HASTINGS UTILITY BOARD
AGENDA

Council Chambers – City Hall
220 North Hastings Avenue
March 12, 2020
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR March 12, 2020 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, March 10, 2020. Pursuant to Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

MANAGER'S COMMUNICATIONS:

BOARD CHAIRMAN'S COMMUNICATIONS:

BOARD MEMBERS' COMMUNICATIONS:

CITIZEN COMMUNICATIONS:

APPROVAL OF MINUTES:

1. Approval of the minutes from the February 13, 2020 Meeting.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

    (a) Finance

        i. Financial Audit Review

        ii. 1st Qtr. Financial Review

(b) Production

(c) Operations

(d) Administration

i. Recommendation and Work Order for Award of Contract for Renovation of the NDS Administrative Building to Farris Construction, Hastings, Nebraska, in the amount of $480,563.00.

ii. Cost of Service Study Workshop Planning

(e) Other

i. Personnel Openings/Status

4. Possible Closed Session (if necessary or requested).

ADJOURN:

The Hastings Utility Board reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda. It is the intention of the Hastings Utility Board to take up the items on the agenda in sequential order. However, the Hastings Utilities Board reserves the right to take up matters in a different order to accommodate the schedule of the Utility Board Members, persons having items on the agenda, and the public.

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, February 13, 2020

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on February 13, 2020.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Chairman Bill Hitesman with the following members present: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt.

PLEDGE OF ALLEGIANCE:

The Chairman led the group in recital of the Pledge of Allegiance to the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR FEBRUARY 13, 2020 REGULAR MEETING.

Moved by Shayne Raitt seconded by Shawn Hartmann to adopt the current agenda for February 13, 2020 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, February 11, 2020.

Chairman Bill HItesman read the Public Notice - Pursuant to the Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

MANAGER'S COMMUNICATIONS:

Kevin Johnson stated that this is Mike Hernandez' last meeting and his last day is March 3, 2020. Mike will be finishing his career closer to home in Minnesota. Kevin said that he wanted to acknowledge Mike for the time he's been here and thank him publicly. Board Members and the Mayor also thanked him and recognized his good work for Hastings Utilities.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

APPROVAL OF MINUTES:

1. Approval of Minutes of the Hastings Utility Board Meeting on January 9, 2020

Moved by Jeanette Dewalt seconded by Joanne Seberg to approve the minutes of the January 9, 2020 meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Finance

i. Year-End Financial Review

Kevin Johnson stated that although the 4th Quarter financials are four months behind, he is prepared to give a presentation on the Year-End Financials. He said that there is alot going on in the Finance Department; the ERP has picked back up, the audit that they were involved with since December, and pressure to get caught up; along with pressure to make process changes. He stated that it may not be a good time for process changes and that those changes will come about with the implementation of the ERP.

Dave Ptak stated that the Mayor and Council are committed to the success of the ERP system and said that we may need to hire some temporary help to do the daily work in Finance so they don't get any further behind.

Roger Nash said that as staff worked through the audit, he asked for the 1st Quarter Financials to be completed for the March meeting and have January and February financials for the April meeting. He said that would put us back on track. He has mandated these deadlines so that current information is available to put the next budget together. Roger informed the Board that Kevin Schawang has hired a staff person in IT to help with ERP Implementation and Roger said that he is interviewing on Monday for a position in accounting to help with ERP Implementation.

Kevin Johnson gave a presentation on the Year-End Financials for September 30, 2019.

(b) Production

None.

(c) Operations

i. Approval of Recommendation for Award of Contract No. HU 2020-01, IC-1 for Construction of Four Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00)

Moved by Joanne Seberg seconded by Shayne Raitt to recommend the City Council award a Contract (No. HU 2020-01, IC-1) for Construction of Four Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00) to Downey Drilling, Lexington, Nebraska, in the amount of $434,966.00. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

ii. Approval of Recommendation for Award of Contract No. HU 2020-01, IC-2 for Construction of Water Mains to Serve Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00)

Moved by Jeanette Dewalt seconded by Shawn Hartmann to recommend the City Council award a Contract (No. HU 2020-01, IC-2) for Construction of Water Mains to Serve Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00) to Van Kirk Brothers, Sutton, Nebraska, in the amount of $1,091,285.34. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

iii. Tree Trimming Bids and Strategy

A discussion took place on tree trimming bids for utility and street work. Lee Vrooman stated that we have problem trees we haven't had the option of doing a five year cycle that needs to be done. The Utilities and Parks Department have decided to prepare a combined bid on tree trimming. At the January 23, 2020 bid opening, Vrooman said that The Green Tree Company of Red Oak, Iowa bid $1,079,000 for utility work and $543,820 for street work and that staff has decided to split the work and costs into two years. Then a five year tree trimming rotation will be used.

Vrooman stated that staff prepared a high level analysis of a city-wide four man tree trimming crew and he reviewed those numbers with the Board. Dave Ptak said that those numbers reflect only maintenance of trees that were first trimmed by the 20-crew Green Tree Company in a two-year surge. Therefore, you cannot compare those costs of the surge -vs- maintenance. Vrooman stated that at a City Council Worksession, the Council said they would like staff to review the four-man tree trimming crew in more detail at budget sessions. Vrooman reported that alot of public education will take place to get the word out that people will be coming around to trim trees. Mayor Stutte remarked that tree damage from storms is what he gets the most calls on. He said it is a big piece in protecting our system as well as maintaining the trees.

Chairman Hitesman asked if staff knew why local tree trimming outfits did not bid. Lee said that local contractors may not have bid on this project because of the large scope of the project, a bid bond is required, the contractor must be certified arborists, and must be certified for working around power lines.

(d) Administration

i. Organizational Reviews Update

Kevin Johnson stated that Mike Hernandez' departure is requiring staff to reevaluate and determine the best replacement. He would like to discuss those details in Executive Session.

ii. Integrated Resource Plan (IRP) Update

Keith Leonhardt gave an update on the Integrated Resources Plan Study. He said that a phone conference is set up in 10 days. Leonhardt stated that there are three major items we are looking at; 1) existing generation resources power costs, 2) generation resource portfolios, new generation - what are our options? 3) Sensitivity analysis with alternatives. What would new regulations impact on our study results? And what impact would new and improved technology have on power supply options?

iii. Cost of Service Study Status

Kevin Johnson informed the Board that the Cost of Service Study results should be ready in March. He stated that the Consultant will present the results at the Utility Board Meeting.

iv. NDS Office Remodel Status

Brian Strom updated the Board on the North Denver Station Office Removal Project. He said that the revised blueprints and specifications were finished last week. They include a new drive-up window, public restrooms in the lobby, privacy area for customers, customer payment counter will be moved to add additional area in the lobby, and to secure the building, the stairway and elevator access will be enclosed and only accessible with a badge. Strom stated that bid proposals went out on February 7, 2020 and bids will be opened up on March 2, 2020.

(e) Other

None.

4. <u>Possible Closed Session (if necessary or requested).</u>

Moved by Jeanette Dewalt seconded by Joanne Seberg, that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest and for the prevention of needless injury to the reputation of an individual, which individual has not requested a public meeting, in order to discuss certain matters relating to personnel. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

The meeting closed to the public at 10:00 a.m.

Moved by Joanne Seberg seconded by Jeanette Dewalt, that the meeting be reopened to the public at 10:40 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes; Joanne Seberg, Jeanette Dewalt, Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: None. The motion carried.

ADJOURN:

By unanimous vote, that there being no further business, the meeting adjourn at 10:41 a.m.

APPROVED:

____
Board Secretary

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

FINANCIAL STATEMENTS

September 30, 2019 and 2018

TABLE OF CONTENTS

AMGL
CPAs & Advisors

SHAREHOLDERS:

Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon

INDEPENDENT AUDITOR'S REPORT

To the Utility Advisory Board
Hastings Utilities
City of Hastings, Nebraska

We have audited the accompanying financial statements of the business-type activities and each major fund of Hastings Utilities, Hastings, Nebraska, as of and for the years ended September 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Hastings Utilities' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

A PROFESSIONAL CORPORATION

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of Hastings Utilities, as of September 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Hastings Utilities (Electric System and Combined System) of the City of Hastings, Nebraska, and do not purport to, and do not present fairly the financial position of the City of Hastings, Nebraska, as of September 30, 2019 and 2018, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hastings Utilities' basic financial statements. The accompanying supplementary information as described in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information as described in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as described in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2020, on our consideration of the Hastings Utilities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hastings Utilities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hastings Utilities' internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
February 7, 2020

CITY OF HASTINGS, NEBRASKA
UTILITIES DEPARTMENT

MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended September 30, 2019

This Management's Discussion and Analysis ("MD&A") is part of the annual financial report for the City of Hastings Utility Department (HU). The purpose of the MD&A is to present an overview and analysis of the financial activities of HU during the fiscal years ending September 30, 2019, September 30, 2018, and September 30, 2017. The MD&A should be read in conjunction with HU's financial statements, which immediately follow this section of the report.

USING THIS REPORT

The Statement of Net Position includes information on HU's assets and liabilities at September 30, 2019 and September 30, 2018. It includes all investments in resources (assets), deferred outflows of resources (deferred outflows), obligations to creditors (liabilities), deferred inflows of resources (deferred inflows), and net position (equity).

The Statements of Revenue and Expenses and Changes in Net Position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year.

The Statement of Cash Flows presents changes in cash and cash equivalents, separated by operating activities, capital and non-capital financing activities, and investing activities.

These statements help to answer the question "Is HU as a whole better off or worse off financially as a result of the period's activities?" Change in net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows, and is one way to measure HU's financial health. Increases or decreases in net position can indicate improving or deteriorating financial health. This information, used along with the rest of this report, should be considered as a whole, along with any notable non-financial factors.

OVERVIEW OF HASTINGS UTILITIES

Hastings Utility Department (HU) is a municipally-owned, not-for-profit utility system that provides its customers a number of essential services. Each service operates as its own company, with separate revenue, expense and budgeting functions. These utility operations were brought within the governance of the Mayor and City Council in May 2017. A 5-member Utility Advisory Board appointed by the Mayor reviews the utility operations' and budget and makes recommendations on both to the Mayor and City Council for their approval. These recommendations assist the Mayor and City Council in making sound, well-informed decisions which will provide utility customers with reliable, dependable service at very competitive rates well into the future.

The Utility Advisory Board members are local citizens and also customers of the services provided by HU. Each of the five board members is appointed for a five-year term with one appointment or reappointment made each year.

MANAGEMENT'S DISCUSSION & ANALYSIS, Continued
For the year ended September 30, 2019

The Electric system consists of generation at the Whelan Energy Center 1 (WEC 1), a coal fired power plant; the North Denver Station (NDS) and the Don Henry Power Center (DHPC). Maintenance and construction of transmission and distribution systems is provided by the Line and Substation/Metering departments.

Unit	Rating	Commercial Operation Date
Whelan Energy Center Unit 1	77 MW	1981
North Denver Station Unit 4	15 MW	1957
North Denver Station Unit 5	25 MW	1967
Don Henry Power Center Unit 1	18 MW	1972

The Combined system includes gas, water, pollution control, and street lighting utilities.

HU also purchases power from Whelan Energy Center 2 (WEC 2), a coal fired power plant rated at 220MW, which is owned by the Public Power Generation Agency (PPGA). In addition to HU, participants in PPGA include Municipal Energy Agency of Nebraska, Heartland Consumers Power District, Grand Island Utilities, and Nebraska City Utilities.

HU is the Operating Agent for WEC 2, which adjoins WEC 1. The 81 employees of WEC 1 also staff WEC 2, which has no actual employees. Each participant shares in the cost of operation and receives a share of the MW output of the facility.

REVENUES AND EXPENSES

Summary Results of Operations (dollars in millions)
For the years ended:

	2019	2018	2017
Revenues:			
Operating Revenues	$ 64.42	$ 59.72	$ 58.09
Non-Operating Revenues	13.30	13.70	12.81
Total Revenues	77.72	73.42	70.90
Expenses:			
Operating Expenses	58.79	55.12	52.37
Transfers to City	3.69	3.44	3.33
Non-Operating Expenses	13.02	12.05	11.31
Total Expenses	75.50	70.61	67.01
Net Income (loss) before contributions	2.22	2.81	3.89
Capital Contributions	(0.19)	1.70	4.47
Change in Net Position	2.03	4.51	8.36
Net position - beginning	216.14	211.63	203.27
Net position - ending	$ 218.17	$ 216.14	$ 211.63

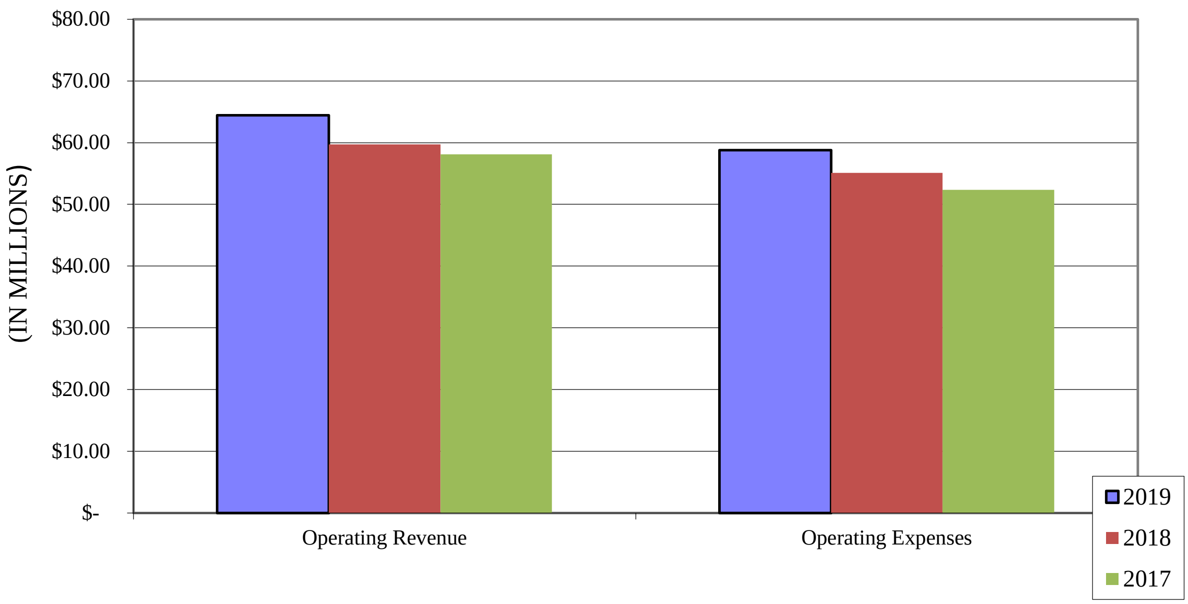
CITY OF HASTINGS, NEBRASKA
UTILITIES DEPARTMENT

MANAGEMENT'S DISCUSSION & ANALYSIS, Continued
For the year ended September 30, 2019

The WEC1 spring outage March 28 to June 11, 2019 involved a major turbine overhaul as well as the switchgear replacement. This increased purchase power and plant outage cost, impacting revenues and expenses for the year ended September 30, 2019.

Comparison of Revenues and Expenses

Hastings Utility Department
2019 - 2018 - 2017

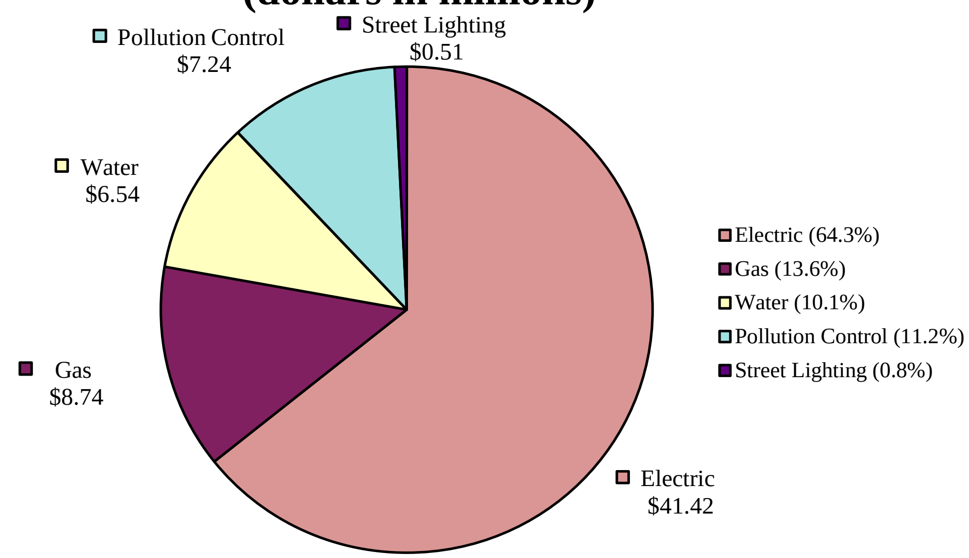


Revenue & Expenses

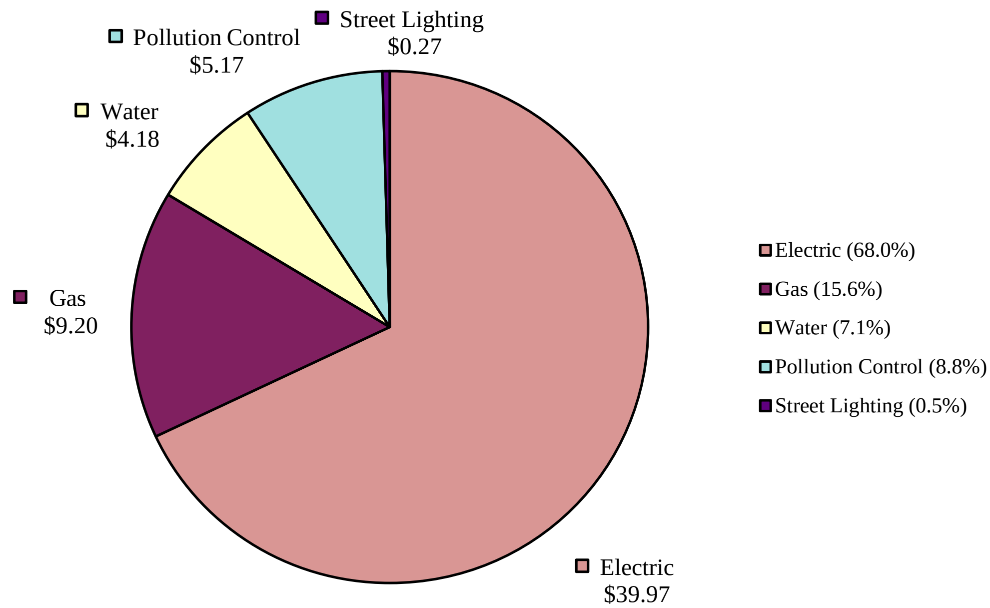
CITY OF HASTINGS, NEBRASKA
UTILITIES DEPARTMENT

MANAGEMENT'S DISCUSSION & ANALYSIS, Continued
For the year ended September 30, 2019

2019 OPERATING REVENUE BY DEPARTMENT (dollars in millions)



2019 OPERATING EXPENSES BY DEPARTMENT (dollars in millions)



TRANSFERS TO THE CITY

Transfers to the City of Hastings are a huge benefit of local ownership of the utility system. Since HU is a part of the City of Hastings, it does not pay any property taxes, as would be the case if the system were privately owned. Therefore, it has been a longstanding practice of HU to transfer revenues to the City's general fund. The transfers ensure that the other essential service areas provided by the City do not suffer as a result of public ownership of HU. Factors that drive an increase or decrease in transfer payments include the levels of utility service used by HU's customer base (see Note C6).

MISC. REVENUES AND EXPENSES

As a whole, non-operating income decreased \$0.40M, while non-operating expenses increased \$0.97M. Non-operating revenues include interest income, agreement income, coal sales, jobbing reimbursements, reimbursement for services provided to PPGA, and miscellaneous income. Non-operating expenses include interest expense, self-insurance funding transfer, economic development expenses, cost of coal, jobbing and services to PPGA (see Note D3).

CAPITAL ASSETS

A major philosophy of HU's approach to delivering its services is staying ahead of the "reliability curve". Delivery networks and facilities are constantly evaluated to determine if they are capable of supplying needed services now and into the future, resulting in extensive capital additions in the past years. Total utility plant in service increased from \$332.10M in 2018 to \$345.32M in 2019, an increase of \$13.22M. After depreciation and including construction in progress, net utility plant increased from \$159.92M in 2018 to \$161.07M in 2019, an increase of \$1.15M.

Significant capital expenditures during the year ended September 30, 2019 included:

- Solar farm - \$2,000,302
- WEC1 switchgear replacement - \$4,430,770
- Conversion of street lights to LED - \$1,305,796

LONG-TERM DEBT

Total long-term debt decreased from \$22.9M to \$17.6M; as scheduled principal payments, including the final payment on the Series 2011 Electric bonds, were made.

FACTORS BEARING ON THE NEXT FISCAL YEAR

- Infrastructure replacement planning has begun to address aging water and sewer systems.
- Rising costs of healthcare continue to be a challenge.
- The Electric Department has a remaining contractual commitment of $242,704 on the Solar farm project, expected to be completed in November 2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of HU's primary government 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 City of Hastings, Manager, Utilities, 1228 North Denver Avenue, Hastings, NE 68901.

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

STATEMENTS OF NET POSITION

September 30,

	Electric Fund 2019	Electric Fund 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,108,723	$ 20,253,133
Investments	5,784,085	5,773,027
Accounts receivable	6,690,885	6,662,505
Interest receivable	11,342	25,222
Interfund receivable (payable)	(2,859,659)	(2,195,413)
Due from City of Hastings	-	-
Inventory	3,292,147	4,043,142
Prepaid expenses	15,054	-
Total current assets	36,042,577	34,561,616
Noncurrent assets:		
Restricted cash and cash equivalents	1,082,465	1,038,349
Restricted investments	-	4,572,272
Capital assets:		
Construction in progress	8,643,236	5,100,744
Electric	189,685,677	186,439,808
Gas	-	-
Water	-	-
Pollution control	-	-
Street lighting	-	-
Administrative	-	-
Less accumulated depreciation	(124,850,974)	(119,823,008)
Subtotal	73,477,939	71,717,544
Non-utility plant	15,866,333	15,866,333
Less accumulated depreciation	(6,165,207)	(5,472,435)
Net capital assets	83,179,065	82,111,442
Total noncurrent assets	84,261,530	87,722,063
Total assets	120,304,107	122,283,679
LIABILITIES		
Current liabilities:		
Accounts payable	6,596,097	6,138,373
Accrued payroll expenses	104,044	61,186
Accrued interest payable	-	38,145
Sales tax payable	12,114	5,140
Customer deposits	-	-
Health insurance claims	-	-
Current portion of long-term debt	-	4,020,000
Total current liabilities	6,712,255	10,262,844
Noncurrent liabilities:		
Compensated absences	1,685,974	1,636,909
Accrued emissions fees	44,818	42,882
Accrued ash disposal fees	1,225,043	1,180,926
Other liabilities	-	-
Noncurrent portion of long-term debt	-	-
Total noncurrent liabilities	2,955,835	2,860,717
Total liabilities	9,668,090	13,123,561
DEFERRED INFLOWS OF RESOURCES		
Unamortized bond discount	-	2,301
Deferral from advanced refunding	-	(7,080)
Total deferred inflows of resources	-	(4,779)
NET POSITION		
Net investment in capital assets	83,179,065	67,702,323
Restricted for debt service	-	4,572,272
Unrestricted	27,456,952	36,890,302
Total net position	$ 110,636,017	$ 109,164,897

See notes to financial statements.

Combined System		Total	
2019	2018	2019	2018
$ 31,327,267	$ 30,421,660	$ 54,435,990	$ 50,674,793
2,336,604	2,323,384	8,120,689	8,096,411
1,975,184	2,626,408	8,666,069	9,288,913
24,039	9,549	35,381	34,771
2,859,659	2,195,413	-	-
-	900,852	-	900,852
1,871,110	1,927,687	5,163,257	5,970,829
-	-	15,054	-
40,393,863	40,404,953	76,436,440	74,966,569
1,379,193	1,358,869	2,461,658	2,397,218
1,804,000	1,804,000	1,804,000	6,376,272
3,295,954	9,961,597	11,939,190	15,062,341
-	-	189,685,677	186,439,808
34,565,484	34,062,039	34,565,484	34,062,039
49,970,112	43,449,598	49,970,112	43,449,598
66,367,190	65,755,798	66,367,190	65,755,798
3,924,082	1,633,631	3,924,082	1,633,631
809,129	755,257	809,129	755,257
(71,336,847)	(67,414,003)	(196,187,821)	(187,237,011)
87,595,104	88,203,917	161,073,043	159,921,461
-	-	15,866,333	15,866,333
-	-	(6,165,207)	(5,472,435)
87,595,104	88,203,917	170,774,169	170,315,359
90,778,297	91,366,786	175,039,827	179,088,849
131,172,160	131,771,739	251,476,267	254,055,418
2,509,133	1,533,755	9,105,230	7,672,128
756,172	689,252	860,216	750,438
265,111	279,923	265,111	318,068
229,542	210,958	241,656	216,098
445,720	399,810	445,720	399,810
-	369,475	-	369,475
1,374,749	1,337,436	1,374,749	5,357,436
5,580,427	4,820,609	12,292,682	15,083,453
1,558,726	1,779,207	3,244,700	3,416,116
-	-	44,818	42,882
-	-	1,225,043	1,180,926
43,681	301,601	43,681	301,601
16,208,945	17,583,694	16,208,945	17,583,694
17,811,352	19,664,502	20,767,187	22,525,219
23,391,779	24,485,111	33,059,869	37,608,672
247,077	318,000	247,077	320,301
(3,667)	(6,646)	(3,667)	(13,726)
243,410	311,354	243,410	306,575
69,768,000	68,971,433	152,947,065	136,673,756
3,183,193	3,162,869	3,183,193	7,735,141
34,585,778	34,840,972	62,042,730	71,731,274
$ 107,536,971	$ 106,975,274	$ 218,172,988	$ 216,140,171

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	Electric Fund 2019	Electric Fund 2018
Operating revenues:	$ 41,420,634	$ 38,105,120
Operating expenses (non-depreciation)	(34,989,527)	(32,878,473)
Operating income before depreciation	6,431,107	5,226,647
Less depreciation	(4,987,218)	(4,932,078)
Operating income	1,443,889	294,569
Nonoperating revenues (expenses):		
Interest income	400,367	305,572
Participation and capacity agreement	697,046	868,709
Allocated administration interest and other revenue	-	-
Miscellaneous income	439,301	438,508
Net coal sales	1,765,959	1,593,296
Interest and amortization expense	(42,923)	(215,144)
Loan fees	-	-
Non-utility plant depreciation expense	(692,772)	(692,772)
Economic development	-	-
Self insurance funding	-	-
Miscellaneous expenses	(227,761)	(124,994)
Contributions in aid of construction	7,570	28,988
Total other income (expenses)	2,346,787	2,202,163
Excess of revenues over expenses	3,790,676	2,496,732
Other financing uses:		
Transfers to City	(2,319,556)	(2,133,887)
Change in net position	1,471,120	362,845
Net position - September 30, 2018	109,164,897	108,802,052
Net position - September 30, 2019	$ 110,636,017	$ 109,164,897

See notes to financial statements.

Combined System		Total	
2019	2018	2019	2018
$ 23,002,466	$ 21,613,035	$ 64,423,100	$ 59,718,155
(14,787,967)	(13,321,019)	(49,777,494)	(46,199,492)
8,214,499	8,292,016	14,645,606	13,518,663
(4,030,098)	(3,989,922)	(9,017,316)	(8,922,000)
4,184,401	4,302,094	5,628,290	4,596,663
38,801	33,294	439,168	338,866
- .	-	697,046	868,709
605,473	405,258	605,473	405,258
245,587	629,999	684,888	1,068,507
-	-	1,765,959	1,593,296
(525,182)	(528,596)	(568,105)	(743,740)
(20,942)	-	(20,942)	-
-	-	(692,772)	(692,772)
-	(975,000)	-	(975,000)
(2,271,266)	-	(2,271,266)	-
(125,445)	(83,898)	(353,206)	(208,892)
(197,195)	1,672,236	(189,625)	1,701,224
(2,250,169)	1,153,293	96,618	3,355,456
1,934,232	5,455,387	5,724,908	7,952,119
(1,372,535)	(1,308,138)	(3,692,091)	(3,442,025)
561,697	4,147,249	2,032,817	4,510,094
106,975,274	102,828,025	216,140,171	211,630,077
$ 107,536,971	$ 106,975,274	$ 218,172,988	$ 216,140,171

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

STATEMENTS OF CASH FLOWS

For the years ended September 30,

	2019		
	Electric Fund	Combined System	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 51,792,123	$ 24,379,305	$ 76,171,428
Payments to suppliers	(32,357,415)	(7,722,321)	(40,079,736)
Payments to employees	(8,978,073)	(6,675,398)	(15,653,471)
Net cash provided by operating activities	10,456,635	9,981,586	20,438,221
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Decrease in due from other funds	664,246	236,606	900,852
Transfer to City of Hastings	(2,319,556)	(1,372,535)	(3,692,091)
Transfer to City for self insurance funding	-	(2,271,266)	(2,271,266)
Net cash used by noncapital financing activities	(1,655,310)	(3,407,195)	(5,062,505)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(6,788,362)	(3,496,039)	(10,284,401)
Contributions in aid of construction	7,570	(197,195)	(189,625)
Sale of capital assets	-	-	-
Grant proceeds	-	-	-
Loan proceeds	-	-	-
Principal payments on capital debt	(4,020,000)	(1,337,436)	(5,357,436)
Interest paid on capital debt	(76,288)	(607,939)	(684,227)
Loan fees paid	-	(20,942)	(20,942)
Net cash used by capital and related financing activities	(10,877,080)	(5,659,551)	(16,536,631)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in investments	4,561,214	(13,220)	4,547,994
Interest income received	414,247	24,311	438,558
Net cash provided by investing activities	4,975,461	11,091	4,986,552
Increase in cash and cash equivalents	2,899,706	925,931	3,825,637
Cash and cash equivalents - beginning of the year	21,291,482	31,780,529	53,072,011
Cash and cash equivalents - end of the year	$ 24,191,188	$ 32,706,460	$ 56,897,648
Cash and cash equivalents consists of:			
Cash and cash equivalents	$ 23,108,723	$ 31,327,267	$ 54,435,990
Restricted cash and cash equivalents	1,082,465	1,379,193	2,461,658
Total cash and cash equivalents	$ 24,191,188	$ 32,706,460	$ 56,897,648

See notes to financial statements.

	2018		
	Electric Fund	Combined System	Total
	$ 50,404,044	$ 22,472,038	$ 72,876,082
	(28,630,754)	(12,084,537)	(40,715,291)
	(11,090,385)	(4,431,743)	(15,522,128)
	10,682,905	5,955,758	16,638,663
	-	-	-
	(2,133,887)	(1,308,138)	(3,442,025)
	-	-	-
	(2,133,887)	(1,308,138)	(3,442,025)
	(4,820,713)	(6,994,509)	(11,815,222)
	28,988	1,672,236	1,701,224
	-	11,323	11,323
	-	(123,305)	(123,305)
	-	2,781,130	2,781,130
	(4,120,000)	(1,190,000)	(5,310,000)
	(255,580)	(603,486)	(859,066)
	-	-	-
	(9,167,305)	(4,446,611)	(13,613,916)
	3,164,256	(20,062)	3,144,194
	307,970	30,045	338,015
	3,472,226	9,983	3,482,209
	2,853,939	210,992	3,064,931
	18,437,543	31,569,537	50,007,080
	$ 21,291,482	$ 31,780,529	$ 53,072,011
	$ 20,253,133	$ 30,421,660	$ 50,674,793
	1,038,349	1,358,869	2,397,218
	$ 21,291,482	$ 31,780,529	$ 53,072,011

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

STATEMENTS OF CASH FLOWS, Continued

For the years ended September 30,

	2019		
	Electric Fund	Combined System	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 1,443,889	$ 4,184,401	$ 5,628,290
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,720,738	4,104,853	9,825,591
Participation and capacity agreements	697,046	-	697,046
Miscellaneous income, net of expenses	1,284,727	725,615	2,010,342
(Increase) decrease in assets:			
Accounts receivable	(28,380)	651,224	622,844
Inventory	750,995	56,577	807,572
Prepaid expenses	(15,054)	-	(15,054)
Increase (decrease) in liabilities:			
Accounts payable	457,724	975,378	1,433,102
Accrued expenses	144,950	(762,372)	(617,422)
Customer deposits	-	45,910	45,910
Net cash provided by operating activities	$ 10,456,635	$ 9,981,586	$ 20,438,221

See notes to financial statements.

2018		
Electric Fund	Combined System	Total
$ 294,569	$ 4,302,094	$ 4,596,663
5,814,029	4,184,249	9,998,278
868,709	-	868,709
1,214,089	(34,964)	1,179,125
(29,570)	(1,409,119)	(1,438,689)
791,926	134,715	926,641
-	-	-
1,587,459	(898,750)	688,709
141,694	(322,467)	(180,773)
-	-	-
$ 10,682,905	$ 5,955,758	$ 16,638,663

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

NOTES TO FINANCIAL STATEMENTS

INDEX

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Hastings, Nebraska, Utility Departments (Departments), are prepared in accordance with generally accepted accounting principles (GAAP). The Departments' reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The financial statements referred to above present only the Departments and do not purport to, and do not, present fairly the financial position of the City of Hastings, Nebraska, as of September 30, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements do not include the Landfill Fund, which is also an enterprise fund of the City.

1. Financial Reporting Entity

The City of Hastings, Nebraska (the "City") under the direction of the City Council, owns and operates electric, gas, water, pollution control/waste water treatment and street lighting utilities ("Utilities"). In accordance with the provisions of Ordinance Number 2622 of the City of Hastings, the Electric System is to be accounted for separately from other utility operations. Therefore, the accompanying financial statements have been prepared to reflect the financial position and results of operations and cash flows of the Electric System and Combined System (gas, water, pollution control/waste water treatment, and street lighting utilities) on a segregated as well as a combined basis. The Electric System follows the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission (FERC). Certain costs are shared by the Electric System and the Combined System. Joint administrative and general expenses are paid by the Combined System and the Electric System is billed for its portion on the basis of overhead studies. Total billings for these inter-system charges totaled $3,532,431 for the year ended September 30, 2019 and $2,960,638 for the year ended September 30, 2018.

In determining the financial reporting entity, the Department complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Department may be financially accountable, and, as such, should be included within the Department's financial statements. The Department (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Department. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

The Departments are enterprise funds of the City of Hastings, Nebraska, and have determined that they have no component units for reporting purposes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The Departments utilizes the “flow of economic resources” measurement focus and uses the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Departments’ accounting records are maintained in accordance with accounting principles generally accepted in the United States of America for regulated utilities and generally follow the Uniform System of Accounts for Public Utilities and License prescribed by the Federal Energy Regulatory Commission (FERC). The Departments prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The Departments first applies unrestricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Assets, Liabilities, and Equity

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Department considers cash on hand and in the bank, as well as cash and equity in pooled cash held by the City, which are readily convertible to known amounts of cash and have original maturities of three months or less, to be cash and cash equivalents.

Investments

Investments are reported at market value based on Level I evidence (investment trading prices on the open market). Certificate of deposit investments are carried at cost, which approximates fair market value. Interest income consists of interest income from investments, certificates of deposit, and cash and cash equivalents.

Receivables

Billings for the sale of electric, water and sewer are generally rendered on a monthly basis. Accounts receivable are stated at the amount billed to customers, with credit extended on an unsecured basis. Receivable balances are carried at the amount that is deemed collectible and is reviewed by management on a regular basis. An allowance for doubtful accounts of $83,000 was recorded on the Electric Fund as of both September 30, 2019 and 2018. Estimated sales which have not been billed are accrued and recorded in the period to which they relate as unbilled revenues.

Inventories

Materials and supplies inventories are recorded at the lower of cost (average cost) or market, using the first in first out method.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Assets, Liabilities, and Equity, continued

Restricted Assets

Restricted assets include cash and certificates of deposit that are legally restricted as to their use. The restricted assets are related to debt service reserve accounts and fly ash disposal costs.

Capital Assets

The basis of the utility plant in service consists of a 1944 appraisal made by Black and Veatch, consulting engineers, for the electric and water systems, a 1954 appraisal made by Henningson, Durham and Richardson, Inc. for the pollution control/waste water treatment system and the book value of assets received in 1954, the time of consolidation for the gas system. Additions since these dates are at cost. In accordance with FERC requirements, contributions in aid of construction had been used to reduce the cost basis of fixed assets of the electric and gas systems through December 31, 2000. After January 1, 2001, the contributions in aid of construction are included in the statements of revenue and expenses, as directed by Governmental Accounting Standards Statement #33.

The Utilities uses a work order system of accounting for new construction. Under this system, the cost of a project is accumulated in a Construction Work in Progress Account. Upon completion of the project, the total cost is transferred to the appropriate Utility Plant in Service Account.

Depreciation, amortization, and maintenance:

The provision for depreciation is computed at an overall straight-line composite rate of approximately 3.0% for the years ended September 30, 2019 and September 30, 2018. Depreciation expense taken during the year ended September 30, 2019 was $9,825,591 and for the year ended September 30, 2018 was $9,998,280.

The Utilities charges maintenance and repairs, including the cost of minor renewals of property, to maintenance expenses. Replacements of property (except minor replacements) are charged to Utilities plant accounts. The Department has a $5,000 capitalization threshold. Upon retirement of property, the cost of property is removed from the plant accounts and charged to a reserve for depreciation, and the related salvage, net of removal costs, is credited thereto.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Assets, Liabilities, and Equity, continued

Compensated Absences

All regular full-time employees earn sick leave and vacation leave. Employees accrue vacation leave at variable rates based on years of service. The Utilities adopted a resolution on November 2, 1990, effective January 1, 1991, allowing utility employees who have been employed for a period of not less than ten continuous years by the Utilities to receive accumulated medical leave upon termination. The amount of compensation is to be 25 percent of accumulated medical leave. This rate remains in effect for those employees with less than 20 years of service. As of December 28, 2014, this rate was changed to 50 percent of unused medical leave for employees with 20 continuous years of service or more. Accrued sick leave for the year ended September 30, 2019 decreased by $171,416 and for the year ended September 30, 2018 decreased by $129,436.

The Utilities also adopted a policy to pay 25 percent of unused sick pay in excess of 120 days on an annual basis. This policy became effective January 1, 1991. Effective January 1, 2009, the policy was changed to pay 25 percent of unused sick leave in excess of 132.5 days.

Long-term Debt

The long-term debt consists of notes and bonds payable.

Net Position Classifications

Net Position is classified into three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Revenues, Expenditures, and Expenses

Revenues and Expenses

As enterprise funds, the Departments distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Departments' principal ongoing operations. The principal operating revenues of the Departments are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Allocation of Combined System Administration Other Income

The Utilities has allocated the combined system's administration's other income to the operating departments of the combined system.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Deposit Laws and Regulations

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

1. Deposit Laws and Regulations, continued

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Department's demand deposits are insured up to $250,000 and certificates of deposit/savings accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the Utility Departments' name.

2. Debt Restrictions and Covenants

Bonds Payable

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

3. Budgetary Data

An appropriated budget is adopted each fiscal period for the Department on the cash basis, which is consistent with State of Nebraska budget guidelines. Budgets are approved by the Mayor and City Council.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for the Department's various assets, liabilities, equity, revenues, and expenditures/expenses.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Investments

Deposits

The Department's policies regarding deposits of cash are discussed in Note A3. The table presented below is designed to disclose how the Department's deposits were insured or secured with collateral at September 30, 2019. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Department (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Department's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Department's name; or collateralized with no written or approved collateral agreement.

Types of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Demand deposits and certificates of deposit	$ 67,540,416	$ 2,015,000	$ 65,488,467	$ 36,949	$ 66,822,337

Reconciliation to Government-wide Statement of Net Position:	
Primary Government -	
Unrestricted cash and cash equivalents	$ 54,435,990
Unrestricted investments	8,120,689
Restricted cash and cash equivalents	2,461,658
Restricted investments	1,804,000
Total	$ 66,822,337

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Investments, continued

	Investment Maturities (in Years)				
	< 1	1 - 5	5 - 10	> 10	Total
CD's	$ 8,779,000	$ -	$ -	$ -	$ 8,779,000
GNMA	-	-	-	124,914	124,914
Money market	1,020,775	-	-	-	1,020,775
	$ 9,799,775	$ -	$ -	$ 124,914	$ 9,924,689

Unrestricted cash and investments at September 30, 2019 and 2018, consisted of:

	September 30, 2019		September 30, 2018	
	Cash & Cash Equivalents	Investments	Cash & Cash Equivalents	Investments
Electric Fund:				
Rate stabilization	$ 1,249,502	$ 1,274,085	$ 1,262,504	$ 1,263,027
Revenue fund	19,428,462	2,500,000	18,862,702	2,500,000
Solar project	2,300,000	-	-	-
Southwest Power Pool	130,759	-	127,927	-
Insurance fund	-	2,010,000	-	2,010,000
Total	$ 23,108,723	$ 5,784,085	$ 20,253,133	$ 5,773,027
Combined System:				
General operating	$ 10,251,491	$ -	$ 9,699,877	$ -
Payroll cash	1,325,000	-	1,325,000	-
Petty cash	650	-	650	-
Economic development	1,513,000	-	1,513,000	-
Rate stabilization	11,053,887	621,604	11,061,704	608,384
Health insurance claims	2,311,000	-	4,566,509	-
Revenue fund	4,641,519	500,000	2,070,110	500,000
Insurance fund	-	1,000,000	-	1,000,000
Customer deposits	230,720	215,000	184,810	215,000
Total	$ 31,327,267	$ 2,336,604	$ 30,421,660	$ 2,323,384

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. <u>Restricted Assets</u>

The restricted cash and investments at September 30, 2019 consisted of:

	September 30, 2019		September 30, 2018	
	Cash & Cash Equivalents	Investments	Cash & Cash Equivalents	Investments
Electric Fund:				
Bond reserve	$ -	$ -	$ -	$ 4,572,272
Fly ash disposal	1,082,465	-	1,038,349	-
Total restricted	$ 1,082,465	$ -	$ 1,038,349	$ 4,572,272
Combined System:				
Debt service	$ -	$ 1,804,000	$ -	$ 1,804,000
Bond payment	1,379,193	-	1,358,869	-
Total restricted	$ 1,379,193	$ 1,804,000	$ 1,358,869	$ 1,804,000

Electric System:

Under terms of the Revenue bond ordinance, all income and revenue of the Electric System may be used only for specified purposes as provided in the bond ordinance in the priority indicated by the order of the following:

1) Electric Revenue Fund

In each month there shall be reserved in the Electric Revenue Fund such amount as may be necessary to pay the operating expenses during the ensuing month, which amounts so reserved shall be used for and applied to such payments in such month or, to the extent not so applied in succeeding months.

2) Debt Service Account

Specific monthly deposits to the account are required in the amount of 1/12 of the principal of all bonds maturing on or before the following January 1, plus 1/6 of the interest becoming due on the next succeeding interest payment date on all outstanding bonds until the full amount of the net requirements have been accumulated in each fiscal year.

3) Reserve Account

There shall be deposited to the Reserve Account, an amount equal to the maximum amount required to be paid into the Debt Service Account from revenues in any fiscal year. The maximum amount, as computed, of $4,572,272 was on deposit at September 30, 2018.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. Restricted Assets, continued

The Electric System also maintains the following special accounts:

1) Insurance Fund

A special electric insurance fund of $2,010,000 was established for the sole and exclusive purpose of insuring property which otherwise would have been insured under lower deductible amounts in the building and contents insurance policy and boiler and machine insurance policy. This electric insurance fund can be used only in the event of a loss in the electric department which would otherwise have been paid by an insurance carrier had there been no deductible or a deductible of a lesser amount and only with the approval of the City Council of the City of Hastings.

2) Rate Stabilization Fund

The Utilities established a rate stabilization fund in March 1996. The funds above those needed to meet current reserve requirements as determined by the City Council will be accumulated and used to pay a portion of the costs of anticipated major capital facilities or as otherwise directed by the City Council.

3) Closure/Post Closure Care Account

In 2001, the Utilities entered into an agreement with the Nebraska Department of Environmental Quality to establish a Closure/Post Closure Care Account. The purpose of this account is to accumulate sufficient monies to fund all related costs of closure and post closure of the ash disposal area at the Whelan Energy Center. Monies are deposited into this account at a rate $2.50 per ton of ash put into the disposal area. The calculated amount of the Closure/Post Closure liability was $1,225,043 at September 30, 2019 and $1,180,926 at September 30, 2018. The amount on deposit in the Closure/Post Closure Care Account was $1,082,465 at September 30, 2019 and was $1,038,349 at September 30, 2018.

Combined System:

Under the terms of the revenue bond ordinance, the revenues and earnings of the Combined Utility System are pledged for the payment of principal and interest on the Series 2006 and 2012 bonds and the following special accounts are required:

1) Bond Payment Fund

Specific monthly deposits to the account are required in the amount of 1/6 of the next maturing semiannual interest payment, plus an amount equal to 1/12 of the next maturing principal payment.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. Restricted Assets, continued

Combined System, continued:

2) Debt Service Reserve Fund

The Series 2006 bonds require that $450,389 be maintained in this fund. The Series 2012 bonds require that $1,353,500 be maintained in this fund. At September 30, 2019 and September 30, 2018, the required amounts were on deposit in this fund.

The Combined System maintains other special accounts for the following purposes:

1) Customer Deposits

To account for refundable customer security deposits.

2) Insurance Fund

A special combined insurance fund of $1,000,000 was established for the sole and exclusive purpose of insuring property which otherwise would have been insured under lower deductible amounts in the building and contents insurance policy fund. This special combined insurance fund can be used only in the event of a loss in the gas, water or pollution control departments which would otherwise have been paid by an insurance carrier had there been no deductible or a deductible of a lesser amount and only with the approval of the City Council of the City of Hastings.

3) Rate Stabilization Fund

The Utilities established a rate stabilization fund in November of 1995. The funds above those needed to meet current reserve requirements as determined by the City Council will be accumulated and used to pay a portion of the costs of major capital facilities or as otherwise directed by the City Council.

CITY OF HASTINGS, NEBRASKA
UTILITY DEPARTMENTS

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2019 and 2018

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Capital Assets

The major classes of property, plant, and equipment at September 30, 2019, are shown below:

	Balance 9/30/2018	Additions	Disposals	Reclass	Balance 9/30/2019
Capital assets not being depreciated:					
Land	$ 6,262,668	$ 2,500	$ -	$ -	$ 6,265,168
Construction in progress	15,062,341	3,793,129	-	(6,916,280)	11,939,190
Total capital assets not being depreciated	21,325,009	3,795,629	-	(6,916,280)	18,204,358
Capital assets being depreciated:					
Electric	184,288,258	3,245,870	-	-	187,534,128
Electric non-utility plant	15,866,333	-	-	-	15,866,333
Gas	33,690,876	503,445	-	-	34,194,321
Water	42,141,235	2,018,416	(181,311)	4,680,911	48,659,251
Pollution control	63,324,206	434,854		176,537	63,935,597
Street lighting	1,633,630	232,316	(697)	2,058,832	3,924,081
Administrative	755,257	53,871	-	-	809,128
Total depreciable assets at historical cost	341,699,795	6,488,772	(182,008)	6,916,280	354,922,839
Less accumulated depreciation for:					
Electric	(119,823,008)	(5,027,966)	-	-	(124,850,974)
Electric non-utility plant	(5,472,435)	(692,772)	-	-	(6,165,207)
Gas	(29,151,555)	(1,524,250)	-	-	(30,675,805)
Water	(8,590,522)	(649,170)	181,311	-	(9,058,381)
Pollution control	(28,782,853)	(1,874,304)	-	-	(30,657,157)
Street lighting	(208,767)	(33,168)	697	-	(241,238)
Administrative	(680,305)	(23,961)	-	-	(704,266)
Total accumulated depreciation	(192,709,445)	(9,825,591)	182,008	-	(202,353,028)
Depreciable capital assets, net	148,990,350	(3,336,819)	-	6,916,280	152,569,811
Net property, plant, and equipment	$ 170,315,359	$ 458,810	$ -	$ -	$ 170,774,169

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Capital Assets, continued

The major classes of property, plant, and equipment at September 30, 2018, are shown below:

	Balance 9/30/2017	Additions	Disposals	Reclass	Balance 9/30/2018
Capital assets not being depreciated:					
Land	$ 6,262,668	$ -	$ -	$ -	$ 6,262,668
Construction in progress	8,700,603	6,361,738	-	-	15,062,341
Total capital assets not being depreciated	14,963,271	6,361,738	-	-	21,325,009
Capital assets being depreciated:					
Electric	182,420,177	2,456,168	(588,087)	-	184,288,258
Electric non-utility plant	15,866,333	-	-	-	15,866,333
Gas	33,345,893	378,503	(33,520)	-	33,690,876
Water	39,639,344	2,711,187	(209,296)	-	42,141,235
Pollution control	62,833,452	503,791	(13,037)	-	63,324,206
Street lighting	1,632,719	911	-	-	1,633,630
Administrative	771,321	313,583	(329,647)	-	755,257
Total depreciable assets at historical cost	336,509,239	6,364,143	(1,173,587)		341,699,795
Less accumulated depreciation for:					
Electric	(114,847,026)	(5,121,258)	145,276	-	(119,823,008)
Electric non-utility plant	(4,779,663)	(692,772)	-	-	(5,472,435)
Gas	(27,581,038)	(1,590,606)	20,089	-	(29,151,555)
Water	(8,004,268)	(670,632)	84,378	-	(8,590,522)
Pollution control	(26,909,173)	(1,873,764)	84	-	(28,782,853)
Street lighting	(175,605)	(33,162)	-	-	(208,767)
Administrative	(677,271)	(16,086)	13,052	-	(680,305)
Total accumulated depreciation	(182,974,044)	(9,998,280)	262,879	-	(192,709,445)
Depreciable capital assets, net	153,535,195	(3,634,137)	(910,708)	-	148,990,350
Net property, plant, and equipment	$ 168,498,466	$ 2,727,601	$ (910,708)	$ -	$ 170,315,359

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt

Changes in Long-term Debt

	Balance 9/30/2018	Additions	Principal Payments	Balance 9/30/2019	Amounts Due Within One Year
Electric bonds payable	$ 4,020,000	$ -	$ (4,020,000)	$ -	$ -
Water bonds payable	16,140,000	-	(1,215,000)	14,925,000	1,250,000
Water note payable	2,781,130	-	(122,436)	2,658,694	124,749
Total	$ 22,941,130	$ -	$ (5,357,436)	$ 17,583,694	$ 1,374,749

	Balance 9/30/2017	Additions	Principal Payments	Balance 9/30/2018	Amounts Due Within One Year
Electric bonds payable	$ 8,140,000	$ -	$ (4,120,000)	$ 4,020,000	$ 4,020,000
Water bonds payable	17,330,000	-	(1,190,000)	16,140,000	1,215,000
Water note payable	-	2,781,130	-	2,781,130	122,436
Total	$ 25,470,000	$ 2,781,130	$ (5,310,000)	$ 22,941,130	$ 5,357,436

As of September 30, 2019, the long-term debt consisted of the following:

Electric Revenue Refunding Bonds dated June 1, 2011, with interest rates ranging from 0.70 percent to 3.80 percent. Interest is due in semi-annual installments and principal is due in annual installments through January 1, 2019. These bonds are paid by the Electric Fund.	$ -
Combined Systems Revenue Bonds, dated May 25, 2006, with interest rates ranging from 3.55 percent to 4.50 percent. Interest is due in semi-annual installments and principal is due in annual installments through October 15, 2026. These bonds are paid by the Pollution Control Department.	3,005,000

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Long-term Debt, continued

Combined Systems Revenue and Refunding Bonds, dated September 13, 2012, with interest rates ranging from 1.00 percent to 4.00 percent. Interest is due in semi-annual installments and principal is due in annual installments through October 15, 2032. These bonds are paid by the Pollution Control Department.	11,920,000
NDEQ note for the Hastings aquifer storage and restoration project dated September 11, 2017, due in semi-annual principal and interest installments of $78,797 plus a 1.0 percent service fee through June 15, 2038. Payments are made by the Water Department.	2,658,694
Total note and bonds payable	$ 17,583,694
Current portion	$ 1,374,749
Noncurrent portion	16,208,945
Total	$ 17,583,694

Year Ending	Direct Placement Debt			Other Debt Issues	
September 30,	Principal	Interest	Fees	Principal	Interest
2020	$ 124,749	$ 32,845	$ 26,276	$ 1,250,000	$ 541,175
2021	126,313	31,281	25,025	1,145,000	501,688
2022	127,897	29,697	23,758	1,285,000	451,725
2023	129,501	28,093	22,475	1,050,000	403,237
2024	131,124	26,469	21,175	1,090,000	358,575
2025-2029	680,701	107,268	85,815	5,235,000	1,134,438
2030-2034	724,462	63,508	50,806	3,870,000	277,625
2035-2039	613,947	17,414	13,931	-	-
	$ 2,658,694	$ 336,575	$ 269,261	$ 14,925,000	$ 3,668,463

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Environmental Remediation

At present there is an ongoing investigation in the Hastings area of groundwater contamination. The investigation is being conducted by the United States Environmental Protection Agency (EPA). The City of Hastings (the City) has been named as a potentially responsible party at three of the seven designated subsites, and has some involvement at the four remaining subsites by virtue of its ownership and operation of public facilities. Additionally, the City and other parties are responsible for what is known as the Area Wide Operable Unit, which is an overlay of six of the seven subsites. The City's liability at three of these subsites, and for the Area Wide Operable Unit, will be in the form of annual maintenance and operating costs of remediation equipment and improvements (such as landfill covers). The cost is projected at somewhere between $100,000 and $150,000 per year, although much of such costs will be satisfied by in-kind services provided by City staff.

The City's obligation on one sub-site, Operable Units 12 and 20 of the 2nd Street Sub-site, in which the City had been designated the only potentially responsible party, has been settled by a consent decree in the amount of $14,130,572. However, upon receipt of a cash settlement of $1,000,000, in-kind services in the amount of $1,700,000, and 49.6 percent of any insurance recovery, the City will be deemed to have met this obligation. The cash obligation and insurance recovery have been paid. The City and the utilities have provided approximately $641,000 of in-kind services. On June 4, 2017, the State took over the groundwater (down-gradient) operable unit (OU20) and the City will no longer provide in-kind services on OU20. The EPA is continuing to monitor/operate source control operable unit (OU12) and informed the City to cease all in-kind services on June 30, 2017; nevertheless, the City is willing to continue to provide any additional in-kind services as requested by the EPA in order to reduce the expected remaining liability, which was reduced to $953,392 pursuant to the Consent Decree. At September 30, 2018, the City of Hastings General Operating Fund had accrued a liability of $953,392. During the year ended September 30, 2019, the City paid $317,797, leaving an accrued liability $635,595 at September 30, 2019.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Payments to the City of Hastings

Electric System

In Lieu of Tax Payment:

The transfer from the Electric System to the general fund of the City is calculated as 5.6 percent of the operating revenues of the Electric System for the prior year. The transfer to the General Fund in 2019, based on operating revenues of 2018, is calculated to be $2,319,556. The transfers to the General Fund of the City for the years ending September 30, 2019 and 2018 were $2,319,556 and $2,133,887 respectively.

Combined System

In Lieu of Tax Payment:

The City withdraws monthly from combined funds for payment to the General Fund of the City an amount equal to 1/12 of 5.14 percent of operating revenues for the preceding year. For the year ending September 30, 2019 the total amount of in lieu of tax payments are calculated to be $973,938 based on the operating revenues for the year ended September 30, 2019. For the year ended September 30, 2018, the total amount of in lieu of tax payments were calculated to be $917,190, based on the operating revenues for the year ended September 30, 2018. These amounts are accrued as payable to the City and are paid during the following fiscal year.

Resolution #1344:

On July 22, 1991 resolution #1344 was passed by the City Council to transfer from the Gas Department and the Water Department of the Combined System to the City's General Fund 2.5 percent of the total revenues of the previous year. This amount will be in addition to the current in lieu of tax payments. The payment for the year ended September 30, 2019 is $398,597. The payment for the year ended September 30, 2018 was $390,948.

The City also owed $900,852 to the Combined System at September 30, 2018 for costs utilities had paid toward the in-kind services. This amount was paid from the City to Combined System during the year ended September 30, 2019.

NOTE D – OTHER NOTES

1. Pension Plan

All employees of the Utilities meeting certain age and length of service requirements are members of a contributory pension plan administered by the City. Total pension expense to the Utilities was $1,123,999 for the year ended September 30, 2019 and $1,112,979 for the year ended September 30, 2018. The pension plan is a defined contribution plan and all funding is current. Employee contributions are matched by the City at 4 percent up to $20,000 of wages and then 8 percent thereafter. The threshold changed to $25,000 beginning with the year 2019.

The Department offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Department employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. No contributions are made to the plan by the Department.

2. Risk Management

The City Utility Departments are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. They purchase commercial insurance for general liability, public official's liability, property coverage, and crime and blanket bond coverage to minimize the effects of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the Hastings Utility Departments' insurance coverage.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City Utility Departments will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the Utility Departments' investments at September 30, 2019, are held by banks in the name of the Utility Departments.

The Utility Departments' investments consist of certificates of deposit, GNMA securities, and money market accounts.

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Utility Departments' investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The certificate of deposit and GNMA maturities are summarized in Note C1.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Utility Departments' investments consist of certificates of deposit, money market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the Utility Departments' investment portfolio.

Concentration of Credit Risk. The Utility Departments' investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2019, the Utility Departments' certificates of deposit consisted of the following:

Financial Institution	Amount
Five Points Bank	$ 2,151,000
Great Western Bank	1,853,000
Heartland Bank	750,000
Home Federal	3,510,000
Pinnacle Bank	15,000
Wells Fargo	500,000
	$ 8,779,000

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Utility Departments' investments had no exposure to foreign currency risk and the Utility Departments held no investments denominated in foreign currency at September 30, 2019.

NOTE D – OTHER NOTES, continued

3. Contractual Commitments

MEAN Participation Agreement

As of February 23, 1983, the Utilities entered into a Participation Power Sales Agreement with the Municipal Energy Agency of Nebraska (MEAN). MEAN may purchase up to 6.95 percent of the power generated by the Whelan Energy Center #1 (WEC #1) for the longer of: 1) the time until the final maturity date of the debts to construct, improve or add to the component facilities of WEC #1 or, 2) the City removes WEC #1 and the part of the City's transmission system in which MEAN participates. MEAN will pay for all fuel related costs of generating the power it uses plus 6.95 percent of: 1) principal and interest costs of the bonded debt attributable to WEC #1, 2) the capital improvements to WEC #1 and related transmission systems, 3) fixed costs of operating and maintaining WEC #1 and the related transmission system, including taxes, 4) direct and allocated administrative and general costs associated with WEC #1, and 5) costs to prevent or correct unusual loss or damage to the WEC #1 system which are not insured or recovered from a third party.

City of Superior Agreement

On February 16, 2017, the Utilities entered into an agreement with the City of Superior to provide electric capacity and energy starting January 1, 2018 through December 31, 2022. The capacity quantity begins at 2,300 KW in 2018 and increases over the term of the agreement to 6,800 KW in 2022.

Coal Supply Agreements

On December 15, 2006, the Utilities entered into an agreement with AGP Corn Processing, Inc. (AGP) to supply coal to a truck loadout facility built and paid for by AGP on the Whelan Energy Center property. Upon completion of the truck loadout facility, the facility was given to the Utilities, with AGP being responsible for the costs to operate and maintain the facility. The agreement is for a sixteen year period beginning on April 1, 2007. Coal deliveries commenced in August of 2008. AGP is obligated to buy annually not less than 100,000 tons and not to exceed 160,000 tons of coal from the Utilities. As a result of an agreement with AGP entered into on December 23, 2013, the minimum annual coal purchase requirement was reduced to 70,000 tons.

On July 27, 2010, the Utilities entered into an agreement with Chief Ethanol Fuels Inc. (Chief) to supply a minimum of 35,000 tons of coal a year. This coal is to be delivered to the Truck Load Out facility located at WEC. The term of the agreement is year to year. On July 14, 2016, an amendment was made to the agreement reducing the minimum annual coal purchase to 25,000 tons.

NOTE D – OTHER NOTES, continued

3. Contractual Commitments, continued

Coal Contracts

Peabody COALSALES, LLC

On October 1, 2016, the Utilities entered into an agreement with Peabody for the purchase of coal for the period beginning January 1, 2017 through December 31, 2018. The agreement included the purchase of an additional 600,000 tons of coal in 2018. On July 11, 2018 the Utilities entered into an agreement with Peabody for the purchase of coal for the period July 11, 2018 through December 31, 2021. The agreement provides up to 400,000 tons in 2018 and a minimum of 600,000 tons and a maximum of 1,000,000 tons each of the calendar years beginning January 1, 2019 through December 31, 2021. Peabody has first right to supply any excess over the maximum under the terms of the agreement.

The Burlington Northern and Santa Fe Railway Company

On September 25, 2006, the Utilities entered into an agreement with The BNSF Railway Company for the transportation of coal. On March 8, 2013, the agreement was extended through December 31, 2018 and set a minimum annual tonnage requirement of 600,000 tons. On February 21, 2018 the Utilities entered into an agreement with BNSF for transportation of coal for the period of February 22, 2018 through December 31, 2021. The agreement has a minimum annual tonnage requirement of 600,000 tons.

Natural Gas Contracts

Central Plains Energy Project

On September 25, 2006, the Utilities executed an Interlocal Agreement to enter into the joint entity known as the Central Plains Energy Project (CPEP). CPEP was created between and among public agencies to achieve savings and enhanced reliability, efficiency and supply security through the joint purchase of natural gas and the arrangement of joint services on behalf of its participant members and certain other public agencies. CPEP's members include the Metropolitan Utilities District in Omaha, Nebraska, the Municipal Gas Utility of the City of Cedar Falls, Iowa and the City of Hastings.

NOTE D – OTHER NOTES, continued

3. Contractual Commitments, continued

Natural Gas Contracts, continued

Central Plains Energy Project, continued

On July 1, 2009, the Utilities entered into a 30 year Gas Supply Agreement (GSA) with CPEP Project No. 2 for approximately 25 percent of the Utilities 10 year historical average annual natural gas consumption. To provide the natural gas supply for the GSA, CPEP entered into a 30 year term Prepaid Natural Gas Purchase and Sale Agreement (Agreement) with the Royal Bank of Canada (RBC) for delivery of natural gas to CPEP.

On January 30, 2014, RBC filed a Complaint in the United States District Court for the District of Nebraska (Court) seeking a declaration that RBC be entitled to terminate the Agreement with CPEP as a result of changes in applicable banking and regulatory authorities, which RBC claimed to have a material, adverse effect on the transaction. CPEP disagreed that the regulatory changes RBC cited would result in a material, adverse effect on the transaction, and filed an Answer and Counterclaim with the Court asking for damages from RBC as a result of anticipatory breach of the Agreement.

Prior to the matter being heard by the Court, RBC and CPEP negotiated a settlement where RBC would provide the funds necessary and redeem all outstanding bonds associated with the 2009 issue; issuance of new bonds to effectuate a five year term fixed discount Prepaid Transaction between RBC and CPEP; and certain cash payments to CPEP. CPEP in turn entered into a new GSA with the Utilities for a five year term that shall run from November 1, 2014 through October 31, 2019, and provides for delivery of the same monthly volumes received previously. Prior to the end of the five year term RBC and CPEP may negotiate to extend the Agreement for a mutually agreeable term and fixed discount rate. If these negotiations are unsuccessful, the Agreement will terminate effective October 31, 2019. In the event an extension of the Agreement between RBC and CPEP is negotiated, the Utilities, in its sole discretion, has the option of whether it wishes to extend the term of its GSA with CPEP, incorporating the new term and discount rate, or cease taking deliveries effective October 31, 2019.

On November 16, 2018 the Utilities entered into a 30 year Gas Supply Agreement (GSA) with CPEP Project No. 4 for approximately 25 percent of the Utilities 10 year historical average annual natural gas consumption. To provide the natural gas supply for the GSA, CPEP entered into a 30 year term Prepaid Natural Gas Purchase and Sale Agreement (Agreement) with J. Aron & Company LLC, a New York limited liability company ("J. Aron") and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., for the delivery of natural gas to CPEP.

NOTE D – OTHER NOTES, continued

3. Contractual Commitments, continued

Natural Gas Contracts, continued

Trailblazer Pipeline Company LLC

The Utilities signed a firm natural gas transportation contract running through September 30, 2025 with the Trailblazer Pipeline Company LLC (Trailblazer). The Maximum Daily Quantity (MDQ) under the contract is 14,840 Dth/day.

Tall Grass Interstate Gas Transmission LLC

The Utilities also has a long term firm natural gas transportation contract with Tall Grass Interstate Gas Transmission LLC. The contract originated on October 1, 1993 with the current contract term running through August 31, 2021. The Maximum Daily Quantity (MDQ) is 16,000 Dth/day.

Power Purchase Agreement

CCC-Hastings Renewable Energy, LLC

On August 31, 2016, the Utilities executed a Power Purchase Agreement (PPA) with CCC-Hastings Renewable Energy, LLC (HRE), to purchase the entire output of a 1.7 MW General Electric wind turbine. The PPA has a 25 year term with an option for Utilities to extend thereafter. The wind turbine is located on property owned by the Central Community College and is interconnected to the Utilities' electric distribution system. Per the terms of the PPA, HRE was responsible for obtaining all required permits, turbine construction oversight and payment of all costs to construct the turbine and interconnection facilities. HRE will also own, operate and have cost responsibility to maintain the wind turbine and interconnection facilities going forward. The wind turbine began commercial operation on December 29, 2016.

NOTE D – OTHER NOTES, continued

3. Contractual Commitments, continued

Wind Power Purchase Agreement

Central Community College

On August 31, 2016, the Utilities executed a Wind Power Purchase Agreement (WPPA) with Central Community College (CCC) which will provide for the Utilities to sell CCC energy purchased by the Utilities from a wind turbine owned by CCC-Hastings Renewable Energy, LLC (HRE). The intent of the WPPA is for the Utilities to provide up to 100 percent of CCC's energy needs at its Hastings' campus with energy produced by the wind turbine. In addition, CCC will receive a portion of the Renewable Energy Credits generated by the wind turbine. The WPPA is to remain in force for a term that coincides with the Power Purchase Agreement between the Utilities and HRE, which is currently 25 years.

Public Power Generation Agency Financial Commitment

On October 25, 2006, the Utilities entered into an Amended and Restated Participation Agreement with the Public Power Generation Agency (PPGA). PPGA was formed under the Interlocal Cooperation Act of the State of Nebraska to construct and operate Whelan Energy Center Unit 2 (WEC 2), a 220 megawatt (MW) coal-fired electric generating plant located at the existing Whelan Energy Center. The Agreement entitles the Utilities to 35 MW of capacity (or 15.9 percent) of the estimated 220 MW capacity of WEC 2. Under the terms of the Agreement, the Utilities has been selected to be the Project Construction Manager and Project Operating Agent for WEC 2. WEC 2 began commercial operation on May 1, 2011.

Construction Commitments

	Contract Amount	Paid/Incurred at 9/30/2019	Remaining Commitment	Estimated Completion
Electric Commitments:				
2MW Solar Farm Phase I	$ 2,407,742	$ 2,165,038	$ 242,704	November 2019
Admin Commitments:				
NDS Administration Building	$ 71,280	$ 57,024	$ 14,256	January 2021

NOTE D – OTHER NOTES, continued

4. Operating Leases

On December 1, 2016, the City entered into a 63-month operating lease for a postage machine for $870 per month.

On August 25, 2018, the Utility Departments entered into a 60-month operating lease for a copier for $732 per month.

On August 25, 2018, the Utility Departments entered into a 60-month operating lease for a copier for $231 per month.

On August 25, 2018, the Utility Departments entered into a 60-month operating lease for a copier for $1,576 per month.

On October 25, 2018, the Utility Departments entered into a 57-month operating lease for a copier for $49 per month.

On October 25, 2018, the Utility Departments entered into a 57-month operating lease for a copier for $24 per month.

Lease expense for the years ended September 30, 2019 and 2018, was $48,580 and $16,444, respectively.

Future commitments under these operating leases:

	Lease Commitment
Year ending September 30, 2020	$ 41,791
2021	41,791
2022	41,791
2023	34,518
	$ 159,891

NOTE D – OTHER NOTES, continued

5. Loan from Gas Rate Stabilization Fund to Street Lighting

At the April 2, 2015 Board of Public Works meeting, the Utilities was authorized to transfer up to $1,600,000 from the Gas Rate Stabilization Fund to the Street Lighting Department to be repaid over a five year period at an interest rate of 1 percent. The purpose of the transfer is to fund the conversion of the existing street lighting system to more economical LED fixtures. At September 30, 2019 and 2018, the balance was $1,100,000. This loan is not shown on the accompanying statement of Net Position, as it has been eliminated within the Combined System.

6. Subsequent Events

Management has evaluated subsequent events through February 7, 2020, the date on which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

CITY OF HASTINGS, NEBRASKA
ELECTRIC DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
Operating revenues:		
Retail	$ 36,336,115	$ 35,839,460
Wholesale	5,084,519	2,265,660
Total operating revenues	41,420,634	38,105,120
Operating expenses:		
Production expenses:		
Fuel	4,491,467	4,888,287
Other	8,267,853	7,338,908
Purchased power	14,504,958	13,638,188
Transmission and distribution expense	1,670,620	1,691,902
General and administrative expenses:		
Direct	2,522,198	2,360,550
Indirect	3,532,431	2,960,638
Depreciation	4,987,218	4,932,078
Total operating expenses	39,976,745	37,810,551
Operating income	1,443,889	294,569
Other income (expenses)		
Interest income	400,367	305,572
Reimbursement from PPGA	5,969,026	6,097,526
Cost of services to PPGA	(5,969,026)	(6,097,526)
Participation and capacity agreements	697,046	868,709
Miscellaneous income	439,301	438,508
Coal sales	4,912,075	4,923,750
Cost of coal resold	(3,146,116)	(3,330,454)
Interest and amortization expense	(42,923)	(215,144)
Non-utility plant depreciation expense	(692,772)	(692,772)
Miscellaneous expenses	(227,761)	(124,994)
Contributions in aid of construction	7,570	28,988
Total other income (expenses)	2,346,787	2,202,163
Excess of revenues over expenses before transfers	3,790,676	2,496,732
Other financing uses		
Transfers to City governmental funds	(2,319,556)	(2,133,887)
Change in net position	1,471,120	362,845
Net position - beginning of year	109,164,897	108,802,052
Net position - end of year	$ 110,636,017	$ 109,164,897

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEMS

DEPARTMENTAL STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019		
	Gas	Water	Pollution Control
Operating revenue	$ 8,742,228	$ 6,509,693	$ 7,241,271
Operating expenses (non-depreciation)	(7,719,510)	(3,532,200)	(3,297,732)
Operating income before depreciation	1,022,718	2,977,493	3,943,539
Less depreciation	(1,477,386)	(649,170)	(1,870,374)
Operating income (loss)	(454,668)	2,328,323	2,073,165
Other income (expenses)			
Interest income	11,000	-	27,801
Allocation of administration department revenue	367,764	156,454	81,073
Reimbursement from PPGA	-	2,526	-
Cost of services to PPGA	-	(2,526)	-
Miscellaneous income	144,166	77,737	23,684
Interest and amortization expense	-	(34,261)	(490,921)
Loan fees	-	(20,942)	-
Economic development	-	-	-
Self insurance funding	(2,271,266)	-	-
Miscellaneous expenses	(79,176)	(42,125)	(4,144)
Contributions in aid of construction	-	(225,145)	19,245
Total other income (expenses)	(1,827,512)	(88,282)	(343,262)
Excess (deficiency) of revenues over expenses before transfers	(2,282,180)	2,240,041	1,729,903
Other financing uses			
Transfers to City governmental funds	(580,230)	(502,654)	(289,651)
Change in net position	$ (2,862,410)	$ 1,737,387	$ 1,440,252
Net position - beginning of year			
Net position - end of year			

2019			2018
Street Lighting	Adminis- tration	Total	Total
$ 509,274	$ -	$ 23,002,466	$ 21,613,035
(238,525)	-	(14,787,967)	(13,321,019)
270,749	-	8,214,499	8,292,016
(33,168)	-	(4,030,098)	(3,989,922)
237,581	-	4,184,401	4,302,094
-	-	38,801	33,294
182	-	605,473	405,258
-	-	2,526	1,325
-	-	(2,526)	(1,325)
-	-	245,587	629,999
-	-	(525,182)	(528,596)
-	-	(20,942)	-
-	-	-	(975,000)
-	-	(2,271,266)	-
-	-	(125,445)	(83,898)
8,705	-	(197,195)	1,672,236
8,887	-	(2,250,169)	1,153,293
246,468	-	1,934,232	5,455,387
-	-	(1,372,535)	(1,308,138)
$ 246,468	$ -	561,697	4,147,249
		106,975,274	102,828,025
		$ 107,536,971	$ 106,975,274

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM - GAS DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
Operating revenues:		
Retail	$ 8,742,228	$ 8,244,435
Operating expenses:		
Production expenses:		
Fuel	4,836,312	4,422,165
Other	48,453	45,634
Transmission and distribution expense	1,052,247	1,050,261
General and administrative expenses:		
Direct	894,620	784,680
Indirect	853,913	723,676
Intra-city services	33,965	42,708
Depreciation	1,477,386	1,467,360
Total operating expenses	9,196,896	8,536,484
Operating loss	(454,668)	(292,049)
Other income (expenses)		
Interest income	11,000	10,326
Allocation of administration department revenue	367,764	246,154
Miscellaneous income	144,166	554,784
Economic development	-	(975,000)
Self-insurance funding	(2,271,266)	-
Miscellaneous expenses	(79,176)	(54,594)
Total other income (expenses)	(1,827,512)	(218,330)
Excess of expenses over revenues before transfers	(2,282,180)	(510,379)
Other financing uses		
Transfers to City governmental funds	(580,230)	(556,487)
Change in net position	$ (2,862,410)	$ (1,066,866)

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM - WATER DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
Operating revenues:		
Retail	$ 6,431,382	$ 6,336,904
Wholesale	78,311	77,313
Total operating revenues	6,509,693	6,414,217
Operating expenses:		
Production expenses:	690,528	788,356
Operating of water treatment	620,344	145,637
Transmission and distribution expense	829,428	814,157
General and administrative expenses:		
Direct	504,004	352,707
Indirect	887,896	724,723
Depreciation	649,170	619,800
Total operating expenses	4,181,370	3,445,380
Operating income	2,328,323	2,968,837
Other income (expenses):		
Allocation of administration department revenue	156,454	104,719
Reimbursement from PPGA	2,526	1,325
Cost of services to PPGA	(2,526)	(1,325)
Miscellaneous income	77,737	45,198
Interest and amortization expense	(34,261)	(10,590)
Loan fees	(20,942)	-
Miscellaneous expenses	(42,125)	(26,424)
Contributions in aid of construction	(225,145)	1,462,110
Total other income (expenses)	(88,282)	1,575,013
Excess of revenues over expenses before transfers	2,240,041	4,543,850
Other financing uses:		
Transfers to City governmental funds	(502,654)	(493,929)
Change in net position	$ 1,737,387	$ 4,049,921

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM - POLLUTION CONTROL DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
Operating revenues:		
Retail	$ 7,241,271	$ 6,443,062
Operating expenses:		
Sewer treatment expenses	1,258,345	1,335,294
Sewer line expenses	496,335	497,735
General and administrative expenses:		
Direct	638,472	545,687
Indirect	904,580	823,620
Depreciation	1,870,374	1,869,600
Total operating expenses	5,168,106	5,071,936
Operating income	2,073,165	1,371,126
Other income (expenses)		
Interest income	27,801	22,968
Allocation of administration department revenue	81,073	54,264
Miscellaneous income	23,684	30,017
Interest and amortization expense	(490,921)	(518,006)
Miscellaneous expenses	(4,144)	(2,880)
Contributions in aid of construction	19,245	210,126
Total other income (expenses)	(343,262)	(203,511)
Excess of revenues over expenses before transfers	1,729,903	1,167,615
Other financing uses		
Transfers to City governmental funds	(289,651)	(257,722)
Change in net position	$ 1,440,252	$ 909,893

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM - STREET LIGHTING DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
Operating revenues:		
Street lights	$ 509,274	$ 511,321
Operating expenses:		
Production expenses:		
Operation and maintenance	97,430	59,683
Purchased power	115,507	140,295
General and administrative expenses:		
Direct	36	-
Indirect	25,552	24,001
Depreciation	33,168	33,162
Total operating expenses	271,693	257,141
Operating income	237,581	254,180
Other income		
Allocation of administration department revenue	182	121
Contributions in aid of construction	8,705	-
Total other income	8,887	121
Change in net position	$ 246,468	$ 254,301

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM - ADMINISTRATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended September 30,

	2019	2018
General and administrative expenses	$ 8,008,971	$ 7,822,463
Depreciation	15,936	16,086
Less: Overhead allocated	(980,897)	(1,675,192)
Reimbursement from PPGA	(863,174)	(924,119)
Reimbursement from EPS	(2,016)	(6,581)
Allocable expenses	6,178,820	5,232,657
Allocation of expenses to operating departments:		
Electric	(3,532,431)	(2,960,638)
Gas	(853,913)	(723,676)
Water	(887,896)	(724,723)
Pollution control	(904,580)	(823,620)
Total allocation	(6,178,820)	(5,232,657)
Operating expenses	-	-
Other income:		
Interest income	499,105	286,792
Gain on sale of property	-	11,323
Miscellaneous income	106,368	107,143
Total other income	605,473	405,258
Allocation of other income to operating departments:		
Gas	(367,764)	(246,154)
Water	(156,454)	(104,719)
Pollution control	(81,073)	(54,264)
Street lighting	(182)	(121)
Total allocation	(605,473)	(405,258)
Change in net position	$ -	$ -

AMGL
CPAs & Advisors

SHAREHOLDERS:

Robert D. Almquist
Phillip D. Maltzahn
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
Tracy A. Cannon

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Utility Advisory Board
Hastings Utilities
City of Hastings, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Hastings Utilities, Hastings, Nebraska, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Hastings Utilities' financial statements, and have issued our report thereon dated February 7, 2020.

Internal Control Over Financial Reporting

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

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

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

A PROFESSIONAL CORPORATION

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

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Compliance and Other Matters

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

Hastings Utilities' Response to Findings

The Hastings Utilities' response to the findings identified in our audit is that due to the small size of Hastings Utilities, it is impractical to further segregate duties. Hastings Utilities' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

AMGL, PC.

Grand Island, Nebraska
February 7, 2020

AMGL
CPAs & Advisors

To the Utility Advisory Board
Hastings Utilities
City of Hastings, Nebraska

We have audited the financial statements of the business-type activities and each major fund of Hastings Utilities, Hastings, Nebraska for the year ended September 30, 2019, and have issued our report thereon dated February 7, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hastings Utilities, Hastings, Nebraska are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2019. We noted no transactions entered into by Hastings Utilities during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

1203 W 2nd Street
P.O. Box 1407
Grand Island, NE 68802
P 308-381-1810
F 308-381-4824
EMAIL cpa@gicpas.com

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accumulated fly ash disposal cost liability is based on estimated premature closure and post-closure costs. We evaluated the key factors and assumptions used to estimate the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Twelve audit adjustments decreased the net position of the Hastings Utilities' business-type funds by $467,594. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Water grants receivable and revenue were both decreased $298,640.

2. Health claims payable were decreased $228,709 with offsetting decreases to expenses.

3. Accounts payable and expenses were increased $94,654 to record unrecorded liabilities.

4. The undistributed stores asset was closed out, decreasing the balance $120,186, and increasing expenses by an offsetting amount.

5. Revenue and receivable from the City were both reduced $319,585 to record the City's reimbursement of EPA expenses.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 7, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Hastings Utilities' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Hastings Utilities' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of Hastings Utilities, Hastings, Nebraska as of September 30, 2019, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. During our audit of capital assets, we noted there was no listing of individual capital assets just category totals. We recommend creating a capital asset listing to have better control over the tracking of assets. When assets are being disposed of they are always treated as if they are fully depreciated. An accurate asset listing would help calculate the gain on sale of any assets with a remaining basis. Currently, the depreciation is being calculated monthly with rates from 1944. An asset listing would allow depreciation to be accurately calculated for each asset with appropriate rates.

2. At September 30, 2019, bank balances at Wells Fargo exceeded FDIC coverage and pledged securities by $36,949. We recommend requesting the bank to assign additional securities so all assets are adequately collateralized.

3. We noted the fly ash liability continues to be accrued as an offset to cash with the exception of the 2017 audit adjustment. This calculation does not take into account the actual liability that the City would be liable for in the event of a closure due to the ever fluctuating amount of fly ash on hand. The current liability is based on the assumption that all current ash can be hauled for average of $10.30 per ton and that there is no additional excavation or dumping costs, which are both extremely conservative estimates. We recommend determining some sort of calculation in order to provide a more accurate liability relating to the closure of Whelen Energy Center Unit #1, as the financial

assurance required by Nebraska Department of Environmental Quality only provides to satisfy financial assurance requirements and does not properly account for proper GAAP treatment of the true liability.

4. During our audit, we noted payroll could not be reconciled between the general ledger and the payroll system, as wages are posted to various projects and accounts. We recommend posting wages to specific accounts for payroll in the future, so employee costs can be accurately tracked.

5. During our audit, we noted that the employer FICA tax and pension expenses were being accrued on the last two days of September, but not for the last pay period that ended in September paid in October. We recommend being consistent in accruing payroll related expenses related to accrued wages.

6. During our audit, we noted sick time was being accrued for employees once they reached 5 years of service, however, sick time does not get paid out to a terminated employee unless they completed 10 years of service. We recommend accruing benefits per the employee policy.

7. During our audit, we noted the accrued comp time was being accrued using rates related to when the hours were earned. We recommend calculating the accrual based on the employee's hourly rate at September 30th.

8. During our audit, we noted the coal inventory was measured in April 2019 and then not until November 2019. We recommend measuring inventory closer to year end.

9. The accrued interest receivable spreadsheets have several calculation errors. Formulas are not accurate, interest rates are incorrect, and erroneous CD numbers and bank names are listed. We recommend reviewing all spreadsheets carefully and checking Excel formulas to verify accurate calculations.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as described in the table of contents, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Utility Advisory Board, City Council and management of Hastings Utilities, Hastings, Nebraska and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, P.C.

Grand Island, Nebraska
February 7, 2020

December
2019

HASTINGS UTILITIES MONTHLY FINANCIAL AND OPERATING REPORT

HASTINGS
UTILITIES

City of Hastings
Hastings, Nebraska

HASTINGS UTILITIES

FINANCIAL STATEMENTS

December 31, 2019

INDEX

HASTINGS UTILITIES
COMBINED BALANCE SHEETS
December 31, 2019 and September 30, 2019

	Electric System		Combined System		Total	
	December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019
Assets						
Utility Plant						
Electric	$189,572,034	$189,685,677	$ -	$ -	$189,572,034	$189,685,677
Gas	-	-	34,528,199	34,565,484	34,528,199	34,565,484
Water	-	-	49,967,332	49,970,112	49,967,332	49,970,112
Pollution Control	-	-	66,385,051	66,367,190	66,385,051	66,367,190
Street Lighting	-	-	3,923,276	3,924,082	3,923,276	3,924,082
Administrative	-	-	785,754	809,129	785,754	809,129
Total Utility Plant	$189,572,034	$189,685,677	$155,589,612	$155,635,997	$345,161,646	$345,321,674
Less Accumulated Depreciation	126,138,080	124,850,974	72,406,207	71,336,847	198,544,287	196,187,821
Net Utility Plant in Service	$63,433,954	$64,834,703	$83,183,405	$84,299,150	$146,617,359	$149,133,853
Construction in Progress	9,035,482	8,643,236	3,675,123	3,295,954	12,710,605	11,939,190
Net Utility Plant	$72,469,436	$73,477,939	$86,858,528	$87,595,104	$159,327,964	$161,073,043
Non-Utility Plant						
Electric	$15,866,333	$15,866,333	$ -	$ -	$15,866,333	$15,866,333
Total Non-Utility Plant	$15,866,333	$15,866,333	$ -	$ -	$15,866,333	$15,866,333
Less Accumulated Depreciation	6,338,400	6,165,207	-	-	6,338,400	6,165,207
Net Non-Utility Plant in Service	$9,527,933	$9,701,126	$ -	$ -	$9,527,933	$9,701,126
Special Funds, Cash & Investments						
Insurance Fund	$2,010,000	$2,010,000	$1,000,000	$1,000,000	$3,010,000	$3,010,000
Debt Service Account	-	-	278,417	1,379,193	278,417	1,379,193
Bond Fund Reserve Account	-	-	1,804,000	1,804,000	1,804,000	1,804,000
Customer Deposits Fund	-	-	464,990	445,720	464,990	445,720
Rate Stabilization Fund	2,525,249	2,523,588	11,676,568	11,675,491	14,201,817	14,199,079
Health Insurance Claim Fund	-	-	2,282,179	2,311,000	2,282,179	2,311,000
Closure / Post Closure Account	1,095,100	1,082,465	-	-	1,095,100	1,082,465
Solar Project Fund	2,300,000	2,300,000	-	-	2,300,000	2,300,000
Economic Development Fund	-	-	1,513,000	1,513,000	1,513,000	1,513,000
Total Special Funds	$7,930,349	$7,916,053	$19,019,154	$20,128,404	$26,949,503	$28,044,457
Current Assets						
Cash & Investments	$23,040,201	$21,928,462	$14,592,135	$16,718,660	$37,632,336	$38,647,122
Receivables:						
Accounts, Consumers*	6,548,521	6,690,888	2,708,000	1,964,986	9,256,521	8,655,874
Accrued Interest	8,588	11,342	26,699	24,039	35,287	35,381
Intercompany Receivable	-	-	5,204,498	2,859,659	5,204,498	2,859,659
Loan to Street Lighting	-	-	1,100,000	1,100,000	1,100,000	1,100,000
Inventories:						
Fuel	1,997,368	1,421,026	394,045	354,135	2,391,413	1,775,161
Other	1,973,240	1,871,122	1,487,005	1,516,975	3,460,245	3,388,097
Prepaid Expense	746,847	15,054	-	-	746,847	15,054
Total Current Assets	$34,314,765	$31,937,894	$25,512,382	$24,538,454	$59,827,147	$56,476,348
Deferred Charges						
Deposit	$130,759	$130,759	$ -	$ -	$130,759	$130,759
Other Deferred Charges	-	-	490	10,199	490	10,199
Total Deferred Charges	$130,759	$130,759	$490	$10,199	$131,249	$140,958
Total Assets	$124,373,242	$123,163,771	$131,390,554	$132,272,161	$255,763,796	$255,435,932

*net of Allowance for Uncoll. Accounts

HASTINGS UTILITIES
COMBINED BALANCE SHEETS
December 31, 2019 and September 30, 2019

	Electric System		Combined System		Total	
	December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019
Capitalization and Liabilities						
Capitalization						
City's Equity						
Retained Earnings	$110,263,062	$110,636,017	$108,737,882	$107,536,971	$219,000,944	$218,172,988
Total City's Equity	$110,263,062	$110,636,017	$108,737,882	$107,536,971	$219,000,944	$218,172,988
Long Term Debt						
Revenue Bonds	$0	$0	$13,675,000	$14,925,000	$13,675,000	$14,925,000
SRF Note Payable	-	-	2,596,514	2,658,694	2,596,514	2,658,694
Total Long Term Debt	$0	$0	$16,271,514	$17,583,694	$16,271,514	$17,583,694
Less: Current Portion	$0	$0	$1,269,749	$1,374,749	$1,269,749	$1,374,749
Unamortized Discount	-	-	(229,578)	(247,077)	(229,578)	(247,077)
Deferred from Adv Refunds	-	-	2,975	3,667	2,975	3,667
Net Long Term Debt	$0	$0	$15,228,368	$16,452,355	$15,228,368	$16,452,355
Total Capitalization	$110,263,062	$110,636,017	$123,966,250	$123,989,326	$234,229,312	$234,625,343
Liabilities Payable From Special Funds						
Customer Deposits	$ -	$ -	$464,990	$445,720	$464,990	$445,720
Health Insurance Claims	-	-	-	-	-	-
Total Liabilities Payable From Special Funds	$ -	$ -	$464,990	$445,720	$464,990	$445,720
Current Liabilities						
Current Portion of Long Term Debt	$0	$0	$1,269,749	$1,374,749	$1,269,749	$1,374,749
Accounts Payable:						
Construction & Other	2,672,637	3,739,564	2,354,064	3,360,535	5,026,701	7,100,099
Operations	3,248,397	2,972,696	553,306	133,871	3,801,703	3,106,567
Intercompany Payables	5,204,498	2,859,659	-	-	5,204,498	2,859,659
Street Lighting Loan	-	-	1,100,000	1,100,000	1,100,000	1,100,000
Interest Payable	-	-	123,027	265,111	123,027	265,111
Advances - Refundable	-	-	442	442	442	442
Total Current Liabilities	$11,125,532	$9,571,919	$5,400,588	$6,234,708	$16,526,120	$15,806,627
Deferred Credits						
Compensated Absences	$1,685,974	$1,685,974	$1,558,726	$1,558,726	$3,244,700	$3,244,700
Other Deferred Credits	1,298,674	1,269,861	-	43,681	1,298,674	1,313,542
Total Deferred Credits	$2,984,648	$2,955,835	$1,558,726	$1,602,407	$4,543,374	$4,558,242
Total Capitalization and Liabilities	$124,373,242	$123,163,771	$131,390,554	$132,272,161	$255,763,796	$255,435,932

HASTINGS UTILITIES

STATEMENT OF FUND OPERATIONS
For 3 Month Ended December 31, 2019
and the 12 Months Ending September 30, 2019

	2019-2020			
	Electric System	Combined System	Total	2018-19 Total
Operating Revenues	$8,957,161	$5,629,265	$14,586,426	$64,423,100
Operating Expenses	9,935,777	4,730,137	14,665,914	62,486,900
Operating Income (Loss)	($978,616)	$899,128	($79,488)	$1,936,200
Additions to Income	3,353,584	337,064	3,690,648	13,310,203
Deductions From Income	2,758,741	231,231	2,989,972	13,023,961
Contribution in Aid of Constructio	10,818	195,950	206,768	(189,625)
Net Income	($372,955)	$1,200,911	$827,956	$2,032,817
City's Equity - Beginning	110,636,017	107,536,971	218,172,988	216,140,171
City's Equity - Ending	$110,263,062	$108,737,882	$219,000,944	$218,172,988

HASTINGS UTILITIES
STATEMENT OF FUND OPERATIONS
For 3 Month Ended December 31, 2019
and the 12 Months Ending September 30, 2019

	2019-2020						
	Gas Dept	Water Dept	Pollution Control Dept	Street Lighting Dept	Admin. Dept	Total	2018-2019 Total
Operating Revenues	$1,993,386	$1,549,040	$1,959,355	$127,484	$0	$5,629,265	$23,002,466
Operating Expenses	2,280,151	1,140,108	1,229,362	80,516	-	4,730,137	20,190,599
Operating Income (Loss)	($286,765)	$408,932	$729,993	$46,968	$0	$899,128	$2,811,867
Additions to Income	219,446	50,800	66,773	45	-	337,064	892,388
Deductions From Income	76,563	31,769	122,899	-	-	231,231	2,945,363
Contrib. in Aid of Const.	-	116,748	79,202	-	-	195,950	(197,195)
Net Income	($143,882)	$544,711	$753,069	$47,013	$0	$1,200,911	$561,697
City's Equity - Beginning						107,536,971	106,975,274
City's Equity - Ending						$108,737,882	$107,536,971

HASTINGS UTILITIES
ELECTRIC DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
Operating Revenues						
Retail Sales	$1,914,549	$5,720,282	$2,026,630	$5,873,631		
Interdepartmental Sales	50,041	140,120	45,074	133,203		
Fuel Cost Adjustment	824,085	2,400,729	943,770	2,778,957		
Total Retail Sales	$2,788,675	$8,261,131	$3,015,474	$8,785,791	$37,200,000	
Solar Sales	6,277	27,910	-	-	772,476	
Wholesale Sales	269,705	668,120	523,663	1,814,730	5,100,000	13.1%
Total Operating Revenue	$3,064,657	$8,957,161	$3,539,137	$10,600,521	$43,072,476	
Operating Expenses						
Production:						
Fuel	$457,578	$1,263,143	$487,789	$1,469,933	$5,700,000	22.2%
Other	587,357	1,473,820	705,840	1,646,840	9,238,525	16.0%
Purchased Power	231,275	475,120	147,401	471,941	3,000,000	15.8%
Purchased Power - PPGA	1,086,713	2,940,611	942,658	2,803,611	11,000,000	26.7%
Transmission and Distribution	136,060	322,882	114,914	332,220	1,777,000	18.2%
General and Administrative						
Direct	214,371	707,919	221,467	759,213	3,646,237	19.4%
Indirect	326,275	952,777	350,741	901,864	3,449,185	27.6%
Cash Payments in Lieu Of Taxes	177,824	533,472	177,824	533,471	2,412,059	22.1%
Total Operating Expenses	$3,217,453	$8,669,744	$3,148,634	$8,919,093	$40,223,006	
Operating Inc. (Loss) Before Deprec.	($152,796)	$287,417	$390,503	$1,681,428	$2,849,470	
Less Depreciation	422,011	1,266,033	414,337	1,243,011	5,100,000	24.8%
Operating Income (Loss)	($574,807)	($978,616)	($23,834)	$438,417	($2,250,530)	
Add - Other Income						
Interest Income	$36,470	$126,044	$33,865	$94,292	$210,000	60.0%
Participation & Capacity Agreements	26,498	135,866	52,962	57,801	1,034,675	13.1%
Coal Sales - Ethanol	437,138	1,239,872	472,206	1,362,089	4,200,000	29.5%
Electric Jobbing Sales	17,148	67,291	16,312	26,235	100,000	67.3%
Reimbursement from PPGA	622,127	1,681,731	568,083	1,419,620	6,030,000	27.9%
Other	26,183	102,780	24,844	93,029	316,300	32.5%
Total Other Income	$1,165,564	$3,353,584	$1,168,272	$3,053,066	$11,890,975	
Deduct - Other Expense						
Interest & Amortization of Bond Expense	$0	$0	$14,635	$42,923	$0	0.0%
Coal Cost - Ethanol	290,366	819,897	306,026	884,497	2,850,000	28.8%
Non Utility Plant Depreciation	57,731	173,193	57,731	173,193	700,000	24.7%
Cost of Electrical Jobbing	53,459	83,920	25,820	61,003	157,000	53.5%
Cost of Services to PPGA	622,127	1,681,731	568,083	1,419,620	6,030,000	27.9%
Total Other Expenses	$1,023,683	$2,758,741	$972,295	$2,581,236	$9,737,000	
Income Before Contrib. in Aid of Const.	($432,926)	($383,773)	$172,143	$910,247	($96,555)	
Contribution in Aid of Construction	350	10,818	-	350	-	0.0%
Net Income (Loss)	($432,576)	($372,955)	$172,143	$910,597	($96,555)	

HASTINGS UTILITIES
GAS DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
Operating Revenues						
Retail Sales	$930,575	$1,954,182	$997,911	$1,952,474		
Interdepartmental Sales	5,836	12,158	7,440	16,190		
Purchased Gas Adjustment	27,046	27,046	237,357	280,422		
Total Operating Revenues	$963,457	$1,993,386	$1,242,708	$2,249,086	$8,925,000	
Operating Expenses						
Production:						
Natural Gas Purchased	$542,453	$1,171,780	$716,552	$1,614,610	$5,500,000	21.3%
Peak Shaving Plant	2,851	6,895	2,730	5,523	75,000	9.2%
Transmission and Distribution	61,820	220,998	100,748	253,236	1,102,000	20.1%
General and Administrative:						
Direct	75,849	221,448	80,153	236,979	1,034,481	21.4%
Indirect	69,190	202,046	78,128	218,013	833,789	24.2%
Cash Payments in Lieu Of Taxes	27,481	82,443	27,481	82,448	340,000	24.2%
Transfer to General Fund - Res. 1344	-	-	-	-	227,035	0.0%
Intra-City Services Fund	106	372	1,846	5,041	50,000	0.7%
Total Operating Expenses	$779,750	$1,905,982	$1,007,638	$2,415,850	$9,162,305	
Operating Inc. (Loss) Before Deprec.	$183,707	$87,404	$235,070	($166,764)	($237,305)	
Less Depreciation	124,723	374,169	123,058	369,174	1,510,000	24.8%
Operating Income (Loss)	$58,984	($286,765)	$112,012	($535,938)	($1,747,305)	
Add - Other Income						
Gas Jobbing Sales	$57,605	$60,949	$375	$5,053	$30,000	203.2%
Interest Income	-	-	-	-	10,000	0.0%
Reimbursement from PPGA	-	7,248	-	-	-	
Other	-	74,367	-	28,870	386,500	19.2%
Allocation of Admin Department Revenue	22,069	76,882	24,494	92,409	154,886	49.6%
Total Other Income	$79,674	$219,446	$24,869	$126,332	$581,386	
Deduct - Other Expenses						
Cost of Gas Jobbing	$1,324	$69,315	$9,136	$23,203	$85,000	81.5%
Economic Development	-	-	-	-	1,513,000	0.0%
Cost of Services to PPGA	-	7,248	-	-	-	
Total Other Expenses	$1,324	$76,563	$9,136	$23,203	$1,598,000	
Income Before Contrib. in Aid of Const.	$137,334	($143,882)	$127,745	($432,809)	($2,763,919)	
Contribution in Aid of Construction	-	-	-	-	70,000	
Net Income (Loss)	$137,334	($143,882)	$127,745	($432,809)	($2,693,919)	

HASTINGS UTILITIES
WATER DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
Operating Revenues						
Water Sales to Customers	$468,196	$1,531,136	$441,898	$1,439,211		
Interdepartmental Sales	6,126	17,904	5,815	17,871		
Total Operating Revenue	$474,322	$1,549,040	$447,713	$1,457,082	$7,100,000	
Operating Expenses						
Production:						
Purchased power	$25,797	$75,335	$22,772	$75,553	$450,000	16.7%
Other	28,534	106,610	23,021	54,943	375,000	28.4%
Operation of Water Treatment	44,033	127,937	46,519	129,768	745,000	
Transmission and Distribution	51,409	156,005	97,016	229,093	837,000	18.6%
General and Administrative:						
Direct	40,718	142,424	61,209	161,207	540,681	26.3%
Indirect	86,917	253,814	91,862	226,688	866,972	29.3%
Cash Payments in Lieu Of Taxes	27,474	82,422	27,474	82,425	364,940	22.6%
Transfer to General Fund - Res. 1344	-	-	-	-	180,772	0.0%
Total Operating Expenses	$304,882	$944,547	$369,873	$959,677	$4,360,365	
Operating Income Before Depreciation	$169,440	$604,493	$77,840	$497,405	$2,739,635	
Less Depreciation	65,187	195,561	54,104	162,312	630,000	31.0%
Operating Income (Loss)	$104,253	$408,932	$23,736	$335,093	$2,109,635	
Add Other Income						
Water Jobbing Sales	$2,493	$8,328	$4,408	$20,712	$50,000	16.7%
Reimbursement from PPGA	-	82	-		-	
Other	-	4,868	-	4,612	15,000	32.5%
Allocation of Admin Department Revenue	10,770	37,522	12,365	39,312	65,892	56.9%
Total Other Income	$13,263	$50,800	$16,773	$64,636	$130,892	
Deduct Other Expense						
Interest Expense - SRF Loan	$0	$16,617	$18,155	$18,155	$32,400	51.3%
Cost of Water Jobbing	1,328	15,070	11,616	15,390	37,000	40.7%
Cost of Services to PPGA	-	82	-	-	-	
Total Other Expenses	$1,328	$31,769	$29,771	$33,545	$69,400	
Income (Loss) Before Contrib. Aid Const.	$116,188	$427,963	$10,738	$366,184	$2,171,127	
Contribution in Aid of Construction	7,757	116,748	10,870	14,672	-	0.0%
Net Income (Loss)	$123,945	$544,711	$21,608	$380,856	$2,171,127	

HASTINGS UTILITIES
POLLUTION CONTROL
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
Operating Revenues						
Sewer Service Charge - Customers	$611,642	$1,877,724	$575,126	$1,737,871		
Interdepartmental Charges	26,703	81,631	19,883	57,900		
Total Operating Revenue	$638,345	$1,959,355	$595,009	$1,795,771	$7,100,000	
Operating Expenses						
Sewer Treatment:						
Purchased Power	$20,035	$55,752	$18,703	$56,421	$240,000	23.2%
Other	57,613	180,156	82,389	261,519	1,174,000	15.3%
Sewer Line Expense	36,323	83,902	29,139	94,432	377,000	22.3%
General and Administrative:						
Direct	50,315	161,827	46,010	137,716	629,681	25.7%
Indirect	73,358	214,217	76,472	230,949	883,262	24.3%
Cash Payments in Lieu Of Taxes	21,477	64,431	21,477	64,429	284,000	22.7%
Total Operating Expenses	$259,121	$760,285	$274,190	$845,466	$3,587,943	
Operating Income Before Depreciation	$379,224	$1,199,070	$320,819	$950,305	$3,512,057	
Less Depreciation	156,359	469,077	156,937	470,811	1,890,000	24.8%
Operating Income (Loss)	$222,865	$729,993	$163,882	$479,494	$1,622,057	
Add Other Income						
Interest Income	$2,919	$8,924	$1,948	$5,823	$24,000	37.2%
Sewer Jobbing Sales	491	3,453	579	1,974	6,000	57.6%
Other	14,160	16,995	-	13,982	30,000	56.7%
Allocation of Admin Department Revenue	10,736	37,401	6,550	20,371	34,145	109.5%
Total Other Income	$28,306	$66,773	$9,077	$42,150	$94,145	
Deduct Other Expense						
Interest and Amortization of Bond Expense	$39,415	$119,748	$40,889	$149,823	$460,000	26.0%
Cost of Sewer Jobbing	18	3,151	139	1,227	5,000	63.0%
Total Other Expenses	$39,433	$122,899	$41,028	$151,050	$465,000	
Inc. (Loss) Before Contrib. in Aid Const.	$211,738	$673,867	$131,931	$370,594	$1,251,202	
Contribution in Aid of Construction	-	79,202	3,182	6,365	-	0.0%
Net Income (Loss)	$211,738	$753,069	$135,113	$376,959	$1,251,202	

HASTINGS UTILITIES
ADMINISTRATIVE DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
General and Administrative						
Supervision - Customer Accounts	$16,658	$43,818	$15,275	$39,301	$176,000	24.9%
Meter Reading Expense	17,492	45,762	20,503	55,499	230,000	19.9%
Customer Records and Collection	37,607	97,845	85,061	146,133	475,000	20.6%
Uncollectible Accounts	(877)	(3,371)	(1,759)	(3,440)	50,000	(6.7)%
Customer Service & Information	683	3,043	1,127	3,379	60,000	5.1%
Postage	1,409	26,923	6,600	23,700	115,000	23.4%
Engineering	128,311	336,161	126,498	340,145	1,590,000	21.1%
Locating	6,525	21,741	6,502	18,892	80,000	27.2%
Information Technology	32,437	111,310	46,392	106,639	281,781	39.5%
General and Administrative Salaries	173,815	459,539	149,792	399,168	1,600,000	28.7%
Human Resources	16,631	40,591	12,005	32,200	176,927	22.9%
Admin & Engineering Services to PPGA	78,452	241,760	82,031	210,147	903,000	26.8%
Charges to EPS	113	340	263	843	3,000	11.3%
Office Supplies	9,463	20,583	4,709	18,132	150,000	13.7%
Travel, Training, Misc. General Expense	6,185	30,766	1,486	2,907	25,000	123.1%
Outside Services	10,416	75,461	17,783	73,426	450,000	16.8%
Property Insurance	1,648	4,952	6,803	20,406	60,000	8.3%
Injuries and Damages	3,266	9,909	2,527	7,583	35,000	28.3%
Employee Benefits	109,120	341,769	112,532	356,624	1,372,000	24.9%
Safety Training & Equipment	11,371	36,130	10,270	30,750	175,000	20.6%
Misc. General Expense	45	24,124	1,046	1,712	50,000	48.2%
Maintenance of Buildings & Grounds	44,049	100,637	41,656	89,956	460,000	21.9%
Vehicle Clearing Acct Alloc	2,843	2,285	-		-	0.0%
Depreciation	1,328	3,984	1,328	3,984	16,500	24.1%
Total General and Administrative	$708,990	$2,076,062	$750,430	$1,978,086	$8,534,208	
Less Overhead Allocated	46,835	135,722	47,535	119,251	1,300,000	10.4%
Less Allocation of Warehouse/Stores Charge	27,850	75,386	23,398	70,331	295,000	25.6%
Less Reimbursement from PPGA	78,452	241,760	82,031	210,147	903,000	26.8%
Less Reimbursement from EPS	113	340	263	843	3,000	11.3%
Allocable Expenses	$555,740	$1,622,854	$597,203	$1,577,514	$6,033,208	
Allocations to Operating Departments						
Electric	$326,275	$952,777	$350,741	$901,864	$3,449,185	27.6%
Gas	69,190	202,046	78,128	218,013	833,789	24.2%
Water	86,917	253,814	91,862	226,688	866,972	29.3%
Pollution Control	73,358	214,217	76,472	230,949	883,262	24.3%
Total Allocations	$555,740	$1,622,854	$597,203	$1,577,514	$6,033,208	
Net Operating Expenses	$0	$0	$0	$0	$0	
Add Other Income						
Interest	$35,458	$127,382	$37,865	$128,611		
Sales Tax Collection Fee	80	240	75	226		
Posting Charges	5,970	15,980	3,720	15,420		
Reconnect Charges	1,150	4,200	850	3,650		
Other	930	4,048	732	4,231		
Total Other Income	$43,588	$151,850	$43,242	$152,138	$255,000	59.5%
Allocation Of Other Income To Operating Departments						
Gas	$22,069	$76,882	$24,494	$92,409	$154,886	49.6%
Water	10,770	37,522	12,365	39,312	65,892	56.9%
Pollution Control	10,736	37,401	6,550	20,371	34,145	109.5%
Street Lighting	13	45	(167)	46	77	58.4%
Total Allocations	$43,588	$151,850	$43,242	$152,138	$255,000	
Net Income (Loss)	$0	$0	$0	$0	$0	

HASTINGS UTILITIES
STREET LIGHTING
STATEMENT OF REVENUES AND EXPENSES
December, 2019

	December 2019	Year To Date 2019-2020	December 2018	Year To Date 2018-2019	Budget 2019-2020	YTD Budget % 2019-2020
Operating Revenues						
Operating Revenue	$42,536	$127,484	$42,521	$127,558		
Total Operating Revenue	$42,536	$127,484	$42,521	$127,558	$510,000	
Operating Expenses						
Production:						
Operation & Maintenance	$5,249	$24,278	$13,979	$21,509	$75,000	32.4%
Purchased Power	11,180	30,938	12,504	34,380	120,000	25.8%
General and Administrative:						
Direct	-	-	-	-	-	
Indirect	1,968	5,380	3,178	6,707	30,000	17.9%
Total Operating Expenses	$18,397	$60,596	$29,661	$62,596	$225,000	
Operating Income (Loss) Before Deprec.	$24,139	$66,888	$12,860	$64,962	$285,000	
Less Depreciation	6,640	19,920	2,764	8,292	35,000	56.9%
Operating Income (Loss)	$17,499	$46,968	$10,096	$56,670	$250,000	
Add - Other Income						
Allocation of Admin Department Revenue	$13	$45	($167)	$46	$77	58.4%
Total Other Income	$13	$45	($167)	$46	$77	
Deduct - Other Expenses						
Interest	$0	$0	$0	$0	$0	0.0%
Total Other Expenses	$0	$0	$0	$0	$0	
Income Before Contrib. in Aid Const.	$17,512	$47,013	$9,929	$56,716	$250,077	
Contribution in Aid of Construction	-	-	-	8,705	-	
Net Income (Loss)	$17,512	$47,013	$9,929	$65,421	$250,077	

HASTINGS UTILITIES

CITY OF HASTINGS, NEBRASKA
COMBINED SYSTEM
SCHEDULE OF NET RECEIPTS AS DEFINED BY BOND ORDINANCE
Twelve Months Ended December 31, 2019

Revenues		
	Gas	$8,486,528
	Water	6,601,651
	Pollution Control	7,404,855
	Street Lighting	509,199
	Other Services Furnished to Customers, Net of Expenses	813,271
	Total Revenues	$23,815,504
Expenses		
	Gas	$7,180,347
	Water	3,517,069
	Pollution Control	3,212,548
	Street Lighting	236,526
	Total Expenses	$14,146,490
	Net Receipts as Defined by Bond Ordinance	$9,669,014

Average Annual Combined Debt Service Ratio 6.71

$1,440,568

Previous Twelve Months Debt Service Ratios

December	2018	6.46
January	2019	6.34
February	2019	6.21
March	2019	6.13
April	2019	6.50
May	2019	6.36
June	2019	6.53
July	2019	6.78
August	2019	7.14
September	2019	6.63
October	2019	6.73
November	2019	6.58

SUPPLEMENTARY DATA

HASTINGS UTILITIES
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended December 31, 2019

	Electric System	Combined System	Total
FUNDS PROVIDED			
Operations			
Net Income (Loss)	($432,576)	$490,529	$57,953
Add Items Not Requiring Funds:			
Depreciation	494,761	369,994	864,755
Amortization	-	(5,582)	(5,582)
Total Funds Provided (Used) by Operations	$62,185	$854,941	$917,126
Other Provisions			
Increase in Customer Deposits	$0	$13,455	$13,455
Increase in Accounts Payable	-	149,287	149,287
Increase in Deferred Credits	10,181	815	10,996
Increase in Intercompany Payable	2,107,549	-	2,107,549
Increase in Interest Payable	-	44,997	44,997
Decrease in Interest Receivable	8,752	3,464	12,216
Decrease in Accounts Receivable	39,075	-	39,075
Decrease in Inventories	-	3,840	3,840
Decrease in Prepaid Expenses	74,482	-	74,482
Decrease in Deferred Charges	-	9,439	9,439
TOTAL FUNDS PROVIDED	$2,302,224	$1,080,238	$3,382,462
FUNDS APPLIED			
Increase in Accounts Receivable	$0	$373,244	$373,244
Increase in Inventories	254,307	-	254,307
Increase in Intercompany Receivable	-	2,107,549	2,107,549
Increase in Property and Equipment:			
Electrical Department	62,080		62,080
Gas Department	-	55,090	55,090
Water Department	-	14,089	14,089
Pollution Control Department	-	27,825	27,825
Street Lighting Department	-	25,808	25,808
Administrative Department	-	1,918	1,918
Decrease in Accounts Payable	24,558	-	24,558
TOTAL FUNDS APPLIED	$340,945	$2,605,523	$2,946,468
INCREASE (DECREASE) CASH AND INVESTMENTS	$1,961,279	($1,525,285)	$435,994
SUMMARY OF CHANGES IN CASH AND INVESTMENTS			
Special Funds	$5,633	$155,453	$161,086
General	1,955,646	(1,680,738)	274,908
	$1,961,279	($1,525,285)	$435,994

HASTINGS UTILITIES
STATEMENT OF CHANGES IN FINANCIAL POSITION
For 3 Month Ended December 31, 2019

	Electric System	Combined System	Total
FUNDS PROVIDED			
Operations			
Net Income (Loss)	($372,955)	$1,200,911	$827,956
Add Items Not Requiring Funds:			
Depreciation	1,484,280	1,109,978	2,594,258
Amortization	-	(16,807)	(16,807)
Total Funds Provided (Used) by Operations	$1,111,325	$2,294,082	$3,405,407
Other Provisions			
Increase in Customer Deposits	$0	$19,270	$19,270
Increase in Deferred Credits	28,813	-	28,813
Increase in Intercompany Payable	2,344,839	-	2,344,839
Decrease in Interest Receivable	2,754	-	2,754
Decrease in Accounts Receivable	142,367	-	142,367
Decrease in Deferred Charges	-	9,709	9,709
Decrease in Property and Equipment:			
Administrative Department	-	20,396	20,396
TOTAL FUNDS PROVIDED	$3,630,098	$2,343,457	$5,973,555
FUNDS APPLIED			
Increase in Accounts Receivable	$0	$743,014	$743,014
Increase in Inventories	678,460	9,940	688,400
Increase in Interest Receivable	-	2,660	2,660
Increase in Intercompany Receivable	-	2,344,839	2,344,839
Increase in Prepaid Expenses	731,793	-	731,793
Increase in Property and Equipment:			
Electrical Department	302,584		302,584
Gas Department		66,518	66,518
Water Department		241,861	241,861
Pollution Control Department		53,150	53,150
Street Lighting Department		32,269	32,269
Decrease in Revenue Bonds		1,250,000	1,250,000
Decrease in SRF Note Payable		62,180	62,180
Decrease in Accounts Payable	791,226	587,036	1,378,262
Decrease in Deferred Credits	-	43,681	43,681
Decrease in Interest Payable	-	142,084	142,084
TOTAL FUNDS APPLIED	$2,504,063	$5,579,232	$8,083,295
INCREASE (DECREASE) CASH AND INVESTMENTS	$1,126,035	($3,235,775)	($2,109,740)
SUMMARY OF CHANGES IN CASH AND INVESTMENTS			
Special Funds	$14,296	($1,109,250)	($1,094,954)
General	1,111,739	(2,126,525)	(1,014,786)
	$1,126,035	($3,235,775)	($2,109,740)

HASTINGS UTILITIES
COMPARATIVE STATEMENT OF PRODUCTION
December 2019 and 2018 - Year to Date 2020 and 2019

Electric Department K-W Hours	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	10,514	7,517,046	21,847,241	10,456	8,182,116	21,760,441
Residential - Rural	275	480,961	1,134,855	273	478,343	1,194,987
Residential - Juniata	347	395,777	931,843	345	378,751	967,869
Commercial - Hastings	1,842	5,655,133	16,967,446	-	6,056,577	17,170,751
Commercial - Rural *	202	1,136,368	3,200,378	1,877	1,280,771	3,762,231
Commercial - Juniata	49	115,169	320,385	193	116,631	335,872
Commercial Heating - Hastings	32	247,744	569,482	50	236,072	517,219
Commercial Heating - Rural	4	16,706	35,100	32	16,319	37,955
Primary Power	37	16,969,710	51,003,440	3	17,878,910	53,572,740
Irrigation	-	-	47,118	40	5	17,294
Street Lighting - Hastings	1	170,580	473,824	1	185,606	504,248
Traffics - Hastings	1	6,550	20,657	1	9,229	27,828
Street Lighting - Juniata	1	11,362	31,672	1	11,362	30,675
Public Authorities - Hastings	80	162,653	765,754	87	225,315	773,557
Public Authorities - Juniata	10	17,781	77,951	10	34,672	103,776
Unmetered	10	5,214	15,642	10	5,214	15,642
Interdepartmental	31	856,526	2,400,796	27	774,288	2,295,143
	13,436			13,406		
Total Retail Sales		33,765,280	99,843,584		35,870,181	103,088,228
Total Wholesale Sales		17,298,500	33,074,935		17,015,239	57,407,476
Total Sales		51,063,780	132,918,519		52,885,420	160,495,704
Gross Generation		36,678,800	102,414,000		38,081,570	112,216,400
Less Plant Power		4,546,874	11,733,274		4,079,450	11,587,104
Net Generation		32,131,926	90,680,726		34,002,120	100,629,296
KWH Purchased		20,273,413	43,322,883		19,690,211	62,091,197
Total KWH		52,405,339	134,003,609		53,692,331	162,720,493
Unaccounted For/Unbilled		1,341,559	1,085,090		806,911	2,224,789
KWH Sold (Retail and Wholesale)		51,063,780	132,918,519		52,885,420	160,495,704

HASTINGS UTILITIES
COMPARATIVE STATEMENT OF PRODUCTION
December 2019 and 2018 - Year to Date 2020 and 2019

Water Department - CCF	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	8,528	41,922	165,446	8,507	45,180	173,168
Residential - Rural	34	156	500	34	162	544
Residential - CMS	5	27	67	5	37	98
Commercial - Hastings	1,283	57,893	201,575	1,292	50,906	175,284
Commercial - Rural	31	390	1,624	28	547	1,774
Commercial - CMS *	78	12,856	33,021	76	13,726	40,708
Large Industrial - Hastings	4	19,451	55,606	4	14,935	46,727
Large Industrial - Rural	1	42,634	122,130	1	40,596	117,147
Sales to Public Authorities	33	140	6,596	35	151	5,218
Interdepartmental	28	2,402	6,859	27	2,253	6,929
	10,025			10,009		
Total Retail Sales		177,871	593,424		168,493	567,597
Total Wholesale Sales		3,155	9,853		3,007	9,127
Total Sales		181,026	603,277		171,500	576,724
CCF Pumped		179,874	598,903		166,270	543,967
Water Main Flushing		799	2,449		238	519
Unaccounted For/Unbilled		(1,951)	(6,823)		(5,468)	(33,276)
CCF Sold		181,026	603,277		171,500	576,724

Gas Department - CCF *	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	9,347	955,381	1,871,525	9,338	1,075,917	1,967,892
Residential - Rural	18	3,017	5,904	18	2,874	6,002
Commercial - Hastings	1,203	418,017	798,973	1,236	478,869	858,448
Commercial - Rural	25	9,419	79,875	22	10,909	86,141
Industrial - Hastings	41	305,293	706,381	45	337,880	731,504
Industrial - Rural	2	20,708	42,968	2	21,229	41,865
Sales to Public Authorities	22	15,328	29,513	21	17,394	32,311
Firm Transportation	13	172,341	370,148	9	143,146	297,064
Interdepartmental	7	12,521	26,070	7	16,843	36,729
Total	10,678	1,912,025	3,931,357	10,698	2,105,061	4,057,956
Gas Purchased		1,820,052	4,244,514		1,938,590	4,364,199
Gas Manufactured		-	-		-	-
Total CCF		1,820,052	4,244,514		1,938,590	4,364,199
Unaccounted For/Unbilled		(91,973)	313,157		(166,471)	306,243
CCF Sold		1,912,025	3,931,357		2,105,061	4,057,956

*Volume adjusted based on 945 Btu/cf

HASTINGS UTILITIES
Unit Sales and Cost Analysis
Electric Department
Year to Date December 31, 2019

			KWH Purchased & Generated	
Generated			102,414,000	(A)
Plant Use			11,733,274	
			90,680,726	(B)
Purchased			43,322,883	(C)
Net Generation & Purchase			134,003,609	
Unaccounted For/Unbilled			1,085,090	
Total KWH for Resale				
Retail	99,843,584	(E)		
Wholesale	33,074,935		132,918,519	(D)

	Expense	Cost Net KWH	
Production:			
Fuel	$1,263,144	0.01393	(B)
Other Production Expense	1,473,820	0.01625	(B)
Production Depreciation	731,772	0.00807	(B)
Total Production Expense	$3,468,736	0.03825	(B)
Power Purchased	3,415,731	0.07884	(C)
Total Power Expense	$6,884,467	0.05179	(D)
Transmission & Distribution	322,882	0.00243	(D)
General & Administrative	1,660,682	0.01249	(D)
Other Depreciation	534,261	0.00402	(D)
Payment in Lieu of Taxes	533,472	0.00401	(D)
Total Power & Distribution Expense	$9,935,764	0.07475	(D)
Long Term Debt Interest	-	-	(D)
Total Cost	$9,935,764	0.07475	(D)
Revenue - Retail Sales	$8,261,130	0.08274	(E)
Revenue - Wholesale Sales	668,120		
Revenue - Solar Sales	27,910		
Interest Earned	126,044		
Participation & Capacity Agreements	135,866		
Coal Income - Ethanol (Net of Expenses)	419,975		
Other Services Net of Expenses	86,152		
Total Revenues	$9,725,197		

HASTINGS UTILITIES
Unit Sales and Cost Analysis
Year to Date December 31, 2019

Water Department

Total Water Pumped (CCF)	598,903
Water Main Flushing	2,449
Unaccounted For/Unbilled	(6,823)
Water for Resale	603,277

	Expenses Year to Date	Cost Per CCF Sold	Cost Per CCF Pumped
Expenses			
Production	$181,945	0.30159	0.30380
Operation of Water Treatment	127,937	0.21207	0.21362
Transmission & Distribution	156,005	0.25860	0.26048
General & Administrative	396,234	0.65680	0.66160
Depreciation	195,561	0.32416	0.32653
Payment in Lieu of Taxes	82,422	0.13662	0.13762
Trans. To General Fund - Res. 1344	-	-	-
Subtotal	$1,140,104	1.88985	1.90365
Distribution Loss	-	-	(0.01380)
Total	$1,140,104	1.88985	1.88985
Total Revenue & Earnings per CCF Sold	$1,549,040	2.56771	

Gas Department

Total Gas Purchased (CCF)	4,244,514
Equivalent Gas Manufactured (CCF)	-
Total	4,244,514
Unaccounted For/Unbilled (CCF)	313,157
Total Gas for Resale (CCF)	3,931,357

	Expenses Year to Date	Net Cost per CCF
Expenses		
Gas Purchased & Manufactured	$1,178,675	0.29981
Transmission & Distribution	220,998	0.05621
General & Administrative	423,490	0.10772
Depreciation	374,169	0.09518
Payment in Lieu of Taxes	82,443	0.02097
Trans. To General Fund - Res. 1344	-	-
Intra-City Services Fund	372	0.00009
Total	$2,280,147	0.57999
Total Revenue & Earnings per CCF Sold	$1,993,386	0.50705

MONTHLY OPERATING DATA
December 2019

	Current Month	Year to Date	Previous Year
Electric Peak Hour	62.1 MW @ 1000 12/17/2019	62.1 MW @ 1000 12/17/2019	89.4 MW @ 1700 7/18//2019
Gas	7,723 MCF 12/9-10/2019 8,519 MMBTU	8,931 MCF 11/11-12/2019 9,938 MMBTU	11,385 MCF 3/3-4/2019 12,188 MMBTU
Water Peak Day	5.450 MGD 12/18/2019	6.729 MGD 10/8/2019	12.463 MGD 7/17/2019
PCC Peak Day	4.101 MGD 12/20/2019	4.218 MGD 11/20/2019	7.532 MGD 8/23/2019

HU Dept	Pay Periods 25 & 26, ending 12/21/19							2019-2020 BUDGET			
	#EE	Net Payroll	Payroll W/H	Gross payroll	Employer-Share Benefits	Total Payroll Expense		**#EE**	**LABOR**	**BENEFITS**	**TOTAL $**
GAS	17	58,293	43,083	101,376	46,665	148,041		19	120,749	54,706	175,455
WATER/SEWER	15	45,490	28,799	74,289	38,956	113,245		17	81,663	39,230	120,893
PCC	9	28,283	16,102	44,385	24,481	68,866		10	48,616	24,660	73,276
ELEC/SUB/METERING	18	94,023	61,000	155,023	55,269	210,293		18	138,131	51,617	189,748
NDS	7	32,141	22,024	54,165	15,349	69,514		7	54,803	15,142	69,945
WEC	77	338,235	218,054	556,289	207,292	763,581		82	581,448	213,910	795,358
ADMIN (EXCLUDES ENGIN, HR, IT, FINANCE) (includes Maint, Mechanic, Warehouse	17	76,659	47,702	124,361	48,981	173,342		17	129,452	53,380	182,832
ENGINEERING	18	76,758	44,947	121,705	43,032	164,737		18	128,781	40,726	169,507
BUSINESS OFFICE/ METER READING	12	29,810	18,955	48,765	27,988	76,754		14	63,648	30,666	94,314
	190	**779,692**	**500,665**	**1,280,357**	**508,014**	**1,788,372**		**202**	**1,347,291**	**524,038**	**1,871,329**

Labor Includes Reg Pay, OT Pay, Sick Pay, Standby, and Vacation

Benefits Includes Employer Share of Payroll Taxes, Pension and Health/Dental Insurance

Budget number are divided by 12 to get monthly amounts

# of Employees comes from Tammy's list

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
ELECTRIC DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	PLANT ADDITIONS								
2.00	Miscellaneous Plant - (WEC, NDS & DHPC)	$100,000					$0	$10,615	
	Solar Farm Development (Carry Over PL-698)					$2,401,407	8	3,116	
	PLANT ADDITIONS - WEC								
2.01	Replace Reheater Desuperheater Station - WEC (Carry Over PL-699)	130,000	PL-699	May-19	$156,535	$33,590	-	21,408	
2.02	New Platforms - WEC	50,000					-	-	
2.03	New Boiler Throat Door - WEC	120,000					-	-	
2.04	Upgrade DCS WEC	130,000					-	-	
2.05	New Dry Ash System - WEC	425,000					-	-	
2.06	Portable Low Level Oxygen Meter - WEC	11,000					-	-	
2.07	Lights Around Tracks - WEC	115,000					-	-	
	PLANT ADDITIONS WEC SHARED								
2.08	New Security Gates - WEC (Shared)	300,000					-	-	
2.09	Relocate Network Equipment - WEC (Shared)	9,000					-	-	
2.10	New Oil Storage Building - WEC (Shared)	75,000					-	-	
2.11	New Concrete at Coal Handling Office Bldg. - WEC (Shared)	20,000					-	-	
2.12	Replace Tractor - WEC (Shared)	50,000					-	-	
2.13	Replace Forklift #6000 - WEC (Shared)	50,000					-	-	
2.14	New Shaker for Coal Dumper Building - WEC (Shared)	140,000					-	-	
	PLANT ADDITIONS NDS								
2.15	New Platforms - NDS	10,000					-	-	
2.16	Replace Heating Boiler - NDS	260,000					-	-	
2.17	New Air Compressor - NDS	10,000					-	-	
2.18	Replace 13.8 KV Breakers in 34.5 KV Substations	200,000					-	-	
	TOTAL PLANT ADDITIONS	$2,205,000					$8	$35,139	
	RURAL DISTRIBUTION								
2.20	New 3-Phase Overhead Electric Line on J St., Elm Ave. to Technical Blvd.; and on Technical Blvd., J St. to Coal Train Rd. Feeder 273	$650,000					$0	$6,000	
2.21	Rebuild 70th St. from Baltimore to Hwy. 281 (Carry Over EL-45)	60,000	EL-45	May-18	$84,045	$29,224	-	-	
2.22	Ordinary Construction Additions to Rural System	125,000					719	905	
	TOTAL RURAL DISTRIBUTION	$835,000					$719	$6,905	

HASTINGS UTILITIES

COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET

DECEMBER 2019

ELECTRIC DEPARTMENT

B.I. NO.		BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	CITY DISTRIBUTION - OVERHEAD								
2.31	Install Poles and Spacer Cable on 42nd St. Walmart to Baltimore	$73,000					$0	$0	
2.32	New 3 Phase Feeder 242 from 7th St. Substation to WEC (HEDC Project Flint)	460,000					-	-	
2.33	Meters, Sockets, and Equipment	300,000					6,297	17,004	
2.34	Services, Overhead and Underground	75,000					2,113	14,767	
2.35	Ordinary Overhead Construction Additions (3 year average)	150,000					22,549	30,786	
	TOTAL CITY DISTRIBUTION - OVERHEAD	$1,058,000					$30,959	$62,557	
	CITY DISTRIBUTION - UNDERGROUND								
2.40	Ordinary Underground Construction Additions - Potential Projects: Ind. Park North Utecht Circle and Utecht Ave, Fisherman and Outrigger, Lakeview N. Shore to Martin	$350,000					$122,672	$326,739	
2.41	Laux Ave. South of 31st St.	125,000					-	-	
2.42	North Park Commons Phase 3	250,000					-	-	
2.43	Conversion from 2400/4160Y to 7970/13800Y, Lexington Ave. to Burlington Ave.; 1st St. to 6th St.	100,000					250	1,382	
2.44	Install Underground Circuit on Marian Rd., from 14th St. to 18th St.	185,000					-	-	
	TOTAL CITY DISTRIBUTION - UNDERGROUND	$1,010,000					$122,922	$328,121	
	VEHICLE AND MISCELLANEOUS ADDITIONS								
2.50	Replace Truck 27 (1988 Ford Aerial)	$200,000					$0	$0	
2.51	Tools and Miscellaneous Equipment	50,000					9,024	9,024	
2.52	Metering Testing Equipment	50,000					-	-	
2.53	Outage Management and Interactive Voice Response Software	150,000					-	-	
	TOTAL VEHICLE & MISCELLANEOUS ADDITIONS	$450,000					$9,024	$9,024	
	ALLOCATION OF ADMINISTRATIVE DEPT. CAPITAL BUDGET	$783,801					$238	$17,905	
	TOTAL CAPITAL BUDGET - ELECTRIC DEPARTMENT	$6,341,801					$163,870	$459,651	
	LESS CONTRIBUTIONS BY OTHERS								
	Miscellaneous contributions						$350	$10,818	
	TOTAL CONTRIBUTIONS BY OTHERS						$350	$10,818	
	TOTAL CAPITAL BUDGET - ELECTRIC DEPARTMENT	$6,341,801					$163,520	$448,833	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
GAS DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	DISTRIBUTION ADDITIONS								
1.00	New 4" Medium Pressure Gas Main on E. 39th St., Turner Ave. East 500', and Utecht Ave. South 800'	$60,000	GA-345	Oct-19	$29,834	$19,659	$0	$19,659	
1.01	Replacement 2" Medium Pressure Gas Main on Highland Dr., Bard St. to Pryor Terrace (Carry Over GA-337)	60,000					-	-	
1.02	New 4" and 2" Medium Pressure Gas Main at Hastings Regional Center, Phase III	70,000					-	-	
1.03	New 2" Medium Pressure Gas Main on Vintaqge Rd., 3rd Ave. and 6th St.	20,000					-	-	
1.04	Replacement 6" High Pressure Gas Main and 4" Medium Pressure Gas Main for the Hamilton Bldg. Central Community College (CCC)	75,000					-	-	
1.05	Replacement 8" Medium Pressure Gas Main on Front St., Maple Ave. to Laird Ave. (Carry Over GA-336)	80,000	GA-336	Jan-18	$237,091	$109,284	7	5,688	
1.06	Replacement 2" Medium Pressure Gas Main on Highland Dr., Country Club Ave. to Bard St.	67,000					-	-	
1.07	Purchase of New Gas Meters	100,000					25	13,625	
1.08	Miscellaneous Gas Service Replacement	125,000					(1,427)	18,279	
1.09	Miscellaneous Gas Main Replacement	50,000					-	-	
1.10	New Developments and Annexations Potential Projects: Lakeview 6th, Lakeview Martin Dr. to 33rd, Cimarron Meadows & Fisherman	150,000					14,082	14,082	
	TOTAL DISTRIBUTION ADDITIONS	$857,000					$12,687	$71,333	
	VEHICLES AND MISCELLANEOUS ADDITIONS								
1.30	Tools and Equipment	$25,000					$0	$0	
1.31	Replace Truck #17 (1999 Ford 3/4 ton Flat Bed)	85,000					-	-	
1.32	Mini Excavator	30,000					41,202	41,202	
	TOTAL VEHICLE AND MISCELLANEOUS ADDITIONS	$140,000					$41,202	$41,202	
	ALLOCATION OF ADMINISTRATIVE DEPT. CAPITAL BUDGET	$189,472					$51	$3,797	
	TOTAL CAPITAL BUDGET - GAS DEPARTMENT	$1,186,472					$53,940	$116,332	
	Less Contributions by Others								
	Hastings Regional Center Phase III	$70,000					$0	$0	
	Total Contributions	$70,000					$0	$0	
	TOTAL CAPITAL BUDGET - AFTER CONTRIBUTIONS	$1,116,472					$53,940	$116,332	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
WATER DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	PLANT ADDITIONS								
3.00	ASR Injection Wells and Water Collection System								
	West of Marian Rd. (Phase 3)	$1,900,000					$0	$2,379	
	Well & Wellhouse for ASR Well 30 (C.O. WA-353)		WA-353	Feb-19	$594,578	$422,553	2,218	$21,977	
	TOTAL PLANT ADDITIONS	$1,900,000					$2,218	$24,356	
	PRODUCTION ADDITIONS								
3.10	Removal and Abandonment of Wells and Wellhouses	50,000					$0	$0	
3.11	Pressure Booster Station for Well 33 Service Area	50,000					-	-	
3.12	Well 6 Upgrade with Wellhouse and New Pump	350,000					-	-	
	New Backup Generator for Wells (C.O. WA-363)		WA-363	May-19	$277,894	$175,104	37	30,084	
	New Well Pressure Regulation Controls for Water System		/WA-365	Mar-19	$142,083	$56,438	-	9	
	(C.O. WA-365,366)		\WA-366				-	-	
	TOTAL PRODUCTION ADDITIONS	$450,000					$37	$30,093	
	TRANSMISSION & DISTRIBUTION								
3.20	Replace and Upgrade with 8" Main on 5th St., from St. Joseph Ave. to								
	Minnesota Ave. (Carry Over WA-358)	$75,000	WA-358	Apr-19	$309,339	$228,111	$2,322	$78,056	
3.21	New 12" Main on 42nd St. from Wendell Dr. to Baltimore Ave.	220,000					-	-	
3.22	New 10" Mains on Utecht Cir. And Utecht Ave. at Ind. Park North								
	(Carry Over WA-374, WA-375)	45,000					-	-	
3.23	Laux Ave., 31st St. South	83,000					-	-	
3.24	North Park Commons Phase 3	348,500					-	-	
3.25	Replace and Upgrade with 8" Main on 7th St., Crane Ave. to Chestnut Ave.	200,000					-	-	
3.26	Meters	180,000					-	58,692	
3.27	Install Valves; Replace and/or Extend Fire Hydrants	70,000					-	-	
3.28	Misc. Water Main Improvements Potential Projects: Kansas Ave. from								
	7th St. to 8th St. for MLH	200,000					9,512	20,485	
	TOTAL TRANSMISSION & DISTRIBUTION	$1,421,500					$11,834	$157,233	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
WATER DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	W.O. AMOUNT	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	MISCELLANEOUS ADDITIONS								
3.30	Small Tools and Misc. Equipment	$15,000					$0	$0	
3.31	Replace Truck 31 (2001 Ford)	70,000					-	-	
	TOTAL MISCELLANEOUS ADDITIONS	$85,000					$0	$0	
	ALLOCATION OF ADMINISTRATIVE DEPT. CAPITAL BUDGET	$197,013					$63	$4,769	
	TOTAL CAPITAL BUDGET - WATER DEPARTMENT	$4,053,513					$14,152	$216,451	
	LESS CONTRIBUTIONS BY OTHERS								
	NDOT Hastings SE Project 6-4 (1022) Relocate and Replace	$0					$0	$0	
	Miscellaneous Contributions	-					5,066	113,715	
	Water Meters	-					2,692	3,034	
	TOTAL CONTRIBUTIONS	$0					$7,758	$116,749	
	TOTAL CAPITAL BUDGET AFTER PARTICIPATION	$4,053,513					$6,394	$99,702	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
POLLUTION CONTROL DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	PLANT ADDITIONS								
4.00	Miscellaneous Plant	$40,000					$0	$0	
4.01	Primary Anaerobic Digester Upgrade	120,000					-	-	
4.02	Activated Sludge Basin Switch and Startup	10,000					-	-	
4.03	New Water Break Tank	50,000					-	-	
4.04	Convert Westbrook Lift Station to Submersible Pumps	180,000					-	-	
4.05	Ph. 3 Sewage Lagoon on Coaltrain Rd HEDC (Project Flint)	1,000,000					-	-	
	PCF Ammonia Permit Study/Bio Solids Impr (C.O. SW-334)					$35,828	-	2,058	
	Outfall Bypass - 26th & Showboat (Carry Over SW-335)		SW-335	Jan-19	$278,678	$546	-	546	
	Lift Station, S Street/Showboat (Carry Over SW-333)		SW-333	Oct-18	$93,958	$75,954	62	169	
	TOTAL PLANT ADDITIONS	$1,400,000					$62	$2,773	
	MAIN ADDITIONS								
4.20	New 42nd St. Outfall Sewer; Wendell Dr. to Baltimore Ave.	$350,000					$0	$0	
4.21	New 10" Mains, Utecht Circle & Utecht Ave, Ind. Park North (Carry Over SW-342, SW-343)	37,000				$3,072	-	-	
4.22	Laux Ave 31st St. Sough	180,000					-	-	
4.23	North Park Commons Phase 3	451,500					-	-	
4.24	Misc. Sewer Main and Manhole Improvements	200,000					9,684	9,684	
4.25	Sewer Main and Manhole Relining Projects	100,000					18,079	18,079	
4.26	HEDC Project Flint, Coal Train Rd and Pawnee Avenue	45,000					-	-	
4.27	NDOT Hastings Southeast Project 6-4(1022)Phase 1(CO SW-32	80,000				$6,286	-	-	
	8" Sewer Main to Serve Shadow Ridge #7 (C.O. SW-325)		SW-325	Apr-18	$82,145	$81,816	-	-	
	TOTAL MAIN ADDITIONS	$1,443,500					$27,763	$27,763	
	MISCELLANEOUS ADDITIONS								
4.30	Tools & Miscellaneous Equipment	$15,000					$0	$6,299	
4.31	Sewer Camera	$15,000					-	-	
	TOTAL MISCELLANEOUS ADDITIONS	$30,000					$0	$6,299	
	ALLOCATION OF ADMINISTRATIVE DEPT. CAPITAL BUDGET	$200,714					$54	$4,026	
	TOTAL CAPITAL BUDGET - POLLUTION CONTROL DEPT.	$3,074,214					$27,879	$40,861	
	LESS CONTRIBUTIONS BY OTHERS								
	Miscellaneous Contributions	$0					$0	$79,202	
	TOTAL CONTRIBUTIONS	$0					$0	$79,202	
	TOTAL CAPITAL BUDGET AFTER PARTICIPATION	$3,074,214					$27,879	($38,341)	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
STREET LIGHTING DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	PLANT ADDITIONS								
5.00	Miscellaneous Street Light Improvements; Potential Projects:								
	Fisherman Ln. on Lakeview Martin to 33rd St.	$75,000					$24,465	$38,735	
5.01	Replace Street Light Poles Downtown	37,500	SL-123	May-19	$35,622	$9,360	-	-	
5.02	New LED Lights on 42nd St., Walmart to Baltimore Ave.	70,000					-	-	
5.03	New LED Lights on Lakeview Ave., N. Shore Dr. to Martin Ave.	35,000					-	-	
5.04	New LED Lights on Utecht Ave. and Utecht Cir. At IPN	60,000					-	-	
5.05	New LED Lights on Laux Ave. 31st St. South	35,000					-	-	
	TOTAL PLANT ADDITIONS	$312,500					$24,465	$38,735	
	TOTAL CAPITAL BUDGET - STREET LIGHTING	$312,500					$24,465	$38,735	

HASTINGS UTILITIES
COMPARISON OF CAPITAL EXPENDITURES WITH BUDGET
DECEMBER 2019
ADMINISTRATIVE DEPARTMENT

B.I. NO.	PROJECT	BUDGET AMOUNT	W.O. NO.	DATE APP.	APPROVED W.O. AMT.	W.O. TOTAL TO DATE	DECEMBER 2019	YEAR TO DATE 2019-2020	C
	GENERAL OFFICE, INFO. TECHNOLOGY & MISC. EQUIP.								
6.00	Misc. Equipment for Office, Engineering, Stores, & Vehicle Maint.	$90,000					$0	$0	
6.01	New ERP Software	225,000					406	11,625	
6.02	Modify Business Office for Security & Customer Service	425,000					-	-	
6.03	Replace Fiber - NDS to Bypass Substation	200,000					-	-	
6.04	Replace SCADA Servers & Operating System	106,000					-	18,872	
6.05	New Garage and Shop for Substation Dept.	75,000					-	-	
6.06	New Uninterruptable Power Supply for Communications Room	100,000					-	-	
6.07	Rebuild Fisher Fountain Mechanical & Electrical Systems	50,000							
6.08	Smart Meter Software	100,000							
	TOTAL GENERAL OFFICE, DATA PROCESSING & MISC. EQUIP.	$1,371,000					$406	$30,497	
	TOTAL CAPITAL BUDGET	$1,371,000					$406	$30,497	
	ALLOCATION TO OPERATING DEPT.								
	Electric 58.71%	$804,914					$238	$17,905	
	Gas 12.45%	170,690					51	3,797	
	Water 15.64%	214,424					63	4,769	
	Sewer 13.20%	180,972					54	4,026	
	TOTAL ALLOCATED	$1,371,000					$406	$30,497	

HASTINGS UTILITIES

COMPARISON OF ESTIMATE TO ACTUAL COSTS OF INTRA-CITY SERVICES

DECEMBER 31, 2019, FISCAL YEAR 2019-2020

1-408.3

DESCRIPTION	DECEMBER 2019	YEAR TO DATE 2019-2020
-Boxes, Covers, Receptacles for Police Station from Dutton Lainson	$ 105.91	$ 188.67
-Repairs to Street dept's Hydra Tamp		183.26
TOTAL	$ 105.91	$ 371.93
ANNUAL BUDGET		$ 50,000.00
BUDGET REMAINING		$ 49,628.07

HASTINGS
UTILITIES

Financial and Operating Report

Fiscal Year 2020
Quarter 1
Oct 1, 2019 – Dec 31, 2019

HASTINGS
UTILITIES

Balance Sheet Highlights

FY 2020 Q1 Update

($M)	*Electric*	*Combined System*	*Total*	*End FY 2019*
Net Assets	72.5	86.9	159.4	161.1
Special Funds:				
Insurance	2.0	1.0	3.0	3.0
Bond Reserve	0.0	1.8	1.8	1.8
Rate Stabilization	2.5	11.7	14.2	14.2
Health Insurance	0.0	2.3	2.3	2.3
Closure/Post Closure	1.1	0.0	1.1	1.1
Economic Development	0.0	1.5	1.5	1.5
Cash & Investments	23.0	14.6	37.6	38.6
Revenue Bonds & SRF	0.0	16.3	16.3	17.6
City Equity	110.3	108.7	219.0	218.2

HASTINGS UTILITIES

Electric Summary

FY 2020 Q1 Update

($M)	*FY 2020 Q1*	*Year Over Year*	*FY 2020 Budget*	*%*
Operating Revenue:	**9.0**	**(1.6)**	**43.1**	**21%**
Retail	8.3	(0.5)	37.2	22%
Wholesale + Solar	0.7	(1.1)	5.9	12%
Operating Expenses:	**8.6**	**(0.3)**	**40.2**	**21%**
Production	2.7	(0.4)	14.9	18%
Purchased Power	0.5	0.0	3.0	17%
PP - PPGA	2.9	0.1	11.0	26%
Trans & Dist	0.3	0.0	1.8	17%
Gen & Admin	1.7	0.0	7.1	24%
Pymt in Lieu of Tax	0.5	0.0	2.4	21%
Operating Income	0.3	(1.4)	2.8	11%
Depreciation	1.3	0.1	5.1	25%
Other Income/Exp	0.6	0.1	2.2	27%
Net Income	(0.4)	(1.4)	(0.1)	

HASTINGS UTILITIES

Gas Summary

FY 2020 Q1 Update

($M)	*FY 2020 Q1*	*Year Over Year*	*FY 2020 Budget*	*%*
Operating Revenue	**2.0**	**(0.2)**	**8.9**	**22%**
Operating Expenses:	**1.9**	**(0.6)**	**9.3**	**20%**
Purchased Gas	1.2	(0.4)	5.6	21%
Trans & Dist	0.2	(0.1)	1.1	18%
Gen & Admin	0.4	(0.1)	1.9	21%
Pymt in Lieu of Tax & Transfer to Gen. Fund	0.08	0.0	0.6	13%
Intra-City Services	0.0004	(0.00)	0.05	1%
Operating Income	0.09	0.3	(0.2)	
Depreciation	0.4	0.0	1.5	27%
Other Income/Exp	0.1	0.0	(1.0)	
Econ Dev Exp	0.0	0.0	1.5	0%
Contribution in Aid of Construction	0.0	0.0	0.07	0%
Net Income	(0.2)	0.3	(2.7)	

HASTINGS UTILITIES

Water Summary

FY 2020 Q1 Update

($M)	*FY 2020 Q1*	*Year Over Year*	*FY 2020 Budget*	*%*
Operating Revenue	**1.5**	**0.0**	**7.1**	**21%**
Operating Expenses:	**1.0**	**0.0**	**4.3**	**23%**
Production & Water Treatment	0.3	0.0	1.6	19%
Trans & Dist	0.2	0.0	0.8	25%
Gen & Admin	0.4	0.0	1.4	29%
Pymt in Lieu of Tax & Transfer to General Fund	0.08	0.0	0.5	16%
Operating Income:	**0.6**	**0.1**	**2.7**	**22%**
Depreciation	0.2	0.5	0.6	33%
Other Income/Exp	0.02	(0.01)	0.06	33%
Contribution in Aid of Construction	0.10	0.1	0.00	
Net Income	0.5	0.2	2.2	24%

HASTINGS UTILITIES

Pollution Control

FY 2020 Q1 Update

($M)	*FY 2020 Q1*	*Year Over Year*	*FY 2020 Budget*	*%*
Operating Revenue	**2.0**	**0.2**	**7.1**	**28%**
Operating Expenses:	**0.7**	**(0.1)**	**3.6**	**21%**
Wastewater Treatment Plant	0.2	(0.1)	1.4	14%
Collection System	0.08	(0.0)	0.4	20%
Gen & Admin	0.4	0.0	1.5	27%
Pymt in Lieu of Tax	0.06	0.0	0.3	20%
Operating Income:	**1.2**	**0.2**	**3.5**	**34%**
Depreciation	0.5	0.0	1.9	26%
Other Income/Exp	(0.06)	0.0	(0.4)	
Contribution in Aid of Construction	0.08	0.07	-	-
Net Income	0.7	0.3	1.2	60%

HASTINGS UTILITIES

General & Admin

FY 2020 Q1 Update

($M)	*FY 2020 Q1*	*Year Over Year*	*FY 2020 Budget*	*%*
General & Administrative *(showing only budgets > $400K)*	**2.1**	**0.1**	**8.5**	**25%**
Customer Records & Collections	0.1	0.0	0.5	**20%**
Engineering	0.3	0.0	1.6	**19%**
G & A Salaries	0.5	0.1	1.6	**31%**
Admin & Engineering Services to PPGA	0.2	0.0	0.9	**22%**
Outside Services	0.1	0.0	0.5	**16%**
Employee Benefits	0.3	(0.1)	1.4	**21%**
Maintenance of Buildings & Grounds	0.1	(0.8)	0.5	**20%**

HASTINGS UTILITIES

<u>Street Lighting</u>

FY 2020 Q1 Update

($M)	***FY 2020 Q1***	***Year Over Year***	***FY 2020 Budget***	***%***
Operating Revenue	**0.1**	**0.0**	**0.5**	20%
Operating Expenses	0.06	0.0	0.2	30%
Operating Income	0.07	0.0	0.3	23%

HASTINGS UTILITIES

Unit Sales & Cost Analysis

Electric		Revenue per KWH	Cost per KWH	NET
Oct	$	0.0831	0.0760	$0.0071
Nov	$	0.0828	0.0769	$0.0059
Dec	$	0.0827	0.0748	$0.0080
Jan	$			$0.0000
Feb	$			$0.0000
March	$			$0.0000
April	$			$0.0000
May	$			$0.0000
June	$			$0.0000
July	$			$0.0000
Aug	$			$0.0000
Sept	$			$0.0000

Gas		Revenue per CCF	Cost per CCF	NET
Oct	$	0.5063	0.9487	($0.4425)
Nov	$	0.5100	0.6813	($0.1712)
Dec	$	0.5071	0.5800	($0.0729)
Jan	$			$0.0000
Feb	$			$0.0000
March	$			$0.0000
April	$			$0.0000
May	$			$0.0000
June	$			$0.0000
July	$			$0.0000
Aug	$			$0.0000
Sept	$			$0.0000

Water		Revenue per CCF	Cost per CCF	NET
Oct	$	2.5024	1.4830	$1.0195
Nov	$	1.6857	1.2078	$0.4779
Dec	$	2.5677	1.8899	$0.6779
Jan	$			$0.0000
Feb	$			$0.0000
March	$			$0.0000
April	$			$0.0000
May	$			$0.0000
June	$			$0.0000
July	$			$0.0000
Aug	$			$0.0000
Sept	$			$0.0000

HASTINGS UTILITIES

Electric Production

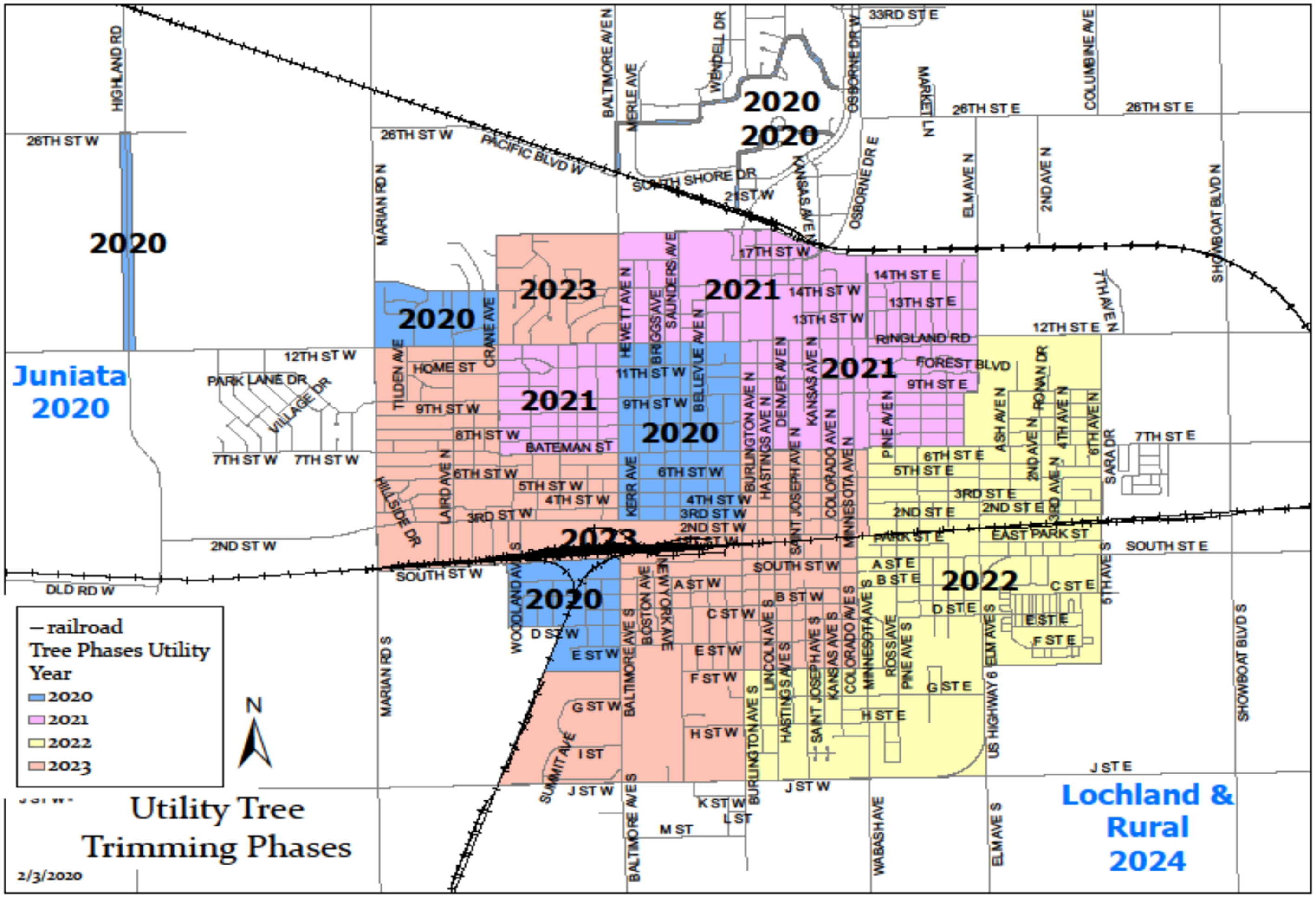
HASTINGS UTILITIES							
COMPARATIVE STATEMENT OF PRODUCTION							
December 2019 and 2018 - Year to Date 2020 and 2019							
Electric Department K-W Hours	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	Yr-Over-Yr	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	10,514	7,517,046	21,847,241		10,456	8,182,116	21,760,441
Residential - Rural	275	480,961	1,134,855		273	478,343	1,194,987
Residential - Juniata	347	395,777	931,843		345	378,751	967,869
Commercial - Hastings	1,842	5,655,133	16,967,446		-	6,056,577	17,170,751
Commercial - Rural *	202	1,136,368	3,200,378		1,877	1,280,771	3,762,231
Commercial - Juniata	49	115,169	320,385		193	116,631	335,872
Commercial Heating - Hastings	32	247,744	569,482		50	236,072	517,219
Commercial Heating - Rural	4	16,706	35,100		32	16,319	37,955
Primary Power	37	16,969,710	51,003,440		3	17,878,910	53,572,740
Irrigation	-	-	47,118		40	5	17,294
Street Lighting - Hastings	1	170,580	473,824		1	185,606	504,248
Traffics - Hastings	1	6,550	20,657		1	9,229	27,828
Street Lighting - Juniata	1	11,362	31,672		1	11,362	30,675
Public Authorities - Hastings	80	162,653	765,754		87	225,315	773,557
Public Authorities - Juniata	10	17,781	77,951		10	34,672	103,776
Unmetered	10	5,214	15,642		10	5,214	15,642
Interdepartmental	31	856,526	2,400,796		27	774,288	2,295,143
	13,436			0.22%	13,406		
Total Retail Sales		33,765,280	99,843,584			35,870,181	103,088,228
Total Wholesale Sales		17,298,500	33,074,935			17,015,239	57,407,476
Total Sales		51,063,780	132,918,519			52,885,420	160,495,704
Gross Generation		36,678,800	102,414,000			38,081,570	112,216,400
Less Plant Power		4,546,874	11,733,274			4,079,450	11,587,104
Net Generation		32,131,926	90,680,726	-9.9%		34,002,120	100,629,296
KWH Purchased		20,273,413	43,322,883	-30.2%		19,690,211	62,091,197
Total KWH		52,405,339	134,003,609			53,692,331	162,720,493
Unaccounted For/Unbilled		1,341,559	1,085,090			806,911	2,224,789
KWH Sold (Retail and Wholesale)		51,063,780	132,918,519	-17.2%		52,885,420	160,495,704

Natural Gas Production

HASTINGS UTILITIES COMPARATIVE STATEMENT OF PRODUCTION December 2019 and 2018 - Year to Date 2020 and 2019							
Gas Department - CCF *	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	Yr-Over-Yr	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	9,347	955,381	1,871,525		9,338	1,075,917	1,967,892
Residential - Rural	18	3,017	5,904		18	2,874	6,002
Commercial - Hastings	1,203	418,017	798,973		1,236	478,869	858,448
Commercial - Rural	25	9,419	79,875		22	10,909	86,141
Industrial - Hastings	41	305,293	706,381		45	337,880	731,504
Industrial - Rural	2	20,708	42,968		2	21,229	41,865
Sales to Public Authorities	22	15,328	29,513		21	17,394	32,311
Firm Transportation	13	172,341	370,148		9	143,146	297,064
Interdepartmental	7	12,521	26,070		7	16,843	36,729
Total	10,678	1,912,025	3,931,357	-0.19%	10,698	2,105,061	4,057,956
Gas Purchased		1,820,052	4,244,514			1,938,590	4,364,199
Gas Manufactured		-	-			-	-
Total CCF		1,820,052	4,244,514			1,938,590	4,364,199
Unaccounted For/Unbilled		(91,973)	313,157			(166,471)	306,243
CCF Sold		1,912,025	3,931,357	-3.1%		2,105,061	4,057,956

Water Production

HASTINGS UTILITIES COMPARATIVE STATEMENT OF PRODUCTION December 2019 and 2018 - Year to Date 2020 and 2019							
Water Department - CCF	No. Meters In Service 12/31/2019	December 2019	Year to Date 2019-2020	Yr-Over-Yr	No. Meters In Service 12/31/2018	December 2018	Year to Date 2018-2019
Residential - Hastings	8,528	41,922	165,446		8,507	45,180	173,168
Residential - Rural	34	156	500		34	162	544
Residential - CMS	5	27	67		5	37	98
Commercial - Hastings	1,283	57,893	201,575		1,292	50,906	175,284
Commercial - Rural	31	390	1,624		28	547	1,774
Commercial - CMS *	78	12,856	33,021		76	13,726	40,708
Large Industrial - Hastings	4	19,451	55,606		4	14,935	46,727
Large Industrial - Rural	1	42,634	122,130		1	40,596	117,147
Sales to Public Authorities	33	140	6,596		35	151	5,218
Interdepartmental	28	2,402	6,859		27	2,253	6,929
	10,025			0.16%	10,009		
Total Retail Sales		177,871	593,424			168,493	567,597
Total Wholesale Sales		3,155	9,853			3,007	9,127
Total Sales		181,026	**603,277**			171,500	576,724
CCF Pumped		179,874	598,903			166,270	543,967
Water Main Flushing		799	2,449			238	519
Unaccounted For/Unbilled		(1,951)	(6,823)			(5,468)	(33,276)
CCF Sold		181,026	**603,277**	4.60%		171,500	**576,724**



HASTINGS UTILITIES

HASTINGS
UTILITIES

HASTINGS UTILITIES

To: Kevin Johnson
From: Lee Vrooman LTV
Date: March 4, 2020
Subject: Bid Evaluation for Renovation of the NDS Building Addition HU 2020-02 IC-03

On March 2, 2020, bids were opened for the Renovation of the NDS Administration Building. A summary of the base bids is given below:

BIDDER	Except.	Addendum 1	Addendum 2	Addendum 3	Base Bid Total	ALT 1	ALT 2	ALT 3	ALT 4	Total with Alternates
Farris Construction Hastings, NE	No	Yes	Yes	Yes	$446,350.00	$27,346.00	$3985.00	$1,441.00	$1,441.00	$480,563.00
Lacy Construction Grand Island, NE	No	Yes	Yes	Yes	$503,960.00	$14,494.75	$2,226.00	$1,480.50	$1,480.50	$523,641.75
Carmichael Construction Hastings, NE	No	Yes	Yes	Yes	$532,000.00	$16,200.00	$4,100.00	$1,395.00	$1,395.00	$555,090.00

This project is for the Renovation of the NDS Administration Building. This will include a Remodel of the existing Business Office Area and lobby area for customers coming in to pay their bills while providing a secure and customer friendly new accounts desk. A handicap accessible restroom will be included for customers as well as a drive up window.

There were no exception to the bid. There were also four alternative bids and staff recommends all of the alternative bids to be built into the project. The alternative bids were new front walkway from the building to the parking area, snow melt system for the walk way, and two built-in cabinets under the desktops in the drive thru addition.

Staff recommends that the project be awarded to Farris Construction of Hastings, Nebraska for a total of $480,563.00 which is the lowest and best bid for Hastings Utilities.

Aspen\Employee\SStruss/Public/Recommendation Letters//recommendation letter NDS Addition HU 2020-02 IC-03

HU Form No. 34

Date: 3/3/20
SS

WORK ORDER ENGINEERING ESTIMATE
HASTINGS UTILITIES
HASTINGS, NEBRASKA

Name of Department: Combined

Construction: X

Retirement:

Work Order No.: CO-159

Budget Item No.: 6.02 2019/2020

Budget Item Amt: $625,000

DESCRIPTION AND LOCATION:

North Denver Station Lobby Addition and Drive-Up Window.

PURPOSE OF WORK IMPROVEMENT:

Modify business office for security and costomer service.

CONTRIBUTIONS/REMARKS:

As Per Informal Contract No.2020-02 IC-03.

Estimated Cost	Amount		
1. Material to be Purchased	$36,550.00	Attached Map or DWG No.:	N/A
2. Stores Dept. Charge @ 9.0%	3,289.50	Sheet No.:	
3. Material from Stock	$0.00	Date Work to be Started:	4/1/20
4. Stores Dept. Charge @ 9.0%	0.00	Date Work to be Finished:	4/1/21
5. Labor	4,960.00	Checked By:	Date
6. Mileage & Truck Usage	0.00		3-4-2020
7. Equipment Usage	0.00	Checked By:	Date
8. Contract Amount (Farris Construction)	480,563.00	Ron Sekora	3-4-2020
9. Contract Amount (W Design)	111,960.00	Approved By:	Date
10.			3-5-2020
SUBTOTAL	$637,322.50	Director of Engineering	
Engineering & Administrative @ 6%	38,239.35	Approved By:	Date
Subtotal	$675,561.85		
Less Developer Contribution			
		Authorized By:	Date
			3/5/2020
TOTAL ESTIMATED COST OF WORK ORDER	$675,561.85	Manager	

HASTINGS UTILITIES, HASTINGS, NEBRASKA

Work Order No.: CO-159
B.I. No.: 6.02
B.I. Yr.: 2019/2020

LABOR AND EQUIPMENT ESTIMATE

Classification of Labor or Equipment to be Used		No of Hr/Mi/Ft	Cost Per Unit	Subtotal	Total Cost
LABOR:	Electric Department	80	62.00	4,960.00	
		TOTAL - LABOR			$4,960.00
MILEAGE:	Trucks 38 (Miles)			0.00	
		TOTAL - MILEAGE & TRUCKS			$0.00
EQUIPMENT	Air Compressor (Hours)			0.00	
	Backhoe (Hours)			0.00	
	Boring Machine or Bore (Feet)			0.00	
	Packer (Hours)			0.00	
	Trench (Feet)			0.00	
	Skid Steer			0.00	
	Hydra Tamp (Hours)			0.00	
	Spoil Vac (Hours)			0.00	
		111,960.00			$0.00
TOTAL COST ALL LABOR AND EQUIPMENT ESTIMATE					$4,960.00

MATERIAL ESTIMATE

Quantity		Stock Number	Description	Unit Price	Stock Material	New Material
1	LS	N/A	Under-Carpet Wireway	2,000.00		$ 2,000.00
1	LS	N/A	2'x 2' LED Ceiling Fixture	1,150.00		1,150.00
1	LS	N/A	2'x 4' LED Ceiling Fixture	1,400.00		1,400.00
1	LS	N/A	Fire and Smoke Detectors	20,000.00		20,000.00
1	LS	N/A	Alarm System	2,000.00		2,000.00
1	LS	N/A	Carpet	10,000.00		10,000.00
			TOTAL		$ -	$ 36,550.00

Estimated By: Scott Struss Date: 3-3-2020