



# **City of Bellevue, Nebraska**

## **Independent Auditor's Reports and Financial Statements**

September 30, 2023



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## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellevue, Nebraska (the City), as of and for the year ended September 30, 2023, 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, 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Community Betterment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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, 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.

#### ***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.

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

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 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, 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.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other postemployment benefit information as listed in the table of contents 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.

**FORVIS, LLP**

Omaha, Nebraska  
March 29, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Bellevue, Nebraska (City) offers the readers of the City's financial statements this narrative overview and a brief analysis of the financial activities of the City for the fiscal year ended September 30, 2023. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes to the financial statements.

### **FINANCIAL HIGHLIGHTS**

The City's total net position, as reported on the full accrual basis of accounting and presented on page 16, is \$124,275,387 at September 30, 2023, an **increase** of \$20,630,094 (19.9%) from the prior year. The net position is the net assets plus deferred outflows of the City less its liabilities plus deferred inflows. Both governmental activities and business-type activities (Waste water utility) increased.

The City's net long-term debt **decreased** \$5,782,554 (-7.6%) to \$70,263,375 during the fiscal year ending September 30, 2023 primarily due to continued conservative but aggressive management of the debt.

The City's total governmental fund balance which excludes the wastewater activities, as reported on the modified accrual basis of accounting and presented on page 14, **increased** \$9,917,312 to \$42,221,450 as of September 30, 2023 due primarily to economic development spending on the development park at highway 34 and highway 75. The unassigned amount that is available to fund City operations in the General Fund is \$26,745,313 (63% of the fund balance).

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include: (1) government-wide financial statements presented on a full accrual basis, (2) fund financial statements presented on a modified accrual basis, and (3) notes to the financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

#### **City of Bellevue Government-Wide Net Position Trend September 30, 2019-2023**

	2019	2020	2021	2022	2023
Total net position	\$64,883,557	\$67,111,559	\$85,648,140	\$103,645,293	\$124,275,387

*This works out to a 13.9% compound annual growth rate (CAGR)*

The *Statement of Activities* presents information showing how the City's net position changed during the year ended September 30, 2023. 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 leave).

Government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, streets and highways, planning and zoning, economic and community development, parks and recreation, the library, the cemetery, permits and inspections, transportation services, engineering, and fleet management. Business-type activities include the City's waste water utility.

The government-wide financial statements can be found on pages 10-11 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into governmental funds and proprietary 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 the City's near-term financing requirements. For September 30, 2023, governmental fund assets were \$42 million more than liabilities and deferred inflows of resources (fund balance), including \$26.7 million of unassigned fund balance, indicating the ability to adequately fund the current operating cycle.

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. To that end, reconciliations between governmental funds and governmental activities for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are provided on pages 13 and 15, respectively, of this report.

The City maintained seven individual governmental funds during the fiscal year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, the Community Betterment fund, and the Debt Service fund, which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation under Other Governmental Funds. These non-major funds are Community Development, Economic Development, Law Enforcement Trust and Federal Forfeitures.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

The City adopted an appropriated budget for 2022-2023. A budgetary comparison statement has been provided for the General and Community Betterment major funds on pages 16 and 17 to demonstrate compliance with the portion of the budget related to FY 2023.

**Proprietary funds** are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide statements. The city uses an enterprise fund to account for its wastewater utility.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Information about Tax Increment Financing funds held by the city at September 30, 2023 are included in the fiduciary statements on pages 21 and 22.

### **NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-52 of this report.

## **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its police employees, and to provide other postemployment benefits to all full-time employees (found on pages 53-55 of this report).

## **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, assets exceeded liabilities by \$124,275,387 at September 30, 2023.

The City's investment in capital assets (e.g., land, buildings, improvements, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding, was \$91,775,188 at September 30, 2023 (74% of City's net position). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 Bellevue Condensed Statement of Net Position Condensed Statement of Net Position September 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 51,880,985	\$ 50,192,849	\$ 4,631,536	\$ 7,325,039	\$ 56,512,521	\$ 57,517,888
Capital assets	139,452,268	134,367,248	22,622,575	18,953,272	162,074,843	153,320,520
Total assets	191,333,253	184,560,097	27,254,111	26,278,311	218,587,364	210,838,408
Deferred outflows of resources	5,600,380	3,966,030	18,613	20,884	5,618,993	3,986,914
Current liabilities	14,248,204	20,917,480	1,905,901	2,539,660	16,154,105	23,457,140
Long-term liabilities outstanding	76,746,072	80,442,516	1,263,353	1,520,761	78,009,425	81,963,277
Total liabilities	90,994,276	101,359,996	3,169,254	4,060,421	94,163,530	105,420,417
Deferred inflows of resources	5,741,994	5,751,960	25,446	27,652	5,767,440	5,779,612
Net position:						
Net investment in capital assets	70,807,171	61,805,497	20,968,017	16,901,211	91,775,188	78,706,708
Restricted	15,945,507	13,205,531	-	-	15,945,507	13,205,531
Unrestricted	13,444,685	6,403,143	3,110,007	5,329,911	16,554,692	11,733,054
Total net position	\$ 100,197,363	\$ 81,414,171	\$ 24,078,024	\$ 22,231,122	\$ 124,275,387	\$ 103,645,293

At September 30, 2023, \$15,945,507 (13% of City net position) represents resources that are subject to external **restrictions** on their use. The City's governmental activities' **unrestricted** net position of \$13,444,685 indicates that the City will have sufficient cash-on-hand to fund the liabilities as they come due. The City also has an inter-fund borrowing resolution that allows short-term funding solutions to seasonal cash flow issues.

## **GOVERNMENTAL ACTIVITIES**

As previously stated, the Statement of Activities presents information showing how the City's net position changed during the year. Activities as described in this section are reported on the full accrual basis, such that 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 leave).

Governmental activities' net position increased by \$18,783,192 (23%) for fiscal year 2023.

Revenues increased by \$7,335,368 (9%) due to increased collection of public safety fees and property and sales tax growth. Associated expenses increased by \$3,857,599 (6%) due to increased spending on public safety and public works.



**BUSINESS-TYPE ACTIVITIES**

Business-type activities, related to the City-owned waste water utility, increased the City’s net position by \$1,846,902 (8%). Contractual service fees, primarily paid to the City of Omaha for wastewater utility services and Metropolitan Utilities District for billing and collection services, totaled \$7,849,622 (77%) of the total program expenses.

**City of Bellevue Condensed Statement of Activities  
Condensed Statement of Activities  
September 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Program revenues</b>						
Charges for services	\$ 12,760,508	\$ 12,588,097	\$ 12,210,931	\$ 11,933,040	\$ 24,971,439	\$ 24,521,137
Operating grants and contributions	21,085,445	16,253,072	-	-	21,085,445	16,253,072
Capital grants and contributions	659,605	1,172,787	156	624,600	659,761	1,797,387
<b>General revenues</b>						
Property taxes	32,223,502	29,529,929	-	-	32,223,502	29,529,929
In-lieu of taxes	1,708,510	1,974,837	-	-	1,708,510	1,974,837
Sales and use taxes	17,585,108	17,233,544	-	-	17,585,108	17,233,544
Occupation taxes	1,279,308	1,205,133	-	-	1,279,308	1,205,133
State aid	1,736,167	1,534,255	-	-	1,736,167	1,534,255
Investment income	1,429,934	185,615	149,439	-	1,579,373	185,615
Miscellaneous and general revenues	421,501	425,609	-	-	421,501	425,609
Insurance reimbursement	-	-	18,138	-	18,138	-
Net position received from annexations	-	1,451,342	-	10,248	-	1,461,590
Total revenues	<u>90,889,588</u>	<u>83,554,220</u>	<u>12,378,664</u>	<u>12,567,888</u>	<u>103,268,252</u>	<u>96,122,108</u>
<b>Program expenses</b>						
General government	7,804,950	6,519,342	-	-	7,804,950	6,519,342
Public safety	33,057,584	28,985,745	-	-	33,057,584	28,985,745
Community development	4,350,231	3,406,245	-	-	4,350,231	3,406,245
Public works	25,267,895	27,675,467	-	-	25,267,895	27,675,467
Interest of long-term debt	1,903,736	1,939,998	-	-	1,903,736	1,939,998
Waste water	-	-	10,253,762	9,598,158	10,253,762	9,598,158
Total expenses	<u>72,384,396</u>	<u>68,526,797</u>	<u>10,253,762</u>	<u>9,598,158</u>	<u>82,638,158</u>	<u>78,124,955</u>
Transfers	<u>278,000</u>	<u>278,000</u>	<u>(278,000)</u>	<u>(278,000)</u>	<u>-</u>	<u>-</u>
Changes in net position	18,783,192	15,305,423	1,846,902	2,691,730	20,630,094	17,997,153
Net position - beginning of year	81,414,171	66,108,748	22,231,122	19,539,392	103,645,293	85,648,140
Net position - end of year	<u>\$ 100,197,363</u>	<u>\$ 81,414,171</u>	<u>\$ 24,078,024</u>	<u>\$ 22,231,122</u>	<u>\$ 124,275,387</u>	<u>\$ 103,645,293</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**GOVERNMENTAL FUNDS**

Governmental fund financial statements are reported on the modified accrual basis, with the 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 is useful in assessing the City’s financing requirements. Unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary spending at the end of the fiscal year.

**City of Bellevue  
Unassigned Governmental Fund Balance Trend  
September 30, 2019-2023**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Unassigned fund balance	\$11,118,426	\$8,616,868	\$18,795,573	\$18,976,271	\$26,745,313

At the end of the current fiscal year, the City's governmental funds reported combined ending total fund balances of \$42,221,450, an increase of \$9,917,312 in comparison with the prior year. Of this total amount, \$26,745,313 (63%) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is (1) restricted for debt service \$8,550,998, (2) restricted for community betterment \$4,398,298, (3) restricted for community development \$168,696, (4) restricted for economic development \$1,416,639, (5) restricted for public safety \$101,569, (6) non-spendable inventory \$743,521 or (7) non-spendable prepaid expenses \$96,416.

The General Fund is the primary operating fund of the City. At September 30, 2023, the unassigned fund balance of the General Fund was \$26,745,313 or 92% of the General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance grew to 36% of total general fund expenditures.

The Community Betterment Fund had a total fund balance of \$4,398,298, an increase of \$114,978 in comparison to the prior year. Total revenue from the City's lottery operations and associated investment income was \$1,168,019, an increase of 5%. Qualified community betterment spending was \$298,041 in the current year.

The Debt Service Fund had a total fund balance of \$8,550,998, an increase of \$1,385,099 in comparison to the prior year. Bond fund revenues were \$8,096,111, primarily due to property taxes, were offset by \$6,711,012 of expenditures and transfers primarily due to debt service payments.

#### **PROPRIETARY FUND**

The City's proprietary fund information can be found in the government-wide financial statements under Business-type Activities and is related to Wastewater operations. Unrestricted net position of the Wastewater enterprise fund decreased \$2,219,904 to \$3,110,007 at September 30, 2023 primarily due to cash purchases of capital assets.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

##### **REVENUES**

Total General Fund revenues were \$3,809,444 (5%) unfavorable to budgeted revenues of \$72,228,433 due to lower grant and cost share funds associated with reduced spending on capital projects.

##### **EXPENDITURES**

Total General Fund expenditures were \$13,556,023 (16%) favorable to budgeted expenditures of \$82,824,483 primarily due to Public Work's project delays and underspending.

##### **OTHER FINANCING SOURCES**

Other financing sources of the General Fund were \$6,028,720 (79%) unfavorable to a budget of \$7,596,050 due to fewer bonds being issued because of lower project activity and use of existing cash.

#### **CAPITAL EXPENDITURES AND DEBT ADMINISTRATION**

##### **CAPITAL ASSETS**

The City's capital assets for its governmental and business-type activities as of September 30, 2023, totaled \$162,074,843 (net of accumulated depreciation and amortization), an increase of \$8,754,323 (6%), primarily due to street projects, renovation of a new library building and economic development property. This investment in capital assets included streets and highways, bridges, buildings, machinery and equipment, parks, wastewater facilities and lines, automobiles, and recreation facilities.

Major capital asset events during the fiscal year included the acquisition of public safety vehicles and equipment, park and playground improvements, sewer system improvements and costs associated with 36th street widening and 25th street improvements along with the new library building and economic development property.

Additional information on the City's capital assets can be found in Note 7 of the notes to the financial statements on pages 32-33 of this report.

**LONG-TERM DEBT**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$69,185,000 at par, unamortized bond premium of \$919,925 and Financed Purchase Obligations-Direct Borrowings (previously capital lease obligations) of \$158,450.

**City of Bellevue Condensed Statement of Net Position  
Outstanding Long-Term Debt  
September 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation bonds	\$ 60,805,000	\$ 64,965,000	\$ -	\$ -	\$ 60,805,000	\$ 64,965,000
Public safety tax anticipation refunding bonds	6,970,000	7,970,000	-	-	6,970,000	7,970,000
Unamortized bond premium	919,925	1,059,063	-	-	919,925	1,059,063
Revenue refunding bonds	-	-	1,410,000	1,670,000	1,410,000	1,670,000
Financed purchase obligations	158,450	314,252	-	67,614	158,450	381,866
Lease liabilities	38,307	19,727	-	-	38,307	19,727
Total	<u>\$ 68,891,682</u>	<u>\$ 74,328,042</u>	<u>\$ 1,410,000</u>	<u>\$ 1,737,614</u>	<u>\$ 70,301,682</u>	<u>\$ 76,065,656</u>

**ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES**

The budget for 2023-2024 was approved in September 2023 by the City of Bellevue. The key economic factors expected to impact future budgets and rates are:

- The tax levy rate was set at .610000 per \$100 of valuation for taxes due December 31, 2023. The property valuation increased \$676,148,596 (13.6%) from \$4,965,635,087 to \$5,641,783,683. This will generate \$26,516,383 of tax for the General Fund to help pay normal operating costs of the City and \$7,898,497 of tax for the Debt Service Fund to pay interest and principal on bonded indebtedness.
- The City received Coronavirus State and Local Fiscal Recovery Funds assistance as part of the American Rescue Plan Act of 2021, receiving \$8,395,637. Those funds were expended on eligible uses including infrastructure and public safety as of September 30, 2023.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Bellevue'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 Bellevue, Finance Director, 1500 Wall Street, Bellevue, Nebraska 68005.

**City of Bellevue, Nebraska**  
**Statement of Net Position**  
**September 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 38,024,403	\$ 2,638,554	\$ 40,662,957
Receivables, net	7,369,450	1,355,185	8,724,635
Due from other governments	5,639,575	624,757	6,264,332
Internal balances	7,620	(7,620)	-
Inventories	743,521	-	743,521
Prepaid expenses	96,416	20,660	117,076
Capital and lease assets			
Non-depreciable	46,535,439	7,934,724	54,470,163
Depreciable, net	92,916,829	14,687,851	107,604,680
	<u>191,333,253</u>	<u>27,254,111</u>	<u>218,587,364</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunded debt	1,317,794	-	1,317,794
Deferred outflows on pension	3,370,564	-	3,370,564
Deferred outflows on OPEB	912,022	18,613	930,635
	<u>5,600,380</u>	<u>18,613</u>	<u>5,618,993</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	3,816,476	1,557,612	5,374,088
Interest payable	163,249	11,909	175,158
Compensated absences			
Payable within one year	3,400,000	60,000	3,460,000
Payable in more than one year	3,557,783	53,866	3,611,649
Claims and judgments	719,086	-	719,086
Unearned revenue	75,153	-	75,153
Other long-term liabilities			
Payable within one year	24,964	-	24,964
Payable in more than one year	2,448,527	-	2,448,527
Pension and other postemployment benefits			
Payable within one year	916,034	11,380	927,414
Payable in more than one year	6,981,322	64,487	7,045,809
Long-term debt, net			
Payable within one year	5,115,013	265,000	5,380,013
Payable in more than one year	63,738,362	1,145,000	64,883,362
Leases payable			
Payable within one year	18,229	-	18,229
Payable in more than one year	20,078	-	20,078
	<u>90,994,276</u>	<u>3,169,254</u>	<u>94,163,530</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows on OPEB	1,246,839	25,446	1,272,285
Deferred inflows on pension	803,344	-	803,344
Deferred inflows on leases	3,691,811	-	3,691,811
	<u>5,741,994</u>	<u>25,446</u>	<u>5,767,440</u>
<b>Net Position</b>			
Net investment in capital assets	70,807,171	20,968,017	91,775,188
Restricted			
Debt service	9,409,672	-	9,409,672
Community betterment	4,398,298	-	4,398,298
Community development	168,696	-	168,696
Economic development	1,416,639	-	1,416,639
Public safety	552,202	-	552,202
Unrestricted	13,444,685	3,110,007	16,554,692
	<u>\$ 100,197,363</u>	<u>\$ 24,078,024</u>	<u>\$ 124,275,387</u>



**City of Bellevue, Nebraska**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2023**

	General Fund	Community Betterment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 25,044,291	\$ 4,370,698	\$ 8,308,304	\$ 301,110	\$ 38,024,403
Receivables, net	5,999,194	83,571	829,912	456,773	7,369,450
Due from other governments	5,568,635	-	53,748	17,192	5,639,575
Inventories	743,521	-	-	-	743,521
Prepaid expenses	96,416	-	-	-	96,416
Due from other funds	-	-	218,308	-	218,308
	<u>37,452,057</u>	<u>4,454,269</u>	<u>9,410,272</u>	<u>775,075</u>	<u>52,091,673</u>
Total assets	<u>\$ 37,452,057</u>	<u>\$ 4,454,269</u>	<u>\$ 9,410,272</u>	<u>\$ 775,075</u>	<u>\$ 52,091,673</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 3,077,477	\$ 55,971	\$ 600	\$ 21,405	\$ 3,155,453
Due to other funds	210,688	-	-	-	210,688
Claims payable	126,320	-	-	-	126,320
Unearned revenue	42,381	-	-	32,772	75,153
	<u>3,456,866</u>	<u>55,971</u>	<u>600</u>	<u>54,177</u>	<u>3,567,614</u>
Total liabilities	<u>3,456,866</u>	<u>55,971</u>	<u>600</u>	<u>54,177</u>	<u>3,567,614</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	1,301,491	-	858,674	450,633	2,610,798
Lease receivable revenues	3,691,811	-	-	-	3,691,811
	<u>4,993,302</u>	<u>-</u>	<u>858,674</u>	<u>450,633</u>	<u>6,302,609</u>
Total deferred inflows of resources	<u>4,993,302</u>	<u>-</u>	<u>858,674</u>	<u>450,633</u>	<u>6,302,609</u>
<b>Fund Balances</b>					
Nonspendable					
Inventory	743,521	-	-	-	743,521
Prepaid expenses	96,416	-	-	-	96,416
Restricted for					
Debt service	-	-	8,550,998	-	8,550,998
Community betterment	-	4,398,298	-	-	4,398,298
Community development	-	-	-	168,696	168,696
Economic development	1,416,639	-	-	-	1,416,639
Public safety	-	-	-	101,569	101,569
Unassigned	26,745,313	-	-	-	26,745,313
	<u>29,001,889</u>	<u>4,398,298</u>	<u>8,550,998</u>	<u>270,265</u>	<u>42,221,450</u>
Total fund balances	<u>29,001,889</u>	<u>4,398,298</u>	<u>8,550,998</u>	<u>270,265</u>	<u>42,221,450</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,452,057</u>	<u>\$ 4,454,269</u>	<u>\$ 9,410,272</u>	<u>\$ 775,075</u>	<u>\$ 52,091,673</u>

**City of Bellevue, Nebraska**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
**September 30, 2023**

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds.	\$ 42,221,450
Capital and lease assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	139,452,268
Deferred inflows of resources related to OPEB and pension do not represent an obligation of current financial resources, and, therefore, are not reported in the funds.	(2,050,183)
Deferred inflows of resources for unavailable revenues are not available to pay current period expenditures and, therefore, not recognized in the funds.	2,610,798
A portion of the accrued expenses and the claims and judgments liability requires the use of unavailable financial resources and, therefore, is not reported in the funds.	(1,253,789)
Deferred outflows of resources related to OPEB and pension are not current financial resources, and, therefore, are not reported in the funds.	4,282,586
Deferred outflows of resources related to the loss on refunded debt are not current financial resources, and, therefore, are not reported in the funds.	1,317,794
Long-term liabilities, including bonds and leases payable, and related interest, are not due and payable in the current period and, therefore, not reported in the funds.	(69,054,931)
Other long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds. Amount includes pension and OPEB liabilities, compensated absences, other liabilities and accrued expenses.	<u>(17,328,630)</u>
Net position of governmental activities	<u>\$ 100,197,363</u>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Governmental Funds**  
**Year Ended September 30, 2023**

	General Fund	Community Betterment Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues</b>					
Property tax	\$ 24,510,385	\$ -	\$ 7,428,609	\$ -	\$ 31,938,994
Payments in-lieu of taxes and franchise taxes	1,506,561	-	289,677	-	1,796,238
Sales and use tax	17,585,108	-	-	-	17,585,108
Occupation tax	1,338,210	-	-	-	1,338,210
Permits and licenses	1,860,746	-	-	-	1,860,746
Fees	2,945,370	-	40,630	-	2,986,000
Charges for services	5,416,609	-	-	-	5,416,609
Intergovernmental	24,051,524	-	16,198	509,924	24,577,646
Investment income	939,955	168,833	320,629	517	1,429,934
Lottery	-	999,186	-	-	999,186
Reimbursements	154,874	-	-	-	154,874
Miscellaneous	404,855	-	368	-	405,223
<b>Total revenues</b>	<b>80,714,197</b>	<b>1,168,019</b>	<b>8,096,111</b>	<b>510,441</b>	<b>90,488,768</b>
<b>Expenditures</b>					
Current					
General government	6,707,017	-	9,650	-	6,716,667
Public safety	31,044,350	-	-	67,510	31,111,860
Community development	3,011,510	298,041	-	447,029	3,756,580
Public works	19,790,437	-	-	-	19,790,437
Capital outlay	12,436,754	-	-	-	12,436,754
Debt service					
Bond principal	440,000	-	4,720,000	-	5,160,000
Bond interest and fiscal charges	287,140	-	1,447,032	-	1,734,172
Lease and financed purchases principal	175,529	-	-	-	175,529
Lease interest	5,764	-	-	-	5,764
<b>Total expenditures</b>	<b>73,898,501</b>	<b>298,041</b>	<b>6,176,682</b>	<b>514,539</b>	<b>80,887,763</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>6,815,696</b>	<b>869,978</b>	<b>1,919,429</b>	<b>(4,098)</b>	<b>9,601,005</b>
<b>Other Financing Sources (Uses)</b>					
Leases	38,307	-	-	-	38,307
Transfers in (out), net	1,567,330	(755,000)	(534,330)	-	278,000
<b>Total other financing sources (uses)</b>	<b>1,605,637</b>	<b>(755,000)</b>	<b>(534,330)</b>	<b>-</b>	<b>316,307</b>
<b>Change in Fund Balances</b>	<b>8,421,333</b>	<b>114,978</b>	<b>1,385,099</b>	<b>(4,098)</b>	<b>9,917,312</b>
<b>Fund Balances - Beginning of Year</b>	<b>20,580,556</b>	<b>4,283,320</b>	<b>7,165,899</b>	<b>274,363</b>	<b>32,304,138</b>
<b>Fund Balances - End of Year</b>	<b>\$ 29,001,889</b>	<b>\$ 4,398,298</b>	<b>\$ 8,550,998</b>	<b>\$ 270,265</b>	<b>\$ 42,221,450</b>



**City of Bellevue, Nebraska**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2023**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 9,917,312

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period, and the effect of other capital asset-related transactions. 5,124,267

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 5,419,547

Certain expenses (e.g. compensated absences, accrued expenses, claims and judgments) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (686,695)

Changes in net pension and total OPEB liability, deferred outflows and deferred inflows related to total pension and total OPEB liability do not represent financial activity in the governmental funds. (800,846)

Amortization of deferred amounts on refunding does not represent financial activity in the governmental funds. (139,138)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (51,255)

Change in net position of governmental activities \$ 18,783,192

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual (Budget Basis)**  
**General Fund**  
**Year Ended September 30, 2023**

	Budgeted Amount		Actual	Variance With Final Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property tax	\$ 25,563,001	\$ 25,563,001	\$ 24,879,351	\$ (683,650)
In-lieu of tax	200,000	200,000	914,420	714,420
Sales tax	17,360,243	17,360,243	17,455,696	95,453
Franchise tax	661,300	661,300	604,545	(56,755)
Occupation taxes	947,553	947,553	1,153,145	205,592
Permits, fees and licenses	8,608,581	8,608,581	9,763,753	1,155,172
Intergovernmental	17,861,435	17,861,435	11,898,996	(5,962,439)
Miscellaneous and reimbursements	1,026,320	1,026,320	1,749,083	722,763
<b>Total revenues</b>	<b>72,228,433</b>	<b>72,228,433</b>	<b>68,418,989</b>	<b>(3,809,444)</b>
<b>Expenditures</b>				
Current				
General services	6,531,769	6,531,769	5,827,650	704,119
Public safety	33,284,673	33,284,673	32,612,667	672,006
Community development	9,193,318	9,193,318	8,453,506	739,812
Public works	33,814,723	33,814,723	22,374,637	11,440,086
<b>Total expenditures</b>	<b>82,824,483</b>	<b>82,824,483</b>	<b>69,268,460</b>	<b>13,556,023</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,596,050)</b>	<b>(10,596,050)</b>	<b>(849,471)</b>	<b>9,746,579</b>
<b>Other Financing Sources</b>				
Proceeds from issuance of bonds and notes	6,403,050	6,403,050	-	(6,403,050)
Transfers in, net	1,193,000	1,193,000	1,567,330	374,330
<b>Total other financing sources</b>	<b>7,596,050</b>	<b>7,596,050</b>	<b>1,567,330</b>	<b>(6,028,720)</b>
<b>Change in Fund Balance</b>	<b>\$ (3,000,000)</b>	<b>\$ (3,000,000)</b>	<b>\$ 717,859</b>	<b>\$ 3,717,859</b>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual (Budget Basis)**  
**Community Betterment Fund**  
**Year Ended September 30, 2023**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ 2,890	\$ 2,890	\$ 168,835	\$ 165,945
Lottery	1,178,900	1,178,900	998,323	(180,577)
Total revenues	<u>1,181,790</u>	<u>1,181,790</u>	<u>1,167,158</u>	<u>(14,632)</u>
<b>Expenditures</b>				
Community development	426,790	426,790	297,597	129,193
Total expenditures	<u>426,790</u>	<u>426,790</u>	<u>297,597</u>	<u>129,193</u>
<b>Excess of Revenues Over Expenditures</b>	<u>755,000</u>	<u>755,000</u>	<u>869,561</u>	<u>114,561</u>
<b>Other Financing Uses</b>				
Transfers out, net	(755,000)	(755,000)	(755,000)	-
Total other financing uses	<u>(755,000)</u>	<u>(755,000)</u>	<u>(755,000)</u>	<u>-</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,561</u>	<u>\$ 114,561</u>

**City of Bellevue, Nebraska**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2023**

	<b>Waste Water Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 2,638,554
Receivables	1,355,185
Due from other governments	624,757
Prepaid expenses	20,660
Total current assets	<u>4,639,156</u>
<b>Capital Assets</b>	
Plant and distribution lines	38,453,679
Building and equipment	2,019,540
Construction in progress	7,934,724
Accumulated depreciation	<u>(25,785,368)</u>
Total capital assets, net	<u>22,622,575</u>
Total assets	<u>27,261,731</u>
<b>Deferred Outflows of Resources - OPEB</b>	<u>18,613</u>
Total assets and deferred outflows of resources	<u>\$ 27,280,344</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued expenses	\$ 1,557,612
Interest payable	11,909
Due to other funds	7,620
Compensated absences	60,000
Current portion of total OPEB liability	11,380
Current portion of long-term debt	<u>265,000</u>
Total current liabilities	<u>1,913,521</u>
<b>Noncurrent Liabilities</b>	
Compensated absences	53,866
Total OPEB liability	64,487
Long-term debt	<u>1,145,000</u>
Total noncurrent liabilities	<u>1,263,353</u>
Total liabilities	<u>3,176,874</u>
<b>Deferred Inflows of Resources - OPEB</b>	<u>25,446</u>
<b>Net Position</b>	
Net investment in capital assets	20,968,017
Unrestricted	<u>3,110,007</u>
Total net position	<u>24,078,024</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 27,280,344</u>

**City of Bellevue, Nebraska**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**Proprietary Fund**  
**Year Ended September 30, 2023**

	<b>Waste Water Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 12,210,931
Total operating revenues	<u>12,210,931</u>
<b>Operating Expenses</b>	
Personal services	1,210,266
Operation and maintenance	409,728
Contractual services	7,394,689
Supplies and materials	54,412
Depreciation	<u>1,140,320</u>
Total operating expenses	<u>10,209,415</u>
<b>Operating Income</b>	<u>2,001,516</u>
<b>Nonoperating Income (Expenses)</b>	
Insurance reimbursement	18,138
Government grants	156
Interest income	149,439
Interest expense	<u>(44,347)</u>
Total nonoperating income	<u>123,386</u>
Change in net position before transfers	2,124,902
<b>Transfers Out</b>	<u>(278,000)</u>
<b>Change In Net Position</b>	1,846,902
<b>Net Position - Beginning of Year</b>	<u>22,231,122</u>
<b>Net Position - End of Year</b>	<u>\$ 24,078,024</u>

**City of Bellevue, Nebraska**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended September 30, 2023**

	<b>Waste Water Fund</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 12,211,150
Payments to suppliers	(8,390,710)
Payments to employees	(1,190,645)
	<u>2,629,795</u>
Net cash provided by operating activities	<u>2,629,795</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers to other funds	(278,000)
Net change in interfund borrowings	7,620
	<u>(270,380)</u>
Net cash used in noncapital financing activities	<u>(270,380)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital assets	(4,879,512)
Capital grants	156
Insurance reimbursements	18,138
Principal paid on bond and note obligations	(327,614)
Interest paid on bond and note obligations	(46,346)
	<u>(5,235,178)</u>
Net cash used in capital and related financing activities	<u>(5,235,178)</u>
<b>Cash Flows from Investing Activities</b>	
Interest income	149,439
	<u>149,439</u>
Net cash provided by investing activities	149,439
<b>Decrease in Cash and Cash Equivalents</b>	(2,726,324)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>5,364,878</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,638,554</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 2,001,516
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,140,320
Changes in operating assets and liabilities	
Receivables	219
Prepaid expenses	(20,660)
Accounts payable and accrued expenses	(511,221)
Deferred outflows/inflows of resources	19,556
Compensated absences	65
	<u>65</u>
Net cash provided by operating activities	<u>\$ 2,629,795</u>
<b>Supplemental Cash Flows Information</b>	
Payables incurred for acquisition of capital assets	\$ 244,558

**City of Bellevue, Nebraska**  
**Statement of Fiduciary Net Position**  
**September 30, 2023**

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	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 39,198
Total assets	<u>39,198</u>
<b>Liabilities - Due to Others</b>	<u>39,198</u>
<b>Fiduciary Net Position</b>	<u>\$ -</u>

**City of Bellevue, Nebraska**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended September 30, 2023**

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	<u>Custodial Fund</u>
<b>Additions</b>	
Tax increment financing revenues	\$ 152,520
Total additions	<u>152,520</u>
<b>Deductions</b>	
Tax increment financing expenditures	<u>152,520</u>
Total deductions	<u>152,520</u>
<b>Net Change in Fiduciary Net Position</b>	<u>-</u>
<b>Fiduciary Net Position, Beginning of Year</b>	<u>-</u>
<b>Fiduciary Net Position, End of Year</b>	<u><u>\$ -</u></u>



## **Note 1. Summary of Significant Accounting Policies**

### **Reporting Entity**

The City of Bellevue, Nebraska (City) was incorporated as a first-class city on December 16, 1955, under the provisions of Nebraska Statute Section 16-102. The City operates under a Mayor-Council-City Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, urban development, mass transportation, planning and zoning, sanitary sewer system, library, solid waste, and general administrative services.

The accompanying financial statements present the City as the primary government. In determining its 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 be 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 has determined the Bellevue Municipal Building Corporation and the Bellevue City Marina Corporation to be blended component units. The City Council appoints the majority of the governing board of these organizations and these organizations almost exclusively exist to benefit the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such and included in the general fund.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. The material effect of interfund activity has been removed from these statements. 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the total economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 all eligibility requirements have been met.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2023**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditures related to pension and other postemployment benefits, compensated absences and claims and judgments are recorded only when payment is due or expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, state highway allocation, interdepartmental charges, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Special assessments are recorded as revenues in the year the assessments become current. Other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

The City reports the following major governmental funds:

General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, administration, police and fire protection, legal services, planning, and parks and recreation. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income.

Community Betterment Fund is used to account for the City's lottery revenues and expenditures. The monies are restricted for community betterment purposes.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The City reports the following major enterprise fund:

Waste Water Fund is used to account for the revenues and expenses of the City-owned waste water utility.

The Custodial Fund accounts for resources held by the City in a custodial capacity, for the benefit of other governments or outside organizations.

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The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **Cash Equivalents**

The City considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2023, cash equivalents consisted primarily of money market mutual funds held at trustee and cash held at the Sarpy County Treasurer's office. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balance.

### **Inventories**

Inventories consist of fuel and materials. Inventories are stated at cost. Cost is determined using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used.

### **Lease Receivables**

The City is lessor for several noncancellable leases for land and building use and tower space 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 the 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 term.

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

### **Capital and Lease Assets**

Capital and lease assets, which include property, plant, equipment, and infrastructure assets, (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital and lease assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before commencement of the lease term, less any incentives received from the lessor at or before commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Machinery and equipment	4 – 39
Infrastructure	7 – 50
Automobiles	4 – 10

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three items that qualify for reporting in this category, the deferred loss on refunding, deferred outflows on pensions and deferred outflows on OPEB, reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows on pensions and OPEB result from changes in actuarial assumptions and differences between expected and actual experience. These amounts are amortized over the weighted average of the expected remaining service lives for all active and inactive pension or OPEB plan members.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. The unavailable revenues reported in the governmental funds balance sheet are from property taxes, special assessments and grants that are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow for lease receivable revenues are future lease revenues to be collected for lease agreements entered into with third parties. It is recognized as an inflow of resources in a systematic and rational manner over the lease term. The deferred inflows on pensions and OPEB reported in the government-wide statement of net position are from changes in actuarial assumptions and differences between expected and actual experience. These amounts are amortized over the weighted average of the expected remaining service lives for all active and inactive pension or OPEB plan members.

### **Compensated Absences**

City employees earn sick leave at the rate of 8-16.8 hours per month, depending on hire date and shift type. Employees earn various 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. Limitations on accumulated sick leave vary based on labor agreements, but in no case will accumulated sick leave payout exceed 50% of the accumulated balance, up to 960 hours. Accumulated vacation limitations vary from 120 to 360 hours depending on labor agreement. All accumulated vacation and sick leave, subject to the limitations noted, is paid at separation.

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All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, only compensated absences that have matured as of year-end, for example, as a result of employee resignations and retirements, are recorded as a fund liability. Accruals are based on current salary rates plus an additional amount for compensation-related payments such as Social Security and Medicare taxes and pension amounts using rates in effect at that date.

### **Long-term Obligations**

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

In the fund financial statements, governmental funds recognize lease principal and interest costs, as well as new leases entered during the current period. The amount of the lease liability is reported as an other financing source.

### **Net Position**

Net position is required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

*Net investment in capital assets* – This component of net position consists of capital and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any bonds, mortgages, notes, financed purchases, leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

*Restricted* – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

### **Fund Balance Classification**

The fund balances for the City's governmental funds are displayed in five components:

*Nonspendable* – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

*Restricted* – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Committed fund balances may be used only for the specific purposes determined by ordinance or resolution of the City Council. Commitments may be changed or lifted only by passage of an ordinance or issuance of a resolution by the City Council.

*Assigned* – Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any application requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and, lastly, unassigned.

### **Budgetary Information**

An appropriate budget is adopted each fiscal year for the General, Special Revenue, Debt Service and Enterprise Funds on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance and filed with the appropriate governmental entities and agencies.

Budget adjustments within a fund can be made with City Administrator approval. However, the City Council must approve any supplemental appropriations.

An encumbrance system is not used by the City and all appropriations lapse at year-end.

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**Use of Estimates**

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

**Pensions and Other Postemployment Benefits**

For purposes of measuring the net pension liability and total other postemployment benefit (OPEB) liability, deferred inflows and outflows of resources related to pensions/OPEB and pension and OPEB expense, information about the fiduciary net position of the City Police Defined Benefit Pension Plan or OPEB plan and additions to/deductions from the Plan's net/total position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

**Note 2. Reconciliation of Budget Basis to GAAP**

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended September 30, 2023, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	<b>General Fund</b>	<b>Community Betterment Fund</b>
	<u>                    </u>	<u>                    </u>
Net Change in Fund Balances		
Balance on a GAAP basis	\$ 8,421,333	\$ 114,978
Basis differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds.	<u>(7,703,474)</u>	<u>(417)</u>
Balance on a budget basis	<u>\$ 717,859</u>	<u>\$ 114,561</u>

**City of Bellevue, Nebraska**  
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**Note 3. Deposits**

**Deposits**

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 provision of state law.

Section 16-714 and 16-715 of the Revised Statutes of Nebraska 1943 require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the City Treasurer in the amount of the City's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

The City's cash and cash equivalents include units of participation in the short-term investment pool of the Nebraska Public Agency Investment Trust ("NPAIT") and the Nebraska Cooperative Liquid Assets Securities System ("Nebraska CLASS"). NPAIT is a special purpose government established under Nebraska statute. The investment pool or trust is not registered and is not rated for credit risk. The City limits its interest rate risk by investing only in the short-term pool, which consists primarily of government agency or government securitized investments with maturities of less than one year. Nebraska CLASS is a professionally managed commingled investment pool established by interlocal agreement in accordance with the provisions of the Nebraska Interlocal Cooperation Act. The investment pool is not registered and is not rated for credit risk. The weighted average maturity of investments in the pool are 60 days or less.

Cash at the County Treasurer of \$239,626 was covered by collateral held by the County.

**Summary of Carrying Values**

The carrying values of deposits are included in the government-wide statement of net position as follows:

Carrying values	
Deposits	\$ 16,685,761
Cash at county treasurer	239,626
NPAIT accounts	13,600,188
NE CLASS accounts	10,137,382
	<u>                    </u>
	<u>\$ 40,662,957</u>

**Note 4. Property Taxes**

The tax levy for the City is certified by the Sarpy County Board of Commissioners on or before October 15. Real estate and personal property taxes are due and become an enforceable lien on property on December 31. The first half of these taxes become delinquent on April 1 and the second half become delinquent August 1 following the levy date. Delinquent taxes bear interest at a rate of 14% per annum.



**City of Bellevue, Nebraska**  
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Property taxes levied for 2022-2023 are recorded as revenue in the governmental funds when expected to be collected within 60 days after September 30, 2023. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred inflow of resources in the governmental funds.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Historically, substantially all property taxes have been collected.

**Note 5. Receivables**

Receivables at September 30, 2023, consist of the following:

<b>Fund</b>	<b>Property Taxes</b>	<b>Accounts and Notes Receivable</b>	<b>Leases Receivable</b>	<b>Special Assessments</b>	<b>Gross Receivables</b>	<b>Allowance for Uncollectibles</b>	<b>Net Receivables</b>
General	\$ 223,726	\$ 1,933,944	\$ 3,841,524	\$ -	\$ 5,999,194	\$ -	\$ 5,999,194
Community Betterment	-	83,571	-	-	83,571	-	83,571
Debt Service	96,257	134,378	-	1,198,555	1,429,190	(599,278)	829,912
Wastewater	-	1,355,185	-	-	1,355,185	-	1,355,185
Other governmental	-	465,809	-	-	465,809	(9,036)	456,773
<b>Total</b>	<b>\$ 319,983</b>	<b>\$ 3,972,887</b>	<b>\$ 3,841,524</b>	<b>\$ 1,198,555</b>	<b>\$ 9,332,949</b>	<b>\$ (608,314)</b>	<b>\$ 8,724,635</b>

**Note 6. Due From Other Governments**

Due from other governments includes the following items:

<b>Nature</b>	<b>Amount</b>
<b>Governmental Activities</b>	
State of Nebraska, sales and use tax	\$ 2,989,690
State of Nebraska, motor vehicle taxes	130,944
State of Nebraska, highway user fees	1,299,605
Nebraska Department of Roads	380,649
Eastern Sarpy Suburban Fire District, fire protection services	606,560
Federal Emergency Management Agency	29,961
Black Hills, in-lieu of taxes	23,092
Omaha Public Power District, in-lieu of taxes	142,415
Other	36,659
	<u>\$ 5,639,575</u>
<b>Business Type Activities</b>	
Federal Emergency Management Agency	<u>\$ 624,757</u>

**City of Bellevue, Nebraska**  
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**Note 7. Capital and Lease Assets**

The following is a summary of capital and lease asset transactions for the year ended September 30, 2023.

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital and lease assets, not being depreciated or amortized				
Land	\$ 17,964,631	\$ -	\$ -	\$ 17,964,631
Construction in progress	20,796,895	7,773,913	-	28,570,808
Total capital and lease assets, not being depreciated or amortized	<u>38,761,526</u>	<u>7,773,913</u>	<u>-</u>	<u>46,535,439</u>
Capital and lease assets, being depreciated or amortized				
Buildings	50,170,265	295,286	-	50,465,551
Machinery and equipment	19,918,001	309,582	-	20,227,583
Infrastructure	219,614,836	2,775,917	-	222,390,753
Vehicles	16,890,816	1,642,993	(1,872,186)	16,661,623
Lease vehicles	39,887	38,307	(39,887)	38,307
Total capital and lease assets, being depreciated or amortized	<u>306,633,805</u>	<u>5,062,085</u>	<u>(1,912,073)</u>	<u>309,783,817</u>
Less accumulated depreciation and amortization for				
Buildings	(21,910,326)	(1,239,728)	-	(23,150,054)
Machinery and equipment	(16,019,813)	(833,170)	-	(16,852,983)
Infrastructure	(162,338,281)	(4,166,374)	-	(166,504,655)
Vehicles	(10,694,402)	(1,535,484)	1,872,186	(10,357,700)
Lease vehicles	(20,811)	(20,672)	39,887	(1,596)
Total accumulated depreciation and amortization	<u>(210,983,633)</u>	<u>(7,795,428)</u>	<u>1,912,073</u>	<u>(216,866,988)</u>
Total capital and lease assets, being depreciated or amortized, net	<u>95,650,172</u>	<u>(2,733,343)</u>	<u>-</u>	<u>92,916,829</u>
Governmental activities capital and lease assets, net	<u>\$ 134,411,698</u>	<u>\$ 5,040,570</u>	<u>\$ -</u>	<u>\$ 139,452,268</u>

**City of Bellevue, Nebraska**  
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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 3,125,101	\$ 4,809,623	\$ -	\$ 7,934,724
Total capital assets, not being depreciated	3,125,101	4,809,623	-	7,934,724
Capital assets, being depreciated				
Plant and distribution lines	\$ 38,453,679	\$ -	\$ -	\$ 38,453,679
Building and equipment	2,045,574	-	(26,034)	2,019,540
Total capital assets, being depreciated	40,499,253	-	(26,034)	40,473,219
Less accumulated depreciation for				
Plant and distribution lines	(23,345,464)	(1,034,650)	-	(24,380,114)
Building and equipment	(1,325,618)	(105,670)	26,034	(1,405,254)
Total accumulated depreciation	(24,671,082)	(1,140,320)	26,034	(25,785,368)
Total capital assets, being depreciated, net	15,828,171	(1,140,320)	-	14,687,851
Business-type activities capital assets, net	<u>\$ 18,953,272</u>	<u>\$ 3,669,303</u>	<u>\$ -</u>	<u>\$ 22,622,575</u>

Depreciation and amortization expense was charged to functions/programs as follows:

**Governmental Activities**

General government	\$ 255,392
Public safety	1,347,032
Community development	593,651
Public works	<u>5,599,353</u>
Total depreciation and amortization expense – governmental activities	<u>\$ 7,795,428</u>

**Business-Type Activities**

Waste water	<u>\$ 1,140,320</u>
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**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
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**Note 8. Leases**

**Lease Receivables**

The City, as lessor, leases City-owned land, buildings and tower space at various locations, the terms of which expire in various years through 2055. Revenues earned under these lease contracts were approximately \$700,000 for the year ended September 30, 2023, which includes both lease revenue and interest. A portion of lease tower space revenues are assigned to a third party through 2053 and are described further in Note 17.

The following is a schedule by year of payments to be received for leases as of September 30, 2023:

	<b>Total Payments to be Received</b>	<b>Receivable</b>	<b>Interest</b>
2024	\$ 530,279	\$ 475,805	\$ 54,474
2025	342,072	291,945	50,127
2026	347,660	301,855	45,805
2027	353,911	312,630	41,281
2028	363,920	327,340	36,580
2029 - 2033	1,581,299	1,471,229	110,070
2034 - 2038	339,802	294,190	45,612
2039 - 2043	109,476	76,125	33,351
2044 - 2048	125,898	101,538	24,360
2049 - 2053	144,782	132,263	12,519
2054 - 2055	53,098	52,118	980
Total	<u>\$ 4,292,197</u>	<u>\$ 3,837,038</u>	<u>\$ 455,159</u>
Accrued Interest		4,486	
		<u>\$ 3,841,524</u>	

**Lease Liabilities**

The City, as lessee, leases vehicles for its operations, the terms of which expire in 2025. As of September 30, 2023, the City owed \$40,320 with \$38,307 of principal and \$2,013 of interest.

**Note 9. Long-term Liabilities**

The City issues general obligation and revenue bonds to finance the acquisition and construction of major capital assets. General obligation bonds are direct obligations and are secured by a pledge of the full faith and credit of the government. For revenue bonds, the government pledges income derived from the acquired or constructed assets to pay for the debt service.

The City has entered into agreements for financing the acquisition of machinery and automobiles. These agreements qualify as finance purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The leases are collateralized by the related financed equipment. Assets acquired through financed purchases are as follows:

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Machinery, equipment and automobiles	\$ 2,190,012	\$ 426,422
Less accumulated depreciation	<u>(1,367,026)</u>	<u>(227,425)</u>
Total	<u>\$ 822,986</u>	<u>\$ 198,997</u>

The following is a summary of long-term liability activities of the City for the year ended September 30, 2023:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Long-term debt					
General obligation bonds	\$ 64,965,000	\$ -	\$ (4,160,000)	\$ 60,805,000	\$ 3,980,000
Public safety tax anticipation refunding bonds	7,970,000	-	(1,000,000)	6,970,000	1,030,000
Unamortized bond premiums	1,059,063	-	(139,138)	919,925	-
Financed purchase obligations - direct borrowings	<u>314,252</u>	<u>-</u>	<u>(155,802)</u>	<u>158,450</u>	<u>105,013</u>
Total long-term debt	74,308,315	-	(5,454,940)	68,853,375	5,115,013
Other liabilities					
Compensated absences	7,040,949	3,111,799	(3,194,965)	6,957,783	3,400,000
Net pension liability	2,942,269	3,019,642	(1,782,058)	4,179,853	358,408
Lease liabilities	19,727	38,307	(19,727)	38,307	18,229
Assignment of rents	2,496,780	-	(23,289)	2,473,491	24,964
Other postemployment benefits	<u>3,075,966</u>	<u>846,511</u>	<u>(204,974)</u>	<u>3,717,503</u>	<u>557,626</u>
Governmental activities long-term liabilities	<u>\$ 89,884,006</u>	<u>\$ 7,016,259</u>	<u>\$ (10,679,953)</u>	<u>\$ 86,220,312</u>	<u>\$ 9,474,240</u>

**City of Bellevue, Nebraska**  
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	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-Type Activities</b>					
Long-term debt					
Revenue refunding bonds	\$ 1,670,000	\$ -	\$ (260,000)	\$ 1,410,000	\$ 265,000
Financed lease obligations - direct borrowings	67,614	-	(67,614)	-	-
Total long-term debt	<u>1,737,614</u>	<u>-</u>	<u>(327,614)</u>	<u>1,410,000</u>	<u>265,000</u>
Other liabilities					
Compensated absences	107,402	88,811	(82,347)	113,866	60,000
Other postemployment benefits	<u>62,775</u>	<u>17,275</u>	<u>(4,183)</u>	<u>75,867</u>	<u>11,380</u>
Business-type activities					
long-term liabilities	<u>\$ 1,907,791</u>	<u>\$ 106,086</u>	<u>\$ (414,144)</u>	<u>\$ 1,599,733</u>	<u>\$ 336,380</u>

The compensated absences reported as governmental activities will be paid from the General Fund. The compensated absences of the business-type activities will be paid from the Waste Water fund.

Long-term debt is comprised of the following issues:

	<b>Date Issued</b>	<b>Date of Maturity</b>	<b>Date Callable</b>	<b>Interest Rates</b>	<b>Balance</b>
Refunding Bonds (Convention Center)	03/31/20	09/15/35	03/31/25	1.80 - 2.25	\$ 4,905,000
General Obligation Refunding Bonds	06/05/20	09/15/34	09/15/25	3.00	11,000,000
General Obligation Refunding Bonds	06/05/20	09/15/32	09/15/23	1.70 - 2.45	19,280,000
General Obligation Refunding Bonds	08/14/20	09/15/27	09/15/25	3.00	875,000
General Obligation Refunding Bonds	12/03/20	09/15/27	09/15/25	2.00	1,080,000
General Obligation Refunding Bonds	10/20/21	09/15/26	10/20/26	2.00	840,000
General Obligation Refunding Bonds	03/22/22	09/15/31	03/22/27	2.00	1,855,000
Highway Allocation Fund Pledge and Refunding Bonds	12/28/17	12/15/31	12/15/23	1.50 - 3.20	3,290,000
Highway Allocation Fund Pledge	03/01/19	06/15/29	12/15/23	1.80 - 3.00	2,495,000
Highway Allocation Fund Pledge	08/20/21	09/15/36	09/15/26	2.00	5,850,000
Certificates of Participation	03/15/21	09/15/32	09/15/26	0.227 - 1.703	3,615,000
Certificates of Participation	03/15/22	09/15/37	03/15/27	3.00	1,805,000
Certificates of Participation	03/15/22	09/15/37	03/15/27	2.093 - 3.500	1,890,000
Sanitary and Improvement District No. 147 General Obligation Refunding Bonds	05/15/18	08/15/30	05/15/23	2.45 - 3.60	600,000
Sanitary and Improvement District No. 180 General Obligation Refunding Bonds	12/28/18	12/15/37	12/28/23	3.20 - 4.25	5,000
Sanitary and Improvement District No. 265 General Obligation Refunding Bonds	06/15/19	08/15/39	06/15/24	2.50 - 3.60	1,140,000

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	<b>Date Issued</b>	<b>Date of Maturity</b>	<b>Date Callable</b>	<b>Interest Rates</b>	<b>Balance</b>
Sanitary and Improvement District No. 269 General Obligation Refunding Bonds	06/15/19	12/15/39	06/15/24	2.55 - 3.60	\$ 250,000
Sanitary and Improvement District No. 289 General Obligation Refunding Bonds	10/22/18	10/15/38	10/15/23	2.65 - 4.10	<u>30,000</u>
Total general obligation bonds					<u>60,805,000</u>
Public Safety Department Tax Anticipation Refunding Bonds, Series 2019	04/30/19	12/15/32	12/15/24	1.60 - 4.00	4,870,000
Public Safety Department Tax Anticipation Refunding Bonds, Series 2021	10/20/21	09/15/26	09/15/26	2.00	<u>2,100,000</u>
Total public safety tax anticipation refunding bonds					<u>6,970,000</u>
Financed purchase obligations	Various	Various	N/A	2.35 - 2.89	<u>158,450</u>
Total governmental activities					<u>\$67,933,450</u>
Revenue Refunding Bonds	06/28/18	06/15/28	06/28/23	1.85 - 3.20	\$ <u>1,410,000</u>
Total business-type activities					<u>\$ 1,410,000</u>

The Public Safety Department Tax Anticipation Refunding Bonds are limited general obligations to be paid from special tax assessments and are also considered general obligations of the City. The Redevelopment Revenue Bonds are payable solely from the limited tax revenues and reserve sub-accounts provided for under the terms of the bond resolutions and are not general obligations of the City.

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The annual debt service requirements to maturity for long-term debt as of September 30, 2023, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>		<b>Anticipation Refunding Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 3,980,000	\$ 1,441,162	\$ 1,030,000	\$ 187,250
2025	4,160,000	1,366,349	1,040,000	163,200
2026	4,590,000	1,280,101	725,000	139,875
2027	4,630,000	1,183,736	1,060,000	110,700
2028	4,565,000	1,085,656	780,000	83,100
2029-2033	29,550,000	3,614,375	2,335,000	139,900
2034-2038	9,120,000	455,976	-	-
2039-2040	210,000	360	-	-
<b>Totals</b>	<b>\$ 60,805,000</b>	<b>\$ 10,427,715</b>	<b>\$ 6,970,000</b>	<b>\$ 824,025</b>

<b>Year Ending September 30,</b>	<b>Governmental Activities Financed Purchases - Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 105,013	\$ 2,803
2025	53,437	471
<b>Totals</b>	<b>\$ 158,450</b>	<b>\$ 3,274</b>

<b>Year Ending September 30,</b>	<b>Business-Type Activities Revenue Refunding Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 265,000	\$ 39,110
2025	275,000	32,085
2026	280,000	24,348
2027	290,000	16,048
2028	300,000	7,125
<b>Totals</b>	<b>\$ 1,410,000</b>	<b>\$ 118,716</b>



### **Pledged Revenue**

The Highway Allocation Fund Pledge Bonds are secured by a pledge of the revenues received from the City's annual allocation of State of Nebraska highway funds, through final maturity of the bonds in 2036. The total principal and interest remaining to be paid on the bonds is \$6,730,706 with annual payments expected to require approximately 8% of net revenues.

As a condition to issuing the Redevelopment Revenue Bonds, the City obtained an agreement from an operator to provide a substantial source of funds for repayment. In October 2017, the operator and the City terminated the agreement. In October 2020, the City entered into a lease purchase agreement that provided for payments to lease the premises through April 2022, at which time the lessee agrees to purchase the related property. This agreement was amended in December 2022, which extended the lease through August 2023. Effective September 1, 2023, this agreement became a month-to-month lease. The City remains liable for the bond payments from limited tax levying authority under the Community Development Act and other sources of revenues.

### **Note 10. Defined Contribution Retirement Plans**

The City of Bellevue has multiple defined contribution plans. The authority to make changes to the plans is established by the Bellevue City Council or Nebraska State Statutes, as appropriate.

#### **Civilian Retirement Plan**

All regular full-time civilian employees of the City are covered by a voluntary defined contribution plan. Contributions made by the City equal 6% of the participants' compensation. Participants also contribute 6% of their earnings, but may elect to contribute up to 10%. Vesting of employer contributions occurs over three to seven years of employment. The amount of employer and employee contributions to this plan during the fiscal year was \$663,964 and \$663,964, respectively. There were no forfeitures used to offset employer contributions for the year ended September 30, 2023. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

#### **Fire Retirement Plan**

All regular full-time fire fighters of the City are covered by a defined contribution plan. Participants are required to contribute 6.50% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 13% of the participants' compensation. Vesting of employer contributions occurs between four and seven years of employment. Forfeitures shall be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet Plan liabilities, then forfeitures shall first be used to pay expenses of administration and then to reduce City contributions. The plan members and the City contributed \$491,076 and \$982,152, respectively, to the plan in fiscal 2023. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

#### **Police Retirement Plan**

All regular full-time sworn officers of the City are covered by a defined contribution plan. Certain sworn officers are also covered by a single-employer defined benefit pension plan (see Note 11). Participants are required to contribute 7.0% of their earnings but may contribute up to the maximum amount allowed under the Internal Revenue Code. Contributions made by the City equal 7.0% of the participants' compensation. Vesting of employer contributions occurs between four and ten years of service. Forfeitures shall first be applied to administrative expense of the Plan and then may be used by the City

**City of Bellevue, Nebraska**  
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to reduce City contributions. The plan members and the City contributed \$779,105 and \$779,105, respectively, to the plan in fiscal 2023. There were no forfeitures used to reduce the amount of funding required by the City for the year ended September 30, 2023. The Plan is administered by a trustee independent of the City and is, therefore, not included in these financial statements.

### **Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees at their option, permits participants to defer a portion of their salary until future years. Annual contributions cannot exceed the lesser of the applicable dollar amount provided under the applicable Code Section, adjusted for cost of living, or 100% of the participant's includible compensation. Catch-up contributions are allowed for participants that qualify. The deferred compensation is not available to employees until termination, retirement, death, or until the employee reaches age 70 ½. Distributions from the plan are made in a lump sum payment as soon as administratively practicable. Participants are permitted to elect to postpone distributions and an alternative method of distribution, with approval from the Plan Administrator.

The City evaluated whether the plan is a fiduciary activity based on GASB Statement No. 84, *Fiduciary Activities*, and concluded that it is not a fiduciary activity. The City does not contribute to the Plan and the has no control over the plan assets. The assets of the plan are held in trust, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted for any other purpose.

## **Note 11. Police Defined Benefit Pension Plan**

### **Plan Description**

The City has a single-employer defined benefit pension plan negotiated with certain members of the Bellevue Police Department. The City and the Retirement Committee administer a hybrid defined benefit pension plan covering sworn police officers hired after December 31, 1983 and prior to May 1, 2011 or specifically identified in a settlement agreement or State Statute for those officers hired prior to January 1, 1984. The plan is closed to new employees. The terms of the plan, including contribution rates and minimum pension benefits are established through a settlement agreement between the City and the police officers' association. The City does not issue a separate report that includes financial statements and required supplementary information for the police pension plan.

### **Summary of Benefit Provisions**

Both the employee and the City contribute 7.0% of the employee's earnings for periods on or after October 1, 2015. Employees covered by the plan may also make voluntary contributions. The accumulated value of the employee and employer account including contributions and investment earnings is the Retirement Account Value. In the event that a participant's retirement account value will not provide for the minimum pension benefits of the plan, the City will be required to contribute an additional amount to fund the minimum pension benefits specified in the collective bargaining agreement.

*Regular Pay* – Defined as the greatest average salary in any period of five consecutive years preceding retirement, death, disability or termination date.

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*Retirement Benefit –*

*State Statute for Pre-1984 Hires* – Participants must be employed on January 1, 1984 and continuously employed by the City through retirement date after attaining age 55 and completing 25 years of service. Minimum pension benefit equals 40% of Regular Pay for commencement between ages 55 and 60; 50% of Regular Pay for commencement at age 60 or later offset by the State Statute Actuarial Equivalence of the Retirement Account Value.

*Post 1983 Hires subject to settlement agreement* – Employees hired after December 31, 1983 and after attaining age 55 and completing 25 years of service. Employee entitled to the total of their Retirement Account Value or the actuarial equivalent of 55% of Regular Pay, whichever is greater based upon the actuarial assumptions of 7% interest and the 1994 GAM Mortality Table (Static) weighted 90% male/10% female. Paid as a single lump sum.

*Termination Benefit Prior to 25 Years of Service* – No minimum pension benefits. Employee is entitled to the value of the Retirement Account Value.

*Termination Benefit After 25 Years of Service* – Deferred Retirement Option Plan (DROP) provision allows minimum pension benefit at retirement age if the employee keeps their Retirement Account Value in the plan until retirement age.

*Death Benefit (Line of Duty)* – Death prior to retirement from causes sustained in the line of duty and survived by a spouse or minor children. Benefit equals 50% of Regular Pay to spouse until remarriage or death; to minor children split equally after remarriage or death. Benefit is subject to deduction for any workers' compensation benefits and offset by the State Statute Actuarial Equivalence of the Retirement Account Value. Payment is on a straight life annuity basis and provided under a purchase annuity contract.

*Death Benefit (Other)* – Employee must be continuously employed from January 1, 1984 until death, survived by spouse and death after reaching age 55 and completing at least 21 years of service. Benefit of 25% of Regular Pay to spouse until remarriage or death; to minor children split equally after remarriage or death. Benefit is offset by the State Statute Actuarial Equivalence of the Retirement Account Value. Payment is on a straight life annuity basis and provided under a purchased annuity contract.

*Disability Benefit (Line of Duty)* – Employee is eligible if unable to perform duties of a police officer from causes sustained in the line of duty. Benefit equals 50% of Regular Pay for the period of disability. Amount is subject to deduction for workers' compensation benefits. Total payments, in excess of workers' compensation benefits, shall not be less than the Retirement Account Value on the date of disability. If the State Statute Actuarial Equivalent exceeds the Retirement Account Value, the City shall contribute such additional amounts as may be necessary from time to time. In the event of cessation disability, payments made shall reduce the Retirement Account Value.

### **Deferred Retirement Option Plan**

The City has established DROP for covered employees. The DROP program allows a member who has reached the minimum number of service years for retirement, but has not achieved the minimum age requirement, to terminate their employment with the Police Department and defer their retirement until they have reached at least the minimum age. Once the employee terminates service with the Police Department, neither the City or employee has further responsibility for adding funds to the employee's account. The account will remain within the retirement plan and when the employee reaches the minimum age, they will be subject to normal benefit provisions.

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**Plan Membership**

As of September 30, 2023, plan membership consisted of the following:

Inactive members currently receiving benefits	6
Inactive members entitled to but not yet receiving benefits	2
Active members	<u>45</u>
Total	<u>53</u>

**Contributions and Funding Policy**

The City's contributions for the additional amount to fund minimum pension benefits are limited to amounts paid to retirees during the fiscal year. Contributions made by the City for the year ended September 30, 2023, were \$894,152.

**Actuarial Methods and Assumptions**

Actuarially determined contribution rates are calculated as the City's contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the plan. Valuations were determined using the following actuarial assumptions:

Valuation Date	September 30, 2023
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	Level Dollar, Closed
Amortization Period	Immediate
Salary Increases	3.0%
Investment Rate of Return	Actual annuity purchase rates and 7.0%
Mortality Table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement
State Statute Actuarial Equivalence for Minimum Benefits	3.0% interest and the IRS 2023 Mortality Table

**Changes in Assumptions**

The September 30, 2023 actuarial valuation included changes in assumptions for the discount rate decreasing it from 2.26% to 4.09%. In relation to State Statute Actuarial Equivalence amounts, the mortality table was changed from 2021 to 2023.

**Investment Policy**

The City's obligation is unfunded at September 30, 2023.

**City of Bellevue, Nebraska**  
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**Net Pension Liability**

The components of the net pension liability of the City at September 30, 2023 were as follows:

Total Pension Liability	\$ 4,179,853
Plan Fiduciary Net Position	<u>-</u>
Net Pension Liability	<u>\$ 4,179,853</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	<u>0.00%</u>

**Discount Rate**

The discount rate used to measure the total pension liability as of September 30, 2023 was 4.09% (as determined by the Federal Reserve Bank of St. Louis' website). As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's net pension liability, calculated using the current discount rate of 4.09%, as well as the net pension liability calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current rate:

	<b>1% Decrease 3.09%</b>	<b>Current Discount Rate 4.09%</b>	<b>1% Increase 5.09%</b>
Total Pension Liability	<u>\$ 4,441,213</u>	<u>\$ 4,179,853</u>	<u>\$ 3,948,520</u>
Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability	<u>\$ 4,441,213</u>	<u>\$ 4,179,853</u>	<u>\$ 3,948,520</u>

**City of Bellevue, Nebraska**  
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**Changes in the Total Pension Liability, Plan Fiduciary Net Position and the Net Pension Liability are:**

Total Pension Liability - September 30, 2022	<u>\$ 2,942,269</u>
Service Cost	21,368
Interest	56,931
Changes of Benefit Terms	613,567
Difference between Expected and Actual Experience	2,327,776
Changes of Assumptions	(887,906)
Benefit Payments, including refunds	<u>(894,152)</u>
Net Change in Total Pension Liability	<u>1,237,584</u>
Total Pension Liability - End of Year	<u>4,179,853</u>
Plan Fiduciary Net Position - Beginning of Year	\$ -
Contributions - Employer	894,152
Benefit payments, including refunds	<u>(894,152)</u>
Net Change in Plan Fiduciary Net Position	<u>-</u>
Plan Fiduciary Net Position - End of Year	<u>-</u>
Net Pension Liability - September 30, 2023	<u>\$ 4,179,853</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%
Covered Payroll	\$ 5,420,694
Net Pension Liability as a Percentage of the Covered Payroll	77.11%

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The calculation of pension expense for the year ended September 30, 2023 is shown below:

Service Cost	\$ 21,368
Interest on Total Pension Liability	56,931
Effect of Plan Changes	<u>613,567</u>
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	367,009
Assumption Changes	<u>(8,601)</u>
Pension Expense	<u>\$ 1,050,274</u>

**Deferred Outflows of Resources**

Under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (GASB 68)*, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Investment gains and losses are recognized over a closed five-year period. Economic and demographic gains and losses and changes in the total pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of September 30, 2023, the deferred outflows of resources related to pensions are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,919,377	\$ -
Changes of assumptions	<u>451,187</u>	<u>(803,344)</u>
Total	<u>\$ 3,370,564</u>	<u>\$ (803,344)</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future years' pension expense as follows:

<b>Year Ending September 30,</b>	<b>Annual Recognition</b>
2024	\$ 358,408
2025	358,408
2026	358,408
2027	358,408
2028	344,801
Thereafter	<u>788,787</u>
Total	<u>\$ 2,567,220</u>

## Note 12. Other Postemployment Benefits

### Plan Description

The City administers a single employer other postemployment benefits (OPEB) plan providing medical and prescription drug benefits (healthcare benefits) to retired employees and their dependents under certain conditions. The City does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

### Summary of Benefit Provisions

Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are at least 55 years old and have been enrolled in the City's healthcare coverage for a minimum of one year prior to retirement.

Coverage during retirement ceases upon attaining age 65 or becoming eligible for Medicare. The City will pay 82% of the annual healthcare premium for the retiree for the first 24 months following retirement and 50% of the annual premium thereafter until the retiree is eligible for coverage under Medicare or Medicaid. The authority to amend the plan rests with the City Council.

### Plan Membership

As of September 30, 2023, plan membership consisted of the following:

Inactive members currently receiving benefits	8
Inactive members entitled to but not yet receiving benefits	0
Active members	<u>352</u>
Total	<u>360</u>

### Contributions and Funding Policy

The City's contributions are made on a pay-as-you-go basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Contributions made by the City for the year ended September 30, 2023, were \$209,157.



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**Actuarial Methods and Assumptions**

Actuarially determined contribution rates are calculated as the City's contributions paid for retiree premiums. Valuations were determined using the following actuarial assumptions:

Valuation Date	September 30, 2022, rolled forward to September 30, 2023
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Amortization Period	Immediate
Salary Increases	3.0%
General Inflation	3.0%
Mortality Table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement
Healthcare cost trend rates	5.25% decreasing to 5% over 2 years

**Changes in Assumptions**

The September 30, 2022 actuarial valuation included changes in assumptions for the discount rate, increasing it to 4.02% from the discount rate of 2.21% used in the September 20, 2020 actuarial valuation. The medical trend rate changed to 5.25% grading to 5% over two years. The mortality assumption changed to the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

**Investment Policy**

The City's obligation is unfunded at September 30, 2023.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of September 30, 2023 was 4.02% (as determined by the Federal Reserve Bank of St. Louis' website). As an unfunded plan, the discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the City's total OPEB liability, calculated using the current discount rate of 4.02%, as well as the total OPEB liability calculated using a discount rate that is 1% lower (3.02%) or 1% higher (5.02%) than the current rate:

	<b>1% Decrease 3.02%</b>	<b>Current Discount Rate 4.02%</b>	<b>1% Increase 5.02%</b>
Total OPEB Liability	<u>\$ 4,044,788</u>	<u>\$ 3,793,370</u>	<u>\$ 3,552,054</u>

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**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the City's total OPEB liability, calculated using the current healthcare cost trend rate of 5.25% decreasing to 5%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1% lower (4.25% decreasing to 4%) or 1% higher (6.25% decreasing to 6%) than the current rate:

	<b>1% Decrease 4.25% Decreasing to 4.0%</b>	<b>Current Healthcare Cost Trend Rate 5.25% Decreasing to 5.0%</b>	<b>1% Increase 6.25% Decreasing to 6.0%</b>
Total OPEB Liability	<u>\$ 3,367,843</u>	<u>\$ 3,793,370</u>	<u>\$ 3,552,054</u>

**Changes in the Total OPEB Liability**

Total OPEB Liability - Beginning of year	<u>\$ 3,138,741</u>
Service Cost	713,144
Interest	150,642
Benefit Payments	<u>(209,157)</u>
Net Change in Total OPEB Liability	<u>654,629</u>
Total OPEB Liability - End of Year	<u>\$ 3,793,370</u>

The calculation of OPEB expense for the year ended September 30, 2023 is shown below:

Service Cost	\$ 713,144
Interest on Total OPEB Liability	150,642
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	(22,998)
Assumption Changes	<u>26,250</u>
OPEB Expense	<u>\$ 867,038</u>

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Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members. As of September 30, 2023, the deferred inflows and outflows of resources related to OPEB are as follows:

**Deferred Outflows of Resources and Deferred Inflows of Resources**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 308,121	\$ (725,863)
Changes of assumptions	<u>622,514</u>	<u>(546,422)</u>
Total	<u>\$ 930,635</u>	<u>\$ (1,272,285)</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Annual Recognition</u>
2024	\$ 3,252
2025	3,252
2026	3,252
2027	3,252
2028	3,252
Thereafter	<u>(357,910)</u>
Total	<u>\$ (341,650)</u>

**Note 13. Interfund Balances and Activity**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services type transactions are classified as "due to and from other funds."

Interfund balances of \$7,620 to the governmental funds from the Waste Water fund were outstanding at September 30, 2023.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move revenues from restricted funds to funds where the expenditures were incurred related to the restriction and to (c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**City of Bellevue, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2023**

Transfers to/from other funds for the year ended September 30, 2023, consisted of the following:

Transfer To	Transfer from			Total
	Community Betterment	Debt Service	Waste Water	
General	\$ 755,000	\$ 534,330	\$ 278,000	\$ 1,567,330

**Note 14. Risk Management**

The City is exposed to various risks of loss related to torts; theft, damages to, or destruction of assets; errors or omissions; injuries to employees; or acts of God for which the City carries commercial insurance. For the year ended September 30, 2023, the City has a self-insured retention for workers' compensation exposures up to \$500,000 per individual. The City has purchased commercial insurance for amounts in excess of the self-insurance. The City currently reports all of its risk management activities in the fund financial statements in its General Fund. Settled claims have not exceeded coverage in any of the past three fiscal years.

Claim liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated in the government-wide financial statements. In the governmental funds, only claims that are expected to be liquidated with expendable available financial resources are recorded as a fund liability. At September 30, 2023, the estimated amount of the City's claims liabilities was \$719,086, which is reported in the government-wide financial statements. This liability is the City's best estimate based on available information.

The following is a summary of the changes in the estimated workers' compensation claims liability for the years ended September 30, 2023 and 2022, which is included in total claims liabilities:

Balance, October 1, 2021	\$ 546,565
Current year claims and changes in estimates	298,032
Claims payments	<u>(222,622)</u>
Balance, September 30, 2022	621,975
Current year claims and changes in estimates	661,615
Claims payments	<u>(564,504)</u>
Balance, September 30, 2023	<u>\$ 719,086</u>

**Note 15. Commitments and Contingencies**

**Claims and Litigation**

The City is involved in various litigation in the normal course of its operations and services. In the opinion of City management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the City in connection with its legal proceedings will not have a material effect on the City's financial position but could be material to the results of operations in future accounting periods.

### **Construction Commitments**

The City is a party to various contracts relating to construction and other capital projects. As of September 30, 2023, the City had outstanding commitments of approximately \$22,600,000, primarily related to the water main extension project.

### **Government Grants**

The City participates in a number of federally assisted grant programs, which 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, if any, would be significant.

### **COVID-19**

As a result of the COVID-19 outbreak in the United States, economic uncertainties have arisen that have had, and will continue to have, varying impacts on municipalities. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closings. The extent of the financial impact and other possible impacting matters are not fully known at this time. Although some facilities were closed for certain periods, all City services remained operational during the past year. Some loss of sales tax and other revenues was recognized during the year as a result of measures enacted to prevent the spread of COVID-19. The City did not obtain any loans or defer the payment of federal employment taxes. As of September 2023, the City received Coronavirus State and Local Fiscal Recovery Funds of approximately \$8,138,000, of which all have been obligated and recognized as revenue.

### **Note 16. Interlocal Agreements**

In 1970, the City entered into an interlocal agreement with Eastern Sarpy County Suburban Fire Protection District to provide fire protection and emergency rescue services throughout the District. As compensation for providing such services, the District agreed to pay a proportional share of the fire department operating expenses based on the valuation of the District compared to the combined valuation of the District and the City but limited to the annual levy limit allowed by state statute. The City billed approximately \$1,213,120 to the District for the year ended September 30, 2023, of which \$606,560 was due to the City at year-end.

### **Note 17. Assignment of Future Cellphone Tower Lease Revenues**

On December 10, 2013, the City entered into an agreement with a third party, under which the City relinquishes to the third party its future cellphone tower lease revenues for the next 40 years. The City received from the third party a lump-sum payment of \$2,650,000 in exchange for the rights to receive and retain 100 percent of the City's cellphone tower lease revenues through 2053 for those cell tower sites in existence at December 10, 2013. The proceeds were used to fund general operations of the City and are shown as other long-term liabilities on the statement of net position which are being amortized over the life of the agreement.

### **Note 18. Tax Abatements**

The City of Bellevue provides tax abatements under the Tax Increment Financing Program (TIF) to encourage improvements to blighted property. The program is established under the auspices of a state statute (Article 21, Section 18-2101 – 2144) empowering cities and counties to establish such programs. The abatements equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, are administered as a rebate of the incremental taxes generated from the improvements to property, and last for up to 15 years. Eligibility for approval requires the property to have no loss of pre-existing tax revenues and the developer demonstrates the project is not feasible without TIF. Abatements are obtained through application by the property owner and are reviewed and approved by a TIF council prior to commencing the improvements. These abatements reduce the net property tax to the City of Bellevue and meet the definition of a tax abatement in GASB Statement No. 77, *Tax Abatement Disclosures*. Taxes abated under TIF for the year ended September 30, 2023 were approximately \$30,000.

### **Note 19. Subsequent Events**

In February 2024, the City issued General Obligation Refunding Bonds totaling \$7,950,000. The bonds were used to refund \$8,955,000 of General Obligation Refunding Bonds, Series 2020B and pay the costs of issuance. The bonds bear interest at 5% and have a final maturity of September 15, 2026.

In March 2024, the City issued General Obligation Refunding Bonds totaling \$11,000,000. The bonds are to be used for the purpose of payments of certain improvements and construction in Water Extension District No. 2024-1 and pay the costs of issuance. The bonds bear interest at 5% and have a final maturity of September 15, 2030. Subsequent to year-end, the City Council approved an agreement for water line extension costs of approximately \$11,065,000.

In February 2024, the City Council authorized issuance of tax supported municipal bonds up to \$60,000,000 for the purchase of land and construction of the Bellevue City Waterpark. Subsequent to year-end, the City Council approved an agreement for water park design and construction services of approximately \$5,000,000.

***Required Supplementary Information***

**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2023**

**Schedule of Changes in the City's Police Pension Plan Net Pension Liability and Related Ratios**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 21,368	\$ 20,746	\$ 20,797	\$ 20,191	\$ 20,569	\$ 19,970	\$ 51,455	\$ 49,956	\$ 21,294
Interest	56,931	66,195	71,335	73,986	77,735	75,995	75,969	100,818	95,327
Changes of benefit terms	613,567	-	63,544	-	-	-	-	-	-
Differences between expected and actual experience	2,327,776	-	82,356	-	457,186	-	57,115	-	1,316,179
Effect of assumption changes or inputs	(887,906)	-	115,382	-	276,307	-	10,597	-	575,754
Benefit payments	(894,152)	(105,811)	(105,811)	(283,712)	(86,663)	(11,658)	(266,392)	(1,378,670)	(1,029,443)
Net change in total pension liability	1,237,584	(18,870)	247,603	(189,535)	745,134	84,307	(71,256)	(1,227,896)	979,111
Total pension liability - beginning	2,942,269	2,961,139	2,713,536	2,903,071	2,157,937	2,073,630	2,144,886	3,372,782	2,393,671
Total pension liability - ending (a)	<u>\$ 4,179,853</u>	<u>\$ 2,942,269</u>	<u>\$ 2,961,139</u>	<u>\$ 2,713,536</u>	<u>\$ 2,903,071</u>	<u>\$ 2,157,937</u>	<u>\$ 2,073,630</u>	<u>\$ 2,144,886</u>	<u>\$ 3,372,782</u>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 894,152	\$ 105,811	\$ 105,811	\$ 283,712	\$ 86,663	\$ 11,658	\$ 266,392	\$ 1,378,670	\$ 1,029,443
Benefit payments	(894,152)	(105,811)	(105,811)	(283,712)	(86,663)	(11,658)	(266,392)	(1,378,670)	(1,029,443)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 4,179,853</u>	<u>\$ 2,942,269</u>	<u>\$ 2,961,139</u>	<u>\$ 2,713,536</u>	<u>\$ 2,903,071</u>	<u>\$ 2,157,937</u>	<u>\$ 2,073,630</u>	<u>\$ 2,144,886</u>	<u>\$ 3,372,782</u>
Plan fiduciary net position as a percentage of the total pension liability	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 5,420,694	\$ 5,162,685	\$ 5,012,316	\$ 6,072,528	\$ 5,895,658	\$ 6,282,727	\$ 6,099,735	\$ 6,537,271	\$ 6,858,238
City's net pension liability as a percentage of covered payroll	77.11%	56.99%	59.08%	44.69%	49.24%	34.35%	34.00%	32.81%	49.18%

Note to Schedule:

Results for the other years within the last ten years are not available and will be developed prospectively from 2015.

Changes in assumptions since the last actuarial valuation:

2023

- increase in discount rate from 2.26% to 4.09%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2021 Mortality Table to IRS 2023 Mortality Table)

2021

- decrease in discount rate from 2.66% to 2.26%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2019 Mortality Table to IRS 2021 Mortality Table)

2019

- decrease in discount rate from 3.64% to 2.66%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2017 Mortality Table to IRS 2019 Mortality Table)

2017

- decrease in discount rate from 3.68% to 3.64%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2015 Mortality Table to IRS 2017 Mortality Table)

2015

- decrease in discount rate from 5.00% to 3.68%
- expected rate of return decreased from 7.5% to 7.00%
- State Statute Actuarial Equivalence for Minimum Benefits assumes updated mortality table (from IRS 2012 Mortality Table to IRS 2015 Mortality Table)



**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2023**

**Schedule of City Contributions for the Police Pension Plan**

Actuarially determined employer contribution	\$ 894,152	\$ 105,811	\$ 105,811	\$ 283,712	\$ 86,663	\$ 11,658	\$ 266,392	\$ 1,378,670	\$ 1,029,443
Actual employer contributions	894,152	105,811	105,811	283,712	86,663	11,658	266,392	1,378,670	1,029,443
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - current	\$ 5,420,694	\$ 5,162,685	\$ 5,012,316	\$ 6,072,528	\$ 5,895,658	\$ 6,282,727	\$ 6,099,735	\$ 6,537,271	\$ 6,858,238
Actual contributions as a percentage of covered payroll	16.50%	2.05%	2.11%	4.67%	1.47%	0.19%	4.37%	21.09%	15.01%

Note to Schedule:  
 Results for the other years within the last ten years are not available and will be developed prospectively from 2015.

Valuation date: 9/30/2023, 9/30/2021, 9/30/2019, 9/30/2017

Actuarially determined contribution rates are calculated as the City's contributions paid to retirees during the fiscal year to fund the minimum pension benefits of the Plan.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Immediate

Amortization method: Level dollar, closed

Asset valuation method: Market Value

Salary increases: 3%

Investment rate of return: Actual annuity purchase rates and 7%

Mortality table:  
 9/30/2023 Actual annuity purchase rates and the IRC Section 417(e)(3) tables  
 9/20/2021, 9/30/2019, 9/30/2017 Actual annuity purchase rates and the 1994 GAM table

**City of Bellevue, Nebraska**  
**Required Supplementary Information**  
**September 30, 2023**

**Schedule of Changes in the City's Other Postemployment Benefits**  
**Plan Liability and Related Ratios**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability</b>								
Service cost	\$ 713,144	\$ 295,031	\$ 286,438	\$ 229,023	\$ 222,352	\$ 260,498	\$ 252,911	\$ 158,600
Interest	150,642	79,856	76,576	137,754	130,633	118,853	116,828	122,218
Differences between expected and actual experience	-	824	-	(466,661)	-	(609,224)	-	663,793
Effect of assumption changes or inputs	-	(444,227)	-	417,115	-	(254,111)	-	658,007
Benefit payments	<u>(209,157)</u>	<u>(222,193)</u>	<u>(224,232)</u>	<u>(186,187)</u>	<u>(192,410)</u>	<u>(281,144)</u>	<u>(338,527)</u>	<u>(307,096)</u>
Net change in total other postemployment benefits liability	654,629	(290,709)	138,782	131,044	160,575	(765,128)	31,212	1,295,522
Total other postemployment benefits liability - beginning	<u>3,138,741</u>	<u>3,429,450</u>	<u>3,290,668</u>	<u>3,159,624</u>	<u>2,999,049</u>	<u>3,764,177</u>	<u>3,732,965</u>	<u>2,437,443</u>
Total other postemployment benefits liability - ending	<u>\$ 3,793,370</u>	<u>\$ 3,138,741</u>	<u>\$ 3,429,450</u>	<u>\$ 3,290,668</u>	<u>\$ 3,159,624</u>	<u>\$ 2,999,049</u>	<u>\$ 3,764,177</u>	<u>\$ 3,732,965</u>

Notes to Schedule:

No assets are accumulated to pay the above benefits.

Results for the other years within the last 10 years are not available and will be developed prospectively from 2016.

Changes in assumptions since last actuarial valuation:

2022

- increase in discount rate from 2.21% to 4.02%
- medical trend rate changed to 5.25% grading to 5.0% over three years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement

2020

- decrease in discount rate from 4.18% to 2.21%
- medical trend rate changed to 6.0% grading to 5.0% over five years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement

2018

- increase in discount rate from 3.06% to 4.18%
- medical trend rate changed to 6.5% grading to 5.0% over seven years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2017 generational projection of future mortality improvement

2016

- decrease in discount rate from 5.00% to 3.06%
- medical trend rate changed to 7.0% grading to 5.0% over eight years
- mortality table changed to RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2015 generational projection of future mortality improvement