Charges for services increased 6.1% due to an increase in ambulance service rates and an increase in camping receipts. Miscellaneous revenue decreased 70% due to insurance proceeds received for a wrecked ambulance in 2023.

General fund expenditures in 2024 increased 12.5% from the previous year. General government expenditures increased 24% due to an increase in outside consulting services hired by the City to assist with acquiring federal grants. Public safety expenditures and culture and recreation expenditures increased 5.5% and 6.2% respectively, primarily due to an increase in personal services due to wage increases. Capital outlay expenditures increased 96% in the General fund due to several property acquisitions for future developments, back taxes on a dilapidated structure, and completing roof repairs from the 2022 wind storm. Transfers in decreased slightly from 2023 to 2024 as funding from the 911 surcharge decreased by 14.5%. These funds, along with E911 wireless funds, are collected and distributed to the General fund for the operation of the 911 communications center. Transfers out to fund capital projects in 2024 decreased from \$2,221,335 in 2023 to \$921,463 in 2024 as major roof repairs were included in the transfer in 2023.

The fund balance restricted for the Street fund at year end was \$3,411,789 an increase of \$99,179 from 2022. In 2024, total revenues increased 59.6% from 2023 and total expenditures increased 88.4%. Both increases can be greatly contributed to a major street reconstruction project for the new elementary school which was partially funded with ARPA funds. Non-capital operational expenditures increased 3.8% from 2023 and capital outlay expenditures increased 108% due to the above referenced project.

Nonmajor governmental funds include four special revenue funds, three debt service funds, and two capital project funds. The combined fund balance for these funds at the end of the fiscal year was \$4,996,418 which was restricted, committed, or assigned for each fund's specific purposes. The Economic Development fund, which had a restricted fund balance of

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

\$1,374,262, a decrease of \$531,792 from 2023, received \$521,632 in revenue to support the local economic development plan, an increase of 59% due to a State grant which was then passed on to a local business. Expenditures included funding towards a joint economic development organization, a grant for the purchase of a historical building, and professional services for land development; economic development loans were awarded in the amount of \$118,550 with \$280,342 paid back or forgiven during the fiscal year. The Community Development Block Grant fund received \$584,474 in grant funds that were distributed to participants with the Owner Occupied Rehab grant and the Downtown Revitalization grant. The Keno fund balance increased \$99,844 from 2023, with a decrease in keno proceeds of 27%. The 911 Surcharge fund had a fund balance of \$114,820 at the end of 2024 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 2024 \$63,100 was transferred to the General fund for support of the 911 communications center operations and \$7,350 was expended on a new server. The debt service funds balance at year-end of \$2,671,497 is restricted for the respective debt service requirements funded with either a special levy or voter-approved sales tax. The fund balance in the Capital Projects Fund at year end was \$416,219, which included \$264,844 committed for public safety equipment. The expenditures in this fund decreased \$111,595 from 2023 to 2024 due to a decrease in capital outlay. This fund also accounts for the expenditure of major public safety equipment purchased with bond proceeds, MFO state funding, and other available grants. More information on these capital assets is discussed later in this report.

Proprietary Funds

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

The unrestricted net position of the Electric, Water, Water Pollution Control, Beatrice Area Solid Waste Agency (BASWA), and Sanitation enterprise funds at the end of the year amounted to \$15,105,048 which is an increase of \$1,773,768 from 2023. The Electric fund increased \$324,483; the Water Fund increased \$1,444,066; the Water Pollution Control fund increased \$395,076; the BASWA fund decreased \$378,828; and the Sanitation Fund decreased \$11,029. Restricted net position for debt service was \$140,017 at year end as compared to \$729,881 in 2023 as Electric, Water, Water Pollution Control, and BASWA no longer have bonded debt. The Electric fund's restricted net position for revolving loan program increased to \$366,229. Net investment in capital assets increased from \$37,316,151 in FY2023 to \$38,734,465 in FY2024. 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 of expenditures for the general fund amounted to an increase in appropriations of \$630,000 and can be briefly summarized as follows: \$215,000 increase for interfund transfers, \$280,000 increase for property acquisition, and \$135,000 increase for consulting services.

Variances between actual General Fund expenditures and the final amended budget include the following: \$2,668,425 positive variance in general government expenditures due to the transfer of ARPA funds not being reported as an actual expenditure and a \$261,513 positive variance in public safety expenditures largely due to personal services from several open positions throughout the 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, 2024, amounts to capital assets (net of accumulated depreciation) of \$103,859,680, construction in progress of \$99,877, and land of \$10,651,036. This investment in capital assets includes land, buildings and park facilities, improvements other than buildings, machinery and equipment, a system of roads, highways, bridges, runways, storm sewers, sanitary sewers, water mains, and an electrical system. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 6.1% percent (a 5.9% increase for governmental activities and a 6.5% increase for business-type activities).

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

City of Beatrice's Capital Assets (net of depreciation, except land)
(expressed in thousands)
September 30, 2024

	Governmental activities	Business-Type activities	Total
Land	\$ 9,102	\$ 1,548	\$ 10,650
Buildings and system	24,005	17,971	41,976
Improvements other than bldgs	20,584	82,089	102,673
Machinery and equipment	15,263	14,690	29,953
Infrastructure	46,004	-	46,004
Construction in progress	-	100	100
Less accumulated depreciation	(50,046)	(66,700)	(116,746)
TOTAL	<u>\$ 64,912</u>	<u>\$ 49,698</u>	<u>\$ 114,610</u>

Major changes in capital assets in the governmental activities during fiscal year 2024 include: property acquisition on Lincoln Street, land acquisition in Industrial Park, roof repairs from the June 2022 hail storm, Hannibal Park parking lot, field 4, and field 5 improvements, concrete reconstruction projects at 33rd and Lincoln and 13th and Garfield, curb and gutter on Court Street, and mill and overlay. Equipment purchases included: a mower, an ambulance, several vehicles and trailers, several computers and laptops, air-packs, a ventilator, and several in-car camera systems.

Major changes in capital assets in the business-type activities during fiscal year 2024 include: in the Electric Fund continuation of 12.5 KV conversions, roof repairs from the June 2022 hail storm, replacement of underground cable, new transformers, new services and extensions for residential and commercial developments, several new vehicles, and a new Meraki ; in the Water Fund water main projects in 2024 included the completion of several projects funded by State Revolving Fund loan proceeds including 2 new generators and the replacement of a downtown water main. Other capital assets include the replacement and repair of several water mains and roof repairs from the June 2022 hail storm; in the Water Pollution Control Fund projects included grit handling system design, lift station #6, Industrial Park bypass, roof repairs from the June 2022 hail storm, a new pickup, a new crane truck, and a new dump truck; in the BASWA fund continuation of costs for the site investigation for a future MSW landfill site, asphalt construction on SW 32nd, and the purchase of a dump truck; and in the Sanitation fund a new side loader garbage truck and a new skid steer.

Additional information on the City of Beatrice's capital assets can be found in note E on pages 53 to 54 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 \$9,235,000. Of this amount, \$7,300,000 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 \$8,744,680 in note payables – direct borrowing and financing agreements, \$2,085,287 for compensated absences, and \$7,287,000 for closure post-closure costs.

During the current fiscal year, no new bonds were issued by the City of Beatrice and annual bond maturities of \$1,860,000 were paid thereby decreasing the bonded debt by \$1,860,000. Notes payable – direct borrowing were issued in the amount of \$3,431,113 for generators and downtown watermain replacement.

On December 2, 2024, the City Council and Beatrice Area Solid Waste Agency approved the issuance of solid waste disposal facilities revenue bonds in an amount not to exceed \$16 million for the purpose of financing the costs of constructing and equipping a new landfill. The bonds have not yet been issued.

Additional information on the City of Beatrice's long-term debt can be found on pages 55 to 59 of this report.

City of Beatrice, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice for September 2024 is 2.6%, which compares favorably to the state average unemployment rate of 2.7% and is below the national average of 4.1%.

Sales tax revenue can be affected year to year by tax incentives offered to local business that receive tax credits, thereby reducing the sales tax remitted to the City. Sales tax revenue prior to any tax credits better reflects the retail economy, which for the calendar year 2024 decreased 6.2% when compared to 2023.

Economic development continued to be a focus for the City in 2024. City and County officials provide combined support for an economic development organization, Gage Area Growth Enterprises (NGage), to promote Beatrice and the surrounding area. Voters approved an extension of the Economic Development Plan to continue to be funded by utility revenues until 2029. Funds from this plan allowed for the creation of a new restaurant, improvements to the local movie theater, and continued housing initiatives. Gage County Industrial Park continues to develop and expand with land being purchased for future expansion.

The City of Beatrice approved a budget plan that included both fiscal year 2024 and fiscal year 2025. That budget presented a balanced budget of operating revenues to meet expenditure needs and fund various capital projects. For fiscal year 2025, general fund tax revenue projections included a 6% increase in the general property tax requirements and 4.8% increase in sales tax revenue. The general fund levy decreased from .355031 to .334968 and the debt service levy resumed at .0120897 for a total levy of .347057. State aid allocations increased due to municipal equalization funds increasing in 2025. The City has received several Federal capital and operating grants that were included in the 2025 budget including \$8.2 million in the Airport fund, \$2 million in the Water Pollution Control fund, and \$675,000 in the Street fund.

Major capital projects for the 2025 fiscal year include: construction of a new landfill, residential site developments at Lincoln and Paddock, construction of a new T-hangar, a new garbage truck, grit construction, ballfield improvements, several ADA playgrounds, a new fire engine, as well as various other equipment. Some projects are contingent upon receiving grant or donation funding.

In fiscal year 2025, the City proposed a zero rate increase for the Electric, Water, Water Pollution Control, Sanitation, and Beatrice Area Solid Waste Agency funds. Projected revenues should be sufficient to fund operations, capital costs, and maintain prudent reserves for cash flow and emergencies.

REQUESTS FOR INFORMATION

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

City of Beatrice, Nebraska
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	\$ 15,190,866	\$ 12,289,892	\$ 27,480,758	\$ 60,197
Cash on deposit - county treasurer	171,719	-	171,719	-
Accounts receivable	1,077,131	923,886	2,001,017	-
Assessments receivable	26,333	-	26,333	-
Unbilled and accrued revenues	-	1,999,290	1,999,290	-
Due from other governments	1,123,714	-	1,123,714	-
Lease receivable	191,704	91,138	282,842	-
Accrued interest receivable	7,543	5,996	13,539	-
Inventories	63,000	1,818,266	1,881,266	-
In-lieu-of assessments receivable	10,105	-	10,105	-
Taxes receivable	152,046	-	152,046	-
Loans receivable	230,262	-	230,262	-
Total Current Assets	<u>18,244,423</u>	<u>17,128,468</u>	<u>35,372,891</u>	<u>60,197</u>
Noncurrent Assets				
Investments	2,413,199	3,541,362	5,954,561	1,759,138
Collateral deposit	-	150,000	150,000	-
Restricted Cash and Cash Equivalents				
Debt service account	-	145,965	145,965	-
Customer and developer deposits	-	371,532	371,532	-
Grants and capital projects	-	-	-	4,158
Revolving loan program	-	366,229	366,229	-
Restricted Investments				
Customer deposits	-	318,904	318,904	-
Grants and capital projects	-	-	-	213,836
Closure and post-closure account	-	4,195,341	4,195,341	-
Total Restricted Assets	<u>-</u>	<u>5,397,971</u>	<u>5,397,971</u>	<u>217,994</u>
Capital Assets				
Land	9,102,622	1,548,414	10,651,036	-
Construction in progress	-	99,877	99,877	-
Capital assets, net of accumulated depreciation	55,809,657	48,050,023	103,859,680	48,598
Net Capital Assets	<u>64,912,279</u>	<u>49,698,314</u>	<u>114,610,593</u>	<u>48,598</u>
Other Assets				
Loans receivable, net of current portion	563,468	-	563,468	-
Lease receivable, net of current portion	956,334	1,185,107	2,141,441	-
Total Noncurrent Assets	<u>68,845,280</u>	<u>59,972,754</u>	<u>128,818,034</u>	<u>2,025,730</u>
Total Assets	<u>\$ 87,089,703</u>	<u>\$ 77,101,222</u>	<u>\$ 164,190,925</u>	<u>\$ 2,085,927</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF NET POSITION - CONTINUED
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Current Liabilities				
Accounts payable	\$ 1,135,310	\$ 2,126,675	\$ 3,261,985	\$ -
Claims incurred but not reported	316,841	-	316,841	-
Accrued compensated absences	554,088	322,364	876,452	-
Accrued interest payable	32,338	7,432	39,770	-
Accrued payroll	-	99,699	99,699	-
Other accrued liabilities	-	3,613	3,613	-
Unearned revenue	322,268	-	322,268	-
Customer and developer deposits	-	647,800	647,800	-
Current maturities of long-term debt	1,264,100	588,757	1,852,857	-
Total Current Liabilities	<u>3,624,945</u>	<u>3,796,340</u>	<u>7,421,285</u>	<u>-</u>
Noncurrent Liabilities, Net of Current Portion				
Compensated absences	756,245	452,590	1,208,835	-
Revenue bonds	-	1,665,000	1,665,000	-
Tax supported and general obligation bonds	6,100,000	-	6,100,000	-
Notes payable - direct borrowing	-	8,361,824	8,361,824	-
Closure and post-closure costs	-	7,287,000	7,287,000	-
Total Noncurrent Liabilities	<u>6,856,245</u>	<u>17,766,414</u>	<u>24,622,659</u>	<u>-</u>
Total Liabilities	<u>10,481,190</u>	<u>21,562,754</u>	<u>32,043,944</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred lease arrangements	1,070,040	1,192,709	2,262,749	-
Total Deferred Inflows of Resources	<u>1,070,040</u>	<u>1,192,709</u>	<u>2,262,749</u>	<u>-</u>
Net Position				
Net investment in capital assets	56,947,726	38,734,465	95,682,191	48,598
Restricted net position				
Restricted for economic development	1,374,262	-	1,374,262	-
Restricted for debt service	2,669,659	140,017	2,809,676	-
Restricted revolving loan fund	-	366,229	366,229	-
Restricted for E911 public safety	114,820	-	114,820	-
Restricted for streets	3,411,789	-	3,411,789	-
Restricted for Library Foundation	-	-	-	217,994
Restricted for gas plant long-term obligation	700,000	-	700,000	-
Unrestricted net position	10,320,217	15,105,048	25,425,265	1,819,335
Total Net Position	<u>\$ 75,538,473</u>	<u>\$ 54,345,759</u>	<u>\$ 129,884,232</u>	<u>\$ 2,085,927</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities								
General government	\$ 9,429,232	\$ 5,835,032	\$ 45,342	\$ 874,435	\$ (2,674,423)	\$ -	\$ (2,674,423)	\$ -
Airport	856,409	563,703	-	18,975	(273,731)	-	(273,731)	-
Public safety	9,424,267	1,926,109	1,406,250	264,199	(5,827,709)	-	(5,827,709)	-
Highways and streets	3,186,837	37,425	714,278	3,605,220	1,170,086	-	1,170,086	-
Culture and recreation	2,139,332	347,763	30,427	658,215	(1,102,927)	-	(1,102,927)	-
Interest on long-term debt	163,263	-	-	-	(163,263)	-	(163,263)	-
Total Governmental Activities	<u>25,199,340</u>	<u>8,710,032</u>	<u>2,196,297</u>	<u>5,421,044</u>	<u>(8,871,967)</u>	<u>-</u>	<u>(8,871,967)</u>	<u>-</u>
Business-type Activities								
Electric	16,870,311	16,908,990	4,965	230,011	-	273,655	273,655	-
Water	2,874,728	2,978,349	-	-	-	103,621	103,621	-
Water pollution control	1,919,139	2,445,140	-	-	-	526,001	526,001	-
BASWA	2,427,522	1,975,389	-	-	-	(452,133)	(452,133)	-
Sanitation	2,737,130	3,095,312	-	-	-	358,182	358,182	-
Total Business-type Activities	<u>26,828,830</u>	<u>27,403,180</u>	<u>4,965</u>	<u>230,011</u>	<u>-</u>	<u>809,326</u>	<u>809,326</u>	<u>-</u>
Total Primary Government	<u>52,028,170</u>	<u>36,113,212</u>	<u>2,201,262</u>	<u>5,651,055</u>	<u>(8,871,967)</u>	<u>809,326</u>	<u>(8,062,641)</u>	<u>-</u>
Component Units:								
Beatrice Public Library Foundation	57,858	-	-	-	-	-	-	(57,858)
Total Component Units	<u>\$ 57,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(57,858)</u>
General Revenues								
Taxes								
Property tax					3,227,072	-	3,227,072	-
Sales tax					5,821,236	-	5,821,236	-
Occupation tax					567,031	-	567,031	-
Unrestricted intergovernmental					1,067,926	-	1,067,926	-
Insurance and settlement recoveries					75,980	-	75,980	-
Miscellaneous revenues					248,370	884,407	1,132,777	10,866
Lease revenue and interest on leases					-	136,171	136,171	-
Unrestricted investment earnings					782,601	778,543	1,561,144	175,968
Total General Revenues					<u>11,790,216</u>	<u>1,799,121</u>	<u>13,589,337</u>	<u>186,834</u>
Change in Net Position					2,918,249	2,608,447	5,526,696	128,976
Net Position, Beginning of Year					<u>72,620,224</u>	<u>51,737,312</u>	<u>124,357,536</u>	<u>1,956,951</u>
Net Position, End of Year					<u>\$ 75,538,473</u>	<u>\$ 54,345,759</u>	<u>\$ 129,884,232</u>	<u>\$ 2,085,927</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General Fund	Streets Fund	Other Governmental Funds	Total
Assets				
Cash and cash equivalents	\$ 6,494,239	\$ 3,653,539	\$ 4,224,391	\$ 14,372,169
Investments	2,413,199	-	-	2,413,199
Cash on deposit - county treasurer	171,719	-	-	171,719
Accounts receivable	533,629	64,401	411,181	1,009,211
Due from other funds	-	49,626	-	49,626
Taxes receivable	145,603	-	6,443	152,046
Due from other governments	552,875	333,372	237,467	1,123,714
Lease receivable	1,109,898	-	38,140	1,148,038
Accrued interest receivable	5,890	-	1,653	7,543
Inventories	63,000	-	-	63,000
Assessments receivable	-	-	26,333	26,333
Loans receivable	-	-	793,730	793,730
In-lieu of assessments receivable	-	-	10,105	10,105
Total Assets	<u>\$ 11,490,052</u>	<u>\$ 4,100,938</u>	<u>\$ 5,749,443</u>	<u>\$ 21,340,433</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable and accrued expenses	\$ 362,389	\$ 430,476	\$ 342,445	\$ 1,135,310
Unearned revenue	122,268	200,000	-	322,268
Due to other funds	-	-	49,626	49,626
Accrued interest payable	-	-	30,782	30,782
Total Liabilities	<u>484,657</u>	<u>630,476</u>	<u>\$ 422,853</u>	<u>1,537,986</u>
Deferred Inflows of Resources				
Deferred lease arrangements	1,038,122	-	31,918	1,070,040
Unavailable revenue	234,384	58,673	298,254	591,311
Total Deferred Inflows of Resources	<u>1,272,506</u>	<u>58,673</u>	<u>330,172</u>	<u>1,661,351</u>
Fund Balance				
Nonspendable	63,000	-	-	63,000
Restricted for:				
Economic development	-	-	1,374,262	1,374,262
Debt service	5,843	-	2,696,154	2,701,997
E911 public safety	-	-	114,820	114,820
Streets	-	3,411,789	-	3,411,789
Gas plant long-term obligation	700,000	-	-	700,000
Committed for:				
Public safety equipment	-	-	264,844	264,844
Public safety pensions	1,105,835	-	-	1,105,835
Community betterment	-	-	419,620	419,620
Assigned for:				
Subsequent years' expenditures	890,717	-	151,375	1,042,092
Unassigned, reported in:				
General fund	6,967,494	-	-	6,967,494
Capital projects funds	-	-	(24,657)	(24,657)
Total Fund Balance	<u>9,732,889</u>	<u>3,411,789</u>	<u>4,996,418</u>	<u>18,141,096</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,490,052</u>	<u>\$ 4,100,938</u>	<u>\$ 5,749,443</u>	

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
BALANCE SHEET - CONTINUED
GOVERNMENTAL FUNDS
September 30, 2024

	Total
Fund Balance Governmental Funds	\$ 18,141,096
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.	64,912,279
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.	569,776
Unavailable revenues that are not current financial resources are recognized in the government-wide financial statements.	591,311
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	(1,556)
Bonds payable	(7,300,000)
Notes payable - direct financing arrangements	(64,100)
Compensated absences	(1,310,333)
Net Position of Governmental Activities	\$ 75,538,473

City of Beatrice, Nebraska
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	General Fund	Streets Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property tax	\$ 3,198,441	\$ -	\$ 979	\$ 3,199,420
Sales tax	3,438,129	883,295	1,499,812	5,821,236
Occupation tax	567,031	-	-	567,031
Licenses and permits	156,066	-	-	156,066
Intergovernmental	2,446,212	4,266,751	1,217,589	7,930,552
Charges for services	3,355,598	37,424	90,578	3,483,600
Keno proceeds	-	-	121,554	121,554
Special assessments	-	-	6,850	6,850
Interest	723,152	-	23,814	746,967
Miscellaneous	229,307	-	716,611	945,917
Total Revenues	<u>14,113,936</u>	<u>5,187,470</u>	<u>3,677,787</u>	<u>22,979,193</u>
Expenditures				
Current				
General government	2,163,495	-	1,228,694	3,392,189
Airport operations	533,370	-	-	533,370
Public safety	8,240,199	-	-	8,240,199
Highways and streets	-	1,530,861	-	1,530,861
Culture and recreation	1,359,050	-	-	1,359,050
Other services and charges	-	-	70,110	70,110
Debt Service				
Principal	-	4,583	1,172,087	1,176,670
Interest	-	373	159,418	159,791
Capital outlay	1,525,701	3,640,798	2,271,602	7,438,101
MFO payments - other entities	-	-	305,565	305,565
Total Expenditures	<u>13,821,815</u>	<u>5,176,615</u>	<u>5,207,476</u>	<u>24,205,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	292,121	10,855	(1,529,689)	(1,226,713)
Other Financing Sources (Uses)				
Sale of capital assets	15,277	-	37,638	52,915
Insurance and settlement recoveries	346,642	88,324	-	434,966
Transfers in	63,100	-	921,463	984,563
Transfers out	(921,463)	-	(63,100)	(984,563)
Total Other Financing Sources	<u>(496,444)</u>	<u>88,324</u>	<u>896,001</u>	<u>487,881</u>
Net Change in Fund Balance	(204,323)	99,179	(633,688)	(738,832)
Fund Balance, Beginning of Year	<u>9,937,212</u>	<u>3,312,610</u>	<u>5,630,106</u>	<u>18,879,928</u>
Fund Balance, End of Year	<u>\$ 9,732,889</u>	<u>\$ 3,411,789</u>	<u>\$ 4,996,418</u>	<u>\$ 18,141,096</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, 2024

Net change in fund balance - total governmental funds	\$	(738,832)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>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:</p>		
Capital outlays		7,005,021
Depreciation expense		(3,264,121)
Change in unavailable revenues that are not current financial resources but that are recognized in the government-wide statements.		(111,871)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.		1,178,170
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This includes the change in compensated absences.		(29,954)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(137,921)
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(982,243)</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,918,249</u></u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 September 30, 2024

	Business-Type Activities Enterprise Funds					Total	Governmental Activites Internal Service Fund
	Electric	Water	Water Pollution Control	BASWA	Sanitation		Total
Current Assets							
Cash and cash equivalents	\$ 5,379,731	\$ 2,380,389	\$ 3,486,871	\$ 977,613	\$ 65,288	\$ 12,289,892	\$ 818,697
Accounts receivable	447,712	12,879	12,926	143,141	307,228	923,886	67,920
Unbilled and accrued revenues	1,460,788	322,251	216,251	-	-	1,999,290	-
Lease receivable	-	91,138	-	-	-	91,138	-
Inventories	1,069,966	748,300	-	-	-	1,818,266	-
Interest receivable	-	5,996	-	-	-	5,996	-
Total Current Assets	8,358,197	3,560,953	3,716,048	1,120,754	372,516	\$ 17,128,468	886,617
Noncurrent Assets							
Investments	2,729,274	557,724	-	254,364	-	3,541,362	-
Collateral deposit	150,000	-	-	-	-	150,000	-
Restricted Cash and Cash Equivalents							
Customer deposits	371,532	-	-	-	-	371,532	-
Debt service account	-	-	-	-	145,965	145,965	-
Revolving loan program	366,229	-	-	-	-	366,229	-
Restricted Investments							
Customer deposits	318,904	-	-	-	-	318,904	-
Closure and post-closure costs	-	-	-	4,195,341	-	4,195,341	-
Lease receivable	-	1,185,107	-	-	-	1,185,107	-
Capital Assets							
Land	65,058	1,424,318	16,588	-	42,450	1,548,414	-
Construction in progress	43,978	55,899	-	-	-	99,877	-
Buildings and improvements	2,228,799	598,787	14,648,497	-	495,447	17,971,530	-
Improvements other than buildings	33,254,431	29,162,296	10,526,985	9,144,876	-	82,088,588	-
Machinery and equipment	5,281,049	1,504,473	2,218,574	2,565,260	3,120,594	14,689,950	-
Total Capital Assets	40,873,315	32,745,773	27,410,644	11,710,136	3,658,491	116,398,359	-
Less accumulated depreciation	(24,252,672)	(15,872,960)	(18,066,739)	(7,407,949)	(1,099,725)	(66,700,045)	-
Net Capital Assets	16,620,643	16,872,813	9,343,905	4,302,187	2,558,766	49,698,314	-
Total Noncurrent Assets	20,556,582	18,615,644	9,343,905	8,751,892	2,704,731	59,972,754	-
Total Assets	\$ 28,914,779	\$ 22,176,597	\$ 13,059,953	\$ 9,872,646	\$ 3,077,247	\$ 77,101,222	\$ 886,617

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF NET POSITION - CONTINUED
 PROPRIETARY FUNDS
 September 30, 2024

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Sanitation	Total	Total
Liabilities							
Current Liabilities							
Accounts payable	\$ 1,551,861	\$ 204,299	\$ 39,228	\$ 231,794	\$ 99,493	\$ 2,126,675	\$ -
Claims incurred but not reported	-	-	-	-	-	-	316,841
Accrued compensated absences	149,535	51,208	41,353	46,236	34,032	322,364	-
Accrued payroll	50,946	16,711	9,223	9,078	13,741	99,699	-
Accrued interest payable	-	1,484	-	-	5,948	7,432	-
Other accrued liabilities	2,413	730	470	-	-	3,613	-
Customer and developer deposits	647,800	-	-	-	-	647,800	-
Current maturities of long-term debt	-	282,634	-	-	306,123	588,757	-
Total Current Liabilities	<u>2,402,555</u>	<u>557,066</u>	<u>90,274</u>	<u>287,108</u>	<u>459,337</u>	<u>3,796,340</u>	<u>316,841</u>
Noncurrent Liabilities, Net of Current Portion							
Compensated absences	293,471	64,203	40,442	40,366	14,108	452,590	-
Revenue bonds	-	-	-	-	1,665,000	1,665,000	-
Notes payable - direct borrowing	-	8,245,558	-	-	116,266	8,361,824	-
Closure and post-closure cost	-	-	-	7,287,000	-	7,287,000	-
Total Noncurrent Liabilities	<u>293,471</u>	<u>8,309,761</u>	<u>40,442</u>	<u>7,327,366</u>	<u>1,795,374</u>	<u>17,766,414</u>	<u>-</u>
Total Liabilities	<u>2,696,026</u>	<u>8,866,827</u>	<u>130,716</u>	<u>7,614,474</u>	<u>2,254,711</u>	<u>21,562,754</u>	<u>316,841</u>
Deferred Inflows of Resources							
Deferred lease arrangements	-	1,192,709	-	-	-	1,192,709	-
Total Deferred Inflows of Resources	<u>-</u>	<u>1,192,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,192,709</u>	<u>-</u>
Net Position							
Net investment in capital assets	16,620,637	8,202,869	9,343,905	4,095,678	471,376	38,734,465	-
Restricted for debt service	-	-	-	-	140,017	140,017	-
Restricted for revolving loan program	366,229	-	-	-	-	366,229	-
Unrestricted	9,231,887	3,914,192	3,585,332	(1,837,506)	211,143	15,105,048	569,776
Total Net Position	<u>\$ 26,218,753</u>	<u>\$ 12,117,061</u>	<u>\$ 12,929,237</u>	<u>\$ 2,258,172</u>	<u>\$ 822,536</u>	<u>54,345,759</u>	<u>\$ 569,776</u>

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, 2024

	Business-Type Activities Enterprise Funds					Total	Governmental Activities Internal Service Fund
	Electric	Water	Water Pollution Control	BASWA	Sanitation		Total
Operating Revenues							
Charges for services	\$ 16,908,990	\$ 2,978,349	\$ 2,445,140	\$ 1,975,389	\$ 3,095,312	\$ 27,403,180	\$ 4,141,235
Reinsurance coverage reimbursements	-	-	-	-	-	-	585,517
Total Operating Revenues	<u>16,908,990</u>	<u>2,978,349</u>	<u>2,445,140</u>	<u>1,975,389</u>	<u>3,095,312</u>	<u>27,403,180</u>	<u>4,726,752</u>
Operating Expenses							
Electric energy purchased	11,071,461	-	-	-	-	11,071,461	-
Operating and maintenance expenses	1,447,692	1,143,124	831,138	-	1,607,773	5,029,727	-
Customer accounting expenses	250,748	143,852	97,456	-	-	492,056	-
Engineering services	414,833	39,252	39,252	-	-	493,337	-
Administrative and general expense	1,409,385	591,385	331,051	1,120,816	-	3,452,637	-
Depreciation	1,431,377	874,844	585,895	465,246	354,880	3,712,242	-
Municipal expenses	844,481	77,760	31,137	-	-	953,378	-
Operating contracts	-	-	-	837,228	746,145	1,583,373	-
Health insurance claims paid	-	-	-	-	-	-	4,679,115
Insurance premiums	-	-	-	-	-	-	685,775
Payflex expenses	-	-	-	-	-	-	256,549
Other services and charges	-	-	-	-	-	-	123,190
Total Operating Expenses	<u>16,869,977</u>	<u>2,870,217</u>	<u>1,915,929</u>	<u>2,423,290</u>	<u>2,708,798</u>	<u>26,788,211</u>	<u>5,744,629</u>
Operating Income (Loss)	<u>39,013</u>	<u>108,132</u>	<u>529,211</u>	<u>(447,901)</u>	<u>386,514</u>	<u>614,969</u>	<u>(1,017,877)</u>
Nonoperating Revenues (Expenses)							
Investment earnings	277,420	139,496	150,691	210,936	-	778,543	35,634
Miscellaneous revenues (expenses)	561,189	172,349	(2,923)	131,537	19,332	881,484	-
Grant revenues	4,965	-	-	-	-	4,965	-
Lease revenue and interest on leases	-	136,171	-	-	-	136,171	-
Interest expense	(334)	(4,511)	(287)	(4,232)	(28,332)	(37,696)	-
Total Nonoperating Revenues (Expenses)	<u>843,240</u>	<u>443,505</u>	<u>147,481</u>	<u>338,241</u>	<u>(9,000)</u>	<u>1,763,467</u>	<u>35,634</u>
Income Before Contributions	882,253	551,637	676,692	(109,660)	377,514	2,378,436	(982,243)
Capital Contributions	230,011	-	-	-	-	230,011	-
Change in Net Position	1,112,264	551,637	676,692	(109,660)	377,514	2,608,447	(982,243)
Net Position, Beginning of Year	25,106,489	11,565,424	12,252,545	2,367,832	445,022	51,737,312	1,552,019
Net Position, End of Year	<u>\$ 26,218,753</u>	<u>\$ 12,117,061</u>	<u>\$ 12,929,237</u>	<u>\$ 2,258,172</u>	<u>\$ 822,536</u>	<u>\$ 54,345,759</u>	<u>\$ 569,776</u>

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Fund	
	Electric	Water	Water Pollution Control	BASWA	Sanitation	Total	Total
	Cash Flows From Operating Activities						
Cash received from customers	\$ 16,163,508	\$ 3,107,947	\$ 2,435,817	\$ 2,171,632	\$ 3,009,658	\$ 26,888,562	\$ 4,787,218
Cash received from collection of sales tax	1,088,046	-	-	-	-	1,088,046	-
Cash paid to suppliers for goods and services	(12,390,963)	(1,208,548)	(887,669)	(914,222)	(1,746,934)	(17,148,336)	(5,622,534)
Cash paid for remittance of sales tax	(1,090,228)	-	-	-	-	(1,090,228)	-
Cash paid to employees for services	(1,679,974)	(1,039,813)	(415,486)	(319,644)	(603,312)	(4,058,229)	-
Net cash provided by (used in) operating activities	2,090,389	859,586	1,132,662	937,766	659,412	5,679,815	(835,316)
Cash Flows from Noncapital Financing Activities							
Noncapital grants	4,965	-	-	-	-	4,965	-
Cash Flows from Capital and Related Financing Activities							
Principal payments on long-term debt	(70,000)	(91,664)	(60,000)	(340,455)	(299,711)	(861,830)	-
Interest paid on long-term debt	(805)	(3,498)	(690)	(8,849)	(29,609)	(43,451)	-
Capital contributions	230,011	-	-	-	-	230,011	-
Purchases of capital assets	(2,223,405)	(3,402,340)	(876,491)	(768,632)	(428,972)	(7,699,840)	-
Proceeds from issuance of notes payable	-	4,487,480	-	-	-	4,487,480	-
Principal payments received on lease receivable	-	89,331	-	-	-	89,331	-
Interest payments received on lease receivable	-	25,518	-	-	-	25,518	-
Net cash provided by (used in) capital and related financing activities	(2,064,199)	1,104,827	(937,181)	(1,117,936)	(758,292)	(3,772,781)	-
Cash Flows From Investing Activities							
Purchases of investments	(1,539,816)	(557,724)	-	(2,869,898)	-	(4,967,438)	-
Sales and maturities of investments	1,504,473	614,457	69,383	2,369,955	-	4,558,268	-
Interest received	277,701	139,011	150,691	210,936	-	778,339	35,634
Repayments of notes receivable	334,228	-	-	-	-	334,228	-
Net cash provided by (used in) investing activities	576,586	195,744	220,074	(289,007)	-	703,397	35,634
Net Change in Cash and Cash Equivalents	607,741	2,160,157	415,555	(469,177)	(98,880)	2,615,396	(799,682)
Cash and Cash Equivalents, Beginning of Year	5,509,751	220,232	3,071,316	1,446,790	310,133	10,558,222	1,618,379
Cash and Cash Equivalents, End of Year	\$ 6,117,492	\$ 2,380,389	\$ 3,486,871	\$ 977,613	\$ 211,253	\$ 13,173,618	\$ 818,697
Composition of Cash and Cash Equivalents							
Cash and cash equivalents	\$ 5,379,731	\$ 2,380,389	\$ 3,486,871	\$ 977,613	\$ 65,288	\$ 12,289,892	\$ 818,697
Restricted cash and cash equivalents	737,761	-	-	-	145,965	883,726	-
Total Cash and Cash Equivalents	\$ 6,117,492	\$ 2,380,389	\$ 3,486,871	\$ 977,613	\$ 211,253	\$ 13,173,618	\$ 818,697

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, 2024

	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Fund
	Electric	Water	Water Pollution Control	BASWA	Sanitation	Total	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:							
Operating income (loss)	\$ 39,013	\$ 108,132	\$ 529,211	\$ (447,901)	\$ 386,514	\$ 614,969	\$ (1,017,877)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	1,431,377	874,844	585,895	465,246	354,880	3,712,242	-
Miscellaneous revenue (expenses)	561,189	172,349	(2,923)	131,537	19,332	881,484	-
Changes in operating assets and liabilities:							
Accounts receivable	(154,957)	(6,888)	(999)	64,706	(104,986)	(203,124)	60,466
Unbilled and accrued revenues	(63,668)	(35,863)	(5,401)	-	-	(104,932)	-
Materials and supplies inventory	(22,894)	(79,589)	-	-	-	(102,483)	-
Prepaid expenses	11,444	7,993	5,183	-	-	24,620	-
Accounts payable	183,680	24,775	12,404	5,150	(5,915)	220,094	-
Accrued compensated absences	(58,324)	(206,611)	7,491	30,807	6,066	(220,571)	-
Customer and developer deposits	149,108	-	-	-	-	149,108	-
Closure and post-closure care	-	-	-	685,000	-	685,000	-
Other accrued liabilities	14,421	444	1,801	3,221	3,521	23,408	122,095
Total adjustments	<u>2,051,376</u>	<u>751,454</u>	<u>603,451</u>	<u>1,385,667</u>	<u>272,898</u>	<u>5,064,846</u>	<u>182,561</u>
Net cash provided by (used in) operating activities	<u>\$ 2,090,389</u>	<u>\$ 859,586</u>	<u>\$ 1,132,662</u>	<u>\$ 937,766</u>	<u>\$ 659,412</u>	<u>\$ 5,679,815</u>	<u>\$ (835,316)</u>
Supplemental Disclosure for NonCash Capital Activities:							
Purchase of capital assets on account	\$ 6	\$ 141,752	\$ -	\$ 206,509	\$ -	\$ 348,267	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 September 30, 2024

	<u>Custodial Fund</u>
Assets	
Restricted Assets	
Cash on deposit - County Treasurer	<u>\$ 83,788</u>
Total Assets	<u><u>\$ 83,788</u></u>
Liabilities	
Due to Developer and Others	<u>\$ 83,788</u>
Total Liabilities	<u><u>\$ 83,788</u></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, 2024

	Custodial Fund
Additions	
Tax Increment Financing	\$ 799,097
Total Additions	799,097
Deductions	
Developer TIF Payments	\$ 777,503
Refund to county treasurer	21,594
Total Deductions	799,097
Change in Net Position	\$ -

See accompanying notes and independent auditor's report.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City of Beatrice was founded in 1857, incorporated in 1873, was chartered as a first-class city in 1893, and since 1957 has operated under the Mayor-Council form of government to provide the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, parks, recreation, public improvements, planning and zoning, aviation, 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 Public Library Foundation, Inc. Community Redevelopment Authority

Blended Component Unit

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Financial Reporting Entity – Continued

Blended Component Unit - Continued

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

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

Discretely Presented Component Units

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

Beatrice 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 2024 financial statements are amounts as of and for the Foundation’s fiscal year ended July 31, 2024. The Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation’s audited financial information.

Complete financial statements for the Beatrice Public Library Foundation, Inc. may be obtained from the City Finance Director, City of Beatrice, 400 Ella Street, Beatrice, NE 68310.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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 potential exists for the authority to request tax levies from the City. Based on the provisions included within GASB Statement No. 84, *Fiduciary Activities*, the CRA is presented as a custodial fund within the Fiduciary Fund financial statements. Information included in this financial statement is from the CRA’s fiscal year end of September 30. The CRA does not issue separate financial statements.

2. Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize interfund activities. All interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation – Continued

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds, which are comprised of individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows and inflows of resources, liabilities, fund balance or net position, revenues, and expenditures/expenses. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (i.e. General Fund) or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

The City reports the following major governmental funds:

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

Streets Funds – The Streets 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation – Continued

Governmental Funds – Continued

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

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

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

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

Proprietary Funds

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Proprietary Funds - Continued

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

The City reports the following major proprietary funds:

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

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

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

Beatrice Area Solid Waste Agency Fund – The Beatrice Area Solid Waste Agency Fund accounts for revenues and expenses for the maintenance and operation of a solid waste facility servicing Beatrice, Gage County, and surrounding cities and villages that enter into service agreements with the Agency. The City of Beatrice undertakes to operate and manage the facilities, as agent acting on behalf of the Agency. The City contracts with a private contractor for operation of the recycling center.

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

Fiduciary Funds

Community Redevelopment Authority – The Community Redevelopment Authority (“CRA”) receives and distributes tax increment financing funds. These funds are

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Financial Statement Presentation - Continued

Fiduciary Funds - Continued

deposited with the City Treasurer as ex-officio treasurer of the authority without any commingling of the money with other City funds. The CRA is presented as a custodial fund within the Fiduciary Fund financial statements.

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.

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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Estimates

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

5. Income Taxes

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

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

6. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, equity in pooled cash, and original investments with maturities of three months or less from the date of acquisition. The County Treasurer's cash represents revenues collected by Gage County but not yet remitted to the City at September 30, 2024.

The City may invest in certificates of deposits, money market funds, local government investment pools, 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Receivables

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

8. Lease Receivable

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

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

9. Inventories and Prepaid Items

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

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

10. Restricted Assets

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Collateral Deposit

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

12. Capital Assets

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

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 \$5,000 or more and an estimated useful life of more than five years.

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Capital Assets – Continued

Government-wide Statements – Continued

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

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

Fund Financial Statements

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

13. Compensated Absences

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Compensated Absences – Continued

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

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

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

14. Long-Term Obligations

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

Government-wide Statements

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Long-term Obligations – Continued

Government-wide Statements – Continued

of the City consist primarily of accrued compensated absences, notes payable, bonds payable, and closure/post-closure costs.

Fund Financial Statements

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

15. Net Position and Fund Balance Classification

Net Position Classification

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

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

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Net Position and Fund Balance Classification - Continued

Fund Balance Classification

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

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

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

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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Net Position and Fund Balance Classification – Continued

Fund Balance Classification – Continued

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

16. Interfund Transactions

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

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

17. Property Taxes

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

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

Property tax calendar:

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

17. Property Taxes – Continued

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, 2024 was \$.355031 per \$100 of assessed valuation. The City has a tax margin of \$0.144903 per \$100 of assessed valuation and could raise taxes by \$1,324,881, based on the present assessed valuation of \$914,324,848, before the limit is reached.

18. Sales and Use Tax

On November 4, 1986, the citizens of the City voted in favor of a 1% city sales tax, effective April 1, 1987. A resolution adopted by the City Council stated that 30% of the sales tax revenue was to be used for street improvements and maintenance, and 70% for property tax relief. As of October 1, 2006, sales tax collected on the sale of motor vehicles is reserved for street fund expenditures as required by LB904.

On November 3, 1992, the citizens of the City voted in favor of an additional 1/2% City sales tax, effective April 1, 1993. A resolution adopted by the City Council stated that 50% of the proceeds up to a maximum annual amount of \$250,000 was to be used for the purpose of financing the economic development program to create jobs and ensure the economic stability and vitality for a ten-year period ending March 31, 2003, and the remainder of the proceeds derived on and before March 30, 2003, and 100% of the proceeds derived after March 31, 2003, was to be used for property tax relief. On November 3, 1998, voters approved to extend the effective dates of this resolution to March 31, 2013. On May 15, 2012, voters approved to continue the economic development program, to be funded \$250,000 annually from the General Fund, and the 1/2% sales tax collected after March 31, 2013, is 100% for property tax relief. On May 10, 2022, voters approved to extend the effective dates of the Economic Development program to March 31, 2029, and increase the funding to \$300,000 annually.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Sales and Use Tax – Continued

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

19. Expenditures/Expenses

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

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

2. Deposit Laws and Regulations - Continued

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.

3. Revenue Restrictions

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

4. Debt Restrictions and Covenants

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

5. Budgetary Data

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

There were no differences between the City's budgetary basis and GAAP basis for the governmental funds as of September 30, 2024.

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, 2023, and ending September 30, 2024 that includes proposed expenditures and the means of financing them; 2) Public hearings are conducted to obtain taxpayer comments; 3) Prior to September 20, the budget is legally enacted through passage of an ordinance.

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

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

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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 and Beatrice Area Solid Waste Agency. 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 and money market accounts for restricted assets for customer deposits and its various debt accounts including the Bond Payment Account and the Debt Service Reserve Account. The Airport, included in the General Fund, maintains restricted cash and cash equivalents to be used for future debt service. These accounts are identified on the balance sheet as "Restricted Cash and Cash Equivalents" or "Restricted Investments" in the financial statements.

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, 2024, 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, 2024, 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.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE C. CASH AND INVESTMENTS – CONTINUED

1. Custodial Credit Risk - Continued

Beatrice Public Library Foundation

At July 31, 2024, the amount the Beatrice Public Library Foundation held in cash and certificates of deposits at banks, financial institutions, and brokerage accounts was \$64,355, 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, 2024, all cash and certificates of deposit held at banks, financial institutions, and brokerage accounts were fully insured.

At July 31, 2024, money market accounts held in brokerage accounts were \$35,794.

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, local government investment pools, either state-administered or through interlocal agreement legislation, 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, 2024, the City's significant investment concentrations are as follows:

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE C. CASH AND INVESTMENTS – CONTINUED

4. Concentration of Credit Risk – Continued

External Investment Trust	19.22%
Certificates of Deposit	
Pinnacle Bank	30.72%
Security First Bank	35.34%

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, 2024.

6. Summary of Deposit and Investment Balances

Following is a reconciliation of the City’s deposits and investment balances as of September 30, 2024:

	Primary Government	Fiduciary Funds	Totals	Component Units
Cash on deposit	\$ 171,719	\$ 83,788	\$ 255,507	\$ -
Demand deposits	27,532,543	-	27,532,543	-
Time deposits	8,022,436	-	8,022,436	64,355
Investments	3,278,311	-	3,278,311	1,972,974
Totals	\$ 39,005,009	\$ 83,788	\$ 39,088,797	\$ 2,037,329
	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Totals	Component Units
Cash and cash equivalents	\$ 27,480,758	\$ -	\$ 27,480,758	\$ 60,197
Cash on deposit	171,719	-	171,719	-
Investments	5,954,561	-	5,954,561	1,759,138
Restricted Assets:				
Cash and cash equivalents	883,726	-	883,726	4,158
Cash on deposit	-	83,788	83,788	-
Investments	4,514,245	-	4,514,245	213,836
	\$ 39,005,009	\$ 83,788	\$ 39,088,797	\$ 2,037,329

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE C. CASH AND INVESTMENTS - CONTINUED

6. Summary of Deposit and Investment Balances - Continued

As of September 30, 2024, the Beatrice Public Library Foundation, Inc. had time deposits of \$64,355 and investments of \$1,972,974 as of July 31, 2024.

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

Investments

At September 30, 2024, the City had the following investments, maturities, and credit ratings:

Type	September 30, 2024						Fair Value Hierarchy Level
	Carrying Value	Maturities in Years			Ratings		
		Less than 1	1 - 5	6 - 10	Moody's	S&P	
Primary Government:							
Certificates of Deposit	\$ 8,022,436	\$ 6,790,519	\$ 1,231,917	-	Not rated	Not rated	N/A
External Investment Trust	2,172,476	2,172,476	-	-	Not rated	Not rated	N/A
Mutual Funds	1,105,835	1,105,835	-	-	Not rated	Not rated	Level 2
Total Primary Government	<u>\$ 11,300,747</u>	<u>\$ 10,068,830</u>	<u>\$ 1,231,917</u>	<u>\$ -</u>			

7. Library Foundation Investments

The carrying amounts, market value, unrealized gains, and unrealized losses for the Beatrice Public Library Foundation at July 31, 2024, were as follows:

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE C. CASH AND INVESTMENTS – CONTINUED

7. Library Foundation Investments – Continued

	<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	\$ 10,065	\$ -	\$ 6,971	\$ 3,094	Level 1
Common stock	954,925	421,343	-	1,376,268	Level 1
Corporate bonds	154,032	-	3,089	150,943	Level 1
Certificates of deposit	35,000	125	-	35,125	Level 1
Government bonds	40,126	-	112	40,014	Level 1
Mutual Funds	113,902	154	-	114,056	Level 1
Preferred stock	<u>50,182</u>	<u>-</u>	<u>10,544</u>	<u>39,638</u>	Level 1
Total unrestricted	<u>1,358,232</u>	<u>421,622</u>	<u>20,716</u>	<u>1,759,138</u>	
Restricted					
Governmental agencies					
Government Asset Backed/ CMO	1,241	-	360	881	Level 1
Common stock	29,974	-	5,563	24,411	Level 1
Corporate bonds	25,000	163	-	25,163	Level 1
Certificates of deposit	25,000	738	-	25,738	Level 1
Mutual Funds	117,707	-	7,017	110,690	
Preferred Stock	<u>34,476</u>	<u>-</u>	<u>7,523</u>	<u>26,953</u>	Level 1
Total restricted	<u>233,398</u>	<u>901</u>	<u>20,463</u>	<u>213,836</u>	
Total	<u>\$ 1,591,630</u>	<u>\$ 422,523</u>	<u>\$ 41,179</u>	<u>\$ 1,972,974</u>	

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE C. CASH AND INVESTMENTS – CONTINUED

8. Fair Value Measurements – Continued

The tables displayed on page 50 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 and external investment trusts are carried at cost, and thus are not included within the fair value hierarchy.

NOTE D. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments at September 30, 2024, consist of the following:

Fund	Taxes	Accounts	Lease Receivable	Loans Receivable	Special Assessments	Accrued Interest	Gross Receivables	Allowance	Net
General	\$ 740,514	\$ 625,681	\$ 1,109,898	\$ -	\$ -	\$ 5,890	\$ 2,481,983	\$(134,088)	\$ 2,347,895
Street	142,480	304,919	-	-	-	-	447,399	-	447,399
Electric	-	1,928,168	-	-	-	-	1,928,168	(19,668)	1,908,500
Water	-	347,933	1,276,245	-	-	5,996	1,630,174	(12,803)	1,617,371
WPC	-	235,541	-	-	-	-	235,541	(6,364)	229,177
BASWA	-	143,141	-	-	-	-	143,141	-	143,141
Sanitation	-	307,228	-	-	-	-	307,228	-	307,228
Nonmajor									
Special Revenue	-	7,730	38,140	1,259,641	-	563	1,306,074	(465,911)	840,163
Debt Service	243,910	10,105	-	-	26,333	1,090	281,438	-	281,438
Capital Projects	-	403,451	-	-	-	-	403,451	-	403,451
Internal Service	-	67,920	-	-	-	-	67,920	-	67,920
Total Primary Government	<u>\$ 1,126,904</u>	<u>\$ 4,381,817</u>	<u>\$ 2,424,283</u>	<u>\$ 1,259,641</u>	<u>\$ 26,333</u>	<u>\$ 13,539</u>	<u>\$ 9,232,517</u>	<u>\$(638,834)</u>	<u>\$ 8,593,683</u>

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE E. CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 8,452,350	\$ 651,781	\$ (1,509)	\$ -	\$ 9,102,622
Total capital assets, not being depreciated	<u>8,452,350</u>	<u>651,781</u>	<u>(1,509)</u>	<u>-</u>	<u>9,102,622</u>
Capital assets, being depreciated:					
Buildings and improvements	22,388,673	1,616,077	-	-	24,004,750
Improvements other than buildings	20,149,036	440,561	(5,470)	-	20,584,127
Machinery and equipment	15,014,315	702,948	(454,681)	-	15,262,582
Infrastructure	42,410,790	3,593,654	-	-	46,004,444
Total capital assets, being depreciated	<u>99,962,814</u>	<u>6,353,240</u>	<u>(460,151)</u>	<u>-</u>	<u>105,855,903</u>
Less: accumulated depreciation					
Buildings and improvements	(7,096,873)	(646,106)	-	-	(7,742,979)
Improvements other than buildings	(10,380,085)	(443,789)	2,553	-	(10,821,321)
Machinery and equipment	(9,328,957)	(907,113)	321,186	-	(9,914,884)
Infrastructure	(20,299,949)	(1,267,113)	-	-	(21,567,062)
Total accumulated depreciation	<u>(47,105,864)</u>	<u>(3,264,121)</u>	<u>323,739</u>	<u>-</u>	<u>(50,046,247)</u>
Total capital assets, being depreciated, net	<u>52,856,950</u>	<u>3,089,119</u>	<u>(136,412)</u>	<u>-</u>	<u>55,809,657</u>
Governmental activities capital assets, net	<u>\$ 61,309,300</u>	<u>\$ 3,740,900</u>	<u>\$ (137,921)</u>	<u>\$ -</u>	<u>\$ 64,912,279</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land and land rights	\$ 1,548,414	\$ -	\$ -	\$ -	1,548,414
Construction in progress	273,793	99,877	-	(273,793)	99,877
Total capital assets, not being depreciated	<u>1,822,207</u>	<u>99,877</u>	<u>-</u>	<u>(273,793)</u>	<u>1,648,291</u>
Capital assets, being depreciated:					
Buildings and improvements	17,468,991	327,093	(6,554)	182,000	17,971,530
Improvements other than buildings	77,535,060	5,156,443	(694,708)	91,793	82,088,588
Machinery and equipment	13,706,958	1,160,745	(177,753)	-	14,689,950
Total capital assets, being depreciated	<u>108,711,009</u>	<u>6,644,281</u>	<u>(879,015)</u>	<u>273,793</u>	<u>114,750,068</u>
Less: accumulated depreciation					
Buildings and improvements	(11,084,619)	(379,584)	6,554	-	(11,457,649)
Improvements other than buildings	(44,828,744)	(2,310,984)	694,708	-	(46,445,020)
Machinery and equipment	(7,953,400)	(1,021,674)	177,698	-	(8,797,376)
Total accumulated depreciation	<u>(63,866,763)</u>	<u>(3,712,242)</u>	<u>878,960</u>	<u>-</u>	<u>(66,700,045)</u>
Total capital assets, being depreciated, net	<u>44,844,246</u>	<u>2,932,039</u>	<u>(55)</u>	<u>273,793</u>	<u>48,050,023</u>
Business-type activities capital assets, net	<u>\$ 46,666,453</u>	<u>\$ 3,031,916</u>	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ 49,698,314</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE E. CAPITAL ASSETS AND DEPRECIATION – CONTINUED

Depreciation expense was charged to functions/programs as follows for the year ended September 30, 2024:

Governmental Activities:	
General government	\$ 47,954
Airport	318,025
Public safety	716,660
Highway and streets	1,484,988
Culture and recreation	696,494
Total depreciation expense	<u>\$ 3,264,121</u>
Business-Type Activities:	
Electric	\$ 1,431,377
Water	874,844
Water Pollution Control	585,895
Sanitation	354,880
BASWA	465,246
Total depreciation expense	<u>\$ 3,712,242</u>

The Beatrice Public Library Foundation, Inc. had capital assets of \$48,598 as of July 31, 2024.

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, 2024, except for the Foundation which are as of July 31, 2024.

	Customer and Developer Deposits	Debt Service	Closure and Postclosure Account	Donor/ Grantor Restrictions	Revolving Loan Program	Total
Enterprise Funds						
Electric	\$ 690,436	\$ -	\$ -	\$ -	\$ 366,229	\$ 1,056,665
BASWA	-	-	4,195,341	-	-	4,195,341
Sanitation	-	145,965	-	-	-	145,965
Total Enterprise Funds	<u>\$ 690,436</u>	<u>\$ 145,965</u>	<u>\$ 4,195,341</u>	<u>\$ -</u>	<u>\$ 366,229</u>	<u>\$ 5,397,971</u>
Component Units						
Beatrice Library Foundation, Inc.	-	-	-	217,994	-	217,994
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,994</u>	<u>\$ -</u>	<u>\$ 217,994</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE G. INTERFUND ACTIVITY

Interfund transfers were as follows for the year ended September 30, 2024:

Transfers Out	Transfers In		
	General Fund	Other Governmental Funds	Total
General Fund	\$ -	\$ 921,463	\$ 921,463
Other Governmental Funds	63,100	-	63,100
Total	\$ 63,100	\$ 921,463	\$ 984,563

During the year ended September 30, 2024, the 911 surcharge fund transferred \$63,100 to the general fund for the purpose of reimbursing dispatch salaries and support; the general fund transferred \$644,100 to the capital improvements fund for the purpose of funding various capital projects including ball field improvements and public building improvements, and \$277,363 to the public safety capital improvements fund for the purpose of funding police and fire capital equipment.

NOTE H. DEFICIT NET POSITION FUND BALANCES

At September 30, 2024, the Unbonded Assessments Debt Service Fund had a deficit fund balance of \$24,657 due to special assessments that have been assessed, but were not available or collected within 60 days of the end of the current fiscal period and thus considered unavailable revenue.

NOTE I. LONG-TERM OBLIGATIONS

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

The City has entered into a notes payable – direct borrowing agreement with the Nebraska Department of Environment and Energy (NDEE) consisting of two separate contracts totaling \$8,550,000. The interest rates on these contracts range from 0% to 0.07%. During the year ended September 30, 2024, the City incurred project costs totaling \$3,431,113 resulting in a recognition of a total project payable of \$8,549,856 under Contract D311685 and D311674.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE I. LONG-TERM OBLIGATIONS - CONTINUED

The City has entered into notes payable – direct financing agreements to finance the acquisition of various equipment and the installation of overhead field lighting. The interest rates on these agreements range from 1.25% to 3.95% and are payable through 2028. The agreements are collateralized by the equipment financed with the borrowing and include several instances which would constitute an event of default under the agreement, including, but not limited to, payment or other defaults, insolvency, and material adverse change in the City’s financial condition. Under the agreements, in the event of such default, the lender has the ability to take possession of the collateral or also declare any outstanding indebtedness immediately due and payable.

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

Original Amount	Issued ¹	Issue	Interest Rates	When Due ¹	Date Callable ¹	9/30/2023 Outstanding
Governmental Activities:						
Tax Supported and General Obligation Bonds:						
\$ 7,075,000	2020	Fire Station Bonds	1.55 - 2.30%	2021 to 2030	2025	\$ 4,395,000
\$ 2,725,000	2021	Fire Station Bonds	0.25 - 1.10%	2022 to 2030	2026	<u>1,820,000</u>
		Total Public Safety Bonds				<u>\$ 6,215,000</u>
Revenue Bonds						
\$ 1,215,000	2023	Economic Development Bonds	4.30 - 4.40%	2024 to 2029	2028	<u>\$ 1,085,000</u>
		Total Economic Development Bonds				<u>\$ 1,085,000</u>
Business-Type Activities:						
City Sanitation Revenue Bonds:						
\$ 2,730,000	2021	Revenue Bonds	0.45 - 1.50%	2022 to 2031	2026	<u>\$ 1,935,000</u>
		Total Sanitation Bonds				<u>\$ 1,935,000</u>

¹ Fiscal year

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE I. LONG-TERM OBLIGATIONS – CONTINUED

All of the long-term bond issues of the City’s primary government are serial bonds with principal due annually and interest due semi-annually. Long-term obligations activity for the year ended September 30, 2024, for the City and its component units was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Tax supported and general obligation bonds	\$ 7,200,000	\$ -	\$ (985,000)	\$ 6,215,000	\$ 1,000,000
Revenue bonds payable	1,215,000	-	(130,000)	1,085,000	200,000
Notes payable-direct financing agreements	125,770	-	(61,670)	64,100	64,100
Compensated absences	1,280,379	653,150	(623,196)	1,310,333	554,088
	<u>9,821,149</u>	<u>653,150</u>	<u>(1,799,866)</u>	<u>8,674,433</u>	<u>1,818,188</u>
Business-Type Activities:					
Revenue bonds payable	2,680,000	-	(745,000)	1,935,000	270,000
Notes payable-direct borrowing	5,118,743	3,431,113	(21,664)	8,528,192	282,634
Notes payable-direct financing agreement	247,555	-	(95,166)	152,389	36,123
Compensated absences	995,525	183,235	(403,806)	774,954	322,364
Closure and post-closure costs	6,602,000	685,000	-	7,287,000	-
	<u>15,643,823</u>	<u>4,299,348</u>	<u>(1,265,636)</u>	<u>18,677,535</u>	<u>911,121</u>
Primary Government	<u>\$ 25,464,972</u>	<u>\$ 4,952,498</u>	<u>\$ (3,065,502)</u>	<u>\$ 27,351,968</u>	<u>\$ 2,729,309</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. 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, 2024

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 Supported and General Obligation Bonds		Revenue Bonds		Notes Payable - Direct Financing Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
	2025	\$ 1,000,000	\$ 95,735	\$ 200,000	\$ 43,030	\$ 64,100
2026	1,010,000	81,542	210,000	34,215	-	-
2027	1,025,000	66,106	215,000	24,970	-	-
2028	1,040,000	49,233	225,000	15,290	-	-
2029	1,060,000	30,761	235,000	5,170	-	-
2030	1,080,000	10,560	-	-	-	-
	<u>\$ 6,215,000</u>	<u>\$ 333,937</u>	<u>\$ 1,085,000</u>	<u>\$ 122,675</u>	<u>\$ 64,100</u>	<u>\$ 2,534</u>

Fiscal Year Ending September 30	Business-Type Activities					
	Revenue Bonds		Notes Payable - Direct Borrowing		Notes Payable - Direct Financing Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
	2025	\$ 270,000	\$ 20,915	\$ 282,634	\$ 4,949	\$ 36,123
2026	270,000	18,755	282,802	4,866	37,416	4,114
2027	275,000	16,233	282,970	4,782	38,740	2,790
2028	275,000	13,276	283,137	4,614	40,110	1,419
2029	280,000	9,945	283,305	4,446	-	-
2030-2054	565,000	8,372	7,113,344	53,310	-	-
	<u>\$ 1,935,000</u>	<u>\$ 87,496</u>	<u>\$ 8,528,192</u>	<u>\$ 76,967</u>	<u>\$ 152,389</u>	<u>\$ 13,730</u>

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

City of Beatrice, Nebraska
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2024

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, 2024, there were approximately \$7,112,934 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
City of Beatrice and BPW Employees	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan

The Police and Firefighters plan and the City of Beatrice and BPW Employees 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 Deferred Compensation plan is administered by trustees independent of the City, thus the assets and liabilities related to this plan are not included in the financial statements. During 2021, the City adopted GASB 84, Fiduciary Activities, and GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 and determined that none of the employee retirement plans listed above meet the criteria to be reported as Fiduciary Activities in the City’s financial statements. The City does not issue separate, audited financial reports of the retirement plans noted above.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

1. Police and Firefighters

Plan Description

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

Police – Members of the Police can retire at age 60 and above with 21 or more years of service if employed prior to November 18, 1965. Members, aged 55 to 59 and those over the age of 60 employed on or after November 18, 1965, can retire with 25 or more years of service. The plan also provides death and disability benefits. A member is 40% vested after two years of service, 60% after four years, 80% after five years, and 100% after seven years. At September 30, 2024, there were 33 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, 2024, there were 32 total participants (active and inactive) in this portion of the plan.

Pre-1984 – Police and firefighters hired prior to January 1, 1984, participate in the defined contribution plan, but are entitled to receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. There are no active participants in this plan however three retired firefighters, or their beneficiary, continue to receive monthly benefit payments under this arrangement as of September 30, 2024. The City obtained an actuarial study for this arrangement, as of October 1, 2024, 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, 2024.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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 \$139,369 for the City and \$139,369 for the employees, for 2024.

Firefighters – The contribution rate for firefighter employees is 8.7% 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 \$105,643 for the City and use of \$114,686 (total \$220,329) in forfeitures, and \$110,163 for the employees, for 2024.

2. City of Beatrice & BPW 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. The plan is a defined contribution plan. The employees are eligible to participate in the plan after completing six months of full-time service and reaching age 19. The employee is always 100% vested in his or her plan contributions, plus any earnings. Employer contributions plus any earnings generated shall be vested with the employee at a rate of 25% each year, with 100% vesting upon completion of 4 or more years of plan participation. At September 30, 2024, there were 113 participants (active and inactive) in this plan.

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 City of Beatrice will make a contribution of 6% of City employee's annual compensation and the Board of Public Works will make a contribution of 6% of the Board employee's annual compensation. The City, the Board, and the covered employees made the required contributions, amounting to \$364,628 for the City and Board and \$364,628 for the employees, for 2024.

City of Beatrice, Nebraska
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2024

NOTE J. EMPLOYEES' RETIREMENT PLANS - CONTINUED

3. 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 \$233,409 to the plan in 2024.

NOTE K. RISK MANAGEMENT

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

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

The City funds its self-insurance program on an "incurred loss" basis. All funds of the City participate in the program and make payments to the Self-Insured Group Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-period claims. The Fund has a claims liability of \$316,841 reported at September 30, 2024.

The change in the Fund's claims liability amount in fiscal 2024 was as follows:

	2024
Beginning claims liability	\$ 194,746
Charges	4,801,210
Claims paid and changes in estimate	<u>(4,679,115)</u>
Ending claims liability	<u>\$ 316,841</u>

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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, 2024, approximately 75% of the full-time, regular City's employees are represented by a Union. All existing labor contracts involving City employees have been negotiated to cover a period through September 2024.

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

The City of Beatrice is identified as a Potentially Responsible Party as defined by the Comprehensive Environmental Compensation and Liability Act of 1980 by reason of current ownership of property with the presence of contamination. The City's exposure was up to 25% of the total clean-up costs, with the City incurring approximately \$2 million in costs, plus other professional services and legal fees for a total overall cost of \$2.5 million. In 2018, the City reached a settlement agreement with the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property to reimburse the City \$650,000 for costs previously incurred by the City. The cleanup was completed in 2019 and the property is now subject to an Environmental Covenant limiting the use and activity and shall be inspected annually until August 26, 2050. The City has accepted responsibility to perform the long-term obligations, for which costs are not known and are not estimable. In January 2021, a settlement with Centel Corporation was reached in which Centel Corporation agreed to pay to the City \$700,000, to be placed in a dedicated and segregated fund for the sole use of maintaining compliance with the Environmental Covenant until the allocation agreement is terminated. This amount is recorded as restricted fund balance in the Governmental Funds Balance Sheet and as restricted net position in the Statement of Net Position at September 30, 2024.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE L. COMMITMENTS AND CONTINGENCIES - CONTINUED

1. General - Continued

changes could materially affect the amounts reported in the accompanying statements of financial position.

2. Closure and Postclosure Care Cost

The Beatrice Area Solid Waste Agency, a fund of the City, owns and operates both a municipal solid waste landfill and a construction and demolition debris landfill. State and federal laws and regulations require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the municipal solid waste landfill and five subsequent years on the construction and demolition debris landfill. Although certain closure and postclosure care costs will be paid only near or after 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, 2024.

At September 30, 2024, the City incurred a liability of approximately \$7,123,000 for the municipal solid waste landfill which represents the costs reported to date based on the approximately 84% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$1,246,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 5 years).

At September 30, 2024, the City incurred a liability of approximately \$164,000 for the construction and demolition debris landfill which represents the costs reported to date based on approximately 13% of the landfill capacity used to date. The remaining estimated liability for these costs is approximately \$1,094,000, which will be recognized as the remaining capacity is used (estimated to be over approximately 80 years). The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes including the effects of inflation, revisions of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

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

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE L. COMMITMENTS AND CONTINGENCIES – CONTINUED

2. Closure and Postclosure Care Cost - Continued

landfill gas migration or groundwater contamination, if identified through current monitoring procedures, may be recorded when incurred.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2024, the City holds investments of \$4,195,341 for these purposes. These are reported as restricted assets on the balance sheet. The City expects interest earnings to cover future inflation costs, however if any additional postclosure care requirements are determined, they may need to be covered by charges to future landfill users or future tax revenue.

3. Power Purchase Agreement

During 2018, the City entered into a power purchase agreement to purchase energy from the Cottonwood Wind Project (the Project). The Project is currently rated to produce approximately 16.1 megawatts of energy, and the power purchase agreement requires the City to purchase the entire output from the Project over a period of 25 years. Payments made under the agreement during 2024 totaled \$1,210,000.

NOTE M. TAX ABATEMENTS

The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in Neb.Rev.Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a redevelopment plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains accessible to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project, which must not exceed a 15-year period. For the ended September 30, 2024, the City abated \$153,746 in property tax revenue under the tax increment financing program.

City of Beatrice, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE M. TAX ABATEMENTS - CONTINUED

The Employment and Investment Growth Act and the Nebraska Advantage Act provide benefits in the form of sales tax rebates for businesses which invest and/or increase employment by specified amounts. The statute for these Acts are found in Neb. Rev. Stat. SS 77-4101. Businesses that qualify must be involved in research, data processing, finance or insurance, manufacturing, technology-related services or a headquarters operation. The Act is available to businesses transporting, wholesaling, storing, or selling products, but not to retailers who do not make their own products. Businesses must propose a qualifying project and be approved by the State of Nebraska Department of Revenue. The obligations of each party are set out in a contract with the State. If the project qualifies for benefits, but later falls below the required levels of jobs or investment, the company receives no benefits for that year and one-seventh of the benefits already received are recaptured for each year the company fails to requalify. For the year ended September 30, 2024, the City abated \$177,989 in sales tax revenue under these two programs.

REQUIRED SUPPLEMENTARY INFORMATION

City of Beatrice, Nebraska
GENERAL FUND
MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property tax	\$ 3,220,500	\$ 3,220,500	\$ 3,195,503	\$ (24,997)
Sales tax	3,150,000	3,150,000	3,438,129	288,129
Occupation tax	641,000	641,000	567,031	(73,969)
Licenses and permits	201,100	201,100	156,066	(45,034)
Intergovernmental	2,940,372	2,940,372	2,424,381	(515,991)
Charges for services	2,520,327	2,520,327	2,792,087	271,760
Interest	60,000	60,000	699,253	639,253
Miscellaneous	186,877	186,877	224,894	38,017
Total Revenues	<u>12,920,176</u>	<u>12,920,176</u>	<u>13,497,344</u>	<u>577,168</u>
Expenditures				
General government	4,618,333	5,277,333	2,608,908	2,668,425
Public safety	8,548,406	8,543,406	8,281,893	261,513
Culture and recreation	1,524,482	1,524,482	1,560,965	(36,483)
Total Expenditures	<u>14,691,221</u>	<u>15,345,221</u>	<u>12,451,766</u>	<u>2,893,455</u>
Excess of Revenues Over Expenditures	(1,771,045)	(2,425,045)	1,045,578	3,470,623
Other Financing Sources (Uses)				
Insurance and settlement recoveries	500	500	346,642	346,142
Sales of capital assets	8,500	8,500	15,277	6,777
Transfers in	72,270	72,270	63,100	(9,170)
Transfers out	(677,800)	(2,682,821)	(921,463)	1,761,358
Total Other Financing Sources (Uses)	<u>(596,530)</u>	<u>(2,601,551)</u>	<u>(496,444)</u>	<u>2,105,107</u>
Excess Financing of Revenues and Other Sources Over Expenditures - budget basis	<u>\$ (2,367,575)</u>	<u>\$ (5,026,596)</u>	<u>\$ 549,134</u>	<u>\$ 5,575,730</u>
Perspective differences occur because of the structure of funds used for budgeting differs from financial statement fund types			<u>(753,457)</u>	
Net change in fund balance - GAAP basis			<u>\$ (204,323)</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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales tax	\$ 810,000	\$ 810,000	\$ 883,295	\$ 73,295
Intergovernmental:				
State shared revenue	2,316,110	2,316,110	2,479,432	163,322
Federal grants	-	-	1,787,319	1,787,319
Total Intergovernmental	2,316,110	2,316,110	4,266,751	1,950,641
Charges for services	31,535	31,535	37,424	5,889
Total Revenues	<u>3,157,645</u>	<u>3,157,645</u>	<u>5,187,470</u>	<u>2,029,825</u>
Expenditures				
Personal services	964,157	964,157	933,179	30,978
Other services and charges	132,300	132,300	128,586	3,714
Supplies	350,000	400,000	469,096	(69,096)
Capital outlay	4,567,544	4,812,544	3,640,798	1,171,746
Debt service	4,956	4,956	4,956	-
Total Expenditures	<u>6,018,957</u>	<u>6,313,957</u>	<u>5,176,615</u>	<u>1,137,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,861,312)	(3,156,312)	10,855	3,167,167
Other Financing Sources				
Transfers in	2,300,000	2,300,000	-	(2,300,000)
Insurance and settlement recoveries	-	-	88,324	88,324
Total Other Financing Sources	<u>2,300,000</u>	<u>2,300,000</u>	<u>88,324</u>	<u>(2,211,676)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (561,312)</u>	<u>\$ (856,312)</u>	<u>\$ 99,179</u>	<u>\$ 955,491</u>

See independent auditor's report.

City of Beatrice
GENERAL FUND
COMBINING BALANCE SHEET
September 30, 2024

	General Fund	Airport Fund	Total
Assets			
Cash and cash equivalents	\$ 5,878,093	\$ 616,146	\$ 6,494,239
Investments	2,413,199	-	2,413,199
Cash on deposit - county treasurer	171,716	3	171,719
Accounts receivable	520,489	13,140	533,629
Taxes receivable	141,854	3,749	145,603
Due from other governments	552,875	-	552,875
Lease receivable	464,953	644,945	1,109,898
Accrued interest receivable	1,064	4,826	5,890
Inventories	-	63,000	63,000
Total Assets	<u>\$ 10,144,243</u>	<u>\$ 1,345,809</u>	<u>\$ 11,490,052</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	\$ 355,430	\$ 6,959	\$ 362,389
Unearned Revenue	122,268	-	122,268
Total Liabilities	<u>477,698</u>	<u>6,959</u>	<u>484,657</u>
Deferred Inflows of Resources			
Deferred lease arrangements	430,652	607,470	1,038,122
Unavailable revenues	230,635	3,749	234,384
Total Deferred Inflows of Resources	<u>661,287</u>	<u>611,219</u>	<u>1,272,506</u>
Fund Balance			
Nonspendable	-	63,000	63,000
Restricted	700,000	5,843	705,843
Committed	1,105,835	-	1,105,835
Assigned	890,717	-	890,717
Unassigned	6,308,706	658,788	6,967,494
Total Fund Balance	<u>9,005,258</u>	<u>727,631</u>	<u>9,732,889</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 10,144,243</u>	<u>\$ 1,345,809</u>	<u>\$ 11,490,052</u>

See independent auditor's report.

City of Beatrice, Nebraska
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended September 30, 2024

	General Fund	Airport Fund	Total
Revenues			
Taxes			
Property tax	\$ 3,195,503	\$ 2,938	3,198,441
Sales tax	3,438,129	-	3,438,129
Occupation tax	567,031	-	567,031
Licenses and permits	156,066	-	156,066
Intergovernmental	2,424,381	21,831	2,446,212
Charges for services	2,792,087	563,511	3,355,598
Interest	699,253	23,899	723,152
Miscellaneous	224,894	4,413	229,307
Total Revenues	<u>13,497,344</u>	<u>616,592</u>	<u>14,113,936</u>
Expenditures			
General government	2,608,908	-	2,608,908
Airport operations	-	1,370,049	1,370,049
Public safety	8,281,893	-	8,281,893
Culture and recreation	1,560,965	-	1,560,965
Total Expenditures	<u>12,451,766</u>	<u>1,370,049</u>	<u>13,821,815</u>
Excess of Revenues Over Expenditures	1,045,578	(753,457)	292,121
Other Financing Sources (Uses)			
Insurance and settlement recoveries	346,642	-	346,642
Sales of capital assets	15,277	-	15,277
Transfers in	63,100	-	63,100
Transfers out	(921,463)	-	(921,463)
Total Other Financing Sources (Uses)	<u>(496,444)</u>	<u>-</u>	<u>(496,444)</u>
Net Change in Fund Balance	\$ 549,134	\$ (753,457)	\$ (204,323)
Fund Balance, Beginning of Year	<u>8,456,124</u>	<u>1,481,088</u>	<u>9,937,212</u>
Fund Balance, End of Year	<u>\$ 9,005,258</u>	<u>\$ 727,631</u>	<u>\$ 9,732,889</u>

See independent auditor's report.

City of Beatrice, Nebraska
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Taxes				
Property tax	\$ 2,959,000	\$ 2,959,000	\$ 2,830,621	\$ (128,379)
Homestead exemption allocation	155,000	155,000	186,103	31,103
Property tax credit	100,000	100,000	171,277	71,277
Interest on delinquent taxes	6,500	6,500	7,502	1,002
City sales tax	3,150,000	3,150,000	3,438,129	288,129
Utilities occupation tax	500,000	500,000	436,549	(63,451)
Beer and liquor occupation tax	21,000	21,000	16,475	(4,525)
Lodging occupation tax	120,000	120,000	112,082	(7,918)
Miscellaneous occupation tax	-	-	1,925	1,925
Total Taxes	<u>7,011,500</u>	<u>7,011,500</u>	<u>7,200,663</u>	<u>189,163</u>
Licenses and Permits				
Bicycle licenses	100	100	40	(60)
UTV licenses	-	-	2,475	2,475
Pet licenses	4,000	4,000	2,827	(1,173)
Plumbers' licenses	500	500	-	(500)
Building permits	180,000	180,000	139,610	(40,390)
Plumbing permits	5,000	5,000	3,006	(1,994)
Mechanical permits	1,500	1,500	735	(765)
Miscellaneous permits	10,000	10,000	7,373	(2,627)
Total Licenses and Permits	<u>201,100</u>	<u>201,100</u>	<u>156,066</u>	<u>(45,034)</u>
Intergovernmental				
Motor vehicle tax	290,000	290,000	304,265	14,265
County library aid	23,000	23,000	23,000	-
Interlocal 911 dispatch aid	757,809	757,809	711,428	(46,381)
County ambulance service	180,000	180,000	180,000	-
Intergovernmental-school officer	122,116	122,116	125,125	3,009
Other intergovernmental	7,000	7,000	7,000	-
Municipal equalization funds	778,697	778,697	755,023	(23,674)
Victim assistance grants	86,000	86,000	104,801	18,801
Library state aid	2,250	2,250	2,804	554
Pro-Rate motor vehicle	7,000	7,000	8,562	1,562
Law Enforcement Trans Reimb	500	500	420	(80)
Nebraska DEQ Grants	-	-	45,342	45,342
Federal - FEMA	-	-	369	369
Library grants	-	-	4,623	4,623
Federal funds police assistance	11,000	11,000	11,109	109
American Rescue Plan Act	-	-	1,500	1,500
Federal - Other Grants	675,000	675,000	139,010	(535,990)
Total Intergovernmental	<u>2,940,372</u>	<u>2,940,372</u>	<u>2,424,381</u>	<u>(515,990)</u>
Charges for Services				
Publication cost income	500	500	389	(111)
Administration miscellaneous charges	1,100	1,100	2,154	1,054
Administration services	150,681	150,681	148,884	(1,797)
BASWA management services	29,150	29,150	29,148	(2)
Management and legal services	397,861	397,861	397,860	(1)

See independent auditor's report.

City of Beatrice, Nebraska
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONTINUED
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Charges for Services (Continued)				
Restitution - fees and damages	\$ 1,000	\$ 1,000	\$ 3,013	\$ 2,013
Community development miscellaneous charges	1,500	1,500	2,760	1,260
Recover demolition charges	40,000	40,000	24,284	(15,716)
Police charges	226,837	226,837	227,048	211
Fire charges	13,200	13,200	12,423	(777)
Ambulance charges	2,075,000	2,075,000	2,361,161	286,161
Ambulance contracted adjustments	(750,000)	(750,000)	(836,235)	(86,235)
Public safety miscellaneous charges	12,500	12,500	18,810	6,310
Opioids Settlement	32,998	32,998	50,535	17,537
Stop program charges	1,000	1,000	609	(391)
Land use agreements	18,050	18,050	30,105	12,055
Auditorium use fee	33,000	33,000	44,339	11,339
Water park admissions	89,000	89,000	84,404	(4,596)
Water park concessions and sales	31,200	31,200	38,211	7,011
Swim lessons	3,100	3,100	3,050	(50)
Mowing fees	6,500	6,500	8,134	1,634
Camping receipts	81,000	81,000	88,630	7,630
Farm income	10,500	10,500	20,433	9,933
Public properties miscellaneous charges	2,000	2,000	13,599	11,599
Library use fees	4,400	4,400	3,855	(545)
Library copying fees	3,500	3,500	5,028	1,528
Library miscellaneous charges	1,150	1,150	7,976	6,826
Parking fines and rents	1,300	1,300	655	(645)
School fines and fees	2,300	2,300	825	(1,475)
Total Charges for Services	<u>2,520,327</u>	<u>2,520,327</u>	<u>2,792,087</u>	<u>271,760</u>
Interest				
Interest earnings	60,000	60,000	699,253	639,253
Miscellaneous				
Reimbursements and settlements	500	500	-	(500)
Lease income - BASWA	73,077	73,077	73,080	3
Donations	100	100	951	851
Donations - Beatrice plus program	26,500	26,500	25,218	(1,282)
Police donations	18,000	18,000	4,168	(13,832)
Fire donations	6,500	6,500	36,231	29,731
Water park donations	2,200	2,200	1,879	(321)
Public properties donations	25,000	25,000	45,022	20,022
Library donations	9,000	9,000	7,700	(1,300)
Library donations - foundation	25,000	25,000	29,968	4,968
Sidewalk program	1,000	1,000	677	(323)
Total Miscellaneous	<u>186,877</u>	<u>186,877</u>	<u>224,894</u>	<u>38,017</u>
Total Revenues	<u>\$ 12,920,176</u>	<u>\$ 12,920,176</u>	<u>\$ 13,497,344</u>	<u>\$ 577,169</u>

See independent auditor's report.

City of Beatrice, Nebraska
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONTINUED
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Government				
Administration				
Personal services	\$ 1,075,818	\$ 1,075,818	\$ 1,141,787	\$ (65,969)
Other services and charges	171,458	306,458	343,166	(36,708)
Supplies	11,500	11,500	15,531	(4,031)
Capital outlay	2,031,021	2,555,021	445,413	2,109,608
Contingency	122,000	122,000	7,335	114,665
Contractual services	875,566	875,566	333,540	542,026
Total Administration	4,287,363	4,946,363	2,286,772	2,659,591
Community Development				
Personal services	225,940	225,940	225,434	506
Other services and charges	97,730	97,730	94,168	3,562
Supplies	7,300	7,300	2,534	4,766
Total Community Development	330,970	330,970	322,136	8,834
Total General Government	4,618,333	5,277,333	2,608,908	2,668,425
Public Safety				
Police				
Personal services	4,589,096	4,589,096	4,269,331	319,765
Other services and charges	400,409	398,609	369,478	29,131
Supplies	75,100	76,900	87,896	(10,996)
Capital outlay	54,440	49,440	40,976	8,464
Contractual services	60,000	60,000	60,000	-
Contingencies	3,000	3,000	-	3,000
Total Police	5,182,045	5,177,045	4,827,681	349,364
Fire and Rescue				
Personal services	2,851,975	2,851,975	2,914,884	(62,909)
Other services and charges	331,536	331,536	376,881	(45,345)
Supplies	167,850	167,850	161,729	6,121
Capital outlay	15,000	15,000	718	14,282
Total Fire and Rescue	3,366,361	3,366,361	3,454,212	(87,851)
Total Public Safety	8,548,406	8,543,406	8,281,893	261,513

See independent auditor's report.

City of Beatrice, Nebraska
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONTINUED
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Culture and Recreation				
Public Properties				
Personal services	\$ 517,868	\$ 517,868	\$ 515,567	\$ 2,301
Other services and charges	166,665	166,665	192,935	(26,270)
Supplies	155,050	155,050	174,442	(19,392)
Capital outlay	75,800	75,800	83,012	(7,212)
Contractual services	70,000	70,000	69,715	285
Total Public Properties	<u>985,383</u>	<u>985,383</u>	1,035,671	(50,288)
Library				
Personal services	353,109	353,109	336,618	16,491
Other services and charges	56,215	56,215	55,374	841
Supplies	17,100	17,100	14,399	2,701
Capital outlay	112,675	112,675	118,903	(6,228)
Total Library	<u>539,099</u>	<u>539,099</u>	525,294	13,805
Total Culture and Recreation	<u>1,524,482</u>	<u>1,524,482</u>	1,560,965	(36,483)
Total Expenditures	<u>14,691,221</u>	<u>15,345,221</u>	12,451,766	2,893,455
Excess of Revenues Over Expenditures	(1,771,045)	(2,425,045)	1,045,578	3,470,624
Other Financing Sources (Uses)				
Insurance and settlement recoveries	500	500	346,642	346,142
Sale of capital assets	8,500	8,500	15,277	6,777
Transfers in	72,270	72,270	63,100	(9,170)
Transfers out	(677,800)	(2,682,821)	(921,463)	1,761,358
Total Other Financing Sources (Uses)	<u>(596,530)</u>	<u>(2,601,551)</u>	(496,444)	2,105,108
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,367,575)</u>	<u>\$ (5,026,596)</u>	549,134	<u>\$ 5,575,731</u>
Fund Balance, Beginning of Year			8,456,124	
Fund Balance, End of Year			<u>\$ 9,005,258</u>	

See independent auditor's report.

City of Beatrice, Nebraska
 AIRPORT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ -	\$ -	\$ 2,938	\$ 2,938
Intergovernmental				
State agency aid	-	-	76	76
Federal grants	-	-	21,755	21,755
Total Intergovernmental	-	-	21,831	21,831
Charges for services	591,454	591,454	563,511	(27,943)
Interest earnings	5,000	5,000	23,899	18,899
Miscellaneous	1,500	1,500	4,413	2,913
Total Revenues	597,954	597,954	616,592	(261)
Expenditures				
Personal Services				
Salaries	191,015	191,015	196,238	(5,223)
Social security	14,557	14,557	14,827	(270)
Retirement	9,113	9,113	10,380	(1,267)
Health and life insurance	64,800	64,800	64,800	-
Workmen's compensation	10,158	10,158	5,788	4,370
Total Personal Services	289,643	289,643	292,033	(2,390)
Other Services and Charges				
Insurance	6,000	31,000	28,352	2,648
Utilities	1,800	1,800	1,809	(9)
Maintenance and repairs	2,950	2,950	4,604	(1,654)
Training and transportation	1,760	1,760	1,121	639
Communications	2,300	2,300	2,451	(151)
Miscellaneous	15,910	15,910	14,391	1,519
Total Other Services and Charges	30,720	55,720	52,728	2,992
Supplies				
Operating supplies	206,900	206,900	179,849	27,051
Repairs and maintenance supplies	9,800	9,800	8,760	1,040
Total Supplies	216,700	216,700	188,609	28,091
Capital Outlay				
Improvements other than buildings	10,000	35,000	17,338	17,662
Machinery and equipment	57,000	57,000	47,809	9,191
Total Capital Outlay	67,000	92,000	65,147	26,853
Contingency	25,000	800,000	771,532	28,468
Total Expenditures	\$ 629,063	\$ 1,454,063	\$ 1,370,049	\$ 55,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (31,109)	\$ (856,109)	\$ (753,457)	\$ 102,652

See independent auditor's report.

City of Beatrice, Nebraska
 AIRPORT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONTINUED
 For the year ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (31,109)</u>	<u>\$ (856,109)</u>	(753,457)	<u>\$ 55,285</u>
Fund Balance, Beginning of Year			<u>1,481,088</u>	
Fund Balance, End of Year			<u>\$ 727,631</u>	

City of Beatrice, Nebraska
STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales tax	\$ 810,000	\$ 810,000	\$ 883,295	\$ 73,295
Intergovernmental				
State shared revenue	2,316,110	2,316,110	2,479,432	163,322
Federal grants	-	-	1,787,319	1,787,319
Total Intergovernmental	2,316,110	2,316,110	4,266,751	1,950,641
Charges for services	31,535	31,535	37,424	5,889
Total Revenues	3,157,645	3,157,645	5,187,470	2,029,825
Expenditures				
Personal Services				
Salaries	647,690	647,690	625,791	21,899
Social security	39,430	39,430	39,565	(135)
Retirement	28,926	28,926	29,002	(76)
Health and life insurance	194,400	194,400	195,700	(1,300)
Workmen's compensation	53,711	53,711	43,121	10,590
Total Personal Services	964,157	964,157	933,179	30,978
Other Services and Charges				
Insurance	28,000	28,000	29,461	(1,461)
Maintenance and repairs	35,500	35,500	51,612	(16,112)
Rentals	27,100	27,100	26,843	257
Training and transportation	3,000	3,000	1,407	1,593
Communications	3,500	3,500	2,850	650
Miscellaneous	35,200	35,200	16,413	18,787
Total Other Services and Charges	132,300	132,300	128,586	3,714
Supplies				
Operating supplies	94,500	94,500	117,680	(23,180)
Repairs and maintenance supplies	255,500	305,500	351,416	(45,916)
Total Supplies	350,000	400,000	469,096	(69,096)
Capital Outlay				
Buildings	15,000	15,000	7,536	7,464
Improvements other than buildings	4,535,000	4,780,000	3,585,353	1,194,647
Machinery and equipment	17,544	17,544	47,909	(30,365)
Total Capital Outlay	4,567,544	4,812,544	3,640,798	1,171,746
Debt Service				
Principal	4,583	4,583	4,583	-
Interest	373	373	373	-
Total Debt Service	4,956	4,956	4,956	-
Total Expenditures	\$ 6,018,957	\$ 6,313,957	\$ 5,176,615	\$ 1,137,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,861,312)	\$ (3,156,312)	\$ 10,855	\$ 3,167,167

See independent auditor's report.

City of Beatrice, Nebraska
 STREETS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONTINUED
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources				
Transfers in	\$ 2,300,000	\$ 2,300,000	\$ -	\$ (2,300,000)
Insurance and settlement recoveries	-	-	88,324	88,324
Total Other Financing Sources	2,300,000	2,300,000	88,324	(2,211,676)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (561,312)	\$ (856,312)	99,179	\$ 955,491
Fund Balance, Beginning of Year			3,312,610	
Fund Balance, End of Year			\$ 3,411,789	

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,115,753	\$ 2,512,270	\$ 596,368	\$ 4,224,391
Accounts receivable	7,730	-	403,451	411,181
Due from other governments	-	237,467	-	237,467
Taxes receivable	-	6,443	-	6,443
Assessments receivable	-	26,333	-	26,333
Loans receivable	793,730	-	-	793,730
In-lieu-of assessments	-	10,105	-	10,105
Accrued interest receivable	563	1,090	-	1,653
Lease receivable	38,140	-	-	38,140
Total Assets	<u>\$ 1,955,916</u>	<u>\$ 2,793,708</u>	<u>\$ 999,819</u>	<u>\$ 5,749,443</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable and accrued expense	\$ 15,296	\$ -	\$ 327,149	\$ 342,445
Due to other funds	-	49,626	-	49,626
Accrued interest payable	-	30,782	-	30,782
Total Liabilities	<u>15,296</u>	<u>80,408</u>	<u>327,149</u>	<u>422,853</u>
Deferred Inflows of Resources				
Deferred lease arrangements	31,918	-	-	31,918
Unavailable revenue	-	41,803	256,451	298,254
Total Deferred Inflows of Resources	<u>31,918</u>	<u>41,803</u>	<u>256,451</u>	<u>330,172</u>
Fund Balance				
Restricted for:				
Economic development	1,374,262	-	-	1,374,262
Debt service	-	2,696,154	-	2,696,154
E-911 public safety	114,820	-	-	114,820
Committed for:				
Public safety equipment	-	-	264,844	264,844
Community betterment	419,620	-	-	419,620
Assigned for:				
Subsequent years' expenditures	-	-	151,375	151,375
Unassigned	-	(24,657)	-	(24,657)
Total Fund Balance	<u>1,908,702</u>	<u>2,671,497</u>	<u>416,219</u>	<u>4,996,418</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,955,916</u>	<u>\$ 2,793,708</u>	<u>\$ 999,819</u>	<u>\$ 5,749,443</u>

See independent auditor's report.

City of Beatrice, Nebraska
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended September 30, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes				
Property tax	\$ -	\$ 979	\$ -	\$ 979
Sales tax	-	1,499,812	-	1,499,812
Intergovernmental	734,474	-	483,115	1,217,589
Charges for services	90,578	-	-	90,578
Keno proceeds	121,554	-	-	121,554
Special assessments	-	6,850	-	6,850
Interest	22,577	878	359	23,814
Donations and other revenue	349,080	-	367,531	716,611
Total Revenues	<u>1,318,263</u>	<u>1,508,519</u>	<u>851,005</u>	<u>3,677,787</u>
Expenditures				
General government	1,228,694	-	-	1,228,694
Other services and charges	-	-	70,110	70,110
Capital outlay	296,374	-	1,975,228	2,271,602
Debt Service:				
Principal	130,000	985,000	57,087	1,172,087
Interest	49,733	105,086	4,599	159,418
MFO payments - other entities	-	-	305,565	305,565
Total Expenditures	<u>1,704,801</u>	<u>1,090,086</u>	<u>2,412,589</u>	<u>5,207,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(386,538)</u>	<u>418,433</u>	<u>(1,561,584)</u>	<u>(1,529,689)</u>
Other Financing Sources (Uses)				
Sale of capital assets	37,638	-	-	37,638
Transfers in	-	-	921,463	921,463
Transfers out	(63,100)	-	-	(63,100)
Total Other Financing Sources (Uses)	<u>(25,462)</u>	<u>-</u>	<u>921,463</u>	<u>896,001</u>
Net Change in Fund Balance	<u>(412,000)</u>	<u>418,433</u>	<u>(640,121)</u>	<u>(633,688)</u>
Fund Balance, Beginning of Year	<u>2,320,702</u>	<u>2,253,064</u>	<u>1,056,340</u>	<u>5,630,106</u>
Fund Balance, End of Year	<u>\$ 1,908,702</u>	<u>\$ 2,671,497</u>	<u>\$ 416,219</u>	<u>\$ 4,996,418</u>

See independent auditor's report.

NONMAJOR 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.

Economic Development Fund – To account for revenues and expenditures used in the operation of the economic development program.

Community Development Block Grant Fund – To account for revenues and expenditures used in relation to CDBG specific grants.

Keno Fund – To account for the City's share of gross proceeds received from the operation of Keno in Beatrice and the use of those funds on community betterment projects.

911 Surcharge Fund – To account for 911 surcharge fees, as well as 911 funds received from the State, that are restricted for 911 operations.

City of Beatrice, Nebraska
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 September 30, 2024

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Total
Assets					
Cash and cash equivalents	\$ 575,719	\$ -	\$ 425,214	\$ 114,820	\$ 1,115,753
Accounts receivable	-	7,730	-	-	7,730
Loans receivable	793,730	-	-	-	793,730
Accrued interest receivable	563	-	-	-	563
Lease receivable	38,140	-	-	-	38,140
Total Assets	<u>\$ 1,408,152</u>	<u>\$ 7,730</u>	<u>\$ 425,214</u>	<u>\$ 114,820</u>	<u>\$ 1,955,916</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 1,972	\$ 7,730	\$ 5,594	\$ -	\$ 15,296
Deferred Inflows of Resources					
Deferred lease arrangements	31,918	-	-	-	31,918
Fund Balance					
Restricted for:					
Economic development	1,374,262	-	-	-	1,374,262
E911 public safety	-	-	-	114,820	114,820
Committed for:					
Community betterment	-	-	419,620	-	419,620
Total Fund Balance	<u>1,374,262</u>	<u>-</u>	<u>419,620</u>	<u>114,820</u>	<u>1,908,702</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,408,152</u>	<u>\$ 7,730</u>	<u>\$ 425,214</u>	<u>\$ 114,820</u>	<u>\$ 1,955,916</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, 2024

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Total
Revenues					
Intergovernmental	\$ 150,000	\$ 584,474	\$ -	\$ -	\$ 734,474
Charges for services	-	-	-	90,578	90,578
Keno proceeds	-	-	121,554	-	121,554
Interest	22,552	25	-	-	22,577
Miscellaneous	349,080	-	-	-	349,080
Total Revenues	<u>521,632</u>	<u>584,499</u>	<u>121,554</u>	<u>90,578</u>	<u>1,318,263</u>
Expenditures					
General government	622,305	584,679	21,710	-	1,228,694
Capital outlay	289,024	-	-	7,350	296,374
Debt service					
Principal	130,000	-	-	-	130,000
Interest	49,733	-	-	-	49,733
Total Expenditures	<u>1,091,062</u>	<u>584,679</u>	<u>21,710</u>	<u>7,350</u>	<u>1,704,801</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(569,430)	(180)	99,844	83,228	(386,538)
Other Financing Sources (Uses)					
Sale of capital assets	37,638	-	-	-	37,638
Transfers out	-	-	-	(63,100)	(63,100)
Total Other Financing Sources (Uses)	<u>37,638</u>	<u>-</u>	<u>-</u>	<u>(63,100)</u>	<u>(25,462)</u>
Net Change in Fund Balance	(531,792)	(180)	99,844	20,128	(412,000)
Fund Balance, Beginning of Year	<u>1,906,054</u>	<u>180</u>	<u>319,776</u>	<u>94,692</u>	<u>2,320,702</u>
Fund Balance, End of Year	<u>\$ 1,374,262</u>	<u>\$ -</u>	<u>\$ 419,620</u>	<u>\$ 114,820</u>	<u>\$ 1,908,702</u>

See independent auditor's report.

City of Beatrice, Nebraska
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 150,000	\$ 150,000
Interest	2,500	2,500	22,552	20,052
Miscellaneous	310,350	310,350	349,080	38,730
Total Revenues	<u>312,850</u>	<u>312,850</u>	<u>521,632</u>	<u>208,782</u>
Expenditures				
Economic development	195,000	195,000	622,305	(427,305)
Capital outlay	1,703,055	1,703,055	289,024	1,414,031
Debt service				
Principal	130,000	130,000	130,000	-
Interest	58,357	58,357	49,733	8,624
Total Expenditures	<u>2,086,412</u>	<u>2,086,412</u>	<u>1,091,062</u>	<u>995,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,773,562)</u>	<u>(1,773,562)</u>	<u>(569,430)</u>	<u>1,204,132</u>
Other Financing Sources				
Sale of capital assets	20,000	20,000	37,638	17,638
Bond issuance	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources	<u>1,020,000</u>	<u>1,020,000</u>	<u>37,638</u>	<u>(982,362)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	<u>\$ (753,562)</u>	<u>\$ (753,562)</u>	<u>(531,792)</u>	<u>\$ 221,770</u>
Fund Balance, Beginning of Year			<u>1,906,054</u>	
Fund Balance, End of Year			<u>\$ 1,374,262</u>	

See independent auditor's report.

City of Beatrice, Nebraska
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 815,000	\$ 815,000	\$ 584,474	\$ (230,526)
Interest	-	-	25	25
Total Revenues	<u>815,000</u>	<u>815,000</u>	<u>584,499</u>	<u>(230,501)</u>
Expenditures				
Grant distributions	815,000	815,000	584,679	230,321
Re-use loans	-	-	-	-
Total Expenditures	<u>825,000</u>	<u>825,000</u>	<u>584,679</u>	<u>240,321</u>
Deficiency of Revenues Under Expenditures	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	(180)	<u>\$ 9,820</u>
Fund Balance, Beginning of Year			<u>180</u>	
Fund Balance, End of Year			<u>\$ -</u>	

See independent auditor's report.

City of Beatrice, Nebraska
 KENO/LOTTERY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Keno proceeds	\$ 165,000	\$ 165,000	\$ 121,554	\$ (43,446)
Expenditures				
Other services and charges	29,300	29,300	21,710	7,590
Excess of Revenues Over Expenditures	135,700	135,700	99,844	(35,856)
Other Financing Uses				
Transfers out	(225,000)	(225,000)	-	225,000
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (89,300)</u>	<u>\$ (89,300)</u>	99,844	<u>\$ 189,144</u>
Fund Balance, Beginning of Year			319,776	
Fund Balance, End of Year			<u>\$ 419,620</u>	

See independent auditor's report.

City of Beatrice, Nebraska
 911 SURCHARGE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
911 service surcharge	\$ 22,000	\$ 22,000	\$ 29,242	\$ 7,242
E911 wireless surcharge	72,270	72,270	61,336	(10,934)
Total Revenues	<u>94,270</u>	<u>94,270</u>	<u>90,578</u>	<u>(3,692)</u>
Expenditures				
Capital outlay	-	-	7,350	(7,350)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>94,270</u>	<u>94,270</u>	<u>83,228</u>	<u>(11,042)</u>
Other Financing Uses				
Transfers out	<u>(72,270)</u>	<u>(72,270)</u>	<u>(63,100)</u>	<u>9,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ 22,000</u>	<u>\$ 22,000</u>	20,128	<u>\$ (1,872)</u>
Fund Balance, Beginning of Year			<u>94,692</u>	
Fund Balance, End of Year			<u>\$ 114,820</u>	

See independent auditor's report.

NONMAJOR 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.

General Obligation Fund – To accumulate resources for payment of principal and interest on various outstanding general obligation bonds. Resources are derived from a special property tax levy or special sales tax.

Bonded Districts Fund – To accumulate resources for payment on principal and interest on special assessment bond issues. Resources are derived from special assessment tax collections and interest on special assessment taxes.

Unbonded Assessments Fund – To accumulate resources for payment of principal and interest on special assessment unbonded issues. Resources are derived from special assessment tax collections and interest on special assessments.

City of Beatrice, Nebraska
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2024

	General Obligation	Bonded Districts	Unbonded Assessments	Total
Assets				
Cash and cash equivalents	\$ 2,487,301	\$ -	\$ 24,969	\$ 2,512,270
Taxes receivable	6,443	-	-	6,443
Assessments receivable:				
Current	-	-	24,444	24,444
Delinquent	-	-	1,889	1,889
Accrued interest receivable	-	-	1,090	1,090
In-lieu-of assessments	-	10,105	-	10,105
Due from other governments	237,467	-	-	237,467
Total Assets	\$ 2,731,211	\$ 10,105	\$ 52,392	\$ 2,793,708
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accrued interest payable	\$ 30,782	\$ -	\$ -	\$ 30,782
Due to other funds	-	-	49,626	49,626
Total Liabilities	30,782	-	49,626	80,408
Deferred Inflows of Resources				
Unavailable revenue	4,275	10,105	27,423	41,803
Fund Balance				
Restricted for debt service	2,696,154	-	-	2,696,154
Unassigned	-	-	(24,657)	(24,657)
Total Fund Balance	2,696,154	-	(24,657)	2,671,497
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,731,211	\$ 10,105	\$ 52,392	\$ 2,793,708

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, 2024

	General Obligation	Bonded Districts	Unbonded Assessments	Total
Revenues				
Taxes				
Property taxes	\$ 979	\$ -	\$ -	\$ 979
Sales taxes	1,499,812	-	-	1,499,812
Special assessments	-	-	6,850	6,850
Interest on assessments	-	-	878	878
Total Revenues	<u>1,500,791</u>	<u>-</u>	<u>7,728</u>	<u>1,508,519</u>
Expenditures				
Debt service:				
Principal	985,000	-	-	985,000
Interest	105,086	-	-	105,086
Total Expenditures	<u>1,090,086</u>	<u>-</u>	<u>-</u>	<u>1,090,086</u>
Excess of Revenues Over Expenditures	<u>410,705</u>	<u>-</u>	<u>7,728</u>	<u>418,433</u>
Fund Balance, Beginning of Year	<u>2,285,449</u>	<u>-</u>	<u>(32,385)</u>	<u>2,253,064</u>
Fund Balance, End of Year	<u>\$ 2,696,154</u>	<u>\$ -</u>	<u>\$ (24,657)</u>	<u>\$ 2,671,497</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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 979	\$ 979
Sales taxes	1,093,883	1,093,883	1,499,812	405,929
Total Revenues	1,093,883	1,093,883	1,500,791	406,908
Expenditures				
Debt Service:				
Interest	108,883	108,883	105,086	3,797
Principal	985,000	985,000	985,000	-
Total Expenditures	1,093,883	1,093,883	1,090,086	3,797
Excess of Revenues Over Expenditures	\$ -	\$ -	410,705	\$ 410,705
Fund Balance, Beginning of Year			2,285,449	
Fund Balance, End of Year			\$ 2,696,154	

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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Special assessments	\$ -	\$ 4,995	\$ 6,850	\$ 1,855
Interest on assessments	675	-	878	878
Total Revenues	675	4,995	7,728	2,733
Excess of Revenues				
Over Expenditures	\$ 675	\$ -	7,728	\$ (48,267)
Fund Balance, Beginning of Year			(32,385)	
Fund Balance, End of Year			\$ (24,657)	

See independent auditor's report.

NONMAJOR 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 capital assets or construction of major capital facilities not being financed by proprietary funds.

Public Safety Capital Improvements Fund – To account for the cost of acquiring or improving various capital assets used for public safety. Financing is provided from a variety of sources, including General fund appropriations, federal and state grants, bond proceeds, and donations.

Capital Improvements Fund – To account for the cost of acquiring or improving various general capital assets. Financing is provided from a variety of sources, including General fund appropriations, Keno fund appropriations, federal and state grants, bond proceeds, and donations.

City of Beatrice, Nebraska
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 September 30, 2024

	Public Safety Capital Improvements	Capital Improvements	Total
Assets			
Cash and cash equivalents	\$ 308,087	\$ 288,281	\$ 596,368
Accounts receivable	57,318	346,133	403,451
Total Assets	<u>\$ 365,405</u>	<u>\$ 634,414</u>	<u>\$ 999,819</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	\$ 43,243	\$ 283,906	\$ 327,149
Total Liabilities	<u>43,243</u>	<u>283,906</u>	<u>327,149</u>
Deferred Inflows of Resources			
Unavailable revenues	57,318	199,133	256,451
Fund Balance			
Committed for:			
Public safety equipment	264,844	-	264,844
Assigned for:			
Subsequent years' expenditures	-	151,375	151,375
Total Fund Balance	<u>264,844</u>	<u>151,375</u>	<u>416,219</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 365,405</u>	<u>\$ 634,414</u>	<u>\$ 999,819</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, 2024

	<u>Public Safety Capital Improvements</u>	<u>Capital Improvements</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 462,910	\$ 20,205	\$ 483,115
Interest	359	-	359
Donations and other revenue	-	367,531	367,531
Total Revenues	<u>463,269</u>	<u>387,736</u>	<u>851,005</u>
Expenditures			
Other services and charges	-	70,110	70,110
Capital outlay	496,485	1,478,743	1,975,228
MFO payments - other entities	305,565	-	305,565
Debt service			
Principal	-	57,087	57,087
Interest	-	4,599	4,599
Total Expenditures	<u>802,050</u>	<u>1,610,539</u>	<u>2,412,589</u>
Deficiency of Revenues Under Expenditures	<u>(338,781)</u>	<u>(1,222,803)</u>	<u>(1,561,584)</u>
Other Financing Sources			
Transfers in	277,363	644,100	921,463
Total Other Financing Sources	<u>277,363</u>	<u>644,100</u>	<u>921,463</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	<u>(61,418)</u>	<u>(578,703)</u>	<u>(640,121)</u>
Fund Balances, Beginning of Year	<u>326,262</u>	<u>730,078</u>	<u>1,056,340</u>
Fund Balances, End of Year	<u>\$ 264,844</u>	<u>\$ 151,375</u>	<u>\$ 416,219</u>

See independent auditor's report.

City of Beatrice, Nebraska
PUBLIC SAFETY CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 462,910	\$ 252,910
Interest earnings	-	-	359	359
Total Revenues	<u>210,000</u>	<u>210,000</u>	<u>463,269</u>	<u>253,269</u>
Expenditures				
Capital Projects				
Police equipment	294,500	294,500	79,950	214,550
Fire equipment	999,000	999,000	416,535	582,465
MFO payments - other entities	126,000	306,000	305,565	435
Total Expenditures	<u>1,419,500</u>	<u>1,599,500</u>	<u>802,050</u>	<u>797,450</u>
Deficiency of Revenues Under Expenditures	<u>(1,209,500)</u>	<u>(1,389,500)</u>	<u>(338,781)</u>	<u>1,050,719</u>
Other Financing Sources				
Transfers in	86,000	86,000	277,363	191,363
Total Other Financing Sources	<u>86,000</u>	<u>86,000</u>	<u>277,363</u>	<u>191,363</u>
Deficiency of Revenues and Other Sources Under Expenditures	<u>\$ (1,123,500)</u>	<u>\$ (1,303,500)</u>	(61,418)	<u>\$ 1,242,082</u>
Fund Balance, Beginning of Year			<u>326,262</u>	
Fund Balance, End of Year			<u>\$ 264,844</u>	

See independent auditor's report.

City of Beatrice, Nebraska
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 2,355,000	\$ 2,355,000	\$ 20,205	\$ (2,334,795)
Donations and other revenue	73,686	73,686	367,531	293,845
Total Revenues	<u>2,428,686</u>	<u>2,428,686</u>	<u>387,736</u>	<u>(2,040,950)</u>
Expenditures				
Other Services and Charges	-	70,000	70,110	(110)
Capital Projects				
Public building improvements	22,000	632,000	745,032	(113,032)
Library renovation	6,000	6,000	-	6,000
Community revitalization	50,000	246,000	11,086	234,914
Trail improvements	2,522,000	2,522,000	17,975	2,504,025
Park other improvements	17,000	17,000	135,607	(118,607)
Playground improvements	235,000	235,000	-	235,000
Ball field improvements	160,000	340,000	328,902	11,098
Public properties equipment	53,000	53,000	95,747	(42,747)
Computer equipment	118,800	118,800	144,394	(25,594)
Debt Service				
Principal	57,087	57,087	57,087	-
Interest	4,599	4,599	4,599	-
Total Expenditures	<u>3,245,486</u>	<u>4,301,486</u>	<u>1,610,539</u>	<u>2,691,057</u>
Deficiency of Revenues Under Expenditures	<u>(816,800)</u>	<u>(1,872,800)</u>	<u>(1,222,803)</u>	<u>650,107</u>
Other Financing Sources				
Transfers in	816,800	816,800	644,100	(172,700)
Total Other Financing Sources	<u>816,800</u>	<u>816,800</u>	<u>644,100</u>	<u>(172,700)</u>
Deficiency of Revenues and Other Sources Under Expenditures	<u>\$ -</u>	<u>\$ (1,056,000)</u>	(578,703)	<u>\$ 477,407</u>
Fund Balance, Beginning of Year			<u>730,078</u>	
Fund Balance, End of Year			<u>\$ 151,375</u>	

See independent auditor's report.

SECTION 3

STATISTICAL SECTION

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

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

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

Table 1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in capital assets	\$ 29,927,397	\$ 30,825,043	\$ 33,303,732	\$ 35,613,362	\$ 36,321,755	\$ 33,165,271	\$ 38,714,037	\$ 41,379,857	\$ 52,674,990	\$ 56,947,726
Restricted	3,750,366	4,003,388	4,050,739	3,211,376	3,753,842	8,704,602	6,153,586	7,057,151	8,294,291	8,270,530
Unrestricted	2,982,107	3,192,413	1,744,032	3,061,270	2,859,417	5,351,206	9,221,690	10,373,235	11,650,943	10,320,217
Total Governmental Activities Net Position	\$ 36,659,870	\$ 38,020,844	\$ 39,098,503	\$ 41,886,008	\$ 42,935,014	\$ 47,221,079	\$ 54,089,313	\$ 58,810,243	\$ 72,620,224	\$ 75,538,473
Business-type Activities										
Net Investment in capital assets	\$ 24,047,909	\$ 25,423,188	\$ 27,814,977	\$ 28,432,099	\$ 29,208,662	\$ 30,577,284	\$ 34,339,202	\$ 35,769,674	\$ 37,316,151	\$ 38,734,465
Restricted	629,955	579,207	721,481	704,205	724,649	743,580	886,062	690,567	1,089,881	506,246
Unrestricted	7,393,322	7,475,616	8,089,978	9,249,129	10,448,562	11,282,871	8,489,944	11,695,372	13,331,280	15,105,048
Total Business-type Activities Net Position	\$ 32,071,186	\$ 33,478,011	\$ 36,626,436	\$ 38,385,433	\$ 40,381,873	\$ 42,603,735	\$ 43,715,208	\$ 48,155,613	\$ 51,737,312	\$ 54,345,759
Primary Government										
Net Investment in capital assets	\$ 53,975,306	\$ 56,248,231	\$ 61,118,709	\$ 64,045,461	\$ 65,530,417	\$ 63,742,555	\$ 73,053,239	\$ 77,149,531	\$ 89,991,141	\$ 95,682,191
Restricted	4,380,321	4,582,595	4,772,220	3,915,581	4,478,491	9,448,182	7,039,648	7,747,718	9,384,172	8,776,776
Unrestricted	10,375,429	10,668,029	9,834,010	12,310,399	13,307,979	16,634,077	17,711,634	22,068,607	24,982,223	25,425,265
Total Primary Government Net Position	\$ 68,731,056	\$ 71,498,855	\$ 75,724,939	\$ 80,271,441	\$ 83,316,887	\$ 89,824,814	\$ 97,804,521	\$ 106,965,856	\$ 124,357,536	\$ 129,884,232

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

2023 - Airport now reported with Governmental Activities

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

Table 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 5,124,109	\$ 4,257,592	\$ 4,722,164	\$ 5,538,033	\$ 5,227,844	\$ 4,377,767	\$ 4,953,341	\$ 5,971,274	\$ 6,891,788	\$ 9,429,232
Airport	-	-	-	-	-	-	-	-	960,922	856,409
Public Safety	5,218,151	6,267,387	6,580,523	6,589,459	6,958,083	7,240,985	7,556,333	8,452,114	8,939,262	9,424,267
Highways and Streets	2,041,955	1,914,965	1,948,452	2,168,474	2,458,819	2,437,775	2,591,974	2,667,329	2,772,211	3,186,837
Culture and Recreation	1,609,230	1,772,494	1,604,137	1,684,625	1,736,134	1,687,784	1,715,665	1,898,701	2,006,251	2,139,332
Interest on Long-Term Debt	14,741	15,219	14,039	10,185	9,124	126,354	111,403	135,850	134,123	163,263
Total Governmental Activities Expenses	14,008,186	14,227,657	14,869,315	15,990,776	16,390,004	15,870,665	16,928,716	19,125,268	21,704,557	25,199,340
Business-type Activities										
Electric	14,967,570	15,573,893	16,339,629	18,193,641	17,355,117	15,849,735	17,906,399	15,928,396	16,379,103	16,870,311
Water	2,087,499	2,136,106	2,130,625	2,335,497	2,315,008	2,380,242	2,365,495	2,518,904	2,546,399	2,874,728
Water Pollution Control	1,492,220	1,545,877	1,539,418	1,577,218	1,632,710	1,691,413	1,624,620	1,852,424	1,888,586	1,919,139
Beatrice Area Solid Waste Agency	977,166	1,636,159	1,467,795	1,532,323	1,680,448	1,554,219	1,579,738	1,981,039	2,302,781	2,427,522
Sanitation	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180	1,558,616	2,171,036	2,656,713	2,573,708	2,737,130
Total Business-type Activities Expenses	20,808,571	22,157,869	22,800,091	25,158,425	24,545,463	23,034,225	25,647,288	24,937,476	25,690,577	26,828,830
Total Primary Government Expenses	\$ 34,816,757	\$ 36,385,526	\$ 37,669,406	\$ 41,149,201	\$ 40,935,467	\$ 38,904,890	\$ 42,576,004	\$ 44,062,744	\$ 47,395,134	\$ 52,028,170
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,036,542	\$ 2,983,118	\$ 3,487,714	\$ 4,077,215	\$ 3,761,976	\$ 4,233,398	\$ 4,673,928	\$ 5,072,452	\$ 5,595,031	\$ 5,835,032
Airport	-	-	-	-	-	-	-	-	696,754	563,703
Public Safety	1,832,967	1,380,446	1,361,264	1,319,054	1,361,793	1,319,437	1,472,207	1,650,548	1,698,213	1,926,109
Culture and Recreation	223,024	245,400	244,772	254,960	222,044	252,716	267,586	279,085	306,500	347,763
Other Governmental Activities	29,682	48,877	24,098	24,085	23,313	33,251	29,345	34,255	58,233	37,425
Operating Grants and Contributions	1,946,512	1,701,014	1,236,279	1,914,016	1,974,006	1,871,291	3,529,612	2,360,410	2,630,689	2,196,297
Capital Grants and Contributions	2,021,762	2,066,183	2,391,685	3,816,796	1,861,185	3,236,098	2,299,328	1,936,234	2,297,387	5,421,044
Total Governmental Activities Program Revenues	9,090,489	8,425,038	8,745,812	11,406,126	9,204,317	10,946,191	12,272,006	11,332,984	13,282,807	16,327,373
Business-type Activities										
Charges for Services:										
Electric	14,749,348	15,672,130	16,235,194	17,794,990	17,619,594	16,356,112	17,128,788	17,435,709	17,354,582	16,908,990
Water	2,321,423	2,717,237	2,862,930	2,789,557	2,650,876	2,646,957	2,709,019	2,908,700	2,933,415	2,978,349
Water Pollution Control	1,732,788	2,046,952	2,315,112	2,278,816	2,243,878	2,183,811	2,195,891	2,330,902	2,422,055	2,445,140
Beatrice Area Solid Waste Agency	1,170,237	1,236,421	2,249,641	1,814,151	1,844,947	1,783,181	2,022,511	2,349,347	2,187,803	1,975,389
Sanitation	1,284,116	1,265,834	1,322,624	1,519,746	1,562,180	1,558,616	2,116,541	2,745,489	2,967,047	3,095,312
Operating Grants and Contributions	-	-	-	-	-	-	-	-	300,000	4,965
Capital Grants and Contributions	80,000	-	351,388	30,486	-	160,763	39,479	179,095	17,797	230,011
Total Business-type Activities Program Revenues	21,337,912	22,938,574	25,336,889	26,227,746	25,921,475	24,689,440	26,212,229	27,949,242	28,182,699	27,638,156
Total Primary Government Program Revenues	\$ 30,428,401	\$ 31,363,612	\$ 34,082,701	\$ 37,633,872	\$ 35,125,792	\$ 35,635,631	\$ 38,484,235	\$ 39,282,226	\$ 41,465,506	\$ 43,965,529
Net (Expense) Revenue										
Governmental Activities:	\$ (4,917,697)	\$ (5,802,619)	\$ (6,123,503)	\$ (4,584,650)	\$ (7,185,687)	\$ (4,924,474)	\$ (4,656,710)	\$ (7,792,284)	\$ (8,421,750)	\$ (8,871,967)
Business-type Activities	529,341	780,705	2,536,798	1,069,321	1,376,012	1,655,215	564,941	3,011,766	2,492,122	809,326
Total Primary Government Net (Expense)	\$ (4,388,356)	\$ (5,021,914)	\$ (3,586,705)	\$ (3,515,329)	\$ (5,809,675)	\$ (3,269,259)	\$ (4,091,769)	\$ (4,780,518)	\$ (5,929,628)	\$ (8,062,641)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	\$ 6,033,958	\$ 6,181,178	\$ 6,160,210	\$ 6,347,216	\$ 7,220,823	\$ 8,019,989	\$ 8,742,063	\$ 9,460,361	\$ 9,815,148	\$ 9,615,339
Unrestricted Intergovernmental	607,292	750,407	788,647	829,811	822,700	969,073	1,096,989	1,224,343	1,058,530	1,067,926
Insurance and settlement recoveries	-	-	-	-	-	-	-	1,365,347	596,693	75,980
Miscellaneous Revenues	172,350	104,455	218,493	161,549	153,239	171,618	452,100	201,607	235,611	248,370
Unrestricted Investment Earnings	8,854	111,634	33,812	33,579	37,931	49,859	28,854	35,817	351,459	782,601
Gain (loss) on Sale of Capital Assets	-	15,919	-	-	-	-	-	-	-	-
Total Governmental Activities	6,822,454	7,163,593	7,201,162	7,372,155	8,234,693	9,210,539	10,320,006	12,287,475	12,057,441	11,790,216
Business-type Activities:										
Miscellaneous Revenues	371,470	556,631	508,280	519,238	335,128	338,715	426,436	1,150,382	348,810	884,407
Investment Earnings	58,918	69,489	103,347	170,438	285,300	227,932	120,096	153,878	600,559	778,543
Lease revenue and interest on leases	-	-	-	-	-	-	-	124,379	140,208	136,171
(Loss) Gain on Sale of Capital Assets	(532)	-	-	-	-	-	-	-	-	-
Total Business-type Activities	429,856	626,120	611,627	689,676	620,428	566,647	546,532	1,428,639	1,089,577	1,799,121
Total Primary Government	\$ 7,252,310	\$ 7,789,713	\$ 7,812,789	\$ 8,061,831	\$ 8,855,121	\$ 9,777,186	\$ 10,866,538	\$ 13,716,114	\$ 13,147,018	\$ 13,589,337
Change in Net Position										
Governmental Activities	\$ 1,904,757	\$ 1,360,974	\$ 1,077,659	\$ 2,787,505	\$ 1,049,006	\$ 4,286,065	\$ 5,663,296	\$ 4,495,191	\$ 3,635,691	\$ 2,918,249
Business-type Activities	959,197	1,406,825	3,148,425	1,758,997	1,996,440	2,221,862	1,111,473	4,440,405	3,581,699	2,608,447
Change in accounting principle	-	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 2,863,954	\$ 2,767,799	\$ 4,226,084	\$ 4,546,502	\$ 3,045,446	\$ 6,507,927	\$ 6,774,769	\$ 8,935,596	\$ 7,217,390	\$ 5,526,696

2023 - Airport now reported with Governmental Funds

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

<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>
2015	2,137,814	3,186,767	607,257	121,563	6,053,401
2016	2,236,813	3,229,496	573,926	136,531	6,176,766
2017	2,311,345	3,182,824	555,380	112,128	6,161,677
2018	2,528,356	3,176,459	541,730	119,899	6,366,444
2019 (a)	2,607,239	3,949,691	528,359	121,398	7,206,687
2020	2,785,877	4,665,213	475,381	109,670	8,036,141
2021	2,785,537	5,381,069	451,441	139,969	8,758,016
2022	2,808,504	5,936,084	520,596	140,971	9,406,155
2023 (b)	2,953,604	6,101,614	556,510	201,696	9,813,424
2024	3,199,420	5,821,236	436,549	130,482	9,587,687

Note:

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

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

(b) Airport now reported with Governmental Fund

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

Table 4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,425	\$ 63,000
Restricted	-	-	-	-	-	-	700,000	700,000	705,841	705,843
Committed for:										
Public Safety Pensions	-	-	-	-	-	-	1,317,110	1,011,501	1,000,483	1,105,835
Assigned For:										
subsequent years' expenditures	1,079,813	1,141,943	674,023	525,117	398,230	510,866	1,711,372	857,105	1,093,365	890,717
Unassigned	1,906,992	2,013,817	1,197,641	1,909,845	2,058,063	2,622,196	3,661,141	6,287,673	7,091,098	6,967,494
Total General Fund	\$ 2,986,805	\$ 3,155,760	\$ 1,871,664	\$ 2,434,962	\$ 2,456,293	\$ 3,133,062	\$ 7,389,623	\$ 8,856,279	\$ 9,937,212	\$ 9,732,889
All Other Governmental Funds										
Restricted For:										
Restricted for Economic Development	\$ 1,256,328	\$ 1,254,631	\$ 1,380,437	\$ 1,175,078	\$ 1,208,272	\$ 1,271,139	\$ 1,387,212	\$ 1,586,679	\$ 1,906,054	\$ 1,374,262
Restricted for Library Capital	8,641	1,943	40,406	303	303	303	-	-	-	-
Restricted for New Fire Station	-	-	-	-	172,583	4,458,231	564,804	121,307	27,099	-
Restricted for Debt Service	71,682	72,452	74,332	77,632	75,304	834,206	1,396,960	1,781,400	2,285,449	2,696,154
Restricted for CDBG Revolving Loans	340,188	355,789	360,070	365,187	368,605	370,894	157,559	90,981	180	-
Restricted for E911 Public Safety	25,266	20,321	57,035	89,220	48,980	73,652	97,452	122,541	94,692	114,820
Restricted for Storm Water Management	48,965	60,935	71,502	47,679	20,261	4,161	-	-	-	-
Restricted for Streets	1,999,868	2,239,985	2,073,302	1,460,200	1,863,688	1,743,311	1,899,180	2,696,916	3,312,610	3,411,789
Committed For:										
Committed for Community Betterment	68,141	9,859	80,257	153,385	213,568	1,472	102,796	242,585	319,776	419,620
Committed for Library Capital	40,896	40,917	40,937	27,488	27,579	16	-	-	-	-
Committed for Public Safety	41,542	204,005	125,797	92,726	634,559	390,457	170,886	522,112	299,163	264,844
Committed for Capital Projects	-	-	-	-	-	-	-	-	-	-
Assigned For:										
Debt service	1,368	78,057	816	14,041	-	-	-	-	-	-
Subsequent Years' Expenditures	33,486	70,510	25,921	238,697	-	51,709	51,704	102,523	730,078	151,375
Unassigned, Reported In:										
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	(25,993)	-	-	(44,503)	(32,385)	(24,657)
Total All Other Governmental Funds	\$ 3,936,371	\$ 4,409,404	\$ 4,330,812	\$ 3,741,636	\$ 4,607,709	\$ 9,199,551	\$ 5,828,553	\$ 7,222,541	\$ 8,942,716	\$ 8,408,207

2021 - Adoption of GASB 84

2023 - Airport now reported with Governmental Funds

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

Table 5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 6,053,401	\$ 6,176,766	\$ 6,161,677	\$ 6,366,444	\$ 7,206,687	\$ 8,036,141	\$ 8,758,016	\$ 9,406,155	\$ 9,813,424	\$ 9,587,687
Licenses and Permits	122,002	131,063	182,377	210,699	229,914	153,011	187,356	253,757	325,030	156,066
Intergovernmental and Grants	3,822,758	3,966,494	4,021,278	4,300,027	4,407,030	4,348,722	5,701,880	5,087,077	5,541,950	7,930,552
Charges for Services	1,884,249	1,991,166	1,990,886	1,979,059	2,017,530	2,009,738	2,303,536	2,605,705	3,315,430	3,483,600
Keno Proceeds	81,618	78,192	85,619	89,062	73,767	77,096	148,041	170,135	154,692	121,554
Special Assessments	41,789	142,077	14,814	10,895	-	-	-	4,733	10,998	6,850
Interest	20,287	111,329	33,512	33,403	40,774	50,814	259,908	(141,180)	352,804	746,967
Donations and Misc Revenue	807,558	480,670	501,139	865,172	405,357	630,088	783,978	805,946	884,935	945,917
Total revenues	12,833,662	13,077,757	12,991,302	13,854,761	14,381,059	15,305,610	18,142,715	18,192,328	20,399,263	22,979,193
Expenditures										
General Government	2,507,695	1,663,744	3,012,687	1,956,583	2,152,961	1,721,207	1,972,034	2,011,289	2,151,113	3,392,189
Airport	-	-	-	-	-	-	-	-	672,011	533,370
Public Safety	5,173,814	5,699,342	5,944,639	6,073,864	6,303,902	6,398,839	6,911,875	7,440,504	7,809,349	8,240,199
Highways and Streets	1,047,157	1,005,346	1,034,929	1,120,507	1,241,076	1,268,246	1,222,654	1,281,333	1,474,008	1,530,861
Culture and Recreation	984,968	1,091,641	1,061,376	1,073,148	1,106,505	1,089,024	1,132,924	1,230,041	1,279,752	1,359,050
Other Services and Charges	-	-	-	-	-	-	-	-	-	70,110
Debt Service:										
Principal	185,000	190,000	190,000	190,000	250,000	240,000	900,000	1,272,069	1,034,324	1,176,670
Interest	2,068	1,235	3,479	3,468	5,533	116,289	137,832	142,759	135,563	159,791
Bond Issuance Costs	-	6,675	-	2,700	6,000	74,288	24,525	-	14,592	-
Capital Outlay	2,773,458	3,410,909	3,199,788	4,157,296	2,932,540	6,429,625	9,538,180	3,470,978	5,383,150	7,438,101
MFO Payments to Other Entities	110,679	131,810	132,460	133,863	114,975	126,949	124,568	303,365	303,447	305,565
Total Expenditures	12,784,839	13,200,702	14,579,358	14,711,429	14,113,492	17,464,467	21,964,592	17,152,338	20,257,309	24,205,906
Excess (Deficiency) of Revenues over (under) Expenditures	48,823	(122,945)	(1,588,056)	(856,668)	267,567	(2,158,857)	(3,821,877)	1,039,990	141,954	(1,226,713)
Other Financing Sources (Uses)										
Transfers In	515,680	552,899	379,838	789,111	578,583	711,530	377,839	1,464,361	2,343,605	984,563
Transfers Out	(515,680)	(552,899)	(379,838)	(789,111)	(578,583)	(711,530)	(377,839)	(1,464,361)	(2,343,605)	(984,563)
Insurance Recoveries	504,436	149,528	-	650,000	-	6,164	709,234	1,591,086	236,643	434,966
Bond and Lease Proceeds	452,665	575,000	-	170,000	615,000	7,372,068	2,725,000	-	1,215,000	-
Sale of Capital Assets	2,600	40,405	225,368	10,790	4,837	49,236	68,269	229,568	100,118	52,915
Total Other Financing Sources (Uses)	959,701	764,933	225,368		619,837	7,427,468	3,502,503	1,820,654	1,551,761	487,881
Net Change in Fund Balances	\$ 1,008,524	\$ 641,988	\$ (1,362,688)	\$ (856,668)	\$ 887,404	\$ 5,268,611	\$ (319,374)	\$ 2,860,644	\$ 1,693,715	\$ (738,832)
Debt Service as a percentage of noncapital expenditures	1.9%	2.0%	1.9%	2.0%	2.3%	4.0%	9.4%	11.8%	7.8%	7.8%

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

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

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

2023 - Airport now reported with Governmental Funds

**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
2015	553,844,505	22,185,562	576,030,067	0.370223	1
2016	569,474,021	24,054,950	593,528,971	0.380223	1
2017	574,189,141	30,867,026	605,056,167	0.384337	1
2018	586,305,850	76,027,829	662,333,679	0.381447	1
2019	595,582,852	65,482,211	661,065,063	0.399171	1
2020	640,168,385	62,804,162	702,972,547	0.396273	1
2021	664,527,878	48,003,997	712,531,875	0.391320	1
2022	687,715,653	52,267,328	739,982,981	0.383025	1
2023	738,256,191	58,270,239	796,526,430	0.357804	1
2024	851,778,990	62,545,858	914,324,848	0.355031	1

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

FISCAL YEAR	CITY	OVERLAPPING GOVERNMENTS				TOTAL DIRECT AND OVERLAPPING TAX RATE
	CITY OF BEATRICE	SCHOOL DIST. #15	GAGE COUNTY	SPECIAL TAX DIST.	AIRPORT	
2015	0.370223	1.160844	0.338379	0.109881	0.0396	2.018927
2016	0.380223	1.135307	0.297766	0.122644	0.042898	1.978838
2017	0.384337	1.082016	0.288082	0.120706	0.038347	1.913488
2018	0.381447	1.087157	0.297594	0.136028	0.035031	1.937257
2019	0.399171	1.079515	0.419871	0.13506	0.033529	2.067146
2020	0.396273	1.080347	0.419768	0.137805	0.027089	2.061282
2021	0.39132	1.076283	0.389699	0.135922	0.026468	2.019692
2022	0.383025	1.076041	0.389868	0.135166	0.018098	2.002198
2023	0.357804	1.075501	0.34163	0.145183	0.016097	1.936215
2024	0.355031	1.045308	0.293388	0.151135	-	1.844862

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

2024 - Airport Authority no longer levying property tax

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

FISCAL YEAR		CITY OF BEATRICE	STATE OF NEBRASKA	COUNTY OF GAGE	TOTAL TAX RATE
2015		1.50%	5.50%	0.00%	7.00%
2016		1.50%	5.50%	0.00%	7.00%
2017		1.50%	5.50%	0.00%	7.00%
2018		1.50%	5.50%	0.00%	7.00%
2019	(a)	2.00%	5.50%	0.00%	7.50%
2020	(b)	2.00%	5.50%	0.50%	8.00%
2021		2.00%	5.50%	0.50%	8.00%
2022		2.00%	5.50%	0.50%	8.00%
2023	(c)	2.00%	5.50%	0.00%	7.50%
2024		2.00%	5.50%	0.00%	7.50%

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

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

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

(c) Effective January 1, 2023 the County of Gage terminated .5% sales tax

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

TAXPAYER	TYPE OF BUSINESS	2024		2015		
		ASSESSED VALUATION	Rank	(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION
Exmark Manufacturing Co	(1) manufacturing	\$ 18,975,235	1	\$ 6,926,180	2	1.20%
Corn Oil & Renewable Energy LLC	(2) manufacturing	12,720,130	2	---	---	---
Wal-Mart Stores	shopping mall	9,253,380	3	6,400,000	4	1.11%
B&G Hospitality LLC	hotel	8,987,755	4	2,737,970	9	0.48%
EIP Beatrice Owner, LLC	(1) manufacturing	8,929,795	5	5,719,400	5	0.99%
Irving Street Apartments LLC	commercial	8,798,575	6	---	---	---
Worldlawn Power Equipment	manufacturing	7,967,760	7	---	---	---
Farmers Co-op Elevator	grain/feed elevator	6,757,845	8	6,444,925	3	1.12%
Equinox, Stanley & Judy Meyer	shopping mall plus other	6,039,965	9	---	---	---
Hybrid Turkeys LLC	manufacturing	5,980,500	10	---	---	---
Accuma Corp	(1) manufacturing	---	---	3,717,360	7	0.65%
Flint Hills Resources Beatrice LLC	(2) manufacturing	---	---	13,712,405	1	2.38%
KH Beatrice, LLC	manufacturing	---	---	4,500,000	6	0.78%
Beatrice Retirement Inc.	retirement homes	---	---	3,197,850	8	0.56%
Meridian Bank Texas (SK)	manufacturing	---	---	2,322,355	10	0.40%
		<u>\$ 94,410,940</u>		<u>\$ 55,678,445</u>		<u>9.67%</u>

Source: Gage County Assessor

(1) Added in 2014 due to annexation

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

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

Table 8a

Business Classification	Calendar Year 2024			Calendar Year 2014		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 114,668,306	1	50.8%	\$ 77,274,726	1	46.9%
Accommodation & Food Services	32,066,797	2	14.2%	18,424,781	3	11.2%
Manufacturing (1)	19,789,149	3	8.8%	-	-	0.0%
Wholesale Trade	11,319,159	4	5.0%	9,760,521	4	5.9%
Construction	4,023,522	5	1.8%	6,225,598	6	3.8%
Utilities (2)	-	6	0.0%	21,922,078	2	13.3%
Information	-	7	0.0%	9,725,695	5	5.9%
Other	43,830,247	---	19.4%	21,593,149	---	13.1%
Total	225,697,180		100.0%	164,926,548		100.0%

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

(1) Industrial Park annexed in 2014

(2) Water sales tax exempt beginning October 2021

Source:

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

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

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

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

Table 9

FISCAL YEAR	TOTAL TAX LEVY	FISCAL YEARS TAX COLL.	% OF LEVY COLL.	SUBSEQUENT YEARS TAX COLL.	TOTAL TAX COLL. TO DATE	% TOTAL TAX COLL. OF LEVY
2015	2,132,597	2,099,464	98.45%	57,915	2,157,379	101.2%
2016	2,256,734	2,197,652	97.38%	58,246	2,255,898	100.0%
2017	2,325,455	2,269,795	97.61%	61,057	2,330,852	100.2%
2018	2,526,451	2,481,587	98.22%	54,519	2,536,106	100.4%
2019	2,638,777	2,566,434	97.26%	78,908	2,645,342	100.2%
2020	2,785,692	2,723,728	97.78%	68,742	2,792,470	100.2%
2021	2,788,283	2,734,544	98.07%	56,363	2,790,907	100.1%
2022	2,834,318	2,771,783	97.79%	60,316	2,832,099	99.9%
2023	2,850,000	2,785,897	97.75%	59,752	2,845,649	99.8%
2024	3,246,140	3,154,547	97.18%	-	3,154,547	97.2%

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

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

FISCAL YEAR	Governmental Activities				Business-type Activities					Total Primary Government	% Personal Income	Per Capita
	Tax Supported and General Obligation Bonds	Revenue Bonds	Warrants Payable	Notes Payable - Direct Financing Arrangements	Utility Revenue Bonds	Notes Payable - Direct Borrowing	BASWA Revenue Bonds	Sanitation Revenue Bonds	Notes Payable - Direct Financing Arrangements			
2015(a)	190,000	-	131,869	444,132	2,950,000	-	1,040,000	-	4,290	4,760,291	0.82%	375.74
2016(b)	575,000	-	-	347,633	2,620,000	-	825,000	-	-	4,367,633	0.74%	344.75
2017(c)	385,000	-	-	247,729	2,285,000	-	1,875,000	-	772,500	5,565,229	0.93%	439.28
2018(d)	365,000	-	-	144,297	1,950,000	-	1,615,000	-	1,018,072	5,092,369	0.84%	401.96
2019(e)	730,000	-	-	68,640	1,615,000	-	1,355,000	-	1,074,083	4,842,723	0.77%	382.25
2020(f)	7,565,000	-	-	297,068	1,275,000	-	1,090,000	-	790,519	11,017,587	1.77%	869.65
2021(g)	9,390,000	-	-	242,164	925,000	-	825,000	2,730,000	500,128	14,612,292	2.26%	1,191.77
2022(h)	8,175,000	-	-	185,096	395,000	1,243,296	555,000	2,465,000	203,507	13,221,899	1.86%	1,078.37
2023(i)	7,200,000	1,215,000	-	125,770	200,000	5,118,743	280,000	2,200,000	247,556	16,587,069	2.12%	1,352.83
2024(j)	6,215,000	1,085,000	-	64,100	-	8,528,192	-	1,935,000	152,389	17,979,681	1.83%	1,466.41

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 Capital Leases for purchase of street equipment and installation of ballfield lighting
- (b) Issued BASWA Revenue Refunding Bonds in the amount of \$825,000 and Public Safety Tax Anticipation Bonds in the amount of \$575,000
- (c) Issued BASWA Revenue Bonds in the amount of \$1,250,000 and a capital lease in the amount of \$772,500 for the purchase of a compactor
- (d) Issued Public Safety Tax Anticipation Bonds in the amount of \$170,000 and a capital lease in the amount of \$396,500 for a dozer
- (e) Issued Public Safety Tax Anticipation Bonds in the amount of \$615,000 and a capital lease in the amount of \$283,378 for a loader
- (f) Issued Fire Station (Sales Tax and General Obligation) Bonds in the amount of \$7,075,000 and capital equipment leases in the amount of \$297,068
- (g) Issued Fire Station (Sales Tax and General Obligation) Bonds in the amount of \$2,725,000 and Sanitation Revenue Bonds in the amount of \$2,730,000
- (h) Issued Water SRF Loan with the State of Nebraska in the amount of \$1,243,296
- (i) Issued Economic Development Bonds in the amount of \$1,215,000, Water SRF Loan with the State of Nebraska in the amount of \$3,875,447, and a capital leave in the amount of \$187,100 for a garbage truck
- (j) Issued Water SRF Loan with the State of Nebraska in the amount of \$3,431,113

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

Table 11

FISCAL YEAR	ESTIMATED ACTUAL VALUE	TAX SUPPORTED AND GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUNDS AVAILABLE(1)	NET BONDED DEBT	% OF ASSESSED TAXABLE VALUE	NET BONDED PER CAPITA
2015	\$ 576,030,067	\$ 190,000	\$ 71,682	\$ 118,318	0.02%	9.49
2016 (a)	593,528,971	575,000	72,452	502,548	0.08%	39.67
2017	605,056,167	385,000	74,332	310,668	0.05%	24.52
2018 (b)	662,333,679	365,000	77,632	287,368	0.04%	22.68
2019 (c)	661,065,063	730,000	75,304	654,696	0.10%	51.68
2020 (d)	702,972,547	7,565,000	834,206	6,730,794	0.96%	531.28
2021 (e)	712,531,875	9,390,000	1,396,960	7,993,040	1.12%	630.91
2022	739,982,981	8,175,000	1,781,400	6,393,600	0.86%	504.66
2023	796,526,430	7,200,000	2,285,449	4,914,551	0.62%	400.83
2024	914,324,848	6,215,000	2,696,154	3,518,846	0.38%	287.00

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

(1) Fund balance restricted for debt service

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

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

Table 12

<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>
DIRECT:			
City of Beatrice	\$ 7,364,100	100.00%	\$ 7,364,100
Total Direct Debt			<u>\$ 7,364,100</u>
OVERLAPPING:			
School District #15	1,706,936	56.36%	962,029
Lower Big Blue Natural Resources District	2,151,888	11.96%	257,366
Gage County	-	22.16%	-
Southeast Community College	82,845,000	1.15%	952,718
Total Overlapping Debt			<u>\$ 1,219,395</u>
Total Direct & Overlapping Debt			<u>\$ 8,583,495</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	
2015	18,803,559	16,371,801	2,431,758	411,874	55,733	467,607	5.20
2016	20,436,319	17,060,163	3,376,156	330,000	50,892	380,892	8.86
2017	21,413,236	17,794,814	3,618,422	335,000	47,577	382,577	9.46
2018	22,863,363	19,611,066	3,252,297	335,000	43,413	378,413	8.59
2019	22,514,348	18,931,382	3,582,966	335,000	38,421	373,421	9.59
2020	21,186,880	17,423,032	3,763,848	340,000	32,527	372,527	10.10
2021	22,033,698	19,377,733	2,655,965	350,000	25,606	375,606	7.07
2022	22,675,311	17,629,888	5,045,423	530,000	22,885	552,885	9.13
2023	22,710,052	18,152,937	4,557,115	195,000	6,697	201,697	22.59
2024	22,332,479	18,764,007	3,568,472	221,664	4,993	226,657	15.74

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.

**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)
2015	12,669	579,252,018	45,722	43	2,133	3.00%
2016	12,669	593,251,263	46,827	44	2,146	3.10%
2017	12,669	599,775,798	47,342	44	2,133	5.40%
2018	12,669	609,112,851	48,079	45	2,164	2.70%
2019	12,669	631,714,347	49,863	45	2,129	3.00%
2020	12,669	621,503,133	49,057	44	2,106	2.90%
2021	12,261	647,908,023	52,843	44	2,043	1.20%
2022	12,261	709,151,718	61,357	44	2,107	2.00%
2023	12,261	783,011,982	75,876	43	2,129	2.20%
2024	12,261	982,118,361	80,101	43	2,111	2.70%

SOURCES:

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

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

Table 15

Employer	Type of Activity	2024			2015		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice Community Hospital	Medical	575	1	5.29%	515	2	4.75%
Exmark Manufacturing	Manufacturing	450	2	4.14%	340	4	3.14%
Beatrice Public Schools	Education	332	3	3.05%	273	5	2.52%
Landmark Snacks	Manufacturing	305	4	2.80%	---	---	---
Wal-Mart Super Center	Retail	251	5	2.31%	183	7	1.69%
Mosaic	Home for mentally handicapped	220	6	2.02%	270	6	2.49%
Beatrice State Developmental Center	Home for mentally handicapped	215	7	1.98%	700	1	6.46%
NEAPCO	Manufacturing	208	8	1.91%	350	3	3.23%
City of Beatrice	Government	152	9	1.40%	153	8	1.41%
Good Samaritan Center	Nursing Home & Assisted Living	131	10	1.20%	121	10	1.12%
Southeast Community College	Education	---	---	---	135	9	1.25%
		2,839		26.10%	3,040		28.06%

Source: Gage Area Growth Community Profile

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

Table 16

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	9	9	10	10	10	10	11	11	12	12
Airport	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Commissioned	21	22	22	22	22	22	22	22	22	22
Civilians	13	13	14	14	14	14	14	18	18	16
Fire										
Full-time Firefighters	23	24	24	23	23	25	25	25	25	25
Civilians	0	0	0	0	0	0	0	1	1	1
Culture and Recreation	6	7	7	7	7	7	7	7	7	7
Highways and Streets	9	9	9	9	9	9	9	9	9	9
Solid Waste Agency	4	4	4	4	4	4	5	5	5	5
Sanitation	0	0	0	0	0	0	14	12	12	13
Water	10	10	10	10	10	10	10	10	10	10
Sewer	6	6	6	6	6	6	6	6	6	6
Electric	25	25	26	26	26	25	25	25	25	24
Total Full-Time Employees	129	132	135	134	134	135	151	154	155	153

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	0	1	0	0	0	0	1	1	0	0
Airport	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Commissioned	0	0	0	0	0	0	0	4	4	4
Civilians	2	3	2	1	1	1	5	3	3	3
Fire										
Reserves	6	0	2	2	2	1	0	0	0	0
Culture and Recreation	15	15	15	15	15	15	15	16	16	16
Solid Waste Agency/WPC	4	4	4	6	6	5	5	3	3	3
Sanitation	0	0	0	0	0	0	1	1	1	0
Electric	1	1	0	0	0	1	1	1	1	0
Total Part-Time Employees	31	27	26	27	27	26	31	32	31	29

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

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

Table 17

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Building Permits Issued	493	381	388	552	530	561	479	2,023	749	521
Commercial Construction Value	\$ 7,907,152	\$ 11,141,672	\$ 11,570,361	\$ 8,715,888	\$ 22,225,904	\$ 18,930,263	\$ 11,378,797	\$ 12,662,904	\$ 12,036,512	\$ 10,415,295
Residential Construction Value	\$ 4,118,584	\$ 3,796,771	\$ 4,499,850	\$ 9,750,343	\$ 6,813,314	\$ 8,132,448	\$ 5,694,222	\$ 5,628,636	\$ 9,407,641	\$ 7,764,775
Public Safety										
Police										
Arrest Charges	842	673	821	681	905	907	723	664	653	580
Patrol Warnings/Citations	1,462	1,266	1,696	1,474	1,780	1,887	1,834	1,738	1,733	1,388
Calls for Service (1)	20,937	23,086	27,564	26,278	26,684	26,568	25,263	28,646	34,847	36,066
Fire										
Ambulance Calls	2,220	2,331	2,248	2,388	2,444	2,512	2,694	2,844	2,849	2,512
Fire & Rescue Calls	894	906	1,028	1,178	1,061	1,066	2,314	2,242	2,438	2,169
Culture and recreation										
Water Park Admissions (2)	\$ 76,435	\$ 83,616	\$ 85,501	\$ 83,531	\$ 69,922	\$ 53,426	\$ 73,003	\$ 79,015	\$ 76,869	\$ 84,404
Electric										
Average Daily Usage Commercial (MWH)	261.6	281.7	307.1	316.5	307.4	263.4	258.7	277.2	282.4	306.3
Average Daily Usage Residential (MWH)	185.3	185.0	180.6	196.2	188.5	196.6	196.5	193.2	202.0	194.8
Water										
Average Daily Consumption (gal)	2.96m	3.63m	3.65m	3.49m	3.41m	3.38m	3.21m	3.74m	3.81m	3.78m
Water Pollution Control										
Average Daily Treatment (gal)	1.2m	1.2m	1.1m	1.1m	1.1m	1.0m	.92m	1.0m	1.1m	1.1m

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

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

FY2012 Commercial building construction increase due to new nursing home construction

FY2016 Commercial building construction increase due to new hospital addition

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

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

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

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

(1) Started Dispatching for Crete on July 7, 2015

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

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

Table 18

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	288.97	288.97	291	291	291	291.32	291.32	291.32	291.32	291.32
Street Lane Miles, Unpaved	34.25	34.25	34.25	34.25	34.25	32.05	32.05	32.05	32.05	32.05
Storm Sewer Miles	34.36	34.36	34.72	34.72	34.72	34.72	34.72	34.72	34.72	34.72
Bridges	11	11	11	11	11	11	11	11	11	11
Street Lights	1617	1617	1605	1609	1609	1627	1627	1627	1627	1627
Culture and recreation										
Number of Parks	14	14	14	14	14	14	14	14	14	14
Park acreage	340	340	340	340	340	340	340	340	340	340
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	9	9	9	9	9	8	8	6	6	6
Pickelball Courts	0	0	0	0	0	0	0	2	2	2
Ballfields	12	14	13	13	13	12	12	12	12	12
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	122.33	122.66	122.66	123	123.33	123.5	123.5	123.5	125.5	125.5
Fire Hydrants	708	714	723	726	729	736	736	736	736	736
Sewer										
Sanitary Sewer Miles	94.9	94.9	95.35	95.91	95.91	95.92	95.92	95.92	95.92	95.92
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	10	10	10	10	10	10	10	10	10	10
Miles 12.5KV Service	103.24	106.54	110.84	113.04	117.1	119.24	119.24	124.4	121.9	123.9
Miles 34.5KV Service	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.3
Miles 4.16KV Service	84.11	81.69	77.39	75.19	71.13	68.99	68.99	63.8	64.6	62.6

Information provided by department annual reports for the year ending during the fiscal year period.
 2013 - new analysis made of storm sewer miles
 2014 - change out of park security lights to "street lights"

City of Beatrice, Nebraska
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended September 30, 2024

Federal Grantor/ Program Title	Pass-Through Grantor	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Department of Agriculture					
Rural Economic Development Loans and Grants	US Department of Agriculture	10.854	None	\$ -	\$ 278,523
	Subtotal for Department of Agriculture			-	278,523
Department of Commerce					
Economic Development Cluster					
Economic Adjustment Assistance	Nebraska Department of Economic Development	11.307	57906141	-	8,982
	Subtotal for Department of Commerce			-	8,982
Department of Housing and Urban Development					
Community Development Block Grants	Nebraska Department of Economic Development	14.228	None	-	316,983
- RLF Program	Nebraska Department of Economic Development	14.228	None	-	205
Community Development Block Grants	Nebraska Department of Economic Development	14.228	21-HO-36035	-	220,780
- Owner Occupied Housing Rehab	Nebraska Department of Economic Development	14.228	21-DTR-004	-	355,964
- Downtown Revitalization Project	Nebraska Department of Economic Development	14.228	23-DTR-002	-	7,730
- Downtown Revitalization Project	Subtotal for Department of Housing and Urban Development			-	901,662
Department of Justice					
Crime Victim Assistance	Nebraska Commission on Law Enforcement	16.575	109-2024-VA1014	-	104,801
Bulletproof Vest Partnership Program	US Department of Justice	16.607	None	-	3,533
	Subtotal for Department of Justice			-	108,334
Department of Transportation					
Airport Improvement Program	Nebraska Department of Transportation	20.106	F3BIE21	-	21,755
Highway Safety Cluster	Nebraska Department of Transportation	20.600	4021-24-12-03	-	577
State and Community Highway Safety	Nebraska Department of Transportation	20.616	405d-23-52-14	-	7,000
National Priority Safety Programs	Subtotal for Highway Safety Cluster			-	7,577
Safe Streets and Roads for All	US Department of Transportation	20.939	None	-	130,028
	Subtotal for Department of Transportation			-	159,360
Department of Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Nebraska Department of Emergency Management	21.027	None	-	1,784,774
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Nebraska Department of Health and Human Services	21.027	None	-	75,000
	Subtotal for Department of Treasury			-	1,859,774
Department of Homeland Security's Federal Emergency Management Agency					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	DR-4641	-	3,154
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Nebraska Department of Emergency Management	97.036	4420DRNE	-	1,260
	Subtotal for Department of Homeland Security's Federal Emergency Management Agency			-	4,414
Total federal expenditures				\$ -	\$ 3,321,049

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, 2024

NOTES TO SCHEDULE

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Beatrice, Nebraska under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements of the City of Beatrice, Nebraska. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. FEDERAL LOAN PROGRAMS

The City administers loans under the Community Development Block Grants program (Assistance Listing Number 14.228), for which the federal government imposes continuing compliance requirements on the outstanding balances. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures in the Schedule. New loans totaling \$338,111 were issued for the year ended September 30, 2024. The outstanding balance of these loans totaled \$338,111 as of September 30, 2024.

The City administers loans under the Rural Economic Development Grant Program (Assistance Listing Number 10.854), for which the federal government imposes continuing compliance requirements on the outstanding balances. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures in the Schedule. No new loans were issued for the year ended September 30, 2024. The outstanding balance of these loans totaled \$0 as of September 30, 2024.

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2024, and the related notes to the financial statements, which comprise the City's basic financial statements, and have issued our report thereon dated February 10, 2025. Our report includes a reference to other auditors who audited the financial statements of the Beatrice Public Library Foundation, as described in our report on the City's financial statements. The financial statements of the Beatrice Public Library Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Beatrice Public Library Foundation or that are reported on separately by those auditors who audited the financial statements of the Beatrice Public Library Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Lincoln, Nebraska
February 10, 2025

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

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Beatrice, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the City of Beatrice, Nebraska and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

The Honorable Mayor and
Members of the City Council

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

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

Forvis Mazars, LLP

Lincoln, Nebraska
February 10, 2025

**City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
- Unmodified Qualified Adverse Disclaimer
2. Internal control over financial reporting:
- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? reported Yes None
3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal programs:
- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? reported Yes None
5. Type of auditor’s report issued on compliance for major federal programs:
- Unmodified Qualified Adverse Disclaimer
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No
7. Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

**City of Beatrice, Nebraska
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024**

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**City of Beatrice, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended December 30, 2024**

Reference Number	Summary of Finding	Status
	No matters are reportable.	