

CITY OF BEATRICE, NEBRASKA

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

for the year ended

September 30, 2011

Prepared by
Management & Budget
Department

Neal F. Niedfeldt
City Administrator

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**CITY OF BEATRICE, NEBRASKA
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
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SECTION 1

INTRODUCTORY SECTION

City of Beatrice

www.ci.beatrice.ne.us

402-228-5200

400 Ella Street

Beatrice, Nebraska 68310

February 20, 2012

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

The Revised Statutes of Nebraska, Chapter 19, require that all cities of the first-class publish within six months of the close of each fiscal year a complete set of financial statements. These financial statements shall be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants and shall be presented in conformity with accounting principles generally accepted in the United States of America. Therefore, we hereby issue the comprehensive annual financial report of the City of Beatrice for the fiscal year ended September 30, 2011.

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

Dana F. Cole & Company, LLP, a firm of licensed certified public accountants, has audited the City of Beatrice's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Beatrice for the fiscal year ended September 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Beatrice's financial statements for the fiscal year ended September 30, 2011 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Beatrice was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Federal funding received by the City of Beatrice during the fiscal year ended September 30, 2011 were under the threshold therefore a separate Single Audit Report was not prepared.

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

PROFILE OF THE GOVERNMENT

The City of Beatrice, founded in 1857 and incorporated in 1873, is located in Southeast Nebraska, just 39 miles south of Lincoln, the State Capital. The City of Beatrice is the county seat for Gage County and provides some county-wide services. The City of Beatrice currently occupies a land area of eight square miles and serves a population of 12,460. The City of Beatrice is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The annual budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City Administrator by June 1st of each year. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 20th. The appropriated budget is adopted on a per fund basis and budgetary control for internal purposes is exercised at the department level. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. This information can be found in the attached schedules for each fund starting on page 69.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The City of Beatrice is located on a four-lane expressway just 39 miles south of Nebraska's state capital, Lincoln, and is the site of the Homestead National Monument of America. Beatrice continues to provide a diverse economical mix of agriculture, light industry, health-related services, and general government for the retail area of Southeast Nebraska. The City unemployment rate at September 30, 2011 was 5.0%, slightly higher than the State of Nebraska rate of 4.2%; however, it continued to be lower than the national rate of 9.1%. By the end of 2011, the City of Beatrice unemployment rate dropped to 4.6%.

Tax revenues in 2011 increased less than 1.0% when compared to 2010. A reduction in property valuations caused property taxes to decline by 1.5%. Occupation taxes declined approximately 3.2%. The decline in property and occupation taxes was offset by an increase in city sales tax collections. City sales tax collections rose 2.2% in 2011 due to improvement in retail sales.

The City Council continues to support economic development efforts to promote and market the industrial climate for Beatrice and Gage County. The City of Beatrice maintains a Local Economic Development Plan, funded with one-half of the proceeds from an additional half-cent sales and use tax, up to a maximum of \$250,000, as approved by the voters. This plan has been extended to 2013.

The City has been active in developing the Gage County Industrial Park which provided for 17 manufacturing and commercial industries employed approximately 900 employees in 2011. Four other major industries are located in the City and employ an additional 700 people.

Beatrice is also the home to numerous non-manufacturing entities including the Beatrice State Developmental Center, the Beatrice School systems and the Beatrice Community Hospital. Total non-manufacturing employment in Beatrice totaled 2,400 employees in 2011.

In 2010 developers began construction on the new Northgate development project on the north edge of the city. This project will include the site of a new Beatrice Community Hospital as well as offer 28 additional sites for commercial use. The new hospital facility opened for business on February 15, 2012.

Financial Planning and Initiatives

The City Council annually prepares the financial budget which includes projected annual capital improvements for the succeeding 5 year period. The Council participates in goal-setting sessions and sets strategic objectives for the coming year. The goals and objectives relate to the organization structure, services being provided to the patrons of the City, examining revenue changes, public communications and capital projects.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beatrice, Nebraska, for its comprehensive annual financial report for the fiscal year ended September 30, 2010. This was the 20th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,


Neal F. Niedfeldt
City Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beatrice
Nebraska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



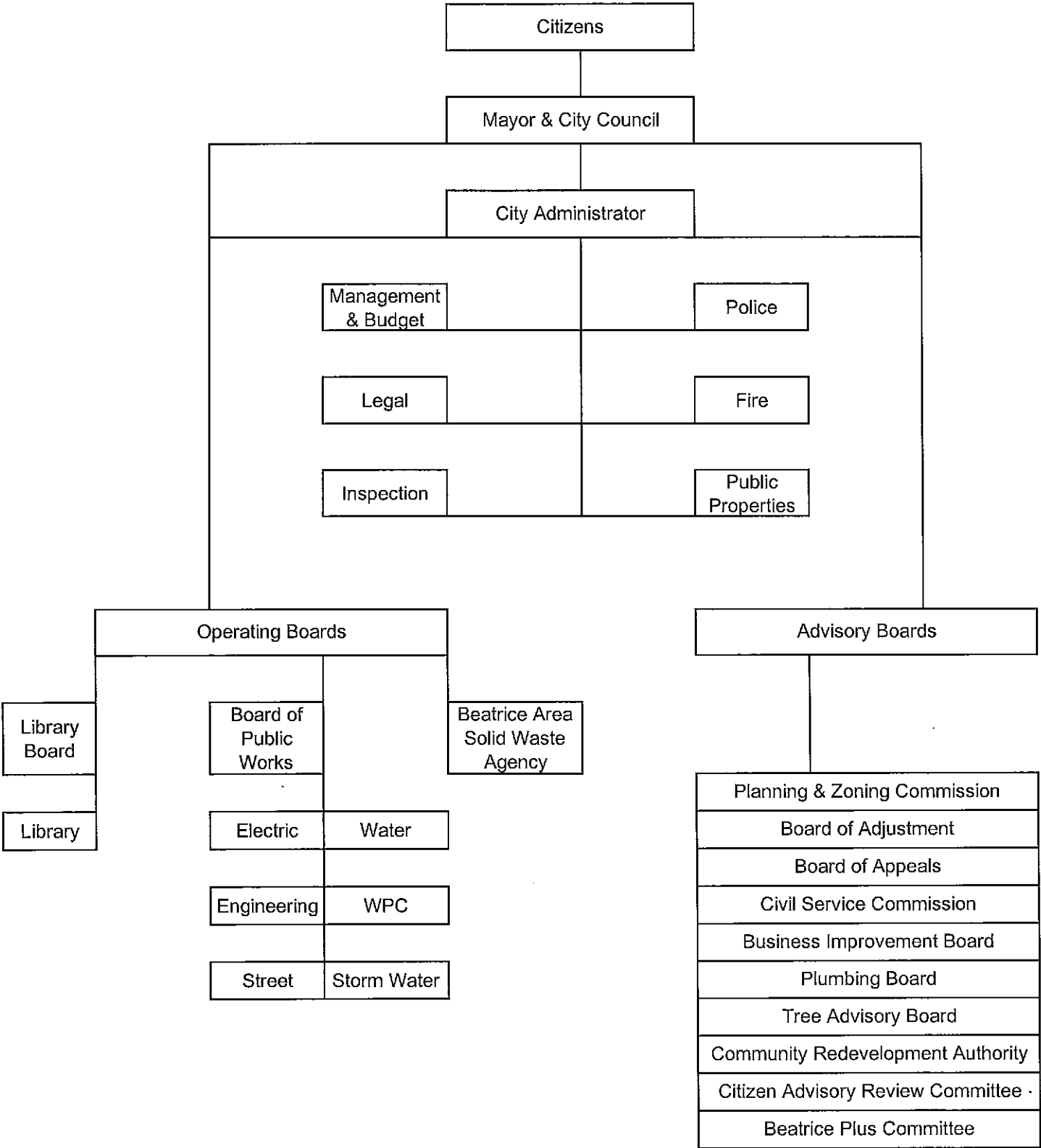
Linda C. Sandison

President

Jeffrey R. Egan

Executive Director

CITY OF BEATRICE, NEBRASKA ORGANIZATIONAL CHART



**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2011**

MAYOR
Dennis Schuster

CITY COUNCILMEMBERS

Jason Schmale	Calvin Carey
Alan Fetty	Erich Tiemann
Jason Moore	Dwight Parde
David "Pede" Catlin	Allen Langdale

CITY ADMINISTRATOR
Neal Niedfeldt

CITY OFFICIALS

Linda Koch	City Clerk/Asst. Treasurer
Bruce Lang	Police Chief
Brian Daake	Fire Chief
Laureen Riedesel	Library Director
Tobias Tempelmeyer	City Attorney
Dennis Mitchell	Chief Building Inspector
Rex Behrends	City Engineer
Pat Feist	Electric Superintendent
Steve Kelley	Water Superintendent
Jack Robbins	Water Pollution Control Supt.
Ron Baete	Street Superintendent

SECTION 2

FINANCIAL SECTION

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1248 O STREET, SUITE 500
LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of and for the year ended September 30, 2011, which collectively comprise the City of Beatrice, Nebraska's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from City of Beatrice, Nebraska's 2010 financial statements and, in our report dated March 3, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component units and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2012, on our consideration of the City of Beatrice, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of your testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budget to actual comparison on pages 3 through 9 and pages 62 through 62 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Beatrice financial statements as a whole. The accompanying data for the current year included in Schedules B-1 through Schedule 18 and the schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying data in Schedule B-1 through L-3 and the schedule of expenditures of federal awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The accompanying data in Schedules 1 through 18 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dana F Cole + Company, LLP

Lincoln, Nebraska
February 14, 2012

CITY OF BEATRICE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Beatrice, Nebraska, we offer readers of the City of Beatrice's financial statements this narrative overview and analysis of the financial activities of the City of Beatrice for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section on pages vii to xiii of this report.

FINANCIAL HIGHLIGHTS

The assets of the City of Beatrice exceeded its liabilities at the close of the most recent year by \$61,066,665. Of this amount, \$9,776,022 may be used to meet the City's ongoing obligations to citizens and creditors.

The City of Beatrice total net assets increased \$2,735,303 or 4.7%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$5,642,954, an increase of \$24,717 in comparison with the prior year.

At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$1,584,326, or 20.7% of total General Fund expenditures.

The City of Beatrice's total debt increased \$532,510 (7.6%) during the current fiscal year. Annual debt obligations of \$1,122,490 were paid and proceeds were received in the amount of \$1,655,000 in the form of a new Solid Waste Disposal Facilities Revenue Bond issue.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

and therefore has been included as an integral part of the primary government. The Beatrice Airport Authority and the Community Redevelopment Authority are determined to be discretely presented component units and included due to the fiscal dependency on the City for any allocation of tax revenues.

The government-wide financial statements can be found on pages 12 to 14 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The City of Beatrice adopts an annual appropriated budget using the General All-Purpose Fund tool for all governmental funds. A budgetary comparison statement has been provided for to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 to 18 of this report.

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Fund, Water Fund, Water Pollution Control, and Beatrice Area Solid Waste Agency, which are considered to be major funds of the City of Beatrice. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 19 to 23 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Beatrice's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 24 to 25 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 63 and 64 of this report, followed by Other Supplementary Information including nonmajor combining balance sheet and statements and schedules of individual fund information in further detail.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Beatrice, assets exceeded liabilities by \$61,066,665 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (78%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Beatrice uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Beatrice's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Beatrice's Net Assets (expressed in thousands) September 30, 2011 and 2010

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current and other assets	6,359	6,606	12,828	10,426	19,187	17,032
Capital assets	27,031	26,284	26,944	26,110	53,975	52,394
TOTAL ASSETS	<u>33,390</u>	<u>32,890</u>	<u>39,772</u>	<u>36,536</u>	<u>73,162</u>	<u>69,426</u>
LIABILITIES						
Long-term liabilities outstanding	874	1,104	7,736	6,262	8,610	7,366
Other liabilities	1,059	1,331	2,426	2,397	3,485	3,728
TOTAL LIABILITIES	<u>1,933</u>	<u>2,435</u>	<u>10,162</u>	<u>8,659</u>	<u>12,095</u>	<u>11,094</u>
NET ASSETS						
Invested in capital assets, net of related debt	26,471	25,415	21,153	18,955	47,624	44,370
Restricted	3,199	3,324	468	644	3,667	3,968
Unrestricted	1,787	1,715	7,989	8,278	9,776	9,993
TOTAL NET ASSETS	<u>31,457</u>	<u>30,454</u>	<u>29,610</u>	<u>27,877</u>	<u>61,067</u>	<u>58,331</u>

An additional portion of the City of Beatrice's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$9,776,022 may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$1,002,582 in net assets reported in connection with the City of Beatrice's governmental activities. Business-type activities increased the City of Beatrice's net assets by \$1,732,721. A breakdown of these activities is as follows:

City of Beatrice's Changes in Net Assets
(expressed in thousands)
For the year ended September 30, 2011 and 2010

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues						
Charges for services	2,320	2,235	20,125	19,448	22,445	21,683
Operating grants and contributions	1,414	1,674	-	-	1,414	1,674
Capital grants and contributions	2,308	654	-	-	2,308	654
General revenues						
Taxes	5,242	5,237			5,242	5,237
Unrestricted intergovernmental	597	561			597	561
Other revenue	256	219	878	256	1,134	475
TOTAL REVENUES	12,137	10,580	21,003	19,704	33,140	30,284
EXPENSES						
General Government	2,142	1,501			2,142	1,501
Public Safety	5,525	5,342			5,525	5,342
Highway/Streets	2,025	2,056			2,025	2,056
Culture and Recreation	1,418	1,495			1,418	1,495
Interest on long-term debt	24	31			24	31
Electric			13,466	12,837	13,466	12,837
Water			1,977	1,838	1,977	1,838
Water Pollution Control			1,616	1,600	1,616	1,600
Sanitation			1,186	1,190	1,186	1,190
Solid Waste Management			1,025	957	1,025	957
TOTAL EXPENSES	11,134	10,425	19,270	18,422	30,404	28,847
CHANGE IN NET ASSETS	1,003	155	1,733	1,282	2,736	1,437
NET ASSETS, beginning of year	30,454	30,299	27,877	26,595	58,331	56,894
NET ASSETS, end of year	31,457	30,454	29,610	27,877	61,067	58,331

Governmental Activities

Tax revenues maintained at the 2010 level increasing just \$5,122 from the previous year. This includes property tax, sales tax and occupation tax revenues. In 2011 the property tax levy did not change, however the percent of tax collections decreased 2%. Sales tax revenues collected increased 2% in 2011 from 2010. Sales tax collections had dropped in 2008 and continue to improve over the past 3 years, however in a historical comparison the 2011 collections are the same as the 2005 collections. A new lodging occupation tax was implemented in December of

2008 and in 2011 brought in \$78,752 to help with tourism related projects. More information on tax revenue history can be found in Table 3 of the Statistical Section.

Unrestricted intergovernmental revenues, which include county motor vehicle taxes, state aid to cities and municipal equalization funding, increased \$35,598 in 2011 from 2010, due to an increase in municipal equalization funds. State legislative action has an impact on this funding source.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance and storm water management. State highway allocation dollars, which are a major funding source to maintain the street fund, increased 9.8% in 2011 from 2010. The police department operates a victim assistance program and an area drug task force with grant funding and matching dollars coming from interlocal agreements. In 2010 the City was successful in obtaining ARRA funds to assist with police officer retention; 2011 was the 2nd year of this 3-year funded program. Interlocal agreements also provide funding for County-wide 911 services and ambulance services. The library continues to receive funding assistance from the county and state aid.

Capital Grants and contributions vary from year to year. During 2011 the City continued to receive grant funding for public safety equipment. A \$1,000,000 CDBG grant was received for economic development providing assistance to a local business expansion. A federal energy grant provided funding to improve the city auditorium and a state cultural and civic grant provided funds toward the renovation of the Carnegie building. Grant funds helped improve a park campground and private contributions assisted towards other park improvements and library materials.

Expenses increased 6.8% from 2010. Major changes in General Government and Cultural and recreation are a direct result of capital grants expenses which can vary from year to year, excluding capital grant expenses actual operating expenses decreased 9.6% in 2011 from 2010.

Business-Type Activities

Charges for services for business-type activities increased 3.5% in 2011 from 2010. The Electric fund, which distributes purchased power, increased revenues 2.8% from an average rate increase of 5% to provide for the increased cost of purchased power from Nebraska Public Power District. Revenues from the Water and Water Pollution Control funds increased 10% through an increase in the water fees of 9% and sewer fees of 5% to provide working capital for the replacement of old mains and meet debt coverage requirements. Garbage Service fees, which are accounted for in the Sanitation fund had no change in revenues or rates during the fiscal year. The Beatrice Area Solid Waste Agency fund fees remained the same and revenues decreased 3%.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$5,642,954, a slight increase of \$24,717 in comparison with the prior year. A large portion of this fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or committed due to the nature of the fund's source of income: 1) to pay for CDBG Revolving Loans (\$1,523,666); 2) to pay debt service (\$212,845); 3) for the LB840 Economic Development program (\$1,030,152); 4) for public safety programs and equipment (\$349,515); 5) for Streets (\$378,019); 6) for capital projects (\$349,638); and 7) for other restricted purposes (\$231,209). The remaining balance of \$1,567,910 in fund balance is available for spending at the government's discretion. This is a decrease of \$152,142 when compared to 2010.

The General Fund is the chief operating fund of the City of Beatrice. At the end of the current fiscal year, the unrestricted fund balance of the General Fund was \$1,584,326. As a measure of the General Fund's liquidity, it

may be useful to compare both unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 20.7% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund decreased by \$189,153 during the current fiscal year. A more detailed analysis of operational revenues and expenditures is as follows:

General fund revenues as a total increased 2.5% over the previous year. Tax revenues increased slightly .5% with no change in property taxes revenues, sales tax revenues increasing 2.5% and a decrease in occupation tax revenues. Intergovernmental revenue available to fund general operations increased 14%, due to an increase in state municipal equalization funds, an increase in county ambulance aid, and an increase in special grants for specific purposes, including assistance to law enforcement and a downtown revitalization grant. In 2011 there were no increases in fees, but charges for services went up 2.5% due to an increase in ambulance revenue. Miscellaneous revenues increased \$20,012 from 2010.

General fund operating expenditures increased 4.3% from the previous year. Personnel costs increased 3.7% and other operational costs increased 5.7%. Contingency costs continue include the cost of an EPA cleanup at a former gas plant site acquired by the City through floodplain acquisitions and other unanticipated expenditures. Contractual services were up 12%. Operating transfers in for 2011 was \$91,860 as compared to \$33,500 in 2010 due to E911 Wireless funds distributed for the operation of the 911 Communications Center. Operating transfers out to fund capital projects in 2011 was \$258,343 as compared to \$145,115 in 2010.

The fund balance restricted for the Street Fund at year end was \$378,019 a decrease of \$33,497 from 2010. In 2011 revenues decreased 4% from 2010, due to a reduction in state funded projects however sales tax revenues increased 2.2% and highway allocation funding increased 9.8%. Expenditures increased 11.7% from the previous year due to an increase of \$245,267 in capital outlay projects and large equipment purchases, with the cost of operations decreasing 3% from 2010 due to unusually high snow removal costs in the previous year.

The Other governmental funds include five Special Revenue funds; the Economic Development fund, the Community Development Block Grant fund, the Keno fund, the 911 Surcharge fund, and the Storm Water Management fund; and the Debt Service funds; and the Capital Improvement funds. The combined fund balances for these funds at the end of the fiscal year was \$3,628,021 and restricted for each fund's specific purpose. The Economic Development fund received the maximum sales tax dollars of \$250,000 and \$25,090 in interest earnings and miscellaneous revenues. Expenditures for infrastructure improvements for the Northgate development reduced the fund balance by \$197,274 from 2010. The Community Development Block Grant fund balance restricted for Revolving Loans of \$1,523,666 decreased slightly when compared to \$1,555,418 at the end of 2010. Cash increased \$361,937 due to the repayment of loans thereby reducing the Loans Receivable to \$1,063,030 as compared to \$1,456,719 in 2010. The Keno fund proceeds increased 11% from 2010 and with reduced funding of community betterment projects resulting in an increase in the fund balance of \$47,059. The Storm Water Management fund, created in 2007, accounts for the costs associated with the implementation of the plan and the revenue sources, including grant specific funds. The 911 Surcharge fund accounts for the collection of local 911 surcharge taxes and the collection of State Wireless E911 funds, which must be expended on specific associated costs. In 2011 equipment of \$5,035 was purchased and \$96,306 was transferred to the General fund for support of the 911 Communications Center operations. The 911 Surcharge fund had a fund balance of \$41,351 at year end. The Debt Service fund requirements were funded with special levies and special assessment revenues. Capital Improvement fund balances at year end are committed for a specific purpose, \$82,405 for the library and \$255,576 for Fire Equipment and \$267,233 for a grant funded project. Major capital projects in 2011 include the City Auditorium roof and lighting project to improve energy efficiencies, the Riverside Park campground renovation; public safety equipment; and the start of a project to restore the Carnegie building through a grant, private funding and use of keno and lodging tax dollars. The trail system project was deferred to 2012.

Proprietary Funds

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

Unrestricted net assets of the Electric, Water, Water Pollution Control, Beatrice Area Solid Waste Agency (BASWA) and Other Enterprise funds at the end of the year amounted to \$7,988,560, an increase of \$2,360,326 from 2010. The Electric fund increased \$1,481,590, and the Water and Water Pollution Control funds increased \$219,847. The BASWA fund increased \$658,889. Restricted Net Assets decreased \$176,031. Invested in Capital Assets decreased from \$21,604,880 in FY2010 to \$21,153,306 in FY2011. Extension and replacement of capital assets is

discussed later in this report. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Beatrice's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for governmental funds amounted to an increase in appropriations of \$227,600 and can be briefly summarized as follows: \$150,000 to fund unexpected large health insurance claims in the City's Self-Insured Health Care Plan; \$75,000 in expenditures related to Medicare and Medicaid mandated adjustments to ambulance service charges and ambulance bad debt expense; and \$2,600 to pay the state 2% lottery tax due to higher than previous gross proceeds. The increase was funded with an increase in ambulance calls, increase in keno proceeds and available fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Beatrice's investment in capital assets for its governmental and business type activities as of September 30, 2011, amounts to \$51,307,683 (net of accumulated depreciation) and land of \$2,667,319. This investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, park facilities, a system of roads, highways, bridges and storm sewers. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 3 percent (a 2.8% increase for governmental activities and a 3.2% increase for business-type activities).

City of Beatrice's Capital Assets
(net of depreciation, except land)
(expressed in thousands)
September 30, 2011 and 2010

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	2,578	2,582	89	89	2,667	2,671
Buildings and system	5,773	5,537	1,182	1,180	6,955	6,717
Improvements other than					-	-
Buildings	3,925	3,716	61,679	58,881	65,604	62,597
Machinery & Equipment	8,178	8,168	6,052	5,715	14,230	13,883
Infrastructure	25,324	23,795	-	-	25,324	23,795
Construction in progress			-	1	-	1
Less accumulated depreciation	(18,747)	(17,514)	(42,058)	(39,756)	(60,805)	(57,270)
TOTAL	27,031	26,284	26,944	26,110	53,975	52,394

Major changes in Capital Assets in the Governmental Activities during fiscal year 2011 included infrastructure improvements for street projects and economic development, a park campground renovation and ballfield improvements, and re-roofing the auditorium. Equipment purchases included a new patrol vehicle, computer equipment, pagers, a defibrillator and two life-stat systems, plus other necessary public safety equipment, a parks mower and a new snow blower for clearing streets.

Major changes in Capital Assets in the Business-type Activities include: in the Electric Fund the Re-conductor of 34.5KV Sub-Transmission Lines, continuation of 12.5 KV conversions, new transformers, replacement of underground cable and new services; in the Water fund water main distribution projects in 2011 included the areas of Elk from 12th to 18th, Grable from 8th to 9th, N 12th from Grant to Garfield, Washington from 12th to 13th, and the water main extension to the Northgate development; and in the Water Pollution Control projects included Lift Station #5, Lift Station #6 controls, sewer services to the Northgate development and Riverside campground.

Additional information on the City of Beatrice's capital assets can be found in Note 5 on pages 43 to 44 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Beatrice had total bonded debt outstanding of \$6,145,041. Of this amount, \$555,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Beatrice's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Beatrice's Outstanding Debt
General Obligation and Revenue Bonds
(expressed in thousands)
September 30, 2011 and 2010

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	555	815	-	-	555	815
General notes	-	45	-	-	-	45
Special assessment debt with governmental commitment	-	-	-	-	-	-
Revenue bonds	-	-	5,590	4,502	5,590	4,502
TOTAL	<u>555</u>	<u>860</u>	<u>5,590</u>	<u>4,502</u>	<u>6,145</u>	<u>5,362</u>

During the current fiscal year, the City of Beatrice issued Solid Waste Disposal Facilities Revenue Bonds in the amount of \$1,655,000, with the payment of annual bond maturities in the amount of \$872,690, the net change in debts increased by \$782,310 (14.6%).

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$306,200 at September 30, 2011. Of this amount \$305,000 comprises bonded debt paid through a special levy approved by the City of Beatrice. During the current fiscal year, with the payment of annual maturities, the net change is a decrease of \$39,800.

The Community Redevelopment Authority, a component unit of the City of Beatrice, had outstanding debt at September 30, 2011, of \$1,070,000, a decrease of \$210,000. The revenue bonds are repaid solely through proceeds from tax increment financing.

Additional information on the City of Beatrice's long-term debt can be found in Note 7 on pages 45 to 48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice is currently 5.0 percent, a decrease from a rate of 5.6 percent a year ago. While higher than the state's average unemployment rate of 4.2 percent, this compares favorably to the national average of 9.1 percent.

Sales tax revenues are affected by tax incentives offered to local business that receive tax credits, thereby reducing the sales tax remitted to the City. As a measure of the economy, sales tax revenues, prior to the reduction in tax incentives, increased 2.8% during fiscal year 2011 as compared to 2010, which reflects an improvement in the economy. Economic Development efforts continue to try and attract more new companies. City and County officials are working together to form a new economic development organization to promote Beatrice and the surrounding area. Construction is nearly complete on a new hospital located in the new Northgate development on the City's north edge. Ground has been broken to build a new senior skilled nursing and assisted living facility next to the Flowing Springs development.

During the current fiscal year, the unrestricted fund balance in the General Fund decreased from \$1,773,479 to \$1,636,914 at the end of fiscal year 2011. In preparing the budget for fiscal year 2012, the City of Beatrice presented a budget of expenditures to preserve unassigned fund balances at nearly the 2011 level. Tax revenue projections include a conservative increase in sales tax revenues, and the total property tax levy increased 2 cents to offset a portion of the loss in state aid through legislative changes. Property valuations decreased 0.6%. The general fund levy was increased from .273511 to .301654; however, debt service requirements decreased, reducing the debt service levy from .052329 to .044186. General fund dollars of \$173,200, lodging tax dollars of \$165,500, and Keno dollars of \$203,500 were budgeted to fund the City's capital projects in 2012; major projects include the Carnegie Building renovation, downtown revitalization and continuation of the hike/bike trail system. Revenue projections will be sufficient to maintain the City's operating expenditures and personnel staffing. Costs associated with the EPA cleanup at a former gas plant site on property acquired by the City are not fully funded and have not been determined.

Electric fund revenue projections and expenses will require an average 2.5% rate increase in the 2012 budget to ensure sufficient revenue to fund the purchased power rate increase, capital costs, and maintain prudent reserves for cash flow and emergencies. An increase in rates was budgeted in the Water fund of 5.5% and in the Water Pollution Control fund of 5% to fund operations, capital costs and also provide prudent reserves. A rate increase of 10% will be required in the Beatrice Area Solid Waste Agency to retain operating cash balances and fund projected closure and postclosure costs.

REQUESTS FOR INFORMATION

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

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	Primary Government				2011
	Governmental Activities	Business-Type Activities	2011 Total	2010 Total	Component Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 3,296,479	\$ 7,328,724	\$10,625,203	\$ 8,831,896	\$ 314,377
Investments	204,346	-	204,346	603,349	-
Cash on deposit - County Treasurer	208,490	-	208,490	192,810	33,749
Accounts receivable	666,739	1,310,049	1,976,788	1,862,754	117,598
Assessments receivable	228,057	-	228,057	240,453	-
Unbilled and accrued revenues	2,399	722,608	725,007	619,775	-
Materials and supplies inventories	-	941,695	941,695	835,719	31,927
Prepaid expenses	-	13,276	13,276	14,953	-
Interest receivable	59,703	5,634	65,337	53,927	-
In-lieu-of assessments	10,105	-	10,105	10,105	-
Taxes receivable	107,395	-	107,395	162,090	10,867
Current portion of CRA bonds receivable	-	-	-	-	562,898
Total Current Assets	<u>4,783,713</u>	<u>10,321,986</u>	<u>15,105,699</u>	<u>13,427,831</u>	<u>1,071,416</u>
Noncurrent Assets					
Restricted Cash and Cash Equivalents					
Employee benefits	-	204,957	204,957	103,237	-
Grants and capital projects	429,648	-	429,648	199,315	-
Debt Service Reserve Account	-	467,738	467,738	643,769	-
Bond Construction Reserve Account	-	485,412	485,412	-	-
Restricted Investments					
Customer deposits	-	249,760	249,760	190,770	-
Grants and capital projects	82,405	-	82,405	82,076	-
Closure/postclosure maintenance	-	1,023,967	1,023,967	889,944	-
Total Restricted Assets	<u>512,053</u>	<u>2,431,834</u>	<u>2,943,887</u>	<u>2,109,111</u>	<u>-</u>
Capital Assets					
Land	2,577,841	89,478	2,667,319	2,670,969	1,321,356
Capital assets, net of accumulated depreciation	<u>24,452,902</u>	<u>26,854,781</u>	<u>51,307,683</u>	<u>49,723,081</u>	<u>1,848,821</u>
Net Capital Assets	<u>27,030,743</u>	<u>26,944,259</u>	<u>53,975,002</u>	<u>52,394,050</u>	<u>3,170,177</u>
Other Assets					
Loans receivable, net of current portion	1,063,030	-	1,063,030	1,456,719	2,867,257
Unamortized bond issuance costs	-	73,908	73,908	38,132	5,252
Total Other Assets	<u>1,063,030</u>	<u>73,908</u>	<u>1,136,938</u>	<u>1,494,851</u>	<u>2,872,509</u>
Total Noncurrent Assets	<u>28,605,826</u>	<u>29,450,001</u>	<u>58,055,827</u>	<u>55,998,012</u>	<u>6,042,686</u>
Total Assets	<u>33,389,539</u>	<u>39,771,987</u>	<u>73,161,526</u>	<u>69,425,843</u>	<u>7,114,102</u>

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS (Continued)
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	Primary Government				2011
	Governmental Activities	Business-Type Activities	2011 Total	2010 Total	Component Units
Liabilities					
Current Liabilities					
Accounts payable	301,511	1,213,338	1,514,849	1,584,557	109,977
Registered warrants payable	185,771	-	185,771	207,261	2,328
Claims incurred but not reported	79,801	-	79,801	37,253	-
Accrued compensated absences	-	233,705	233,705	227,439	-
Sales tax payable	-	93,613	93,613	91,080	-
Employee insurance payable	-	23,210	23,210	70,323	-
Accrued interest payable	53,554	54,335	107,889	99,754	5,880
Accrued expenses	-	100,835	100,835	89,701	42,062
Unearned revenues	168,338	-	168,338	251,150	21,716
Customer deposits	-	249,760	249,760	190,745	-
Current maturities of TIF payable	-	-	-	-	562,898
Current maturities of long-term debt	270,000	457,055	727,055	878,987	256,200
Total Current Liabilities	<u>1,058,975</u>	<u>2,425,851</u>	<u>3,484,826</u>	<u>3,728,250</u>	<u>1,001,061</u>
Noncurrent Liabilities, Net of Current Portion					
Revenue bonds	-	3,734,529	3,734,529	2,363,575	-
General obligation bonds	285,000	-	285,000	555,000	1,120,000
Notes and leases payable	4,727	1,599,369	1,604,096	1,576,193	-
Noncurrent deferred revenue	-	-	-	-	35,228
TIF payable	-	-	-	-	1,808,311
Compensated absences, noncurrent	583,776	425,634	1,009,410	946,463	-
Estimated current cost of closure and postclosure	-	1,977,000	1,977,000	1,925,000	-
Total Noncurrent Liabilities	<u>873,503</u>	<u>7,736,532</u>	<u>8,610,035</u>	<u>7,366,231</u>	<u>2,963,539</u>
Total Liabilities	<u>1,932,478</u>	<u>10,162,383</u>	<u>12,094,861</u>	<u>11,094,481</u>	<u>3,964,600</u>
Net Assets					
Invested in capital assets, net of related debt	26,471,016	21,153,306	47,624,322	44,370,295	2,863,977
Restricted net assets					
Restricted for economic development	1,030,152	-	1,030,152	1,227,426	-
Restricted for debt service	212,845	467,738	680,583	856,139	16,365
Restricted for Library capital improvements	82,405	-	82,405	93,416	-
Restricted for grant expenditures	52,588	-	52,588	21,354	-
Restricted for public safety equipment	255,576	-	255,576	206,202	-
Restricted Loan Fund	1,523,666	-	1,523,666	1,555,418	-
Restricted for B911 public safety	41,351	-	41,351	7,699	-
Unrestricted net assets	<u>1,787,462</u>	<u>7,988,560</u>	<u>9,776,022</u>	<u>9,993,413</u>	<u>269,160</u>
Total Net Assets	<u>\$31,457,061</u>	<u>\$29,609,604</u>	<u>\$61,066,665</u>	<u>\$58,331,362</u>	<u>\$3,149,502</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				2011 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2011 Total	2010 Total	
Primary Government:									
Governmental Activities									
General government	\$ 2,142,072	\$ 250,053	\$ -	\$ 1,027,900	\$ (864,119)	\$ -	\$ (864,119)	\$ (1,189,737)	
Public safety	5,524,713	1,806,582	759,061	35,252	(2,923,818)	-	(2,923,818)	(2,940,508)	
Highways and streets	2,025,079	50,147	629,203	742,239	(603,490)	-	(603,490)	(542,332)	
Culture and recreation	1,418,419	212,851	25,820	502,361	(677,387)	-	(677,387)	(1,158,539)	
Interest on long-term debt	23,868	-	-	-	(23,868)	-	(23,868)	(31,322)	
Total Governmental Activities	<u>11,134,151</u>	<u>2,319,633</u>	<u>1,414,084</u>	<u>2,307,752</u>	<u>(5,092,682)</u>	<u>-</u>	<u>(5,092,682)</u>	<u>(5,862,438)</u>	
Business-type Activities									
Electric	13,466,171	14,498,621	-	-	-	1,032,450	1,032,450	1,266,658	
Water	1,976,606	1,969,342	-	-	-	(7,264)	(7,264)	(108,740)	
Water pollution control	1,616,210	1,453,143	-	-	-	(163,067)	(163,067)	(223,673)	
Sanitation	1,185,618	1,185,618	-	-	-	-	-	-	
BASWA	1,025,297	1,017,931	-	-	-	(7,366)	(7,366)	91,770	
Total Business-type Activities	<u>19,269,902</u>	<u>20,124,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,753</u>	<u>854,753</u>	<u>1,026,015</u>	
Total Primary Government	<u>\$ 30,404,053</u>	<u>\$ 22,444,288</u>	<u>\$ 1,414,084</u>	<u>\$ 2,307,752</u>	<u>(5,092,682)</u>	<u>854,753</u>	<u>(4,237,929)</u>	<u>(4,836,423)</u>	
Component Units:									
Airport Authority	\$ 850,054	\$ 474,518	\$ -	\$ 424,086					\$ 48,550
Community Redevelopment Authority	636,312	-	-	-					(636,312)
Total Component Units	<u>\$ 1,486,366</u>	<u>\$ 474,518</u>	<u>\$ -</u>	<u>\$ 424,086</u>					<u>(587,762)</u>
General Revenues									
Taxes									
Property tax					1,757,256	-	1,757,256	1,783,347	166,603
Tax Increment Financing					-	-	-	-	657,095
Sales tax					2,687,099	-	2,687,099	2,629,559	-
Occupation tax					797,786	-	797,786	824,113	-
Unrestricted intergovernmental					597,411	-	597,411	561,813	-
Miscellaneous revenues					238,004	810,950	1,048,954	342,507	22,455
Unrestricted investment earnings					17,708	67,018	84,726	132,789	343
Total General Revenues					<u>6,095,264</u>	<u>877,968</u>	<u>6,973,232</u>	<u>6,274,128</u>	<u>846,496</u>
Change in Net Assets					1,002,582	1,732,721	2,735,303	1,437,705	258,734
Net Assets, Beginning of Year					30,454,479	27,876,883	58,331,362	56,893,657	2,890,768
Net Assets, End of Year					<u>\$31,457,061</u>	<u>\$29,609,604</u>	<u>\$ 61,066,665</u>	<u>\$58,331,362</u>	<u>\$3,149,502</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011				2010
	General	Streets	Other Governmental Funds	Total Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 840,543	\$496,215	\$1,951,804	\$ 3,288,562	\$ 3,026,918
Investments	204,346	-	-	204,346	603,349
Cash on deposit - County Treasurer	177,655	-	30,835	208,490	192,810
Accounts receivable	385,729	64,133	153,126	602,988	486,923
Interest receivable	-	-	59,703	59,703	40,466
Assessments receivable	-	-	228,057	228,057	240,453
Unassessed costs	-	-	2,399	2,399	-
Restricted:					
Cash	32,961	-	396,687	429,648	199,315
Investments	-	-	82,405	82,405	82,076
In-lieu-of assessments	-	-	10,105	10,105	10,105
Due from other funds	65,000	-	-	65,000	116,715
Loans receivable	-	-	1,063,030	1,063,030	1,456,719
Taxes receivable	90,147	-	17,248	107,395	162,090
Total Assets	\$1,796,381	\$560,348	\$3,995,399	\$ 6,352,128	\$ 6,617,939
Liabilities					
Accounts payable	\$ 91,209	\$182,329	\$ 27,973	\$ 301,511	\$ 476,147
Registered warrants payable	-	-	185,771	185,771	207,261
Accrued interest payable	-	-	53,554	53,554	50,429
Unearned revenues	68,258	-	100,080	168,338	251,150
Due to other funds	-	-	-	-	14,715
Total Liabilities	159,467	182,329	367,378	709,174	999,702
Fund Balances					
Restricted for:					
Economic development	-	-	1,030,152	1,030,152	1,227,426
Debt service	-	-	212,845	212,845	212,370
Revolving Loan Fund	-	-	1,523,666	1,523,666	1,555,418
E911 Public Safety	-	-	41,351	41,351	7,699
Police grants and programs	52,588	-	-	52,588	21,354
Streets, Special Revenue Fund	-	378,019	-	378,019	411,516
Storm water management	-	-	21,438	21,438	72
Committed for:					
Library capital improvements	-	-	82,405	82,405	93,416
Public safety equipment	-	-	255,576	255,576	206,202
Capital projects funds	-	-	267,233	267,233	-
Community betterment	-	-	209,771	209,771	162,712
Assigned, reported in					
Subsequent years' expenditures	734,960	-	-	734,960	716,164
Unassigned, reported in					
General Fund	849,366	-	-	849,366	1,057,315
Debt Service Funds	-	-	(16,416)	(16,416)	(53,427)
Total Fund Balances	1,636,914	378,019	3,628,021	5,642,954	5,618,237
Total Liabilities and Fund Balances	\$1,796,381	\$560,348	\$3,995,399		

CITY OF BEATRICE, NEBRASKA
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011		2010 Total
	General	Other Governmental Funds	
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:			
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.			27,030,743 26,283,526
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			(73,133) (34,322)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds as follows:			
Bonds Payable			(555,000) (815,000)
Notes and Leases Payable			(4,727) (53,111)
Noncurrent Accrued Absences			(583,776) (544,851)
Net Assets of Governmental Activities			<u>\$31,457,061</u> <u>\$30,454,479</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011		2010	
	General	Streets	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property tax	\$1,473,889	\$ -	\$ 283,367	\$1,757,256
Sales tax	1,899,703	537,396	250,000	2,687,099
Occupation tax	797,786	-	-	797,786
Licenses and permits	108,465	-	-	108,465
Intergovernmental	1,231,528	1,345,641	677,076	3,254,245
Charges for services	1,989,607	50,148	130,547	2,170,302
Keno proceeds	-	-	83,401	83,401
Special assessments	-	-	25,794	25,794
Interest	11,614	-	50,904	62,518
Grants	-	-	1,000,000	1,000,000
Donations and miscellaneous revenue	140,449	-	25,093	165,542
Total Revenues	7,653,041	1,933,185	2,526,182	12,112,408
Expenditures				
Current				
General government	1,282,371	-	1,545,090	2,827,461
Public safety	5,143,115	-	5,035	5,148,150
Highways and streets	-	1,224,442	-	1,224,442
Culture and recreation	1,040,086	-	-	1,040,086
Debt Service				
Principal	-	-	305,444	305,444
Interest	-	-	23,868	23,868
Capital outlay	178,905	742,240	472,101	1,393,246
MFO payments - other entities	-	-	124,994	124,994
Total Expenditures	7,644,477	1,966,682	2,476,532	12,087,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,564	(33,497)	49,650	24,717
Other Financing Sources (Uses)				
Transfers in	91,860	-	279,688	371,548
Transfers out	(258,343)	-	(113,205)	(371,548)
Total Other Financing Sources (Uses)	(166,483)	-	166,483	-
Net Change in Fund Balances	(157,919)	(33,497)	216,133	24,717
Fund Balances, Beginning of Year	1,794,833	411,516	3,411,888	5,618,237
Fund Balances, End of Year	\$1,636,914	\$ 378,019	\$3,628,021	\$5,642,954

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net change in fund balances - total governmental funds	\$ 24,717	\$ 447,459
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period as follows:		
Capital Outlays	2,395,342	1,705,749
Depreciation Expense	(1,594,828)	(1,530,959)
The issuance of long-term debt provides current financial resources to governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	(308,384)	(408,627)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This includes the increase (decrease) in compensated absences.	(38,925)	(26,242)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets.	563,471	-
The net revenue of certain activities of internal service funds is reported with governmental activities.	(38,811)	(31,743)
Change in Net Assets of Governmental Activities	<u>\$1,002,582</u>	<u>\$ 155,637</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011						2010 Total
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds
Current Assets							
Cash and investments	\$ 5,797,277	\$ 410,502	\$ 883,330	\$ 209,449	\$ 28,166	\$ 7,328,724	\$ 7,917
Accounts receivable, net	1,005,198	100,865	63,669	117,749	22,568	1,310,049	63,751
Unbilled and accrued revenues	521,504	117,600	83,504	-	-	722,608	-
Materials and supplies inventories	533,697	407,998	-	-	-	941,695	-
Prepaid expenses	6,416	4,733	2,127	-	-	13,276	-
Interest receivable	4,648	368	618	-	-	5,634	-
Total Current Assets	<u>7,868,740</u>	<u>1,042,066</u>	<u>1,033,248</u>	<u>327,198</u>	<u>50,734</u>	<u>10,321,986</u>	<u>71,668</u>
Noncurrent Assets							
Restricted Cash and Cash Equivalents							
Employee benefits	204,957	-	-	-	-	204,957	-
Debt Service Reserve Account	79,275	79,275	67,950	241,238	-	467,738	-
Bond Construction Reserve Account	-	-	-	485,412	-	485,412	-
Restricted Investments							
Customer deposits	249,760	-	-	-	-	249,760	-
Closure/postclosure maintenance and care	-	-	-	1,023,967	-	1,023,967	-
Total Restricted Cash, Cash Equivalents and Investments	<u>533,992</u>	<u>79,275</u>	<u>67,950</u>	<u>1,750,617</u>	<u>-</u>	<u>2,431,834</u>	<u>-</u>
Capital Assets							
Land and land rights	17,432	55,458	16,588	-	-	89,478	-
Buildings and improvements	1,116,464	65,547	-	-	-	1,182,011	-
Improvements other than buildings	26,224,148	13,728,593	17,025,192	4,701,311	-	61,679,244	-
Machinery and equipment	2,478,892	874,832	1,700,723	997,497	-	6,051,944	-
Construction in progress	-	-	-	-	-	-	-
	<u>29,836,936</u>	<u>14,724,430</u>	<u>18,742,503</u>	<u>5,698,808</u>	<u>-</u>	<u>69,002,677</u>	<u>-</u>
Less accumulated depreciation	<u>17,476,705</u>	<u>9,478,263</u>	<u>11,711,138</u>	<u>3,392,312</u>	<u>-</u>	<u>42,058,418</u>	<u>-</u>
Net Capital Assets	<u>12,360,231</u>	<u>5,246,167</u>	<u>7,031,365</u>	<u>2,306,496</u>	<u>-</u>	<u>26,944,259</u>	<u>-</u>
Other Assets							
Unamortized bond issuance cost	10,377	10,376	8,894	44,261	-	73,908	-
Total Noncurrent Assets	<u>12,904,600</u>	<u>5,335,818</u>	<u>7,108,209</u>	<u>4,101,374</u>	<u>-</u>	<u>29,450,001</u>	<u>-</u>
Total Assets	<u>20,773,340</u>	<u>6,377,884</u>	<u>8,141,457</u>	<u>4,428,572</u>	<u>50,734</u>	<u>39,771,987</u>	<u>71,668</u>

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011							
	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds	2010 Total
Liabilities								
Current Liabilities								
Accounts payable	1,121,327	17,373	18,511	5,393	50,734	1,213,338	-	1,108,410
Claims incurred but not reported	-	-	-	-	-	-	79,801	-
Accrued compensated absences	109,675	83,597	26,491	13,942	-	233,705	-	227,439
Accrued payroll	53,708	27,020	16,613	3,494	-	100,835	-	89,701
Sales tax payable	93,493	120	-	-	-	93,613	-	91,080
Employee insurance payable	23,210	-	-	-	-	23,210	-	70,323
Accrued interest	7,995	12,741	17,307	16,292	-	54,335	-	49,325
Customer deposits	249,760	-	-	-	-	249,760	-	190,745
Due to other funds	-	-	-	-	-	-	65,000	-
Current maturities of long-term debt	50,750	90,981	134,553	180,771	-	457,055	-	570,603
Total Current Liabilities	<u>1,709,918</u>	<u>231,832</u>	<u>213,475</u>	<u>219,892</u>	<u>50,734</u>	<u>2,425,851</u>	<u>144,801</u>	<u>2,397,626</u>
Noncurrent Liabilities								
Compensated absences, noncurrent	212,209	165,011	48,414	-	-	425,634	-	401,612
Revenue bonds, net of current maturities	742,000	742,000	730,529	1,520,000	-	3,734,529	-	2,363,575
Notes payable, net of current maturities	-	470,285	973,943	155,141	-	1,599,369	-	1,571,466
Noncurrent cost of closure and postclosure	-	-	-	1,977,000	-	1,977,000	-	1,925,000
Total Noncurrent Liabilities	<u>954,209</u>	<u>1,377,296</u>	<u>1,752,886</u>	<u>3,652,141</u>	<u>-</u>	<u>7,736,532</u>	<u>-</u>	<u>6,261,653</u>
Total Liabilities	<u>2,664,127</u>	<u>1,609,128</u>	<u>1,966,361</u>	<u>3,872,033</u>	<u>50,734</u>	<u>10,162,383</u>	<u>144,801</u>	<u>8,659,279</u>
Net Assets								
Invested in capital assets, net of related debt	11,567,481	3,942,901	5,192,340	450,584	-	21,153,306	-	21,604,880
Restricted for debt service	79,275	79,275	67,950	241,238	-	467,738	-	643,769
Unrestricted	6,462,457	746,580	914,806	(135,283)	-	7,988,560	(73,133)	5,628,234
Total Net Assets	<u>\$ 18,109,213</u>	<u>\$ 4,768,756</u>	<u>\$ 6,175,096</u>	<u>\$ 556,539</u>	<u>\$ -</u>	<u>\$ 29,609,604</u>	<u>\$ (73,133)</u>	<u>\$ 27,876,883</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011						Governmental Activities	2010 Total
	Business-Type Activities Enterprise Funds							
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds	
Operating Revenues								
Charges for services	\$ 14,498,621	\$ 1,969,342	\$ 1,453,143	\$ 1,017,931	\$ 1,185,618	\$ 20,124,655	\$ 1,386,327	\$ 19,447,857
Reimbursements	-	-	-	-	-	-	133,010	-
Total Operating Revenues	14,498,621	1,969,342	1,453,143	1,017,931	1,185,618	20,124,655	1,519,337	19,447,857
Operating Expenses								
Electric energy purchased	10,198,333	-	-	-	-	10,198,333	-	9,423,595
Operating and maintenance expenses	990,263	914,938	545,326	-	1,185,618	3,636,145	-	3,467,836
Customer accounting expenses	243,814	141,770	70,199	-	-	455,783	-	449,426
Engineering services	157,365	16,000	16,000	-	-	189,365	-	179,675
Administrative and general expense	499,315	367,805	242,370	542,684	-	1,652,174	-	1,830,392
Municipal expenses	425,962	44,334	13,490	-	-	483,786	-	483,796
Depreciation and amortization	918,276	447,804	665,564	316,112	-	2,347,756	-	2,309,930
Landfill operating contracts	-	-	-	145,409	-	145,409	-	90,567
Health insurance claims paid	-	-	-	-	-	-	1,302,369	-
Health and life insurance premiums	-	-	-	-	-	-	115,431	-
Payflex expenditures	-	-	-	-	-	-	107,732	-
Workers' compensation claims paid	-	-	-	-	-	-	10	-
Other services and charges	-	-	-	-	-	-	32,853	-
Total Operating Expenses	13,433,328	1,932,651	1,552,949	1,004,205	1,185,618	19,108,751	1,558,395	18,235,217
Operating Income (Loss)	1,065,293	36,691	(99,806)	13,726	-	1,015,904	(39,058)	1,212,640
Nonoperating Revenues (Expenses)								
Interest income	44,743	5,534	5,122	11,619	-	67,018	247	60,022
Merchandising, etc.	150,317	76,173	33,707	-	-	260,197	-	25,564
Grant income	-	12,977	-	-	-	12,977	-	-
Miscellaneous	139,812	22,016	6,985	825	-	169,638	-	170,467
Interest expense	(29,627)	(42,579)	(61,771)	(18,692)	-	(152,669)	-	(178,143)
Amortization of bond issuance cost	(3,216)	(1,376)	(1,490)	(2,400)	-	(8,482)	-	(8,482)
Total Nonoperating Revenues (Expenses)	302,029	72,745	(17,447)	(8,648)	-	348,679	247	69,428
Capital in Aid of Construction	34,844	71,209	262,085	-	-	368,138	-	-
Change in Net Assets	1,402,166	180,645	144,832	5,078	-	1,732,721	(38,811)	1,282,068
Net Assets, Beginning of Year	16,707,047	4,588,111	6,030,264	551,461	-	27,876,883	(34,322)	26,594,815
Net Assets, End of Year	\$ 18,109,213	\$ 4,768,756	\$ 6,175,096	\$ 556,539	\$ -	\$ 29,609,604	\$ (73,133)	\$ 27,876,883

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2011 Totals	Internal Service Funds	2010 Totals
Cash Flows From Operating Activities								
Cash received from customers	\$ 14,730,015	\$ 2,020,382	\$ 1,483,484	\$ 993,700	\$ 1,188,672	\$ 20,416,253	\$ 1,556,772	\$ 19,581,268
Cash paid to suppliers for goods and services	(11,102,151)	(638,920)	(285,515)	(353,471)	(1,160,673)	(13,540,730)	(1,515,847)	(12,516,125)
Cash paid to employees for services	(1,296,222)	(950,667)	(588,408)	(276,482)	-	(3,111,779)	-	(3,147,031)
Net Cash Provided by Operating Activities	<u>2,331,642</u>	<u>430,795</u>	<u>609,561</u>	<u>363,747</u>	<u>27,999</u>	<u>3,763,744</u>	<u>40,925</u>	<u>3,918,112</u>
Cash Flows from Capital and Related Financing Activities								
Principal payments on long-term debt	(137,277)	(71,146)	(133,823)	1,627,555	-	1,285,309	-	(595,388)
Capital in aid of construction	34,844	71,209	262,085	-	-	368,138	-	-
Loans from other funds	-	-	-	-	-	-	(37,000)	-
Interest paid on revenue bond maturities	(33,252)	(45,898)	(63,240)	(5,269)	-	(147,659)	-	(180,838)
Grant proceeds	-	12,977	-	-	-	12,977	-	-
Bond origination costs	-	-	-	(45,788)	-	(45,788)	-	-
Purchases of capital assets	(858,646)	(494,503)	(608,455)	(1,218,357)	-	(3,179,961)	-	(1,673,705)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(994,331)</u>	<u>(527,361)</u>	<u>(543,433)</u>	<u>358,141</u>	<u>-</u>	<u>(1,706,984)</u>	<u>(37,000)</u>	<u>(2,449,931)</u>
Cash Flows From Investing Activities								
Interest received	53,536	5,174	4,516	11,619	-	74,845	247	56,268
Net Cash Provided by Investing Activities	<u>53,536</u>	<u>5,174</u>	<u>4,516</u>	<u>11,619</u>	<u>-</u>	<u>74,845</u>	<u>247</u>	<u>56,268</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,390,847	(91,392)	70,644	733,507	27,999	2,131,605	4,172	1,524,449
Cash and Cash Equivalents, Beginning of Year	<u>4,940,422</u>	<u>581,169</u>	<u>880,636</u>	<u>1,226,559</u>	<u>167</u>	<u>7,628,953</u>	<u>3,745</u>	<u>6,104,504</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,331,269</u>	<u>\$ 489,777</u>	<u>\$ 951,280</u>	<u>\$ 1,960,066</u>	<u>\$ 28,166</u>	<u>\$ 9,760,558</u>	<u>\$ 7,917</u>	<u>\$ 7,628,953</u>
Cash and Cash Equivalents Consist of:								
Cash and investments	\$ 5,797,277	\$ 410,502	\$ 883,330	\$ 209,449	\$ 28,166	\$ 7,328,724	\$ 7,917	\$ 5,801,233
Employee benefits cash	204,957	-	-	-	-	204,957	-	103,237
Debt Service Reserve Account	79,275	79,275	67,950	241,238	-	467,738	-	643,769
Bond Construction Account	-	-	-	485,412	-	485,412	-	-
Customer deposits investments	249,760	-	-	-	-	249,760	-	190,770
Closure/postclosure maintenance and care	-	-	-	1,023,967	-	1,023,967	-	889,944
Total Cash and Cash Equivalents	<u>\$ 6,331,269</u>	<u>\$ 489,777</u>	<u>\$ 951,280</u>	<u>\$ 1,960,066</u>	<u>\$ 28,166</u>	<u>\$ 9,760,558</u>	<u>\$ 7,917</u>	<u>\$ 7,628,953</u>

CITY OF BEATRICE, NEBRASKA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities Enterprise Funds					Governmental Activities	2010 Totals	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2011 Totals		Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:								
Operating income (loss)	<u>\$ 1,065,293</u>	<u>\$ 36,691</u>	<u>\$ (99,806)</u>	<u>\$ 13,726</u>	<u>\$ -</u>	<u>\$ 1,015,904</u>	<u>\$ (39,058)</u>	<u>\$ 1,212,640</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities								
Depreciation and amortization	918,276	447,804	665,564	316,112	-	2,347,756	-	2,309,930
Merchandise and miscellaneous revenue	290,129	98,189	40,692	825	-	429,835	-	196,031
Increase in estimated cost of closure and postclosure	-	-	-	52,000	-	52,000	-	21,000
(Increase) decrease in unbilled and accrued revenues	(65,214)	(17,790)	(2,091)	-	-	(85,095)	-	40,346
(Increase) decrease in accounts receivable	6,479	(29,359)	(8,260)	(25,056)	3,054	(53,142)	79,983	(102,966)
(Increase) decrease in inventory	25,845	(131,821)	-	-	-	(105,976)	-	(9,512)
(Increase) decrease in prepaid insurance	440	1,270	(33)	-	-	1,677	-	(957)
Increase (decrease) in accounts payable	60,565	4,703	10,252	4,463	24,945	104,928	-	157,535
Increase (decrease) in sales tax payable	2,492	3,598	-	-	-	6,090	-	19,058
Increase (decrease) in employee insurance payable	(47,113)	-	-	-	-	(47,113)	-	(18,486)
Increase (decrease) in accrued payroll	10,889	41	2,410	1,677	-	15,017	-	35,682
Increase (decrease) in accrued compensated absences	59,015	17,469	833	-	-	77,317	-	49,270
Increase (decrease) in customer deposits	4,546	-	-	-	-	4,546	-	8,541
Total Adjustments	<u>1,266,349</u>	<u>394,104</u>	<u>709,367</u>	<u>350,021</u>	<u>27,999</u>	<u>2,747,840</u>	<u>79,983</u>	<u>2,705,472</u>
Net Cash Provided by Operating Activities	<u>\$ 2,331,642</u>	<u>\$ 430,795</u>	<u>\$ 609,561</u>	<u>\$ 363,747</u>	<u>\$ 27,999</u>	<u>\$ 3,763,744</u>	<u>\$ 40,925</u>	<u>\$ 3,918,112</u>
Noncash Investing, Capital and Financing Activities:								
None								

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011 AND 2010

	Pension Trust Fund	
	2011	2010
Assets		
Investments with fiscal agent:		
Demand deposits	\$ 443,440	\$ 505,484
Guaranteed interest accounts	7,084,908	6,862,707
Publicly traded equities	<u>7,520,925</u>	<u>6,938,684</u>
Total Assets	15,049,273	14,306,875
Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Net assets held in trust for pension benefits	<u>\$ 15,049,273</u>	<u>\$ 14,306,875</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	Pension Trust Fund	
	2011	2010
Additions		
Contributions		
Employer	\$ 455,968	\$ 432,781
Employee	532,257	483,185
Total Contributions	<u>988,225</u>	<u>915,966</u>
Investment Earnings		
Net increase in the fair value of investments	<u>284,315</u>	<u>953,645</u>
Total Additions	<u>1,272,540</u>	<u>1,869,611</u>
Deductions		
Benefits	514,369	394,261
Administrative expenses	15,773	18,935
Transfers to another plan	-	54,915
Total Deductions	<u>530,142</u>	<u>468,111</u>
Change in Net Assets	742,398	1,401,500
Net Assets, Beginning of Year	<u>14,306,875</u>	<u>12,905,375</u>
Net Assets, End of Year	<u>\$ 15,049,273</u>	<u>\$ 14,306,875</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Beatrice, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

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

A. Financial Reporting Entity

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

The City is a municipal corporation governed by an elected mayor and eight-member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each blended component unit has a September 30 fiscal period end.

The City's financial reporting entity comprises the following:

Primary Government:	City of Beatrice
Discretely Presented Component Units:	Beatrice Airport Authority Community Redevelopment Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14 and Statement No. 39, and has included all organizations that make up the City's legal entity and all component units. Consistent with applicable guidance, the criteria used by the City to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The City includes organizations as component units under the following financial accountability criteria:

- (1) Organizations for which the City Council appoints a voting majority of the organization's governing body and for which (a) the City is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.
- (2) Organizations that are fiscally dependent on the City. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the City.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has the following blended component unit:

Beatrice Area Solid Waste Agency

The Beatrice Area Solid Waste Agency (BASWA) is a joint entity between the City of Beatrice, the County of Gage, Nebraska, and seven smaller communities. BASWA is the operator of a solid waste disposal facility. BASWA is governed by the Mayor, eight Council members of the City, and two Gage County Board members.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following are the discretely presented component units:

Brief Description of Activities and Relationship to the City:

Beatrice Airport Authority	Established to provide for the operations of the Beatrice Airport. The City is financially accountable for the Airport as a result of fiscal dependency in the form of the City's approval of the Airport Authority's request for tax levies and debt issuances. Information included in this financial statement is from the entity's fiscal year end of September 30.
Community Redevelopment Authority	The Community Redevelopment Authority Fund receives and distributes tax increment financing funds. Information included in this financial statement is from the entity's fiscal year end of September 30.

Complete financial statements for the Beatrice Airport Authority may be obtained from the City Clerk, City of Beatrice, 400 Ella Street, Beatrice, NE 68310. The Community Redevelopment Authority does not issue separate financial statements.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Governmental Funds

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City and always classified as a major fund. It is used to account for all financial resources except those legally or administratively required to be accounted for in another fund.

Special Revenue - Street Fund

The Street Fund is used to account for operation of the street department. Revenues are provided by the City's share of state gasoline taxes, in addition to the required match from the City. State law requires these taxes to be used to maintain streets.

Additionally, the City reports the following nonmajor fund types:

Special Revenue Funds

The Special Revenue Funds account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. These nonmajor funds consist of Community Development Block Grant Fund, Economic Development, Keno, 911 surcharges, and storm water management.

Debt Service Funds

The Debt Service Funds account for the servicing of general long-term debt not being financed by proprietary funds. These nonmajor funds consist of general obligation, bonded districts, and unbonded assessment debt service fund.

Capital Projects Funds

The Capital Projects Funds account for acquisition of fixed assets or construction of major capital facilities not being financed by proprietary funds. These nonmajor funds consist of library capital improvements and capital improvements.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises; or (b) where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Proprietary Funds (Continued)

Internal Service Funds

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

The City reports the following major proprietary funds:

Electric Fund

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

Water Fund

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

Water Pollution Control Fund

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

Beatrice Area Solid Waste Agency Fund

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

Additionally, the City reports the following nonmajor enterprise fund:

Sanitation Fund

This enterprise fund accounts for the sanitation activities of the City.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fiduciary Funds (not included in government-wide statements)

Trust Funds

Trust funds account for assets held by the City for the members and beneficiaries of defined benefit and contribution pension plans. The reporting entity includes the following trust funds:

Firefighters Pension	Accounts for the administration for the firefighters' pension funds under the defined benefit and contribution plans. This also accounts for the pensioners (firemen) nonqualified benefit plan.
Police Pension	Accounts for the administration of the police pension fund under the defined benefit and defined contribution plans.
General Government Pension	Accounts for the administration of the non-uniformed employees' pension funds under the defined contribution plan.
Board of Public Works Pension	Accounts for the administration of the Board of Public Works employees' pension funds under the defined contribution plan.

Prior-Year Summarized Financial Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2010, from which the summarized information was derived.

C. 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

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the "current financial resources" measurements focus or the "economic resources" measurement focus is used as appropriate:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Measurement Focus (Continued)

when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as a eligibility requirements imposed by the provider have been met.

- a. All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Fiduciary funds utilize the "economic resources" measurement focus.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental and business-type activities and the discretely presented component units are presented using the accrual 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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

All proprietary funds, fiduciary funds, and discretely presented component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

D. Assets, Liabilities, and Equity

Estimates

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

Cash and Investments

For the purpose of the Statement of Net Assets, "cash and cash equivalents" include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer's cash represents revenues collected not yet remitted to the City.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 14.

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include CDBG loans, special assessments, sales tax, and property taxes. Business-type activities report utility billings as their major receivable.

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes, since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

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

Restricted Assets

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

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

Government-wide Statements

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

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

The City's policy is to capitalize interest on proprietary funds and construction projects until substantially completed. Major expenditures for property and those which substantially increased useful lives are capitalized. Maintenance, repairs and minor renewals are expensed when incurred. When capital assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property, plant and equipment are depreciated in the proprietary fund of the City using the straight-line method over the following estimated useful lives:

Vehicles	5 - 10 years	Office equipment	5 years
Tools and work equipment	5 - 10 years	Communication equipment	5 years
Electric load management system	10 years	Electric distribution system	25 years
Water wells and transmission	25 years	Water storage system	25 years
Water distribution system	25 years	Water pollution control disposal plant	25 years
Lift station	25 years	Sewer collection lines	25 years
Buildings	15 - 25 years	Infrastructure	5 - 40 years

Fund Financial Statements

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

Unamortized Bond Discount

Bond discount fees for the Utility Funds are deferred and amortized over the life of the bonds using the effective interest method.

Deferred Revenues

Deferred revenues consist of property taxes expected to be collected after 60 days and special assessments expected to be collected beyond one year.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

Compensated Absences

City employees earn sick leave at the rate of one day per month. They earn various hours of vacation per pay period based on years of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. There is no limitation on accumulated vacation leave, however, at the calendar year end police and fire employees cannot carryover more than the amount earned in the previous year; Board of Public Works employees cannot carry over more than 240 hours; all other employees cannot carry over more than 160 hours. Sick leave hours cannot exceed 1,460 hours for firefighters and 1,040 for all other employees. All accumulated vacation is paid upon the employee's termination. Upon retirement or death, firefighters are paid 50% up to a maximum of 540 hours; police officers are paid 50% up to a maximum of 720; and all other employees are paid 75% of their accumulated sick leave. For other termination of employment, firefighters are not paid any hours; police officers are paid 50% up to a maximum of 360 hours; and all other employees are paid 50% of their accumulated sick leave is paid at retirement or death. Employees of the Board of Public Works and the Street Department are paid fifty percent of their unused sick leave when their employment is terminated. When an employee of the Board of Public Works or the Street Department retires, they are paid 75% of their accumulated sick leave. Compensatory time rather than overtime compensation may be given for all hours actually worked in excess of forty hours in a week. No employee shall accrue more than 80 hours of compensatory time for hours worked, with the exception of employees covered by the Fraternal Order of Police Union Contract who may accrue up to 120 hours. All accumulated compensatory time is paid to the employee upon his termination.

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

Long-Term Debt

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

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Fund Financial Statements

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

Equity Classification

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - 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 assets - Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements

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

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified inventories as nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted

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

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

Equity Classification (Continued)

Assigned

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

Unassigned

This classification includes the residual fund balance for the General Fund.

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

E. Revenues, Expenditures, and Expenses

Comparative Data

Comparative total data for the prior period have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Interfund Transactions

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

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

Property Taxes

Property taxes are recorded as a receivable when levied. Based on past experience, the uncollected portion has been immaterial. The portion of the taxes not collected within 60 days after fiscal period end is recorded as deferred revenue.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures, and Expenses (Continued)

Property Taxes (Continued)

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

Property tax calendar:	Lien date	January 1, 2010
	Levy date	October 15, 2010
	Tax bills mailed	December 1, 2010
	Due date	December 31, 2010
	First installment payment delinquent	May 1, 2011
	Second installment payment delinquent	September 1, 2011

Property taxes are billed and collected by the County Treasurer of Gage County, Nebraska.

The City is permitted to levy taxes up to \$0.499934 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The tax rate to finance general government services other than the payment of principal and interest on long-term debt for the year ended September 30, 2011 was \$.273510 per \$100 of assessed valuation, which means the City has a tax margin of \$0.226424 per \$100 of assessed valuation and could raise taxes by \$1,236,180, based on the present assessed valuation of \$545,958,163, before the limit is reached.

Sales and Use Tax

On November 4, 1986, the citizens of the City voted in favor of a 1% city sales tax, effective April 1, 1987. A resolution adopted by the City Council stated that 30% of the sales tax revenue was to be used for street improvements and maintenance and 70% for property tax relief. On November 3, 1992, the Citizens of the City voted in favor of an additional 1/2% City sales tax, effective April 1, 1993. A resolution adopted by the City Council stated that 50% of the proceeds up to a maximum annual amount of \$250,000 was to be used for the purpose of financing the economic development program to create jobs and ensure the economic stability and vitality for a ten-year period ending March 31, 2003, and the remainder of the proceeds derived on and before March 30, 2003, and 100% of the proceeds derived after March 31, 2003, was to be used for property tax relief.

The citizens of the City voted on November 3, 1998, to extend the effective dates of this resolution by ten years to March 21, 2013. As of October 1, 2006, sales tax collected on the sale of motor vehicles is reserved for street fund expenditures as required by LB904. The local merchants collect the sales tax and remit it to the Nebraska Department of Revenue by the 25th of the following month. The Department of Revenue remits the sales tax to the City of Beatrice (net of a collection fee) within 30 days after they receive it. The City sales tax is recorded as revenue by the City of Beatrice when it is in the hands of the intermediary collecting agent.

Expenditures/Expenses

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures, and Expenses (Continued)

Expenditures/Expenses (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character and Function

Proprietary Fund - by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Contributions in Aid of Construction

Contributions in aid of construction are development projects constructed and contributed by developers. These contributions are recorded at fair value when the development is complete and are considered imposed non-exchange transactions. This would also include special assessments to property owners for water and water pollution control improvements, as well as federal and state grants.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

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

2. Deposit Laws and Regulations

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

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's cash deposits, including certificates of deposit, are insured up to \$500,000 by the Federal Deposit Insurance Corporation (FDIC) (\$250,000 for interest-bearing deposits and \$250,000 for non-interest-bearing deposits). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources by state or local requirements. The primary restricted revenue sources are described in Note 1B for the various funds.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

4. Debt Restrictions and Covenants

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

5. Budgetary Data

An appropriated budget is adopted each fiscal period for the General, Special Revenue, and Capital Projects Funds on the modified accrual basis which is consistent with generally accepted accounting principles (GAAP). An appropriated budget is adopted each fiscal period for Debt Service Funds on a non-GAAP (cash) basis. Reconciliation of the budgetary basis and GAAP-basis reporting of revenues and expenditures of the Debt Service Funds is presented in Note 12. An appropriated budget is adopted each fiscal period for each Enterprise Fund and Internal Service Fund on the accrual basis which is consistent with GAAP.

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

1. Prior to September 10, the City Administrator submitted to the Mayor and City Council a proposed operating budget for the fiscal period commencing October 1, 2010 and ending September 30, 2011. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance.

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

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

The budget amounts shown in the financial statements are the final authorized amounts as revised during the fiscal period. Revisions during the period increased the budget in the following funds:

General Fund	\$225,000
Keno Fund	2,600
Employee Benefits Fund	<u>450,000</u>
Total	<u>\$677,600</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 3 - CASH AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of September 30, 2011, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized; and the City's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Investments

The City's policies and applicable laws regarding investments are discussed in Notes 1 and 2. The table presented below is designed to disclose the types of investments held by the City at September 30, 2011.

Type of Investment	Carrying Amount	Fair Value
Demand deposits	\$ 1,239,635	\$ 1,239,635
Time deposits	764,283	764,283
Publicly traded equities	7,520,925	7,520,925
Guaranteed investment securities	7,084,908	7,084,908
	<u>\$16,609,751</u>	<u>\$ 16,609,751</u>

Investments are presented as follows as of September 30, 2011:

Primary Government:	
Unrestricted investments	\$ 204,346
Restricted investments	1,356,132
Employee Pension Funds	<u>15,049,273</u>
	<u>\$ 16,609,751</u>

Restricted Assets

The restricted assets as of September 30, 2011, are as follows:

Type of Restricted Assets:	Governmental Activities	Business- Type Activities	Total Primary Government
Cash and cash equivalents	\$429,648	\$ 672,695	\$ 1,102,343
Investments	<u>82,405</u>	<u>1,273,727</u>	<u>1,356,132</u>
	<u>\$ 512,053</u>	<u>\$ 1,946,422</u>	<u>\$ 2,458,475</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 4 - ACCOUNTS AND NOTES RECEIVABLE

Accounts receivable of the business-type activities consists of utilities accounts receivable. Accounts receivable of the governmental activities consists of ambulance (35.0%), sales tax (40.2%), flood grants (7.0%), and other (17.8%) receivables. Accounts receivable for the component unit consist of fuel and repair services. Receivables detail at September 30, 2011, is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$706,739	\$1,363,862	\$2,070,601	\$ 117,598
Allowance for doubtful accounts	<u>(40,000)</u>	<u>(53,813)</u>	<u>(93,813)</u>	<u>-</u>
Net accounts receivable	<u>\$666,739</u>	<u>\$1,310,049</u>	<u>\$1,976,788</u>	<u>\$ 117,598</u>

Assessments receivable consist of the following as of September 30:

	<u>2011</u>	<u>2010</u>
Current	\$ 23,095	\$ 36,130
Delinquent	128,047	104,015
Deferred	<u>76,915</u>	<u>100,308</u>
	<u>\$ 228,057</u>	<u>\$ 240,453</u>
In-lieu-of assessments	<u>\$ 10,105</u>	<u>\$ 10,105</u>

CDBG notes receivable in the governmental funds consist of the following at September 30, 2011.

<u>Due From</u>	<u>Balance 9/30/11</u>	<u>Terms</u>
5Stat, Inc.	\$ 270,000	0% due in annual payments of \$30,000 through December 2019.
5Stat, Inc.	300,000	0% note forgivable upon meeting program requirements.
Nebraska's Own Network, Inc.	13,864	3.5%; due in monthly installments of \$1,341 through April 2009.
Store Kraft Manufacturing Co.	129,166	0%; due in monthly payments of \$4,167 through April 2014.
BVA, Inc.	300,000	2%, due in semiannual payments through May 2016.
Creative Surfaces	<u>50,000</u>	2%, due in annual payments through December 2017.
	<u>\$1,063,030</u>	

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Components of the City's capital assets at September 30, 2011, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land and land rights	\$ 2,577,841	\$ 89,478	\$ 2,667,319
Buildings and improvements	5,773,093	1,182,011	6,955,104
Improvements other than buildings	3,924,463	61,679,244	65,603,707
Machinery and equipment	8,177,872	6,051,944	14,229,816
Infrastructure	25,324,246	-	25,324,246
	45,777,515	69,002,677	114,780,192
Accumulated depreciation	(18,746,772)	(42,058,418)	(60,805,190)
	<u>\$ 27,030,743</u>	<u>\$ 26,944,259</u>	<u>\$ 53,975,002</u>

The following table summarizes the changes in the capital assets of the governmental funds:

	<u>Balance 10/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/11</u>
Buildings and improvements	\$ 5,537,360	\$ 235,733	\$ -	\$ 5,773,093
Improvements other than buildings	3,716,056	208,407	-	3,924,463
Machinery and equipment	8,167,542	421,945	(411,615)	8,177,872
Infrastructure	23,795,089	1,529,157	-	25,324,246
	41,216,047	2,395,242	(411,615)	43,199,674
Land	2,581,491	100	(3,750)	2,577,841
	<u>\$43,797,538</u>	<u>\$2,395,342</u>	<u>\$ (415,365)</u>	<u>\$ 45,777,515</u>

The following table summarizes the changes in capital assets of the business-type activities:

	<u>Balance 10/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/11</u>
Land and land rights	\$ 89,478	\$ -	\$ -	\$ 89,478
Buildings and improvements	209,642	972,369	-	1,182,011
Improvements other than buildings	59,850,996	1,828,248	-	61,679,244
Machinery and equipment	5,715,156	381,616	(44,828)	6,051,944
	65,865,272	3,182,233	(44,828)	69,002,677
Construction in progress	1,270	(1,270)	-	-
	<u>\$65,866,542</u>	<u>\$3,180,963</u>	<u>\$ (44,828)</u>	<u>\$ 69,002,677</u>

The following table summarizes the changes in capital assets of the Airport Authority component unit:

	<u>Balance 10/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/11</u>
Land and land rights	\$ 1,310,356	\$ 11,000	\$ -	\$ 1,321,356
Buildings and improvements	1,693,764	-	-	1,693,764
Improvements other than buildings	4,349,911	-	-	4,349,911
Machinery and equipment	308,431	9,300	-	317,731
	7,662,462	20,300	-	7,682,762
Construction in progress	233,079	451,800	-	684,879
	<u>\$ 7,895,541</u>	<u>\$ 472,100</u>	<u>\$ -</u>	<u>\$ 8,367,641</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (Continued)

The following table summarizes the changes in the accumulated depreciation of the governmental funds:

	Balance <u>10/1/10</u>	Additions	Deletions	Balance <u>9/30/11</u>
Buildings and improvements	\$ 2,120,143	\$ 153,585	\$ -	\$ 2,273,728
Improvements other than buildings	2,871,681	827,818	-	3,699,499
Machinery and equipment	4,597,605	613,425	(362,068)	4,848,962
Infrastructure	7,924,583	-	-	7,924,583
	<u>\$17,514,012</u>	<u>\$1,594,828</u>	<u>\$(362,068)</u>	<u>\$ 18,746,772</u>

Depreciation was charged to the following governmental functions in the government-wide statement of activities:

General government	\$ 39,295
Public safety	376,563
Highways and streets	800,637
Culture and recreation	378,333
Total depreciation	<u>\$ 1,594,828</u>

The following table summarizes the changes in the accumulated depreciation of the enterprise funds:

	Balance <u>10/1/10</u>	Additions	Deletions	Balance <u>9/30/11</u>
Buildings and improvements	\$ 3,532,686	\$ 608,965	\$ -	\$ 4,141,651
Improvements other than buildings	32,256,969	1,381,119	-	33,638,088
Machinery and equipment	3,966,364	357,143	(44,828)	4,278,679
	<u>\$39,756,019</u>	<u>\$2,347,227</u>	<u>\$(44,828)</u>	<u>\$ 42,058,418</u>

The following table summarizes the changes in the accumulated depreciation of the Airport Authority component unit:

	Balance <u>10/1/10</u>	Additions	Deletions	Balance <u>9/30/11</u>
Buildings and improvements	\$ 1,139,639	\$ 57,120	\$ -	\$ 1,196,759
Improvements other than buildings	3,572,530	159,414	-	3,731,944
Machinery and equipment	247,927	20,834	-	268,761
	<u>\$ 4,960,096</u>	<u>\$ 237,368</u>	<u>\$ -</u>	<u>\$ 5,197,464</u>

NOTE 6 - CAPITAL LEASE

Capital leases in the governmental funds consist of:

The City has entered into a lease agreement, as lessee, to finance the acquisition of a copier for the city offices. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Fund. September 30, 2011, the amount included in the government activities in the government-wide statements is \$4,727. The gross cost of the equipment obtained through this lease was \$14,475, and is included in machinery and equipment.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 6 - CAPITAL LEASE (Continued)

Capital leases in the enterprise funds consist of:

The City has entered into a lease agreement, as lessee, to finance the acquisition of a Caterpillar for use by the Beatrice Area Solid Waste Agency. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception in the Beatrice Area Solid Waste Agency Enterprise Fund was \$37,669. The gross cost of the equipment obtained through this lease was \$238,580, and is included in machinery and equipment.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the net minimum lease payments at September 30, 2011:

Year Ending September 30,	Governmental Funds	Enterprise Funds	Total
2012	\$3,291	\$ 51,624	\$ 54,915
2013	1,646	51,624	53,270
2014		51,624	51,624
2015		51,624	51,624
2016	-	8,603	8,603
Total minimum lease payments	4,937	215,099	220,036
Less: amount representing interest	(210)	(14,188)	(14,398)
Present value of future minimum lease payments	<u>\$4,727</u>	<u>\$ 200,911</u>	<u>\$ 205,638</u>

The capital leases transaction summary for the year ended September 30, 2011, follows:

	Governmental Funds	Enterprise Funds	Total
Capital Leases 10/1/10	\$7,667	\$ 3,356	\$ 11,023
Capital Leases Additions	-	238,580	238,580
Capital Leases Payments	(2,940)	(41,025)	(43,965)
Capital Leases 9/30/11	<u>\$4,727</u>	<u>\$ 200,911</u>	<u>\$ 205,638</u>

NOTE 7 - LONG-TERM DEBT

The summary of bond and note transactions of the City for the year ended September 30, 2011, follows:

	Balance 10/1/10	Additions	Principal Payments	Balance 9/30/11	Amounts Due Within One Year
Governmental Activities:					
Notes and bonds payable	\$ 860,444	\$ -	\$ (305,444)	\$ 555,000	\$ 270,000
Business-type Activities:					
Notes and bonds payable	4,502,287	1,655,000	(567,246)	5,590,041	411,284
Component Units:					
Notes and bonds payable	1,626,000	-	(249,800)	1,376,200	256,200
	<u>\$6,988,731</u>	<u>\$1,655,000</u>	<u>\$(1,122,490)</u>	<u>\$ 7,521,241</u>	<u>\$ 937,484</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 7 - LONG-TERM DEBT (Continued)

Bonds payable as of September 30, 2011, are comprised of the following individual issues:

Governmental Activities

Outdoor Swimming Pool and Park Facility Bonds issued November 12, 2002, interest rates ranging from 1.75% to 3.70%. Interest due in annual installments beginning February 15, 2003. Principal due in annual installments ranging from \$30,000 due February 15, 2003, to \$135,000 due February 15, 2012. \$135,000

Public Safety Tax Anticipation Bonds, issued July 7, 2008, interest rates range from 2.10% to 3.65%. Principal is due in annual installments ranging from \$140,000 due December 15, 2008, to \$145,000 due December 15, 2013. 420,000

\$555,000

Business-type Activities

Note payable from the State of Nebraska Department of Environmental Quality issued June 2002, with an interest rate of 3.18%. Semiannual installments for principal and interest of \$60,049.55 plus fees due December 15, 2021. \$1,064,997

Note payable from the State of Nebraska Department of Environmental Quality issued December 15, 2002, with an interest rate of 3.18%. Semiannual installments for principal and interest of \$28,074.07 plus fees due June 15, 2022. 510,515

Note payable from the State of Nebraska Department of Environmental Quality issued June 15, 2010, with an interest rate of 2%. Semiannual installments for principal and interest of \$3,002.39 plus fees due June 15, 2030. 94,529

Solid Waste Disposal Facilities Revenue Bonds issued April 18, 2011, issued rates ranging from 1% to 4.7%, due in annual installments ranging from \$135,000 due April, 2012, to \$50,000 due April 1, 2027. 1,655,000

Combined Utilities Revenue Bond issued May 12, 2009, with interest rates ranging from 1.90% to 4.55%; due in semiannual installments ranging from \$145,000, due December 15, 2011, with the final installment of \$215,000 due December 15, 2023. 2,265,000

\$5,590,041

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 7 - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2011, are as follows:

Fiscal Year Ending September 30,	Governmental Activities Notes and Bonds Payable		Business-Type Activities Notes and Bonds Payable		NDEQ Fees
	Principal	Interest	Principal	Interest	
2012	\$ 270,000	\$ 14,918	\$ 411,284	\$ 167,106	\$ 16,375
2013	140,000	7,743	445,442	165,299	15,052
2014	145,000	2,646	449,733	155,450	13,687
2015	-	-	459,160	144,234	12,278
2016	-	-	478,729	131,546	10,825
2017-2021	-	-	2,307,421	429,090	30,668
2022-2026	-	-	965,299	89,237	2,490
2027-2030	-	-	72,973	3,396	523
	<u>\$ 555,000</u>	<u>\$ 25,307</u>	<u>\$ 5,590,041</u>	<u>\$ 1,285,358</u>	<u>\$ 101,898</u>

Component Unit Bonds and Notes Payable

Airport Authority:

Airport Authority Bonds, Series 2010, issued June 8, 2010, interest rates ranging from 1.00% to 3.35%. Interest due in semiannual installments beginning June 1, 2011. Principal due in annual installments ranging from \$35,000 due June 1, 2011, to \$45,000 due June 1, 2018. \$305,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through February 2012. 1,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through October 2011. 200

\$306,200

Community Redevelopment Authority:

Redevelopment Revenue Bonds issued December 6, 2004, interest rates ranging from 4.60% to 6.05%. Interest due in semiannual installments due September 15 and March 15. Principal due in annual installments due in annual installments ranging from \$70,000 due September 15, 2009 to \$110,000 due September 15, 2018. \$ 645,000

Redevelopment Revenue Bonds issued November 15, 2004, interest rates ranging from 3.05% to 3.95%. Interest due in semiannual installments due September 15 and March 15. Principal due in annual installments ranging from \$125,000 due September 15, 2009, to \$150,000 due September 15, 2014. 425,000

\$1,070,000

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 7 - LONG-TERM DEBT (Continued)

Component Unit Bonds and Notes Payable (Continued)

The outstanding balance as of September 30, 2011, is estimated to be repaid as follows:

Fiscal Year Ending September 30,	Airport Authority Notes and Bonds Payable		Community Redevelopment Authority Notes and Bonds Payable	
	Principal	Interest	Principal	Interest
2012	\$ 41,200	\$ 7,470	\$ 215,000	\$ 53,190
2013	40,000	6,910	220,000	43,995
2014	45,000	6,210	235,000	34,285
2015	45,000	5,266	90,000	23,643
2016	45,000	4,186	95,000	18,512
2017-2020	90,000	4,434	215,000	19,610
	<u>\$ 306,200</u>	<u>\$ 34,476</u>	<u>\$ 1,070,000</u>	<u>\$ 193,235</u>

Compensated Absences

Changes in the liability for compensated absences consist of the following:

	Governmental Activities	Business-Type Activities
Compensated absences, September 30, 2010	\$544,851	\$401,612
Additions	171,784	204,452
Deletions	<u>(132,859)</u>	<u>(180,430)</u>
Compensated absences, September 30, 2011	<u>\$583,776</u>	<u>\$425,634</u>

Compensated absences due within one year are approximately \$120,000.

NOTE 8 - REGISTERED WARRANTS

Registered warrants were issued to finance various projects of the City of Beatrice. There are no specific repayment terms and interest is due upon repayment of the registered warrants. Interest rates range from 3.25% to 6.50%. The following is a summary of registered warrants transactions for the year ended September 30, 2011.

	Governmental Funds	Community Redevelopment Authority
Warrants payable, September 30, 2010	\$207,261	\$ 12,328
Warrants issued	2,390	-
Warrants paid	<u>(23,880)</u>	<u>(10,000)</u>
Warrants payable, September 30, 2011	<u>\$ 185,771</u>	<u>\$ 2,328</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 9 - NOTES RECEIVABLE/PAYABLE – TAX INCREMENT FINANCING

Estimated future receivables and payables under TIF agreements were as follows as of September 30, 2011:

	<u>Receivable</u>	<u>Payable</u>
Cornhusker Hospitality II, LLC	\$ 96,680	\$ 96,680
Airport Authority of Beatrice	910,387	910,387
E-6 Investments, Inc.	123,374	128,186
E-6 Investments, Inc.	28,888	31,426
Fakler Development, LLC	2,327	2,327
E-6 Investments, Inc.	58,681	64,711
Toby and Teresa Bissegger	28,861	28,861
Beatrice Biodiesel, KKC	1,838,269	1,838,269
Precise Bldg., LLC	129,614	129,614
Southwick Enterprises	213,074	213,074
	<u>\$ 3,430,155</u>	<u>\$ 3,443,535</u>
	<u>Receivable</u>	<u>Payable</u>
Current portion	\$ 562,898	\$ 562,898
Noncurrent portion	2,867,257	2,880,637
	<u>\$ 3,430,155</u>	<u>\$ 3,443,535</u>

*Equal to total CRA liabilities

NOTE 10 - INTERFUND PAYABLES AND RECEIVABLES

All interfund payables arise due to ongoing operations of the City. The following balances at September 30, 2011, represent individual fund interfund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Internal Service Funds: Self-Insured Group Insurance Fund	\$ -	\$ 65,000
General Fund	65,000	-
	<u>\$ 65,000</u>	<u>\$ 65,000</u>

NOTE 11 - INTERFUND TRANSFERS

Interfund transfers were as follows for the year ended September 30, 2011:

<u>Transfer Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 249,746	\$249,746
Nonmajor Governmental Funds	91,860	21,345	113,205
Total	<u>\$91,860</u>	<u>\$ 271,091</u>	<u>\$362,951</u>

The General and Keno Funds transferred \$249,746 and \$21,345 to the Capital Improvements Fund during the year to fund outlay and improvements for capital assets.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 12 - DEFICIT FUND BALANCES

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$16,416 at September 30, 2011.

NOTE 13 - PENSION AND OTHER BENEFIT PLANS

The City participates in the following employee pension plans:

Name of Plan	Type of Plan
Police and Firefighters Pension Plan	Defined Contribution Plan
Non-uniformed Employees	Defined Contribution Plan
Board of Public Works	Defined Contribution Plan
Deferred Compensation Plan	Qualified Deferred Compensation Plan
Pensioners	Nonqualified Benefit Plan

Police and Firefighters' Pension

Plan Description - On December 20, 1965, the City of Beatrice adopted a contributory pension plan to provide retirement benefits for regularly employed police officers and firefighters. This was originally a defined benefit plan, but was converted to a defined contribution plan on January 1, 1984.

Members of the Police can retire at age 60 and above with 21 or more years of service if employed prior to November 18, 1965. Members, aged 55 to 59 and those over the age of 60 employed on or after November 18, 1965, can retire with 25 or more years of service. The plan also provides death and disability benefits. A member is 40% vested after four years of service plus 10% for each year thereafter, up to 100%.

Contribution Requirements and Contributions Made - The contribution rate for police employees is 6.0% of gross with the City also contributing 6.0% as adopted by the City. The City's total police payroll for 2011 was \$1,143,184 and the City contributions were based on a payroll of \$1,143,683. Both the City and the covered employees made the required contributions, amounting to \$68,621 (retirement rate of 6.0% of covered payroll) for the City and \$68,621 (6.0%) for the employees.

Firefighters can retire at age 55 with 21 or more years of service. Their plan also provides for death and disability benefits. A member is 40% vested after 4 years of service, plus 20% for each year thereafter up to 100%.

The contribution rate for firefighter employees is 6.5% of base pay with the City contributing 13.0% as adopted by the City. The City's total fire payroll for 2011 was \$1,262,712 and the City's contributions were based on a payroll of \$1,074,612. Both the City and the covered employees made the required contributions, amounting to \$139,670 (retirement rate of 13.0% of covered payroll) for the City and \$69,850 (6.5%) for the employees.

Plan provisions and contribution requirements are established by and may be amended by the City Council.

The police and Firefighter's pension is administered by the City. The assets are accounted for in the Pension Trust Fund of the Fiduciary Fund.

Police and Firefighters Plan (Pre-1984)

The City of Beatrice, Nebraska, Police Pension (Police Plan) and the City of Beatrice, Nebraska Firefighters Plan (Firefighters Plan) are administered as follows:

- (1) Employees who were hired by January 1, 1984, the date at which the Police and Firefighters Plans were amended from defined benefit plans to their current status as defined contribution plans, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.
- (2) Employees hired after January 1, 1984, are covered by the defined contribution plan, which is administered by a third party.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

Police and Firefighters Plan (Pre-1984) (Continued)

The employees hired prior to January 1, 1984, participate in both plans and will receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. The City has funded their portion of the respective Plan with the assets being held by a third party other than the administrator of the current defined contribution plan. These assets are recorded on the City's books in the Police Retirement Fund and the Firefighters Retirement Fund, respectively.

Based on the actuarial valuation, it is anticipated that the unallocated account is sufficient to provide the minimum defined benefits for the remaining pre-1984 hires. Therefore, it is anticipated that no additional contribution will be required to be made to the unallocated account.

Police Plan

During the year ended September 30, 2008, the final police officer who qualified under the plan redeemed his plan assets. The City has no further obligation.

Firefighter Plan

Since January 1, 2002, the date of the last actuarial valuation of the defined contribution plan, there are only four active employees in the Firefighters Plan, two of whom have an account balance greater than the future benefits payable under the defined plan.

The projected retirement benefits at January 1, 2002 were determined through an actuarial valuation and no separate audited pension plan report has been available since. The actuarial valuation was performed using the Aggregate Actuarial Cost Method, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the average future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

Significant actuarial assumptions used in the valuation included (a) a rate of return of 8% for pre-retirement and 5% for post-retirement per annum, and (b) projected annual salary increases 3%.

The pension benefit status, a standardized disclosure measure of the present value of pension benefits intended to help assess the funding status of pensions, is as follows:

Fair value of plan assets at September 30, 2011	\$482,778
Benefit liability at January 1, 2003, plus	
An inflation factor to September 30, 2011	<u>346,603</u>
Funded Status	<u>\$136,175</u>
 Prepaid (accrued) benefit cost	
Recognized in the balance sheet	\$ <u> </u>

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2011.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

During the year ended September 30, 2009, two of the remaining three firefighters covered under the plan redeemed their plan assets, so there is only one remaining participant.

Non-Uniformed Employees (Other than City of Public Works)

Plan Description - On August 1, 1967, the City of Beatrice adopted a contributory pension plan to provide retirement benefits for regularly employed and appointed employees of the City. This plan also covers employees of the Airport Authority of the City of Beatrice. The plan is a defined contribution plan. The employees are eligible to participate in the plan after completing one year of full-time service and reaching age 21. Members can retire at age 60 and the plan provides death and disability benefits. The employee is always 100% vested in his or her plan contributions, plus any earnings. Employer contributions plus any earnings generated shall be vested with the employee at a rate of 25% each year (i.e. less than one year 0%; one year 25%; two years 50%; three years 75%; and upon completion of 4 or more years of plan participation 100%)

Contribution Requirements and Contributions Made - The contribution rate for the non-uniformed employees is 6.0% of base pay with the City contributing 6.0% as adopted by the City. The City's total non-uniformed employees payroll, for 2011 was \$1,718,012 and the City's contributions were based on a payroll of \$1390,400. Both the City and covered employees made required contributions, totaling \$83,424 (retirement rate of 6.0% of covered payroll) for the City and \$83,424 (6.0%) for the employees. There were no changes in plan provisions during the period.

Plan provisions and contribution requirements are established by and may be amended by the City Council.

The non-uniformed pension is administered by the City. The assets are accounted for in the Pension Trust Fund of the Fiduciary Fund.

Deferred compensation Plan Description - The City of Beatrice has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees and elected officials. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability.

As of January 1, 2010, these funds were placed in trust, in accordance with IRS Code Section 457(g)(1). IRS Code Section 457(g)(1), applicable for plan year beginning January 1, 2010, states that "a plan maintained by an eligible employer shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries." The deferred compensation plan as placed in trust is not subject to any creditors of the City.

Board of Public Works

Defined Contribution Plan Description - The City of Beatrice Board of Public Works has adopted a defined contribution plan available to all employees with one year of service and who have attained the age of 19. Eligible employees are required to join the Plan on the first day of the month coinciding with or next following the date on which the eligibility requirements are met. Through payroll deductions, the employee is required to make pre-tax contributions of 6% of compensation, as a condition of participating in the Plan. The Board of Public Works will make a contribution of 6% of the employee's annual compensation to the Plan.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

Board of Public Works (Continued)

The employee is always 100% vested in his or her Plan contributions, plus any earnings generated. Employer contributions to the Plan, plus any earnings generated, are vested as follows:

The vesting schedule on the plan is less than 1 year, 0%; 1 year, 25%; 2 years, 50%; 3 years, 75%; 4 years or more, 100%.

Employees may select funds to invest in for their contribution; including the portion contributed by Board of Public Works.

Contribution Requirements and Contributions Made - Contributions of \$167,637 and \$166,520 were made by the Board of Public Works to match required contributions for the years ended September 30, 2011 and 2010, respectively. Contributions were based on gross regular wages totaling \$2,793,950 and \$2,775,333 for the years ending September 30, 2011 and 2010, respectively. Total wages paid by the Board of Public Works were \$2,875,042 and \$2,920,353 for the years ended September 30, 2011 and 2010, respectively. Benefits under the plan will be based on accumulated contributions.

The pension plan is administered by a trustee independent of the Board of Public Works. Administration costs are paid from forfeitures or by the employer. Plan provisions and contribution requirements are established by and may be amended by the Board of Public Works.

Deferred compensation Plan Description - The City of Beatrice City of Public Works (BPW) has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all BPW employees and elected officials. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, unforeseeable emergency, or permanent disability.

As of January 1, 1997, these funds were placed in trust, in accordance with IRS Code Section 457(g)(1). IRS Code Section 457(g)(1), applicable for plan year beginning January 1, 1997, states that "a plan maintained by an eligible employer shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries." The deferred compensation plan as placed in trust is not subject to any creditors of the BPW.

Pensioners

The City provides pension benefits to firefighters who retired prior to January 1, 1984. This plan is administered by the City and payments are funded and budgeted for annually. The estimated benefit obligation at September 30, 2011, was \$944,340, which is funded by the unallocated account in the Firefighter Defined Benefit Plan.

Three-year Trend Information for Public Safety Employees Retirement System

Fiscal Year Ending	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
9/30/08	\$	N/A	\$
9/30/09	-	N/A	-
9/30/10	-	N/A	-

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

There are no separate financial statements prepared for the above pension plans. Summary financial statements of the pension plan for the year ended September 30, 2011 are as follows:

Total Assets	15,049,273	Contributions	988,225
Total Liabilities	<u>-</u>	Investment earnings	284,315
Net assets held in trust		Deductions	<u>(530,142)</u>
for pension benefits	<u>15,049,273</u>	Change in net assets	<u>742,398</u>

There are no other post-retirement benefit liabilities of the City required to be recorded under GASB Statement No. 45.

Required Supplementary Information

Schedule of Progress Police Pension Plan

Fiscal Year	Total Assets	Contributions Funded 100%		Earnings		Total
		Employer	Employee	(Loss)	Withdrawals	
2002	\$ 1,611,449	\$ 44,032	\$ 51,800	\$ 150,041	\$ 214,646	\$ 1,642,676
2003	1,642,676	33,647	53,450	104,675	21,340	1,813,108
2004	1,813,108	49,010	52,940	109,653	349,807	1,674,904
2005	1,674,904	50,409	58,890	162,317	12,100	1,934,420
2006	1,934,420	117,661	57,873	130,209	403,726	1,836,437
2007	1,836,437	87,177	59,336	204,879	59,883	2,127,946
2008	2,127,946	94,860	59,795	(248,019)	390,627	1,643,955
2009	1,643,955	57,325	64,452	(88,645)	10,375	1,666,712
2010	1,666,712	62,777	66,089	127,263	214,621	1,708,220
2011	1,708,220	68,621	68,620	16	167,528	1,677,949

Schedule of Progress Fire Pension Plan

Fiscal Year	Total Assets	Contributions Funded 100%		Earnings		Total
		Employer	Employee	(Loss)	Withdrawals	
2002	\$ 4,263,135	\$ 105,476	\$ 52,738	\$ 373,807	\$ 147,832	\$ 4,647,324
2003	4,647,324	107,731	53,865	291,190	421,928	4,678,182
2004	4,678,182	112,468	56,234	312,692	140,501	5,019,075
2005	5,019,075	115,771	57,886	469,771	655,511	5,006,992
2006	5,006,992	121,470	60,735	354,584	486,017	5,057,764
2007	5,057,764	122,022	61,011	580,093	648,921	5,171,969
2008	5,171,969	119,755	60,818	(561,219)	1,057,577	3,733,746
2009	3,733,746	126,913	63,456	(195,953)	117,510	3,610,652
2010	3,610,652	124,667	62,333	370,129	124,955	4,042,826
2011	4,042,826	139,700	74,550	101,550	110,319	4,248,307

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

Schedule of Progress City General Pension Plan

Fiscal	Total	Contributions Funded 100%		Earnings		
Year	Assets	Employer	Employee	(Loss)	Withdrawals	Total
2002	\$ 1,159,263	\$ 48,893	\$ 63,062	\$138,285	\$ 10,566	\$ 1,398,937
2003	1,398,937	61,520	70,635	95,594	25,203	1,601,483
2004	1,601,483	59,430	72,707	95,926	47,406	1,782,140
2005	1,782,140	60,677	70,833	134,269	189,102	1,858,817
2006	1,858,817	62,946	76,414	109,265	19,775	2,087,667
2007	2,087,667	67,594	78,430	171,796	67,702	2,337,785
2008	2,337,785	65,554	76,171	(135,392)	543,366	1,800,752
2009	1,800,752	74,558	78,834	(53,466)	4,239	1,896,439
2010	1,896,439	78,817	81,797	130,100	91,883	2,095,270
2011	2,095,270	80,011	83,424	38,473	173,917	2,123,261

Schedule of Progress Board of Public Works Pension Plan

Fiscal	Total	Contributions Funded 100%		Earnings		
Year	Assets	Employer	Employee	(Loss)	Withdrawals	Total
2002	\$ 4,613,936	\$ 119,975	\$ 140,538	\$ 204,410	\$ 392,414	\$ 4,686,445
2003	4,686,445	120,153	155,869	279,687	503,754	4,738,400
2004	4,738,400	135,964	195,410	296,900	390,235	4,976,439
2005	4,976,439	139,353	199,398	306,137	10,129	5,611,198
2006	5,611,198	140,916	202,083	264,820	660,613	5,558,404
2007	5,558,404	154,018	219,382	393,895	278,633	6,047,066
2008	6,047,066	144,975	209,877	6,180	692,451	5,715,647
2009	5,715,647	155,141	220,255	276,163	635,634	5,731,572
2010	5,731,572	166,520	272,966	326,153	36,652	6,460,559
2011	6,460,559	167,637	305,662	144,276	78,378	6,999,756

NOTE 14 - RISK MANAGEMENT

Insurance

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 14 - RISK MANAGEMENT (Continued)

Insurance (Continued)

The City is exposed to various risks of loss related to medical claims of employees and dependents. The City established a Self-Insured Group Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured Group Insurance Fund provides coverage for up to a maximum of \$90,000 per person annually for medical claims. The City is also self-insured for workers' compensation claims up to \$100,000 per occurrence and per employee and \$300,000 per aggregate for the period November 1, 2005 through October 31, 2009. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal periods.

All funds of the City participate in the program and make payments to the Self-Insured Group Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-period claims. The claims liability of \$79,801 and \$97,253 reported in the Fund at September 30, 2011 and 2010, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probably that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amount in fiscal 2011 and 2010 were:

	<u>Beginning of Fiscal Period Liability</u>	<u>Current Period Claims and Changes in Estimates</u>	<u>Charges and Reimbursements</u>	<u>Balance at Fiscal Period-End</u>
2010 - 2011	\$97,253	1,386,327	(1,403,779)	\$79,801
2009 - 2010	\$123,257	1,223,211	(1,249,215)	\$97,253

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds except the Board of Public Works, Beatrice Area Solid Waste Agency, Beatrice Airport Authority, and the Pension Trust Fund. Each fund's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." The deposits and investments of the aforementioned funds are held separately from those of other City funds.

The Board of Public Works maintains certificates of deposits, money market accounts for restricted assets for customer deposits and Bond Payment Account, Debt Service Reserve Account, Renewal and Replacement Account and Retirement and Betterment Account. These accounts are identified on the balance sheet as "Restricted Investments."

Statutes authorize the City Treasurer to deposit all money collected, received or held by the Treasurer in state and national banks of approved and responsible standing. Statutes also authorize the City Treasurer to purchase certificates of deposit from banks selected as depositories of City funds.

For the security of the funds so deposited, the City Treasurer shall require each depository bank to give bond for the safekeeping and payment of such deposits and the accretions thereof, which bond shall run to the City and be approved by the Mayor. Such bond shall be deposited with the City Clerk.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

Deposits and Investments (Continued)

In-lieu-of the bond requirement, any bank making application to become a depository of the City may deposit security with the City Clerk as provided in State Statute 16-715. Provided, that the penal sum of said bond of the sum of said pledge of assets shall be of the value equal to or greater than the amount of the deposit in excess of that portion of said deposit insured by the Federal Deposit Insurance Corporation.

The City Treasurer shall not have on deposit in any bank at any time more than either (1) the maximum amount of the bond given by said bank if the bank gives a surety bond, nor in any bank giving a personal bond, more than one-half of the amount of the bond of such bank, and the amounts on deposit any time with any such bank shall not in either case exceed the paid-up capital stock and surplus of such bank; or (2) ninety percent of the par value of the securities furnished by said bank in cases where the bank deposits securities approved by the City Treasurer in-lieu-of a bond.

The Statutes in the preceding four paragraphs do not apply to Pension Trust Funds of the City.

The City's funds (other than those mentioned in the previous paragraph) are deposited in non-interest bearing accounts, interest bearing accounts, and non-negotiable certificates of deposit of state and national banks.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2011 are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The certificates of deposit maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
October 2011	\$ 204,346
November 2011	1,000,000
February 2012	75,330
May 2012	1,325,000
September 2012	1,569,944
May 2013	226,500
	<u>\$4,401,120</u>

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City of Beatrice controls this risk by adopting a policy that establishes requirements for the investment of City funds that the City invest its surplus funds only in certificates of deposit in local financial institutions, which have a place of business in Beatrice, Nebraska, and in securities of the United States government.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

Concentration of Credit Risk

The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2011, the City's investments in certificates of deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Security First Bank	\$2,061,774
Great Western Bank	204,346
First National Omaha	180,000
Pinnacle Bank	<u>1,955,000</u>
	<u>\$4,401,120</u>

The only other investments owned by the City of Beatrice are held by a fiscal agent in the Pension Trust Fund.

The Pension Trust Fund of the City's employees (other than the Board of Public Works) is managed by Principal Mutual Life Insurance. Board of Public Works is managed by Ameritas Investment Company. They are not required to insure the funds entrusted to them. State Statutes require that not more than 50% of the pension funds be held in equity accounts. The City complied with this statute. The investments of the City's pension trust funds are pooled with those of other trust funds and they are separated by bookkeeping entries only. The carrying value and fair value are the same. The balance at September 30, 2011, was \$15,049,273.

Investment in the Pension Trust Fund is divided among guaranteed interest account, common stock account, money market account, real estate account, private market bond and mortgage account and stock index account.

All securities in the Pension Trust Fund are held by Principal Mutual Life Insurance, not in the City's name. Management plans to hold the investments held by the Pension Trust Fund until maturity.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2011.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,977,000 reported as landfill closure and postclosure care liability at September 30, 2011, represents the cumulative amount reported to date based on the use of 64% of the estimated capacity of the landfill, and is an increase of \$52,000 over the previous fiscal year.

The City will recognize the remaining estimated cost of closure and postclosure care of \$1,546,900 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The City expects to close the landfill in 2018 or 2020. Actual cost of closure and postclosure may be higher than anticipated due to inflation, changes in technology, or changes in laws or regulations.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

Closure and Postclosure Care Cost (Continued)

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The City is in compliance with these requirements, and at September 30, 2011, investments of \$1,023,967 are held for these purposes. These are reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Economic Development

The City has entered into an agreement with Main Street Nebraska, Inc. According to the agreement, the City will reimburse the corporation periodically for certain funds expended for the purpose of encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign as authorized by NEB. REV. STATE. 13-315 (1997). It is payable as follows:

September 30, 2012	\$24,000
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Loss Contingency

The City of Beatrice is identified as a Potential Responsible party as defined by the Comprehensive Environmental Compensation and Liability Act of 1980 by reason of current ownership of property with the presence of contamination. The City's potential exposure to the clean-up costs may be up to 25% of the total costs, which the City will try to recover from the previous owner and the engineering firm that performed the environmental assessment prior to purchase of the property. The City will participate in studies to evaluate the best course of action to clean up the site in the future.

Animal Control

The City of Beatrice has an agreement with the Beatrice Humane Society on a year to year basis to provide and maintain an animal shelter and kennel facility, which will be accessible to the citizens of the City of Beatrice to display impounded animals so citizens can claim lost animals and to find suitable placement for animals not reclaimed. The City will pay them \$20,000 per year for the term of the agreement, agreement expiring 10/31/2011 was renewed for an additional year expiring 10/31/2012.

The City of Beatrice has an agreement with R. Steve Bragg for animal control services for a term beginning 6/1/2011 and ending 9/30/2015. Mr. Bragg is an independent contractor to provide comprehensive animal control services to the City and enforce City ordinances governing the care and keeping of animals within the City. He receives \$60,000 per year for the term of the contract.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2011:

Parties to Agreement	Term	Description
City of Beatrice Beatrice Rural Fire District City of Blue Springs Blue Springs Rural Fire District Village of Clatonia Clatonia Fire District Village of Adams Adams Rural Fire District Village of Barneston Barneston Rural Fire District Village of Cortland Cortland Rural Fire District Filley Rural Fire District Village of Odell Odell Rural Fire District Village of Pickrell Pickrell Rural Fire District City of Wymore Wymore Rural Fire District	June 1, 2010, through June 30, 2011.	To create a mutual finance organization as authorized by Neb. Rev. Stat. 35-1201, known as the Gage County Fire Protection Mutual Finance Organization.
City of Beatrice County of Gage	August 1, 2010, until July 31, 2011	To provide emergency medical services to certain areas of Gage County located outside the city limits of Beatrice
Beatrice Area Solid Waste Agency City of Beatrice	September 1, 1996 until 30 years after the closure of the facility	To provide for integrated solid waste management facilities and services.
City of Beatrice City of Wymore	August 16, 2010 to November 13, 2010	To provide emergency medical services to the City of Wymore and certain areas of Gage County.
City of Beatrice County of Gage	August 1, 2006, to July 31, 2009, renewed additional three years to August 31, 2012	To provide for administration of 911 services.
City of Beatrice City of Wymore	August 1, 2003, perpetually	To provide for administration of 911 services.
City of Beatrice County of Gage	March 16, 2009 until project completion date est. September 30, 2011	To improve Hickory Road, a part of the County Road System.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Interlocal Agreements (Continued)

Parties to Agreement	Term	Description
Southeast Area Drug Enforcement City of Beatrice County of Gage County of Johnson City of Nebraska City County of Otoe City of Tecumseh County of Pawnee County of Richardson County of Nemaha	December 1, 2000, until exhaustion of funds provided by the Nebr. Crime Commission	To identify, investigate, apprehend, and facilitate the prosecution of drug dealers and offenders through cooperative law enforcement activities.
City of Beatrice State of Nebraska	April 15, 2010 until June 30, 2014	To establish Beatrice Fire & Rescue as a service provider to provide hazardous materials response services
City of Beatrice County of Gage	May 19, 2003, restated November 2, 2009, until terminated by either party	To provide assistance to juveniles in Gage County through referrals from law enforcement depts. paid from federal funding.
Nebraska Energy Services Company City of Beatrice	July 15, 1999, until July 14, 2024	To provide products and services, coordinate the development and marketing of products and services, and to jointly develop and market products and services.
City of Beatrice Beatrice Rural Fire District	February 22, 1993, perpetually	To provide fire protection and service to the district in accordance with the agreement and to house fire vehicles and equipment in the City fire station.
City of Beatrice Beatrice School Dist. #15	September 1, 2010, through August 31, 2011	To provide personnel for the protection of students and school property and for the education and counseling of students on problems ranging from domestic to substance abuse.
City of Beatrice County of Gage City of Wymore	Perpetual	To permit the Beatrice Police Department to issue handgun certificates to all residents of Gage County.
City of Beatrice County of Gage	April 20, 2009 until program is completed	To allocate the award of JAG program funds to the Southeast Area Drug Enforcement Task Force.
City of Beatrice County of Gage	Perpetual	To work cooperatively to control the spread of noxious weeds.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2011

NOTE 16 - RECONCILIATION OF THE LEGAL BUDGETARY AND GAAP BASIS - DEBT SERVICE FUNDS

The City Council approves formal budgets for Bonded and Unbonded Debt Service Funds on a non-GAAP (cash) basis for revenues and expenditures. For financial reporting purposes revenues are recognized when measurable and available and expenditures are recognized as incurred. The following summary reconciles operations for the period from the budgetary basis to the GAAP basis of reporting.

	<u>Bonded and Unbonded</u>	<u>General Obligation</u>	<u>Total</u>
REVENUES			
Revenues on budgetary basis	\$ 16,812	\$283,959	\$300,771
Cash to accrual adjustments	<u>32,634</u>	<u>384</u>	<u>33,018</u>
Revenues on a GAAP basis	<u>49,446</u>	<u>284,343</u>	<u>333,789</u>
EXPENDITURES			
Expenditures on budgetary basis	31,503	283,868	315,371
Cash to accrual adjustments	<u>(19,068)</u>	<u>-</u>	<u>(19,068)</u>
Expenditures on a GAAP basis	<u>12,435</u>	<u>283,868</u>	<u>296,303</u>
TRANSFERS			
Transfers on budgetary basis	13,029	-	13,029
Cash to accrual adjustments	<u>(13,029)</u>	<u>-</u>	<u>(13,029)</u>
Transfers on a GAAP basis	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES ON A GAAP BASIS	<u>\$ 37,011</u>	<u>\$ 475</u>	<u>\$ 37,486</u>

NOTE 17 - SUBSEQUENT EVENTS

In preparing the financial statements, the City Council has evaluated events and transactions for potential recognition or disclosure through February 14, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Property tax	\$ 1,483,468	\$ 1,483,468	\$ 1,473,889	\$ (9,579)	\$ 1,472,469
Sales tax	1,905,500	1,905,500	1,899,703	(5,797)	1,853,737
Occupation tax	830,575	830,575	797,786	(32,789)	824,113
Licenses and permits	192,176	192,176	108,465	(83,711)	173,182
Intergovernmental	1,181,491	1,181,491	1,231,528	50,037	1,078,334
Charges for services	1,979,593	1,979,593	1,989,607	10,014	1,930,909
Miscellaneous	127,500	127,500	152,063	24,563	132,051
Total Revenues	<u>7,700,303</u>	<u>7,700,303</u>	<u>7,653,041</u>	<u>(47,262)</u>	<u>7,464,795</u>
Expenditures					
General government	1,211,752	1,361,752	1,284,371	77,381	1,221,715
Public safety	5,164,673	5,239,673	5,180,143	59,530	4,960,779
Culture and recreation	1,181,471	1,181,471	1,179,963	1,508	1,145,874
Total Expenditures	<u>7,557,896</u>	<u>7,782,896</u>	<u>7,644,477</u>	<u>138,419</u>	<u>7,328,368</u>
Excess of Revenues Over Expenditures	<u>142,407</u>	<u>(82,593)</u>	<u>8,564</u>	<u>91,157</u>	<u>136,427</u>
Other Financing Sources (Uses)					
Transfers in	96,306	96,306	91,860	(4,446)	33,500
Transfers out	(277,279)	(277,279)	(258,343)	18,936	(145,115)
Total Other Financing Sources (Uses)	<u>(180,973)</u>	<u>(180,973)</u>	<u>(166,483)</u>	<u>14,490</u>	<u>(111,615)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (38,566)</u>	<u>\$ (263,566)</u>	<u>\$ (157,919)</u>	<u>\$ 105,647</u>	<u>\$ 24,812</u>

Note: The basis of budgeting complies with Generally Accepted Accounting Principles.

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Sales tax	\$ 539,000	\$ 539,000	\$ 537,396	\$ (1,604)
Intergovernmental:				
Local shared revenue	25,000	25,000	-	(25,000)
State shared revenue	1,160,000	1,160,000	1,195,490	35,490
Federal grants	-	-	150,151	150,151
Total Intergovernmental	<u>1,185,000</u>	<u>1,185,000</u>	<u>1,345,641</u>	<u>160,641</u>
Charges for services	28,000	28,000	50,148	22,148
Total Revenues	<u>1,752,000</u>	<u>1,752,000</u>	<u>1,933,185</u>	<u>181,185</u>
Expenditures				
Personal services	768,440	768,440	778,284	(9,844)
Supplies	296,500	296,500	319,261	(22,761)
Other services and charges	144,974	144,974	126,897	18,077
Capital outlay	805,152	805,152	742,240	62,912
Total Expenditures	<u>2,015,066</u>	<u>2,015,066</u>	<u>1,966,682</u>	<u>48,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(263,066)</u>	<u>(263,066)</u>	<u>(33,497)</u>	<u>229,569</u>
Other Financing Sources (Uses)				
Transfers to other funds	(15,000)	(15,000)	-	15,000
Net Change in Fund Balance	<u>\$(278,066)</u>	<u>\$(278,066)</u>	<u>\$ (33,497)</u>	<u>\$ 244,569</u>

Note: The basis of budgeting complies with Generally Accepted Accounting Principles.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF BEATRICE, NEBRASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$1,764,317	\$187,487	\$ -	\$1,951,804
Cash on deposit - County Treasurer	-	30,835	-	30,835
Accounts receivable	-	-	153,126	153,126
Interest receivable	-	59,703	-	59,703
Assessments receivable	-	228,057	-	228,057
Unassessed costs	-	2,399	-	2,399
Restricted:				
Cash	-	-	396,687	396,687
Investments	-	-	82,405	82,405
In-lieu-of assessments	-	10,105	-	10,105
Loans receivable	1,063,030	-	-	1,063,030
Taxes receivable	-	17,248	-	17,248
Total Assets	<u>2,827,347</u>	<u>535,834</u>	<u>632,218</u>	<u>3,995,399</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	969	-	27,004	27,973
Accrued interest payable	-	53,554	-	53,554
Registered warrants payable	-	185,771	-	185,771
Deferred revenues	-	100,080	-	100,080
Total Liabilities	<u>969</u>	<u>339,405</u>	<u>27,004</u>	<u>367,378</u>
Fund Balances				
Restricted for economic development	1,030,152	-	-	1,030,152
Restricted for debt service	-	212,845	-	212,845
Restricted for Revolving Loan Fund	1,523,666	-	-	1,523,666
Restricted for storm water management	21,438	-	-	21,438
Restricted for E911 public safety	41,351	-	-	41,351
Committed for Library capital improvements	-	-	82,405	82,405
Committed for public safety equipment	-	-	255,576	255,576
Committed for grant project - Carnegie	-	-	267,233	267,233
Committed for community betterment	209,771	-	-	209,771
Unassigned	-	(16,416)	-	(16,416)
Total Fund Balances	<u>2,826,378</u>	<u>196,429</u>	<u>605,214</u>	<u>3,628,021</u>
Total Liabilities and Fund Balances	<u>\$2,827,347</u>	<u>\$535,834</u>	<u>\$632,218</u>	<u>\$3,995,399</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 250,000	\$ 283,367	\$ -	\$ 533,367
Intergovernmental	25,801	976	650,299	677,076
Charges for services	130,547	-	-	130,547
Keno proceeds	83,401	-	-	83,401
Special assessments	-	25,794	-	25,794
Interest	26,923	23,652	329	50,904
Grants	1,000,000	-	-	1,000,000
Donations and miscellaneous revenue	19,709	-	5,384	25,093
Total Revenues	<u>1,536,381</u>	<u>333,789</u>	<u>656,012</u>	<u>2,526,182</u>
Expenditures				
General government	1,545,090	-	-	1,545,090
Public safety	5,035	-	-	5,035
Capital outlay	-	12,435	459,666	472,101
Debt Service:				
Principal	-	260,000	45,444	305,444
Interest	-	23,868	-	23,868
MFO payments - other entities	-	-	124,994	124,994
Total Expenditures	<u>1,550,125</u>	<u>296,303</u>	<u>630,104</u>	<u>2,476,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,744)</u>	<u>37,486</u>	<u>25,908</u>	<u>49,650</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	279,688	279,688
Operating transfer out	(113,205)	-	-	(113,205)
Total Other Financing Sources (Uses)	<u>(113,205)</u>	<u>-</u>	<u>279,688</u>	<u>166,483</u>
Net Change in Fund Balances	<u>(126,949)</u>	<u>37,486</u>	<u>305,596</u>	<u>216,133</u>
Fund Balances, Beginning of Year	<u>2,953,327</u>	<u>158,943</u>	<u>299,618</u>	<u>3,411,888</u>
Fund Balances, End of Year	<u>\$ 2,826,378</u>	<u>\$ 196,429</u>	<u>\$ 605,214</u>	<u>\$ 3,628,021</u>

**CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

	<u>Economic Development</u>	<u>Community Development Block Grant</u>	<u>Keno</u>	<u>911 Surcharge</u>	<u>Storm Water Management</u>	<u>Total</u>
Assets						
Cash and investments	\$ 1,030,152	\$ 460,636	\$ 209,771	\$ 42,320	\$ 21,438	\$ 1,764,317
Loans receivable	-	1,063,030	-	-	-	1,063,030
Total Assets	<u>1,030,152</u>	<u>1,523,666</u>	<u>209,771</u>	<u>42,320</u>	<u>21,438</u>	<u>\$ 2,827,347</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	-	-	-	969	-	969
Fund Balance						
Restricted for:						
Economic development	1,030,152	-	-	-	-	1,030,152
Revolving Loan Fund	-	1,523,666	-	-	-	1,523,666
Storm water management	-	-	-	-	21,438	21,438
E911 public safety	-	-	-	41,351	-	41,351
Committed for:						
Community Betterment	-	-	209,771	-	-	209,771
Total Fund Balance	<u>1,030,152</u>	<u>1,523,666</u>	<u>209,771</u>	<u>41,351</u>	<u>21,438</u>	<u>2,826,378</u>
Total Liabilities and Fund Balance	<u>\$ 1,030,152</u>	<u>\$ 1,523,666</u>	<u>\$ 209,771</u>	<u>\$ 42,320</u>	<u>\$ 21,438</u>	<u>\$ 2,827,347</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
Revenues						
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Intergovernmental	-	-	-	-	25,801	25,801
Charges for services	-	-	-	130,547	-	130,547
Keno proceeds	-	-	83,401	-	-	83,401
Grants	-	1,000,000	-	-	-	1,000,000
Interest	5,381	21,542	-	-	-	26,923
Other revenue	19,709	-	-	-	-	19,709
Total Revenues	<u>275,090</u>	<u>1,021,542</u>	<u>83,401</u>	<u>130,547</u>	<u>25,801</u>	<u>1,536,381</u>
Expenditures						
General government	472,364	1,053,294	14,997	-	4,435	1,545,090
Public safety	-	-	-	5,035	-	5,035
Total Expenditures	<u>472,364</u>	<u>1,053,294</u>	<u>14,997</u>	<u>5,035</u>	<u>4,435</u>	<u>1,550,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,274)	(31,752)	68,404	125,512	21,366	(13,744)
Other Financing Sources (Uses)						
Transfers to other funds	-	-	(21,345)	(91,860)	-	(113,205)
Net Change in Fund Balances	(197,274)	(31,752)	47,059	33,652	21,366	(126,949)
Fund Balances, Beginning of Year	<u>1,227,426</u>	<u>1,555,418</u>	<u>162,712</u>	<u>7,699</u>	<u>72</u>	<u>2,953,327</u>
Fund Balances, End of Year	<u>\$ 1,030,152</u>	<u>\$ 1,523,666</u>	<u>\$209,771</u>	<u>\$41,351</u>	<u>\$21,438</u>	<u>\$ 2,826,378</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Unrestricted cash	\$ 840,543	\$ 529,318
Restricted cash	32,961	21,354
Investments	204,346	603,349
Cash on deposit - County Treasurer	177,655	161,599
Accounts receivable	385,729	437,466
Taxes receivable	90,147	136,058
Due from Self-Insured Health Care Fund	<u>65,000</u>	<u>102,000</u>
Total Assets	<u><u>\$ 1,796,381</u></u>	<u><u>\$ 1,991,144</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 91,209	\$ 78,176
Unearned revenues	<u>68,258</u>	<u>118,135</u>
Total Liabilities	<u>159,467</u>	<u>196,311</u>
Fund Balance		
Restricted for police grants and programs	52,588	21,354
Unrestricted:		
Assigned for subsequent years' expenditures	734,960	716,164
Unassigned	<u>849,366</u>	<u>1,057,315</u>
Total Fund Balance	<u>1,636,914</u>	<u>1,794,833</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,796,381</u></u>	<u><u>\$ 1,991,144</u></u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes	\$ 4,219,543	\$ 4,219,543	\$ 4,171,378	\$ (48,165)	\$ 4,150,319
Licenses and permits	192,176	192,176	108,465	(83,711)	173,182
Intergovernmental	1,181,491	1,181,491	1,231,528	50,037	1,078,334
Charges for services	1,979,593	1,979,593	1,989,607	10,014	1,930,909
Interest	25,000	25,000	11,614	(13,386)	20,312
Miscellaneous	102,500	102,500	140,449	37,949	111,739
Total Revenues	<u>7,700,303</u>	<u>7,700,303</u>	<u>7,653,041</u>	<u>(47,262)</u>	<u>7,464,795</u>
Expenditures					
General government	1,211,752	1,361,752	1,284,371	77,381	1,221,715
Public safety	5,164,673	5,239,673	5,180,143	59,530	4,960,779
Culture and recreation	1,181,471	1,181,471	1,179,963	1,508	1,145,874
Total Expenditures	<u>7,557,896</u>	<u>7,782,896</u>	<u>7,644,477</u>	<u>138,419</u>	<u>7,328,368</u>
Excess of Revenues Over Expenditures	<u>142,407</u>	<u>(82,593)</u>	<u>8,564</u>	<u>91,157</u>	<u>136,427</u>
Other Financing Sources (Uses)					
Operating transfers in	96,306	96,306	91,860	(4,446)	33,500
Operating transfers out	(277,279)	(277,279)	(258,343)	18,936	(145,115)
Total Other Financing Sources (Uses)	<u>(180,973)</u>	<u>(180,973)</u>	<u>(166,483)</u>	<u>14,490</u>	<u>(111,615)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (38,566)</u>	<u>\$ (263,566)</u>	<u>(157,919)</u>	<u>\$ 105,647</u>	<u>24,812</u>
Fund Balance, Beginning of Year			<u>1,794,833</u>		<u>1,770,021</u>
Fund Balance, End of Year			<u>\$ 1,636,914</u>		<u>\$ 1,794,833</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
General Government					
Management and Budget:					
Personal services	\$ 362,740	\$ 362,740	\$ 366,198	\$ (3,458)	\$ 358,621
Supplies	6,200	6,200	4,837	1,363	4,797
Other services and charges	96,532	96,532	81,341	15,191	73,067
Capital outlay	-	-	2,000	(2,000)	6,855
Contingency	156,316	306,316	292,587	13,729	274,788
Contractual services	146,595	146,595	144,495	2,100	118,756
Total Management and Budget	<u>768,383</u>	<u>918,383</u>	<u>891,458</u>	<u>26,925</u>	<u>836,884</u>
Legal:					
Personal services	118,587	118,587	118,795	(208)	115,757
Supplies	1,000	1,000	111	889	217
Other services and charges	9,025	9,025	5,338	3,687	4,922
Total Legal	<u>128,612</u>	<u>128,612</u>	<u>124,244</u>	<u>4,368</u>	<u>120,896</u>
Inspection:					
Personal services	186,574	186,574	182,923	3,651	161,384
Supplies	5,850	5,850	6,155	(305)	4,809
Other services and charges	61,000	61,000	18,924	42,076	38,409
Contractual services	61,333	61,333	60,667	666	59,333
Total Inspection	<u>314,757</u>	<u>314,757</u>	<u>268,669</u>	<u>46,088</u>	<u>263,935</u>
Total General Government	<u>1,211,752</u>	<u>1,361,752</u>	<u>1,284,371</u>	<u>77,381</u>	<u>1,221,715</u>
Public Safety					
Police:					
Personal services	2,224,360	2,224,360	2,231,169	(6,809)	2,174,732
Supplies	85,527	85,527	89,684	(4,157)	77,737
Other services and charges	203,514	203,514	205,766	(2,252)	165,755
Capital outlay	35,350	35,350	25,765	9,585	19,090
Contingencies	27,000	27,000	13,636	13,364	29,113
Contractual services	-	-	2,120	(2,120)	-
Total Police	<u>2,575,751</u>	<u>2,575,751</u>	<u>2,568,140</u>	<u>7,611</u>	<u>2,466,427</u>
Fire and Ambulance:					
Personal services	1,836,117	1,836,117	1,823,394	12,723	1,704,142
Supplies	113,150	113,150	105,692	7,458	98,344
Other services and charges	627,855	702,855	671,654	31,201	672,992
Capital outlay	11,800	11,800	11,263	537	12,668
Contractual services	-	-	-	-	6,206
Total Fire	<u>2,588,922</u>	<u>2,663,922</u>	<u>2,612,003</u>	<u>51,919</u>	<u>2,494,352</u>
Total Public Safety	<u>5,164,673</u>	<u>5,239,673</u>	<u>5,180,143</u>	<u>59,530</u>	<u>4,960,779</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP) (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Culture and Recreation					
Public Properties:					
Personal services	384,781	384,781	367,086	17,695	382,753
Supplies	125,550	125,550	139,007	(13,457)	127,400
Other services and charges	100,275	100,275	99,073	1,202	87,732
Capital outlay	38,500	38,500	33,945	4,555	43,633
Contractual services	33,000	33,000	29,788	3,212	27,075
Total Public Properties	<u>682,106</u>	<u>682,106</u>	<u>668,899</u>	<u>13,207</u>	<u>668,593</u>
Library:					
Personal services	335,450	335,450	339,556	(4,106)	334,702
Supplies	10,150	10,150	10,578	(428)	9,378
Other services and charges	58,501	58,501	54,998	3,503	53,360
Capital outlay	95,264	95,264	105,932	(10,668)	79,841
Total Library	<u>499,365</u>	<u>499,365</u>	<u>511,064</u>	<u>(11,699)</u>	<u>477,281</u>
Total Culture and Recreation	<u>1,181,471</u>	<u>1,181,471</u>	<u>1,179,963</u>	<u>1,508</u>	<u>1,145,874</u>
Total Expenditures	<u>\$7,557,896</u>	<u>\$7,782,896</u>	<u>\$7,644,477</u>	<u>\$ 138,419</u>	<u>\$7,328,368</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Taxes:					
Property taxes	\$1,378,468	\$1,378,468	\$ 1,311,810	\$ (66,658)	\$1,310,635
Homestead exemption allocation	100,000	100,000	104,202	4,202	99,214
Property tax credit	-	-	52,169	52,169	54,126
Interest on delinquent taxes	5,000	5,000	5,708	708	8,494
City sales tax	1,905,500	1,905,500	1,899,703	(5,797)	1,853,737
Utilities occupation tax	740,000	740,000	695,828	(44,172)	729,054
Beer and liquor occupation tax	18,000	18,000	19,285	1,285	18,670
Insurance company occupation tax	75	75	65	(10)	80
Lodging occupation tax	70,000	70,000	78,752	8,752	73,739
Miscellaneous occupation tax	2,500	2,500	3,856	1,356	2,570
	<u>4,219,543</u>	<u>4,219,543</u>	<u>4,171,378</u>	<u>(48,165)</u>	<u>4,150,319</u>
Licenses and Permits:					
Bicycle licenses	150	150	85	(65)	75
Dog licenses	4,500	4,500	6,100	1,600	3,605
Plumbers' licenses	1,000	1,000	50	(950)	1,813
Building permits	176,026	176,026	95,636	(80,390)	155,396
Plumbing permits	5,000	5,000	2,082	(2,918)	6,865
Mechanical permits	1,500	1,500	1,699	199	856
Miscellaneous permits	4,000	4,000	2,813	(1,187)	4,572
	<u>192,176</u>	<u>192,176</u>	<u>108,465</u>	<u>(83,711)</u>	<u>173,182</u>
Intergovernmental:					
County library aid	24,200	24,200	21,685	(2,515)	21,685
Motor vehicle tax	205,000	205,000	199,213	(5,787)	197,499
County ambulance aid	154,000	154,000	207,875	53,875	156,108
Interlocal 911 dispatch aid	64,298	64,298	64,296	(2)	62,685
Governmental sub/state aid	101,643	101,643	103,169	1,526	106,447
Crime commission - VAC grants	40,000	40,000	40,410	410	46,397
Local match - SEADE	31,579	31,579	31,578	(1)	31,578
Library grants	-	-	1,000	1,000	2,000
Prorate motor vehicle tax	5,200	5,200	4,995	(205)	5,767
State library aid	3,200	3,200	3,135	(65)	3,164
Municipal equalization funds	287,834	287,834	289,058	1,224	250,628
Crime commission - SEADE grants	95,420	95,420	95,420	-	53,136
Federal grant FEMA	-	-	-	-	7,977
JAG Recovery Act - officer retention	52,840	52,840	52,928	88	49,203
JAG Recovery Act for SEADE	30,648	30,648	-	(30,648)	15,254
SEADE Grant	-	-	20,775	20,775	-
Police NOHS Grants	-	-	6,726	6,726	-
CDBG Grant	30,000	30,000	27,900	(2,100)	-
Other intergovernmental	55,629	55,629	61,365	5,736	68,806
	<u>1,181,491</u>	<u>1,181,491</u>	<u>1,231,528</u>	<u>50,037</u>	<u>1,078,334</u>
Charges for Services:					
Publication cost income	1,000	1,000	478	(522)	473
Management and budget miscellaneous charges	1,500	1,500	191	(1,309)	1,222
Accounting services	30,554	30,554	30,556	2	29,664
BASWA management services	20,000	20,000	20,000	-	16,000
CDBG administration fees	15,000	15,000	1,000	(14,000)	7,500

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Charges for Services: (Continued)					
Legal services	43,162	43,162	44,142	980	41,559
Legal miscellaneous charges	100	100	56	(44)	145
Restitution - fees and damages	3,500	3,500	1,058	(2,442)	5,360
Inspection miscellaneous charges	1,300	1,300	1,463	163	945
Recover demolition charges	10,000	10,000	1,432	(8,568)	16,726
Police charges	2,500	2,500	2,331	(169)	2,097
Fire charges	19,700	19,700	21,551	1,851	21,287
Fire inspections	500	500	-	(500)	-
Ambulance charges	1,539,000	1,539,000	1,614,945	75,945	1,501,066
Public safety miscellaneous charges	43,025	43,025	27,888	(15,137)	39,755
Stop program charges	2,500	2,500	1,280	(1,220)	2,200
Service fee - night calls	4,500	4,500	4,500	-	-
Tuition reimbursement	5,400	5,400	-	(5,400)	3,755
Land use agreements	4,550	4,550	3,750	(800)	3,650
Auditorium use fee	30,000	30,000	30,475	475	29,361
Water Park admissions	90,000	90,000	83,252	(6,748)	88,933
Camping receipts	40,000	40,000	26,654	(13,346)	44,678
Water Park concessions and sales	30,500	30,500	27,909	(2,591)	30,354
Public properties miscellaneous charges	12,000	12,000	17,510	5,510	15,689
BASWA facility maintenance	6,302	6,302	6,302	-	6,118
Library use fees	8,500	8,500	7,701	(799)	8,306
Library copying fees	3,000	3,000	2,554	(446)	2,440
Library miscellaneous charges	4,000	4,000	3,566	(434)	4,208
Refunds received on county expense	-	-	2,883	2,883	-
Interlibrary loan revenue	300	300	295	(5)	290
Parking fines and rents	2,300	2,300	1,645	(655)	2,428
School fines and fees	4,900	4,900	2,240	(2,660)	4,700
	<u>1,979,593</u>	<u>1,979,593</u>	<u>1,989,607</u>	<u>10,014</u>	<u>1,930,909</u>
Miscellaneous:					
Interest earnings	25,000	25,000	11,614	(13,386)	20,312
Reimbursements	2,000	2,000	-	(2,000)	16,895
Drug money seizure	-	-	26,594	26,594	-
Donations - Beatrice Program Plus	8,000	8,000	8,219	219	7,959
Police donations	5,000	5,000	696	(4,304)	7,979
Fire donations	1,500	1,500	1,270	(230)	2,075
Public properties donations - Water Park	1,500	1,500	2,255	755	2,239
Parks donations	4,000	4,000	9,070	5,070	22,411
Library donations	5,000	5,000	13,018	8,018	4,710
Library donations/Foundation	23,500	23,500	25,090	1,590	12,171
Lease income - BASWA	50,000	50,000	50,000	-	34,000
Sales of capital assets	2,000	2,000	4,237	2,237	1,300
	<u>127,500</u>	<u>127,500</u>	<u>152,063</u>	<u>24,563</u>	<u>132,051</u>
Total Revenues	<u>\$7,700,303</u>	<u>\$7,700,303</u>	<u>\$ 7,653,041</u>	<u>\$ (47,262)</u>	<u>\$7,464,795</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 496,215	\$ 631,569
Accounts receivable	<u>64,133</u>	<u>43,028</u>
Total Assets	<u>\$ 560,348</u>	<u>\$ 674,597</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 182,329	\$ 248,366
Due to Debt Service Fund	<u>-</u>	<u>14,715</u>
Total Liabilities	<u>182,329</u>	<u>263,081</u>
Fund Balance		
Restricted	<u>378,019</u>	<u>411,516</u>
Total Liabilities and Fund Balance	<u>\$ 560,348</u>	<u>\$ 674,597</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 539,000	\$ 539,000	\$ 537,396	\$ (1,604)	\$ 525,822
Intergovernmental:					
Local shared revenue	25,000	25,000	-	(25,000)	-
State shared revenue	1,160,000	1,160,000	1,195,490	35,490	1,426,302
Federal grants	-	-	150,151	150,151	37,147
Total Intergovernmental	<u>1,185,000</u>	<u>1,185,000</u>	<u>1,345,641</u>	<u>160,641</u>	<u>1,463,449</u>
Charges for services	28,000	28,000	50,148	22,148	22,865
Total Revenues	<u>1,752,000</u>	<u>1,752,000</u>	<u>1,933,185</u>	<u>181,185</u>	<u>2,012,136</u>
Expenditures					
Personal Services:					
Salaries	543,740	543,740	559,804	(16,064)	560,525
Social security	34,000	34,000	34,499	(499)	32,932
Retirement	27,900	27,900	21,780	6,120	26,682
Health and life insurance	136,800	136,800	135,339	1,461	122,040
Workmen's compensation	26,000	26,000	26,862	(862)	54,057
Total Personal Services	<u>768,440</u>	<u>768,440</u>	<u>778,284</u>	<u>(9,844)</u>	<u>796,236</u>
Supplies:					
Operating supplies	107,000	107,000	125,084	(18,084)	106,582
Repairs and maintenance supplies	189,500	189,500	194,177	(4,677)	216,040
Total Supplies	<u>296,500</u>	<u>296,500</u>	<u>319,261</u>	<u>(22,761)</u>	<u>322,622</u>
Other Services and Charges:					
Insurance	14,834	14,834	15,248	(414)	14,834
Outside professional services	-	-	4,419	(4,419)	3,314
Utilities	780	780	780	-	750
Maintenance and repairs	32,500	32,500	36,668	(4,168)	29,082
Rentals	79,000	79,000	59,237	19,763	83,424
Data processing costs	2,640	2,640	2,640	-	2,520
Training and transportation	3,500	3,500	2,314	1,186	3,546
Communications	5,300	5,300	4,414	886	4,929
Miscellaneous	6,420	6,420	1,177	5,243	2,482
Total Other Services and Charges	<u>144,974</u>	<u>144,974</u>	<u>126,897</u>	<u>18,077</u>	<u>144,881</u>
Capital Outlay:					
Improvements other than buildings	663,000	663,000	616,226	46,774	447,868
Machinery and equipment	142,152	142,152	126,014	16,138	49,105
Total Capital Outlay	<u>805,152</u>	<u>805,152</u>	<u>742,240</u>	<u>62,912</u>	<u>496,973</u>
Total Expenditures	<u>2,015,066</u>	<u>2,015,066</u>	<u>1,966,682</u>	<u>48,384</u>	<u>1,760,712</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(263,066)	(263,066)	(33,497)	229,569
Other Financing Sources (Uses)				
Transfers from other funds	(15,000)	(15,000)	-	15,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (278,066)</u>	<u>\$ (278,066)</u>	(33,497)	<u>\$ 244,569</u>
Fund Balance, Beginning of Year			<u>411,516</u>	<u>160,092</u>
Fund Balance, End of Year			<u>\$ 378,019</u>	<u>\$ 411,516</u>

CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash and investments	\$ 1,030,152	\$ 1,327,926
Total Assets	<u>\$ 1,030,152</u>	<u>\$ 1,327,926</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 100,500
Fund Balance		
Restricted for economic development	<u>1,030,152</u>	<u>1,227,426</u>
Total Liabilities and Fund Balance	<u>\$ 1,030,152</u>	<u>\$ 1,327,926</u>

CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest earnings	10,000	10,000	5,381	(4,619)	8,444
Loans/rents revenue	7,000	7,000	10,959	3,959	6,210
Other revenue	-	-	8,750	8,750	-
	<u>17,000</u>	<u>17,000</u>	<u>25,090</u>	<u>8,090</u>	<u>14,654</u>
Total Revenues	<u>267,000</u>	<u>267,000</u>	<u>275,090</u>	<u>8,090</u>	<u>264,654</u>
Expenditures					
Economic development	260,000	260,000	325	259,675	104,000
Capital outlay	<u>2,973,982</u>	<u>2,973,982</u>	<u>472,039</u>	<u>2,501,943</u>	-
Total Expenditures	<u>3,233,982</u>	<u>3,233,982</u>	<u>472,364</u>	<u>2,761,618</u>	<u>104,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,966,982)</u>	<u>(2,966,982)</u>	<u>(197,274)</u>	<u>2,769,708</u>	<u>160,654</u>
Other Financing Sources (Uses)					
Sale of capital assets	150,000	150,000	-	(150,000)	-
Bond proceeds	<u>1,500,000</u>	<u>1,500,000</u>	-	<u>(1,500,000)</u>	-
Total Other Financing Sources (Uses)	<u>1,650,000</u>	<u>1,650,000</u>	-	<u>(1,650,000)</u>	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$(1,316,982)</u>	<u>\$(1,316,982)</u>	<u>(197,274)</u>	<u>\$1,119,708</u>	<u>160,654</u>
Fund Balance, Beginning of Year			<u>1,227,426</u>		<u>1,066,772</u>
Fund Balance, End of Year			<u>\$ 1,030,152</u>		<u>\$1,227,426</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 460,636	\$ 98,699
Loans receivable	<u>1,063,030</u>	<u>1,456,719</u>
Total Assets	<u>\$ 1,523,666</u>	<u>\$ 1,555,418</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Restricted for Revolving Loan Fund	<u>1,523,666</u>	<u>1,555,418</u>
Total Liabilities and Fund Balance	<u>\$ 1,523,666</u>	<u>\$ 1,555,418</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Grants	\$ 1,015,000	\$ 1,015,000	\$ 1,000,000	\$ (15,000)
Interest earnings	2,000	2,000	384	(1,616)
Loan payments - principal	457,551	457,551		(457,551)
Loan payments - interest	26,789	26,789	21,158	(5,631)
Total Revenues	<u>1,501,340</u>	<u>1,501,340</u>	<u>1,021,542</u>	<u>(479,798)</u>
Expenditures				
Administration	16,000	16,000	1,000	15,000
Grant repayments	50,000	50,000	50,000	-
Reuse loans	1,533,990	1,533,990	1,000,000	533,990
Loan forgiveness	-	-	2,294	(2,294)
Total Expenditures	<u>1,599,990</u>	<u>1,599,990</u>	<u>1,053,294</u>	<u>546,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(98,650)</u>	<u>(98,650)</u>	<u>(31,752)</u>	<u>66,898</u>
Fund Balance, Beginning of Year			<u>1,555,418</u>	<u>1,593,105</u>
Fund Balance, End of Year			<u>\$ 1,523,666</u>	<u>\$ 1,555,418</u>

CITY OF BEATRICE, NEBRASKA
 KENO/LOTTERY SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash and investments	\$ 209,771	\$ 162,712
Total Assets	<u>\$ 209,771</u>	<u>\$ 162,712</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Committed for community betterment	<u>209,771</u>	<u>162,712</u>
Total Liabilities and Fund Balance	<u>\$ 209,771</u>	<u>\$ 162,712</u>

CITY OF BEATRICE, NEBRASKA
 KENO/LOTTERY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Keno/lottery proceeds	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$ 83,401</u>	<u>\$ 13,401</u>	<u>\$ 75,178</u>
Expenditures					
Other services and charges	<u>12,444</u>	<u>15,044</u>	<u>14,997</u>	<u>47</u>	<u>13,010</u>
Excess of Revenues Over Expenditures	<u>57,556</u>	<u>54,956</u>	<u>68,404</u>	<u>13,448</u>	<u>62,168</u>
Other Financing Sources (Uses)					
Transfers to other funds	<u>(22,500)</u>	<u>(22,500)</u>	<u>(21,345)</u>	<u>1,155</u>	<u>(104,319)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$35,056</u>	<u>\$32,456</u>	<u>47,059</u>	<u>\$ 14,603</u>	<u>(42,151)</u>
Fund Balance, Beginning of Year			<u>162,712</u>		<u>204,863</u>
Fund Balance, End of Year			<u>\$ 209,771</u>		<u>\$162,712</u>

CITY OF BEATRICE, NEBRASKA
 911 SURCHARGE SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash - 911 Surcharge	\$33,361	\$ 95
Cash - E911 Wireless	<u>8,959</u>	<u>7,604</u>
Total Assets	<u>\$42,320</u>	<u>\$7,699</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 969	\$ -
Total Liabilities	<u>969</u>	<u>-</u>
Fund Balance		
Restricted for E911 public safety	<u>41,351</u>	<u>7,699</u>
Total Liabilities and Fund Balance	<u>\$42,320</u>	<u>\$7,699</u>

CITY OF BEATRICE, NEBRASKA
 911 SURCHARGE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
911 service surcharge	\$80,500	\$80,500	\$84,007	\$3,507	\$81,688
E911 wireless surcharge	49,464	49,464	46,540	(2,924)	7,604
Total Revenues	<u>129,964</u>	<u>129,964</u>	<u>130,547</u>	<u>583</u>	<u>89,292</u>
Expenditures					
Capital outlay	4,850	4,850	5,035	(185)	-
Lease payments	-	-	-	-	45,998
Total Expenditures	<u>4,850</u>	<u>4,850</u>	<u>5,035</u>	<u>(185)</u>	<u>45,998</u>
Excess of Revenues Over Expenditures	125,114	125,114	125,512	398	43,294
Other Financing Sources (Uses)					
Operating transfers out	(96,306)	(96,306)	(91,860)	4,446	(33,500)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$28,808</u>	<u>\$28,808</u>	33,652	<u>\$4,844</u>	9,794
Fund Balance, Beginning of Year			7,699		(2,095)
Fund Balance, End of Year			\$41,351		\$ 7,699

CITY OF BEATRICE, NEBRASKA
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 21,438	\$ 72
Total Assets	<u>\$ 21,438</u>	<u>\$ 72</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Restricted for storm water management plan	<u>21,438</u>	<u>72</u>
Total Liabilities and Fund Balance	<u>\$ 21,438</u>	<u>\$ 72</u>

CITY OF BEATRICE, NEBRASKA
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$27,000	\$27,000	\$ 25,801	\$ (1,199)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>25,801</u>	<u>(1,199)</u>
Expenditures				
Personal services	-	-	1,960	(1,960)
Other services and charges	22,000	22,000	2,475	19,525
Supplies	5,000	5,000	-	5,000
Capital outlay	-	-	-	-
Total Expenditures	<u>27,000</u>	<u>27,000</u>	<u>4,435</u>	<u>22,565</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	21,366	21,366
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	21,366	<u>\$ 21,366</u>
Fund Balance, Beginning of Year			<u>72</u>	<u>31,680</u>
Fund Balance, End of Year			<u>\$ 21,438</u>	<u>\$ 72</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011				2010 Totals
	General Obligation	Bonded Districts	Unbonded Assessments	Total	
Assets					
Cash	\$ 182,867	\$ -	\$ 4,620	\$ 187,487	\$186,666
Cash on deposit - County Treasurer	30,835	-	-	30,835	31,211
Taxes receivable	17,248	-	-	17,248	26,032
Assessments receivable:					
Current	-	-	23,095	23,095	36,130
Delinquent	-	-	128,047	128,047	104,015
Deferred	-	-	76,915	76,915	100,308
Unassessed costs			2,399	2,399	-
Accrued interest receivable	-	-	59,703	59,703	40,466
In-lieu-of assessments	-	10,105	-	10,105	10,105
Due from Street Fund	-	-	-	-	14,715
Total Assets	<u>\$230,950</u>	<u>\$10,105</u>	<u>\$294,779</u>	<u>\$535,834</u>	<u>\$549,648</u>
Liabilities and Fund Balance					
Liabilities					
Accrued interest payable	\$ 5,045	\$ -	\$ 48,509	\$ 53,554	\$ 50,429
Registered warrants payable	-	-	185,771	185,771	207,261
Deferred revenues	13,060	10,105	76,915	100,080	133,015
Total Liabilities	<u>18,105</u>	<u>10,105</u>	<u>311,195</u>	<u>339,405</u>	<u>390,705</u>
Fund Balance					
Restricted for debt service	212,845	-	-	212,845	212,370
Unassigned	-	-	(16,416)	(16,416)	(53,427)
Total Fund Balance (Deficit)	<u>212,845</u>	<u>-</u>	<u>(16,416)</u>	<u>196,429</u>	<u>158,943</u>
Total Liabilities and Fund Balance	<u>\$230,950</u>	<u>\$10,105</u>	<u>\$294,779</u>	<u>\$535,834</u>	<u>\$549,648</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010
	General Obligation	Bonded Districts	Unbonded Assessments	Total Totals
Revenues				
Property taxes	\$ 283,367	\$ -	\$ -	\$ 283,367
Intergovernmental revenues	976	-	-	976
Special assessments	-	-	25,794	25,794
Interest on assessments	-	-	23,652	23,652
Total Revenues	<u>284,343</u>	<u>-</u>	<u>49,446</u>	<u>333,789</u>
Expenditures				
Capital projects:				
Improvements	-	-	2,390	2,390
Interest on registered warrants	-	-	10,045	10,045
Debt service:				
Interest	23,868	-	-	23,868
Principal	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
Total Expenditures	<u>283,868</u>	<u>-</u>	<u>12,435</u>	<u>296,303</u>
Excess (Deficiency) of Revenues Over Expenditures	475	-	37,011	37,486
Other Financing Sources (Uses)				
Transfers from (to) other funds	-	-	-	-
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	475	-	37,011	37,486
Fund Balances (Deficit), Beginning of Year	<u>212,370</u>	<u>-</u>	<u>(53,427)</u>	<u>158,943</u>
Fund Balances (Deficit), End of Year	<u>\$ 212,845</u>	<u>\$ -</u>	<u>\$ (16,416)</u>	<u>\$ 196,429</u>

CITY OF BEATRICE, NEBRASKA
 GENERAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES BUDGET (NON-GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010
	Original Budget	Final Budget	Actual	Totals
Revenues				
Property taxes	\$282,868	\$282,868	\$282,967	\$286,721
Intergovernmental revenues	1,000	1,000	992	1,125
Total Revenues	<u>283,868</u>	<u>283,868</u>	<u>283,959</u>	<u>287,846</u>
Expenditures				
Debt Service:				
Interest	23,868	23,868	23,868	31,843
Principal	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>250,000</u>
Total Expenditures	<u>283,868</u>	<u>283,868</u>	<u>283,868</u>	<u>281,843</u>
Deficiency of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 6,003</u>

CITY OF BEATRICE, NEBRASKA
 BONDED DISTRICTS DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Interest on assessments	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Bond principal payments	-	-	-	-
Interest on registered warrants	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				<u>\$(14,982)</u>

CITY OF BEATRICE, NEBRASKA
 UNBONDED DISTRICTS DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Special assessments	\$ 118,563	\$ 118,563	\$ 12,397	\$ (106,166)	\$ 24,149
Interest on assessments	49,804	49,804	4,415	(45,389)	8,167
Total Revenues	<u>168,367</u>	<u>168,367</u>	<u>16,812</u>	<u>(151,555)</u>	<u>32,316</u>
Expenditures					
Interest on registered warrants	34,692	34,692	6,919	27,773	9,076
Principal on registered warrants	153,400	153,400	23,880	129,520	39,974
Improvements	-	-	704	(704)	-
Total Expenditures	<u>188,092</u>	<u>188,092</u>	<u>31,503</u>	<u>156,589</u>	<u>49,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,725)	(19,725)	(14,691)	5,034	(16,734)
Other Financing Sources (Uses)					
Operating transfers in	<u>15,000</u>	<u>15,000</u>	<u>13,029</u>	<u>(1,971)</u>	<u>15,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,725)</u>	<u>\$ (4,725)</u>	<u>\$ (1,662)</u>	<u>\$ 3,063</u>	<u>\$ (1,734)</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011			2010
	Library Capital Improvements	Capital Improvements	Total	Totals
Assets				
Cash	\$ -	\$ -	\$ -	\$ 54,016
Restricted:				
Cash	-	\$ 396,687	396,687	206,202
Investments	82,405	-	82,405	82,076
Accounts receivable	-	153,126	153,126	6,429
Total Assets	<u>\$ 82,405</u>	<u>\$ 549,813</u>	<u>\$ 632,218</u>	<u>\$ 348,723</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 27,004	\$ 27,004	49,105
Fund Balances				
Committed for Library capital improvement	82,405	-	82,405	93,416
Committed for public safety equipment	-	255,576	255,576	206,202
Committed for grant project - carnegie	-	267,233	267,233	-
Total Fund Balances	<u>82,405</u>	<u>522,809</u>	<u>605,214</u>	<u>299,618</u>
Total Liabilities and Fund Balances	<u>\$ 82,405</u>	<u>\$ 549,813</u>	<u>\$ 632,218</u>	<u>\$ 348,723</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010
	Library Capital Improvements	Capital Improvements	Total	Totals
Revenues				
Intergovernmental	\$ -	\$ 650,299	\$ 650,299	\$ 231,483
Donations and miscellaneous revenue	-	5,384	5,384	28,829
Interest	329	-	329	371
Total Revenues	<u>329</u>	<u>655,683</u>	<u>656,012</u>	<u>260,683</u>
Expenditures				
Capital projects	-	459,666	459,666	244,225
MFO payments - other entities	-	124,994	124,994	126,499
Debt service: principal payments	-	45,444	45,444	55,148
Total Expenditures	<u>-</u>	<u>630,104</u>	<u>630,104</u>	<u>425,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	329	25,579	25,908	(165,189)
Other Financing Sources (Uses)				
Transfers from other funds	-	279,688	279,688	224,434
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	329	305,267	305,596	59,245
Fund Balances, Beginning of Year	<u>82,076</u>	<u>217,542</u>	<u>299,618</u>	<u>240,373</u>
Fund Balances, End of Year	<u>\$ 82,405</u>	<u>\$ 522,809</u>	<u>\$ 605,214</u>	<u>\$ 299,618</u>

CITY OF BEATRICE, NEBRASKA
 LIBRARY CAPITAL IMPROVEMENTS FUND
 CAPITAL PROJECTS FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Restricted investments	\$ 82,405	\$ 82,076
Total Assets	<u>\$ 82,405</u>	<u>\$ 82,076</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Committed	<u>82,405</u>	<u>82,076</u>
Total Liabilities and Fund Balance	<u>\$ 82,405</u>	<u>\$ 82,076</u>

CITY OF BEATRICE, NEBRASKA
 LIBRARY CAPITAL IMPROVEMENTS FUND
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			2010 Totals
	Original Budget	Final Budget	Actual Variance Favorable (Unfavorable)	
Revenues				
Interest	\$500	\$500	\$ 329	\$ 371
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$500	\$500	329	371
Fund Balance, Beginning of Year			82,076	81,705
Fund Balance, End of Year			\$82,405	\$82,076

CITY OF BEATRICE, NEBRASKA
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2011

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ -	\$ 54,016
Restricted:		
Cash	396,687	206,202
Accounts receivable	<u>153,126</u>	<u>6,429</u>
Total Assets	<u>\$ 549,813</u>	<u>\$ 266,647</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 27,004</u>	<u>\$ 49,105</u>
Fund Balance		
Committed for Library capital improvement	-	11,340
Committed for public safety equipment	255,576	206,202
Committed for grant project - Carnegie	<u>267,233</u>	<u>-</u>
Total Fund Balance	<u>522,809</u>	<u>217,542</u>
Total Liabilities and Fund Balance	<u>\$ 549,813</u>	<u>\$ 266,647</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Donations and miscellaneous revenue	\$ 11,341	\$ 11,341	\$ 5,384	\$ (5,957)	\$ 28,829
Intergovernmental	720,380	720,380	650,299	(70,081)	231,483
Total Revenues	<u>731,721</u>	<u>731,721</u>	<u>655,683</u>	<u>(76,038)</u>	<u>260,312</u>
Expenditures					
Capital Projects					
Park equipment and improvements	20,500	20,500	16,003	4,497	61,522
Beatrice Plus	11,835	11,835	5,083	6,752	6,800
Building improvements	4,000	4,000	3,102	898	501
Auditorium energy improvements	75,000	75,000	171,726	(96,726)	
Park campground improvements	22,500	22,500	62,745	(40,245)	
Carnegie restoration	-	-	19,722	(19,722)	
Lodging tax projects	-	-	8,597	(8,597)	
Public safety equipment	26,000	26,000	36,861	(10,861)	58,417
Fire equipment and facilities improvements	96,000	96,000	84,645	11,355	49,667
Trails	500,000	500,000	5,640	494,360	2,806
Computer equipment	59,183	59,183	45,542	13,641	31,631
Telephone equipment	-	-	-	-	32,881
MFO payments - other entities	126,497	126,497	124,994	1,503	126,499
Debt Service					
Principal payments	<u>45,444</u>	<u>45,444</u>	<u>45,444</u>	<u>-</u>	<u>55,148</u>
Total Expenditures	<u>986,959</u>	<u>986,959</u>	<u>630,104</u>	<u>356,855</u>	<u>425,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(255,238)	(255,238)	25,579	280,817	(165,560)
Other Financing Sources (Uses)					
Transfers from other funds	<u>299,779</u>	<u>299,779</u>	<u>279,688</u>	<u>(20,091)</u>	<u>224,434</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 44,541</u>	<u>\$ 44,541</u>	305,267	<u>\$ 260,726</u>	58,874
Fund Balance, Beginning of Year			<u>217,542</u>		<u>158,668</u>
Fund Balance, End of Year			<u>\$522,809</u>		<u>\$217,542</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Current Assets		
Cash	\$ 5,797,277	\$ 4,410,069
Accounts receivable, net	1,005,198	1,011,677
Unbilled and accrued revenues	521,504	456,290
Materials and supplies inventories	533,697	559,542
Prepaid expenses	6,416	6,856
Interest receivable	4,648	13,441
Total Current Assets	<u>7,868,740</u>	<u>6,457,875</u>
Noncurrent Assets		
Restricted Cash		
Employee benefits	204,957	103,237
Debt Service Reserve Account	79,275	236,346
Total Restricted Cash	<u>284,232</u>	<u>339,583</u>
Restricted Investments		
Customer deposits	249,760	190,770
Total Restricted Assets	<u>533,992</u>	<u>530,353</u>
Property, Plant and Equipment		
Land and land rights	17,432	17,432
Buildings and improvements	1,116,464	1,115,795
Improvements other than building	26,224,148	25,412,389
Machinery and equipment	2,478,892	2,472,136
	<u>29,836,936</u>	<u>29,017,752</u>
Less: accumulated depreciation	17,476,705	16,598,907
	<u>12,360,231</u>	<u>12,418,845</u>
Construction in progress	-	1,016
Net Property, Plant and Equipment	<u>12,360,231</u>	<u>12,419,861</u>
Other Assets		
Unamortized bond issuance cost, net of amortization of \$14,059 and \$10,843 for 2011 and 2010	10,377	13,593
Total Noncurrent Assets	<u>12,370,608</u>	<u>12,433,454</u>
Total Assets	<u>\$ 20,773,340</u>	<u>\$19,421,682</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET (Continued)
SEPTEMBER 30, 2011

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,121,327	\$ 1,060,762
Compensated absences	109,675	109,598
Accrued payroll	53,708	49,162
Sales tax payable	93,493	91,001
Employee insurance payable	23,210	70,323
Accrued interest	7,995	11,620
Customer deposits	249,760	190,745
Current portion of revenue bonds	50,750	137,277
Total Current Liabilities	<u>1,709,918</u>	<u>1,720,488</u>
Long-Term Liabilities		
Compensated absences, noncurrent	212,209	201,397
Revenue bonds, net of current portion	742,000	792,750
Total Long-term Liabilities	<u>954,209</u>	<u>994,147</u>
Total Liabilities	<u>2,664,127</u>	<u>2,714,635</u>
Net Assets		
Invested in capital assets, net of related debt	11,567,481	11,489,834
Restricted for debt service	79,275	236,346
Unrestricted	6,462,457	4,980,867
Total Net Assets	<u>18,109,213</u>	<u>16,707,047</u>
Total Liabilities and Net Assets	<u>\$ 20,773,340</u>	<u>\$19,421,682</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for services	\$ 14,013,530	\$ 14,013,530	\$ 14,498,621	\$ 485,091	\$ 14,104,065
Operating Expenses					
Electric energy purchased	9,948,941	9,948,941	10,198,333	(249,392)	9,423,595
Operating and maintenance expense	916,160	916,160	990,263	(74,103)	923,905
Customer accounting expenses	254,900	254,900	243,814	11,086	244,698
Engineering services	156,100	156,100	157,365	(1,265)	147,675
Administrative and general expense	777,732	777,732	499,315	278,417	681,730
Depreciation and amortization	953,216	953,216	918,276	34,940	918,089
Municipal expenses	452,200	452,200	425,962	26,238	449,712
Total Operating Expenses	<u>13,459,249</u>	<u>13,459,249</u>	<u>13,433,328</u>	<u>25,921</u>	<u>12,789,404</u>
Operating Income	<u>554,281</u>	<u>554,281</u>	<u>1,065,293</u>	<u>511,012</u>	<u>1,314,661</u>
Nonoperating Revenues (Expenses)					
Merchandising, etc.	-	-	150,317	150,317	(20,127)
Interest income	-	-	44,743	44,743	34,549
Miscellaneous	-	-	139,812	139,812	134,705
Interest expense	(34,345)	(34,345)	(29,627)	4,718	(44,787)
Amortization of bond issuance cost	-	-	(3,216)	(3,216)	(3,216)
Total Nonoperating Revenues (Expenses)	<u>(34,345)</u>	<u>(34,345)</u>	<u>302,029</u>	<u>336,374</u>	<u>101,124</u>
Capital in aid of construction	<u>-</u>	<u>-</u>	<u>34,844</u>	<u>34,844</u>	<u>-</u>
Net Income	<u>\$ 519,936</u>	<u>\$ 519,936</u>	<u>1,402,166</u>	<u>\$ 882,230</u>	<u>1,415,785</u>
Retained Earnings, Beginning of Year			<u>16,707,047</u>		<u>15,291,262</u>
Retained Earnings, End of Year			<u>\$ 18,109,213</u>		<u>\$ 16,707,047</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Cash Flows From Operating Activities		
Cash received from customers	\$ 14,730,015	\$ 14,155,633
Cash paid to suppliers for goods and services	(11,102,151)	(10,243,468)
Cash paid to employees for services	(1,296,222)	(1,404,038)
Net Cash Provided by Operating Activities	<u>2,331,642</u>	<u>2,508,127</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(137,277)	(213,898)
Capital in aid of construction	34,844	-
Interest paid on revenue bond maturities	(33,252)	(43,605)
Purchases of capital assets	(858,646)	(797,074)
Net Cash Used in Capital and Related Financing Activities	<u>(994,331)</u>	<u>(1,054,577)</u>
Cash Flows From Investing Activities		
Interest received	53,536	24,949
Net Cash Provided by Investing Activities	<u>53,536</u>	<u>24,949</u>
Net Increase in Cash and Restricted Cash	1,390,847	1,478,499
Cash and Restricted Cash, Beginning of Year	<u>4,940,422</u>	<u>3,461,923</u>
Cash and Restricted Cash, End of Year	<u>\$ 6,331,269</u>	<u>\$ 4,940,422</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 5,797,277	\$ 4,410,069
Employee benefits cash	204,957	103,237
Debt Service Reserve Account	79,275	236,346
Customer deposits investments	249,760	190,770
Total Cash and Cash Equivalents	<u>\$ 6,331,269</u>	<u>\$ 4,940,422</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 1,065,293	\$ 1,314,661
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation and amortization	918,276	918,089
Merchandise and miscellaneous revenue	290,129	114,578
(Increase) decrease in unbilled and accrued revenues	(65,214)	43,616
(Increase) decrease in accounts receivable	6,479	(106,626)
(Increase) decrease in inventory	25,845	3,553
(Increase) decrease in prepaid expenses	440	1,813
Increase (decrease) in accounts payable	60,565	166,947
Increase (decrease) in customer deposits	4,546	8,541
Increase (decrease) in sales tax payable	2,492	19,032
Increase (decrease) in employee insurance payable	(47,113)	(18,486)
Increase (decrease) in accrued payroll	10,889	26,559
Increase (decrease) in compensated absences	59,015	15,850
Total Adjustments	<u>1,266,349</u>	<u>1,193,466</u>
Net Cash Provided by Operating Activities	<u>\$ 2,331,642</u>	<u>\$ 2,508,127</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Current Assets		
Cash	\$ 410,502	\$ 465,092
Accounts receivable, net	100,865	83,075
Unbilled and accrued revenues	117,600	88,241
Materials and supplies inventories	407,998	276,177
Prepaid expenses	4,733	6,003
Interest receivable	368	8
Total Current Assets	<u>1,042,066</u>	<u>918,596</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	<u>79,275</u>	<u>116,077</u>
Property, Plant and Equipment		
Land and land rights	55,458	55,458
Buildings and improvements	65,547	64,049
Improvements other than buildings	13,728,593	13,311,008
Machinery and equipment	<u>874,832</u>	<u>799,158</u>
	14,724,430	14,229,673
Less: accumulated depreciation	<u>9,478,263</u>	<u>9,030,459</u>
	5,246,167	5,199,214
Construction in Progress	-	254
Net Property, Plant and Equipment	<u>5,246,167</u>	<u>5,199,468</u>
Deferred Charges		
Unamortized Bond Issuance Costs, Net of Amortization of \$9,845 and \$8,469 for 2011 and 2010	<u>10,376</u>	<u>11,752</u>
Total Noncurrent Assets	<u>5,335,818</u>	<u>5,327,297</u>
Total Assets	<u>\$ 6,377,884</u>	<u>\$ 6,245,893</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Liabilities and Fund Equity		
Current Liabilities		
Accounts payable	\$ 17,373	\$ 12,670
Accrued compensated absences	83,597	75,276
Accrued payroll	27,020	23,422
Sales tax payable	120	79
Accrued interest	12,741	16,060
Current portion of long-term debt	90,981	71,146
Total Current Liabilities	<u>231,832</u>	<u>198,653</u>
Long-Term Liabilities		
Compensated absences, noncurrent	165,011	155,863
Revenue bonds, net of current portion	742,000	792,750
Notes payable, net of current portion	470,285	510,516
Total Long-Term Liabilities	<u>1,377,296</u>	<u>1,459,129</u>
Total Liabilities	<u>1,609,128</u>	<u>1,657,782</u>
Net Assets		
Invested in capital assets, net of related debt	3,942,901	3,825,056
Restricted for debt service	79,275	116,077
Unrestricted	746,580	646,978
Total Net Assets	<u>4,768,756</u>	<u>4,588,111</u>
Total Liabilities and Net Assets	<u>\$ 6,377,884</u>	<u>\$ 6,245,893</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2010 Totals
Operating Revenues					
Charges for services	1,983,850	1,983,850	1,969,342	(14,508)	1,728,981
Operating Expenses					
Operating and maintenance expenses	799,800	799,800	914,938	(115,138)	841,956
Customer accounting expenses	140,850	140,850	141,770	(920)	135,477
Engineering services	-	-	16,000	(16,000)	16,000
Administrative and general expenses	442,061	442,061	367,805	74,256	358,721
Depreciation and amortization	410,500	410,500	447,804	(37,304)	407,090
Municipal expenses	24,200	24,200	44,334	(20,134)	24,224
Total Operating Expenses	1,817,411	1,817,411	1,932,651	(115,240)	1,783,468
Operating Income (Loss)	166,439	166,439	36,691	(129,748)	(54,487)
Nonoperating Revenues (Expenses)					
Merchandising, etc.	-	-	76,173	76,173	27,782
Interest income	-	-	5,534	5,534	8,566
Grant income	-	-	12,977	12,977	-
Miscellaneous	-	-	22,016	22,016	31,655
Interest expense	(46,955)	(46,955)	(42,579)	4,376	(52,877)
Amortization of bond issuance costs	-	-	(1,376)	(1,376)	(1,376)
Total Nonoperating Revenues (Expenses)	(46,955)	(46,955)	72,745	119,700	13,750
Capital in aid of construction	-	-	71,209	71,209	-
Net Income (Loss)	119,484	119,484	180,645	61,161	(40,737)
Retained Earnings, Beginning of Year			4,588,111		4,628,848
Retained Earnings, End of Year			4,768,756		4,588,111

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,020,382	\$ 1,794,381
Cash paid to suppliers for goods and services	(638,920)	(443,757)
Cash paid to employees for services	(950,667)	(919,522)
Net Cash Provided by Operating Activities	<u>430,795</u>	<u>431,102</u>
Cash Flows from Capital and Related Financing Activities		
Principal payments on long-term debt	(71,146)	(87,886)
Capital in aid of construction	71,209	-
Interest paid on long-term debt	(45,898)	(52,756)
Grant proceeds	12,977	-
Purchases of capital assets	(494,503)	(418,710)
Net Cash Used in Capital and Related Financing Activities	<u>(527,361)</u>	<u>(559,352)</u>
Cash Flows From Investing Activities		
Interest received	5,174	11,647
Net Cash Provided by Investing Activities	<u>5,174</u>	<u>11,647</u>
Net Decrease in Cash and Restricted Cash	(91,392)	(116,603)
Cash and Restricted Cash, Beginning of Year	<u>581,169</u>	<u>697,772</u>
Cash and Restricted Cash, End of Year	<u>\$ 489,777</u>	<u>\$ 581,169</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 410,502	\$ 465,092
Debt Service Reserve Account	79,275	116,077
Total Cash and Cash Equivalents	<u>\$ 489,777</u>	<u>\$ 581,169</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 36,691	\$ (54,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and amortization	447,804	407,090
Merchandise and miscellaneous revenue	98,189	59,437
(Increase) decrease in accounts receivable	(29,359)	5,796
(Increase) decrease in unbilled and accrued expenses	(17,790)	167
(Increase) decrease in inventory	(131,821)	(13,065)
(Increase) decrease in prepaid expenses	1,270	(2,872)
Increase (decrease) in accounts payable	4,703	500
Increase (decrease) in sales tax payable	3,598	26
Increase (decrease) in accrued payroll	41	4,050
Increase (decrease) in compensated absences	17,469	24,460
Total Adjustments	<u>394,104</u>	<u>485,589</u>
Net Cash Provided by Operating Activities	<u>\$ 430,795</u>	<u>\$ 431,102</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Current Assets		
Cash	\$ 883,330	\$ 760,559
Accounts receivable, net	63,669	61,578
Unbilled and accrued revenues	83,504	75,244
Prepaid expenses	2,127	2,094
Interest receivable	618	12
Total Current Assets	<u>1,033,248</u>	<u>899,487</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	<u>67,950</u>	<u>120,077</u>
Property, Plant and Equipment		
Land and land rights	16,588	16,588
Improvements other than buildings	17,025,192	16,426,288
Machinery and equipment	<u>1,700,723</u>	<u>1,691,172</u>
	18,742,503	18,134,048
Less: accumulated depreciation	<u>11,711,138</u>	<u>11,045,574</u>
	7,031,365	7,088,474
Construction in progress	-	-
Net Property, Plant and Equipment	<u>7,031,365</u>	<u>7,088,474</u>
Deferred Charges		
Unamortized Debt Expense, Net of Amortization of \$9,150 and \$7,660 for 2011 and 2010	<u>8,894</u>	<u>10,384</u>
Total Noncurrent Assets	<u>7,108,209</u>	<u>7,218,935</u>
Total Assets	<u>\$8,141,457</u>	<u>\$8,118,422</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts payable	\$ 18,511	\$ 8,259
Compensated absences	26,491	29,720
Accrued payroll	16,613	14,203
Accrued interest	17,307	18,776
Current portion of long-term debt	<u>134,553</u>	<u>133,823</u>
Total Current Liabilities	<u>213,475</u>	<u>204,781</u>
Long-Term Liabilities		
Compensated absences, noncurrent	48,414	44,352
Revenue bonds, net of current portion	730,529	778,075
Notes payable, net of current portion	<u>973,943</u>	<u>1,060,950</u>
Total Long-Term Liabilities	<u>1,752,886</u>	<u>1,883,377</u>
Total Liabilities	<u>1,966,361</u>	<u>2,088,158</u>
Fund Equity		
Invested in capital assets, net of related debt	5,192,340	5,115,626
Restricted for debt service	67,950	120,077
Unrestricted	<u>914,806</u>	<u>794,561</u>
Total Fund Equity	<u>6,175,096</u>	<u>6,030,264</u>
Total Liabilities and Fund Equity	<u>\$8,141,457</u>	<u>\$8,118,422</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2010 Totals
Operating Revenues					
Charges for services	\$ 1,479,625	\$ 1,479,625	\$ 1,453,143	\$ (26,482)	\$ 1,375,951
Operating Expenses					
Operating and maintenance expenses	516,650	516,650	545,326	(28,676)	511,512
Customer accounting expenses	71,800	71,800	70,199	1,601	69,251
Engineering expenses	-	-	16,000	(16,000)	16,000
Administrative and general expenses	275,600	275,600	242,370	33,230	232,187
Depreciation and amortization	716,500	716,500	665,564	50,936	690,984
Municipal expenses	10,000	10,000	13,490	(3,490)	9,860
Total Operating Expenses	<u>1,590,550</u>	<u>1,590,550</u>	<u>1,552,949</u>	<u>37,601</u>	<u>1,529,794</u>
Operating Income (Loss)	<u>(110,925)</u>	<u>(110,925)</u>	<u>(99,806)</u>	<u>11,119</u>	<u>(153,843)</u>
Nonoperating Revenues (Expenses)					
Merchandising, etc.	-	-	33,707	33,707	17,909
Interest income	-	-	5,122	5,122	7,465
Miscellaneous	-	-	6,985	6,985	3,112
Interest expense	(64,150)	(64,150)	(61,771)	2,379	(68,340)
Amortization of bond issuance costs	-	-	(1,490)	(1,490)	(1,490)
Total Nonoperating Revenues (Expenses)	<u>(64,150)</u>	<u>(64,150)</u>	<u>(17,447)</u>	<u>46,703</u>	<u>(41,344)</u>
Capital in aid of construction	<u>-</u>	<u>-</u>	<u>262,085</u>	<u>262,085</u>	<u>-</u>
Net Income (Loss)	<u>\$ (175,075)</u>	<u>\$ (175,075)</u>	<u>144,832</u>	<u>\$ 57,822</u>	<u>(195,187)</u>
Retained Earnings, Beginning of Year			<u>6,030,264</u>		<u>6,225,451</u>
Retained Earnings, End of Year			<u>\$6,175,096</u>		<u>\$6,030,264</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,483,484	\$ 1,390,978
Cash paid to suppliers for goods and services	(285,515)	(267,918)
Cash paid to employees for services	(588,408)	(561,333)
Net Cash Provided by Operating Activities	<u>609,561</u>	<u>561,727</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(133,823)	(54,014)
Capital in aid of construction	262,085	-
Interest paid on long-term debt	(63,240)	(69,629)
Purchases of capital assets	(608,455)	(289,843)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(543,433)</u>	<u>(413,486)</u>
Cash Flows From Investing Activities		
Interest received	4,516	10,230
Net Cash Provided by Investing Activities	<u>4,516</u>	<u>10,230</u>
Net Increase in Cash	70,644	158,471
Cash and Restricted Cash, Beginning of Year	880,636	722,165
Cash and Restricted Cash, End of Year	<u>\$ 951,280</u>	<u>\$ 880,636</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 883,330	\$ 760,559
Debt Service Reserve Account	67,950	120,077
Total Cash and Cash Equivalents	<u>\$ 951,280</u>	<u>\$ 880,636</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (99,806)	\$ (153,843)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and amortization	665,564	690,984
Merchandise and miscellaneous revenue	40,692	21,021
(Increase) decrease in accounts receivable	(8,260)	(2,557)
(Increase) decrease in unbilled and accrued revenues	(2,091)	(3,437)
Increase (decrease) in prepaid expenses	(33)	102
Increase (decrease) in accounts payable	10,252	(1,602)
Increase (decrease) in accrued payroll	2,410	2,099
Increase (decrease) in accrued compensated absences	833	8,960
Total Adjustments	<u>709,367</u>	<u>715,570</u>
Net Cash Provided by Operating Activities	<u>\$ 609,561</u>	<u>\$ 561,727</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash	\$ 28,166	\$ 167
Accounts receivable, net	<u>22,568</u>	<u>25,622</u>
Total Assets	<u>\$ 50,734</u>	<u>\$ 25,789</u>
Liabilities and Fund Equity		
Liabilities		
Accounts payable	<u>\$ 50,734</u>	<u>\$ 25,789</u>
Fund Equity		
Retained earnings	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 50,734</u>	<u>\$ 25,789</u>

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET (GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2010 Totals
Operating Revenues					
Garbage service fees	\$ -	\$ 1,220,100	\$ 1,185,618	\$ (34,482)	\$ 1,190,463
Operating Expenses					
Bad debt expense	-	2,000	1,597	403	2,258
Garbage disposal contract	(15,000)	670,100	647,570	22,530	647,546
Garbage hauler contract	(10,000)	548,000	536,451	11,549	540,659
Total Operating Expenses	(25,000)	1,220,100	1,185,618	34,482	1,190,463
Net Income	<u>\$ 25,000</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Retained Earnings, Beginning of Year			-		-
Retained Earnings (Deficit), End of Year			\$ -		\$ -

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION
 ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,188,672	\$ 1,194,628
Cash paid to supplies for goods and services	<u>(1,160,673)</u>	<u>(1,194,637)</u>
Net Cash Provided by (Used in) Operating Activities	<u>27,999</u>	<u>(9)</u>
Net Increase (Decrease) in Cash	27,999	(9)
Cash, Beginning of Year	<u>167</u>	<u>176</u>
Cash, End of Year	<u>\$ 28,166</u>	<u>\$ 167</u>
Reconciliation of Operating Income to Net Cash		
Provided by (Used in) Operating Activities		
Operating income	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net		
Cash Provided by (Used in) Operating Activities:		
(Increase) decrease in accounts receivable	3,054	4,165
Increase (decrease) in accounts payable	<u>24,945</u>	<u>(4,174)</u>
Total Adjustments	<u>27,999</u>	<u>(9)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 27,999</u>	<u>\$ (9)</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Current Assets		
Cash and investments	\$ 209,449	\$ 165,346
Accounts receivable, net	117,749	92,693
Total Current Assets	<u>327,198</u>	<u>258,039</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	241,238	171,269
Bond Construction Account	485,412	-
Restricted Investments		
Closure/postclosure maintenance account	<u>1,023,967</u>	<u>889,944</u>
Total Restricted Assets	<u>1,750,617</u>	<u>1,061,213</u>
Property, Plant and Equipment		
Improvements other than buildings	4,701,311	3,731,109
Machinery and equipment	997,497	752,691
	5,698,808	4,483,800
Less: accumulated depreciation	<u>3,392,312</u>	<u>3,081,079</u>
Net Property, Plant and Equipment	<u>2,306,496</u>	<u>1,402,721</u>
Deferred Charges		
Bond issue costs, net of amortization of \$1,526 and \$16,647 for 2011 and 2010	<u>44,261</u>	<u>2,403</u>
Total Noncurrent Assets	<u>4,101,374</u>	<u>2,466,337</u>
Total Assets	<u><u>\$4,428,572</u></u>	<u><u>\$2,724,376</u></u>

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
BALANCE SHEET (Continued)
SEPTEMBER 30, 2011

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,393	\$ 930
Compensated absences	13,942	12,845
Accrued compensation	3,494	2,914
Accrued interest payable	16,292	2,869
Current maturities of bonds payable	135,000	225,000
Current maturities of notes payable	45,771	3,357
Total Current Liabilities	<u>219,892</u>	<u>247,915</u>
Long-Term Liabilities		
Revenue bonds payable, net of current portion	1,520,000	-
Notes payable, net of current portion	155,141	-
Estimated current cost of closure and postclosure	1,977,000	1,925,000
Total Long-Term Liabilities	<u>3,652,141</u>	<u>1,925,000</u>
Total Liabilities	<u>3,872,033</u>	<u>2,172,915</u>
Net Assets		
Invested in capital assets, net of related debt	450,584	1,174,364
Restricted for debt service	241,238	171,269
Unrestricted	(135,283)	(794,172)
Net Assets	<u>556,539</u>	<u>551,461</u>
Total Liabilities and Net Assets	<u>\$ 4,428,572</u>	<u>\$ 2,724,376</u>

CITY OF BEATRICE, NEBRASKA
 BASWA ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET (GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011			Variance Favorable (Unfavorable)	2010 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Other government user fees	\$ 97,659	\$ 97,659	\$ 97,659	\$ -	\$ 97,659
Gate fees	284,000	284,000	261,999	(22,001)	282,748
Garbage service fees	667,000	667,000	656,207	(10,793)	666,251
Recycling income	2,500	2,500	2,066	(434)	1,739
Total Operating Revenues	<u>1,051,159</u>	<u>1,051,159</u>	<u>1,017,931</u>	<u>(33,228)</u>	<u>1,048,397</u>
Operating Expenses					
Personal services	276,041	276,041	278,159	(2,118)	265,112
Supplies	102,100	102,100	108,012	(5,912)	99,456
Other services and charges	1,514,748	1,514,748	156,513	1,358,235	193,186
Contractual services	92,652	92,652	93,409	(757)	69,567
Depreciation and amortization	300,000	300,000	316,112	(16,112)	293,767
Landfill closure and postclosure care	-	-	52,000	(52,000)	21,000
Total Operating Expenses	<u>2,285,541</u>	<u>2,285,541</u>	<u>1,004,205</u>	<u>1,281,336</u>	<u>942,088</u>
Operating Income (Loss)	<u>(1,234,382)</u>	<u>(1,234,382)</u>	<u>13,726</u>	<u>1,248,108</u>	<u>106,309</u>
Nonoperating Revenues (Expenses)					
Miscellaneous income	1,300,000	1,300,000	825	(1,299,175)	995
Interest earnings	10,600	10,600	11,619	1,019	9,442
Grant revenue	-	-	-	-	-
Interest expense	(193,697)	(193,696)	(18,692)	175,004	(12,139)
Amortization of bond issue costs	-	-	(2,400)	(2,400)	(2,400)
Total Nonoperating Revenues (Expenses)	<u>1,116,903</u>	<u>1,116,904</u>	<u>(8,648)</u>	<u>(1,125,552)</u>	<u>(4,102)</u>
Net Income (Loss)	<u>\$ (117,479)</u>	<u>\$ (117,478)</u>	<u>5,078</u>	<u>\$ 122,556</u>	<u>102,207</u>
Retained Earnings, Beginning of Year			<u>551,461</u>		<u>449,254</u>
Retained Earnings, End of Year			<u>\$ 556,539</u>		<u>\$ 551,461</u>

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	\$ 993,700	\$1,045,648
Cash paid to suppliers for goods and services	(353,471)	(366,345)
Cash paid to employees for services	(276,482)	(262,138)
Net Cash Provided by Operating Activities	<u>363,747</u>	<u>417,165</u>
Cash Flows from Capital and Related Financing Activities		
Bond principal repayments	1,430,000	(220,000)
Note payable advances (repayments)	197,555	(19,590)
Interest expenditures	(5,269)	(14,848)
Bond origination costs	(45,788)	
Capital expenditures	(1,218,357)	(168,078)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>358,141</u>	<u>(422,516)</u>
Cash Flows from Investing Activities		
Interest received	11,619	9,442
Net Cash Provided by Investing Activities	<u>11,619</u>	<u>9,442</u>
Net Increase in Cash and Cash Equivalents	733,507	4,091
Cash and Cash Equivalents, Beginning of Year	<u>1,226,559</u>	<u>1,222,468</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,960,066</u>	<u>\$ 1,226,559</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 209,449	\$ 165,346
Debt Service Reserve Account	241,238	171,269
Bond Construction Account	485,412	-
Closure/postclosure maintenance account	1,023,967	889,944
Total Cash and Cash Equivalents	<u>\$ 1,960,066</u>	<u>\$ 1,226,559</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating income	\$ 13,726	\$ 106,309
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	316,112	293,767
Other revenue	825	995
Increase in estimated current cost of closure and postclosure	52,000	21,000
(Increase) decrease in accounts receivable	(25,056)	(3,744)
Increase (decrease) in accounts payable	4,463	(4,136)
Increase (decrease) in accrued expenses	1,677	2,974
Total Adjustments	<u>350,021</u>	<u>310,856</u>
Net Cash Provided by Operating Activities	<u>\$ 363,747</u>	<u>\$ 417,165</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,917	\$ 3,745
Accounts receivable, net	<u>63,751</u>	<u>101,186</u>
Total Assets	<u>71,668</u>	<u>104,931</u>
Liabilities		
Current Liabilities		
Claims incurred but not reported	79,801	37,253
Due to other funds	<u>65,000</u>	<u>102,000</u>
Total Current Liabilities	<u>144,801</u>	<u>139,253</u>
Total Liabilities	<u>144,801</u>	<u>139,253</u>
Net Assets		
Unrestricted	<u>(73,133)</u>	<u>(34,322)</u>
Total Net Assets	<u>\$(73,133)</u>	<u>\$ (34,322)</u>

CITY OF BEATRICE, NEBRASKA
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2010 Totals
Operating Revenues					
Charges for services	\$1,079,200	\$1,079,200	\$1,386,327	\$307,127	\$1,266,811
Reimbursements	5,000	5,000	133,010	128,010	299,008
Total Operating Revenues	<u>1,084,200</u>	<u>1,084,200</u>	<u>1,519,337</u>	<u>435,137</u>	<u>1,565,819</u>
Operating Expenses					
Health insurance claims paid	1,270,000	1,720,000	1,302,369	417,631	1,325,168
Insurance premiums	122,600	122,600	115,431	7,169	125,125
Payflex expenditures	110,000	110,000	107,732	2,268	90,048
Workers' compensation claims paid	8,420	8,420	10	8,410	36,899
Other services and charges	31,800	31,800	32,853	(1,053)	20,503
Total Operating Expenses	<u>1,542,820</u>	<u>1,992,820</u>	<u>1,558,395</u>	<u>434,425</u>	<u>1,597,743</u>
Operating Income (Loss)	(458,620)	(908,620)	(39,058)	712	(31,924)
Nonoperating Revenues					
Interest	200	200	247	47	181
CHANGE IN NET ASSETS	<u>(458,420)</u>	<u>(908,420)</u>	(38,811)	<u>\$ 759</u>	(31,743)
TOTAL NET ASSETS, Beginning of Year			(34,322)		(2,579)
TOTAL NET ASSETS, End of Year			<u>\$ (73,133)</u>		<u>\$ (34,322)</u>

CITY OF BEATRICE, NEBRASKA
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$1,556,772	\$1,465,734
Payments to suppliers	<u>(1,515,847)</u>	<u>(1,594,939)</u>
Net Cash Provided by (Used in) Operating Activities	<u>40,925</u>	<u>(129,205)</u>
Cash Flows From Capital and Related Financing Activities		
Loans from General Fund	<u>(37,000)</u>	<u>102,000</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(37,000)</u>	<u>102,000</u>
Cash Flows From Investing Activities		
Interest received	<u>247</u>	<u>181</u>
Net Cash Provided by Investing Activities	<u>247</u>	<u>181</u>
Net Increase (Decrease) in Cash	4,172	(27,024)
Cash, Beginning of Year	<u>3,745</u>	<u>30,769</u>
Cash, End of Year	<u>\$ 7,917</u>	<u>\$ 3,745</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Operating loss	<u>\$ (39,058)</u>	<u>\$ (31,924)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
(Increase) decrease in accounts receivable	37,435	(100,085)
Increase (decrease) in claims incurred but not reported	<u>42,548</u>	<u>2,804</u>
Total Adjustments	<u>79,983</u>	<u>(97,281)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 40,925</u>	<u>\$ (129,205)</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments with fiscal agent:		
Demand deposits	\$ 443,440	\$ 505,484
Guaranteed interest accounts	7,084,908	6,862,707
Publicly traded equities	<u>7,520,925</u>	<u>6,938,684</u>
Total Assets	<u>15,049,273</u>	<u>14,306,875</u>
Net Assets		
Reserved for employees' retirement system	<u>15,049,273</u>	<u>14,306,875</u>
Total Net Assets	<u>\$ 15,049,273</u>	<u>\$ 14,306,875</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011					2010 Totals
	Firefighters	Police	General Government	Board of Public Works	Total	
Assets						
Investments with fiscal agent:						
Demand deposits	\$ 22,928	\$ 87,071	\$ 219,207	\$ 114,234	\$ 443,440	\$ 505,484
Guaranteed interest accounts	740,249	462,611	763,051	5,118,997	7,084,908	6,862,707
Publicly traded equities	<u>3,485,130</u>	<u>1,128,267</u>	<u>1,141,003</u>	<u>1,766,525</u>	<u>7,520,925</u>	<u>6,938,684</u>
Total Assets	<u>4,248,307</u>	<u>1,677,949</u>	<u>2,123,261</u>	<u>6,999,756</u>	<u>15,049,273</u>	<u>14,306,875</u>
Net Assets						
Reserved for employees' retirement system	<u>4,248,307</u>	<u>1,677,949</u>	<u>2,123,261</u>	<u>6,999,756</u>	<u>15,049,273</u>	<u>14,306,875</u>
Total Net Assets	<u>\$ 4,248,307</u>	<u>\$ 1,677,949</u>	<u>\$ 2,123,261</u>	<u>\$ 6,999,756</u>	<u>\$ 15,049,273</u>	<u>\$ 14,306,875</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Additions:		
Contributions:		
Employer	\$ 455,968	\$ 432,781
Employee	532,257	483,185
Total Contributions	<u>988,225</u>	<u>915,966</u>
Investment Income:		
Net appreciation (depreciation) in fair value of investments	<u>284,315</u>	<u>953,645</u>
Total Additions	<u>1,272,540</u>	<u>1,869,611</u>
Deductions:		
Benefit payments	514,369	394,261
Administrative costs	15,773	18,935
Transfers to another plan	<u>-</u>	<u>54,915</u>
Total Deductions	<u>530,142</u>	<u>468,111</u>
Net Increase	742,398	1,401,500
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>14,306,875</u>	<u>12,905,375</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 15,049,273</u>	<u>\$14,306,875</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011					2010 Totals
	Firefighters	Police	General Government	Board of Public Works	Total	
Additions:						
Contributions:						
Employer	\$ 139,700	\$ 68,620	\$ 80,011	\$ 167,637	\$ 455,968	\$ 432,781
Employee	74,550	68,621	83,424	305,662	532,257	483,185
Total Contributions	<u>214,250</u>	<u>137,241</u>	<u>163,435</u>	<u>473,299</u>	<u>988,225</u>	<u>915,966</u>
Investment Income:						
Net appreciation (depreciation) in fair value of investments	<u>101,550</u>	<u>16</u>	<u>38,473</u>	<u>144,276</u>	<u>284,315</u>	<u>953,645</u>
Total Additions (Reductions)	<u>315,800</u>	<u>137,257</u>	<u>201,908</u>	<u>617,575</u>	<u>1,272,540</u>	<u>1,869,611</u>
Deductions:						
Benefit payments	105,599	163,631	168,421	76,718	514,369	394,261
Administrative costs	4,720	3,897	5,496	1,660	15,773	18,935
Transfers to another plan	-	-	-	-	-	54,915
Total Deductions	<u>110,319</u>	<u>167,528</u>	<u>173,917</u>	<u>78,378</u>	<u>530,142</u>	<u>468,111</u>
Net Increase (Decrease)	205,481	(30,271)	27,991	539,197	742,398	1,401,500
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>4,042,826</u>	<u>1,708,220</u>	<u>2,095,270</u>	<u>6,460,559</u>	<u>14,306,875</u>	<u>12,905,375</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$4,248,307</u>	<u>\$ 1,677,949</u>	<u>\$2,123,261</u>	<u>\$6,999,756</u>	<u>\$15,049,273</u>	<u>\$14,306,875</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Cash contributions received	\$ 988,225	\$ 915,966
Cash terminations/retirements paid	(514,369)	(394,261)
Other operating charges paid	<u>(15,773)</u>	<u>(18,935)</u>
Net Cash Provided by Operating Activities	<u>458,083</u>	<u>502,770</u>
Cash Flows From Investing Activities		
Interest and dividends on investments	(284,315)	(953,645)
Purchase of investments	<u>(173,768)</u>	<u>450,875</u>
Net Cash Used in Investing Activities	<u>(458,083)</u>	<u>(502,770)</u>
Net Increase in Cash	-	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 742,398	\$1,401,500
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Transfer to another plan	-	54,915
Interest and dividends on investments	<u>(284,315)</u>	<u>(953,645)</u>
Net Cash Provided by Operating Activities	<u>\$ 458,083</u>	<u>\$ 502,770</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Firefighters	Police	General Government	Board of Public Works	Total	2010 Totals
Cash Flows From Operating Activities						
Cash contributions received	\$ 214,250	\$ 137,241	\$ 163,435	\$ 473,299	\$ 988,225	\$ 915,966
Cash terminations/retirements paid	(105,599)	(163,631)	(168,421)	(76,718)	(514,369)	(394,261)
Other operating charges paid	(4,720)	(3,897)	(5,496)	(1,660)	(15,773)	(18,935)
Net Cash Provided by (Used in) Operating Activities	<u>103,931</u>	<u>(30,287)</u>	<u>(10,482)</u>	<u>394,921</u>	<u>458,083</u>	<u>502,770</u>
Cash Flows From Investing Activities						
Interest and dividends on investments	(101,550)	(16)	(38,473)	(144,276)	(284,315)	(953,645)
Sale (purchase) of investments	(2,381)	30,303	48,955	(250,645)	(173,768)	450,875
Net Cash Provided by (Used in) Investing Activities	<u>(103,931)</u>	<u>30,287</u>	<u>10,482</u>	<u>(394,921)</u>	<u>(458,083)</u>	<u>(502,770)</u>
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ 205,481	\$ (30,271)	\$ 27,991	\$ 539,197	\$ 742,398	\$ 1,401,500
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:						
Interest and dividends on investments	(101,550)	(16)	(38,473)	(144,276)	(284,315)	(953,645)
Cash transferred to another plan	-	-	-	-	-	54,915
Net Cash Provided by (Used In) Operating Activities	<u>\$ 103,931</u>	<u>\$ (30,287)</u>	<u>\$ (10,482)</u>	<u>\$ 394,921</u>	<u>\$ 458,083</u>	<u>\$ 502,770</u>

CITY OF BEATRICE, NEBRASKA
 COMPONENT UNITS
 COMBINING STATEMENT OF NET ASSETS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Total Component Units
Assets			
Current Assets			
Cash and cash equivalents	\$ 224,859	\$ 89,518	\$ 314,377
Cash on deposit - County Treasurer	20,369	13,380	33,749
Accounts receivable	117,598	-	117,598
Taxes receivable	10,867	-	10,867
Inventories	31,927	-	31,927
Current portion of TIF notes receivable	-	562,898	562,898
Total Current Assets	<u>405,620</u>	<u>665,796</u>	<u>1,071,416</u>
Noncurrent Assets			
Capital Assets			
Land	1,321,356		1,321,356
Capital assets, net of accumulated depreciation	<u>1,848,821</u>	-	<u>1,848,821</u>
Net Capital Assets	<u>3,170,177</u>	-	<u>3,170,177</u>
Other Assets			
TIF notes receivable, net of current portion	-	2,867,257	2,867,257
Unamortized bond issuance costs	<u>5,252</u>	-	<u>5,252</u>
Total Other Assets	<u>5,252</u>	<u>2,867,257</u>	<u>2,872,509</u>
Total Noncurrent Assets	<u>3,175,429</u>	<u>2,867,257</u>	<u>6,042,686</u>
Total Assets	<u>3,581,049</u>	<u>3,533,053</u>	<u>7,114,102</u>
Liabilities			
Current Liabilities			
Accounts payable	109,977	-	109,977
Accrued expenses	42,062	-	42,062
Accrued interest payable	2,505	3,375	5,880
Deferred revenues	21,716	-	21,716
Warrants payable	-	2,328	2,328
Current maturities of long-term debt	<u>41,200</u>	<u>215,000</u>	<u>256,200</u>
Total Current Liabilities	<u>217,460</u>	<u>220,703</u>	<u>438,163</u>
Noncurrent Liabilities, Net of Current Portion			
Noncurrent portion of deferred rent	35,228		35,228
Bonds payable	265,000	855,000	1,120,000
TIF payable	-	2,371,209	2,371,209
Total Noncurrent Liabilities	<u>300,228</u>	<u>3,226,209</u>	<u>3,526,437</u>
Total Liabilities	<u>517,688</u>	<u>3,446,912</u>	<u>3,964,600</u>
Net Assets			
Invested in capital assets, net of related debt	2,863,977		2,863,977
Restricted for debt service	16,365		16,365
Unrestricted net assets	<u>183,019</u>	<u>86,141</u>	<u>269,160</u>
Total Net Assets	<u>\$3,063,361</u>	<u>\$ 86,141</u>	<u>\$3,149,502</u>

CITY OF BEATRICE, NEBRASKA
 COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Capital Grants and Contributions	Component Units	
Functions/Programs				Beatrice Airport Authority	Beatrice Community Redevelopment Authority
					Totals
Airport Authority:					
Airport operations	\$ 604,230	\$ 474,518	\$ 424,086	\$ 294,374	\$ -
Depreciation	237,368	-	-	(237,368)	-
Amortization	788	-	-	(788)	-
Interest on long-term debt	7,668	-	-	(7,668)	-
Total Beatrice Airport Authority	<u>850,054</u>	<u>474,518</u>	<u>424,086</u>	<u>48,550</u>	<u>-</u>
Community Redevelopment Authority:					
Community development	573,979	-	-	-	(573,979)
Interest on long-term debt	62,333	-	-	-	(62,333)
Total Community Redevelopment Authority	<u>636,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(636,312)</u>
Total Component Units	<u>\$1,486,366</u>	<u>\$474,518</u>	<u>\$424,086</u>	48,550	(636,312)
General Revenues					
Property tax				166,603	-
Tax Increment Financing				-	657,095
Unrestricted intergovernmental				-	-
Miscellaneous revenues				22,455	-
Unrestricted investment earnings				343	-
Total General Revenues				<u>189,401</u>	<u>657,095</u>
Change in Net Assets				237,951	20,783
Net Assets, Beginning of Year				<u>2,825,410</u>	<u>65,358</u>
Newt Assets, End of Year				<u>\$3,063,361</u>	<u>\$ 86,141</u>

CITY OF BEATRICE, NEBRASKA
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
Assets		
Current Assets		
Cash	\$ 89,518	\$ 55,641
Cash on deposit - County Treasurer	13,380	16,874
Current portion of TIF notes receivable	562,898	338,397
Total Current Assets	<u>665,796</u>	<u>410,912</u>
Other Assets		
TIF notes receivable, net of current portion	2,867,257	3,767,594
Total Assets	<u>3,533,053</u>	<u>4,178,506</u>
Liabilities		
Current Liabilities		
Accrued interest payable	3,375	6,279
Warrants payable	2,328	12,327
Current maturities of long-term debt	215,000	210,000
Total Current Liabilities	<u>220,703</u>	<u>228,606</u>
Noncurrent Liabilities, Net of Current Portion		
Bonds payable	855,000	1,070,000
TIF payable	2,371,209	2,814,542
Total Noncurrent Liabilities	<u>3,226,209</u>	<u>3,884,542</u>
Total Liabilities	<u>3,446,912</u>	<u>4,113,148</u>
Net Assets		
Unrestricted net assets	<u>\$ 86,141</u>	<u>\$ 65,358</u>

CITY OF BEATRICE, NEBRASKA
 COMPONENT UNIT
 BEATRICE COMMUNITY REDEVELOPMENT AUTHORITY
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	2011	2010
Operating Revenues		
Tax increment financing	<u>\$ 657,095</u>	<u>\$ 849,027</u>
Operating Expenses		
Community development	573,979	786,916
Interest on long-term debt	<u>62,333</u>	<u>69,982</u>
Total Operating Expenses	<u>636,312</u>	<u>856,898</u>
Change in Net Assets	20,783	(7,871)
Net Assets, Beginning of Year	<u>65,358</u>	<u>73,229</u>
Net Assets, End of Year	<u>\$ 86,141</u>	<u>\$ 65,358</u>

CITY OF BEATRICE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY SOURCE
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	2011	2010
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 2,577,841	\$ 2,581,490
Buildings	5,773,093	5,537,360
Improvements other than buildings	3,924,463	3,716,056
Machinery and equipment	8,177,872	8,167,543
Infrastructure	<u>25,324,246</u>	<u>23,795,089</u>
Total	<u>45,777,515</u>	<u>43,797,538</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Obligation Bonds	4,811,020	4,811,020
Federal and State Grants	7,549,751	7,376,920
General Fund Revenues	30,450,102	29,196,508
Donations	<u>2,966,642</u>	<u>2,413,090</u>
Total Investments in Governmental Funds Capital Assets	<u>\$45,777,515</u>	<u>\$43,797,538</u>

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

CITY OF BEATRICE, NEBRASKA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 SEPTEMBER 30, 2011
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

Function and Activity	2011						2010 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and budget	\$ -	\$ -	\$ -	\$ 187,563	\$ -	\$ 187,563	\$ 151,384
Legal	-	-	-	4,278	-	4,278	4,803
Inspection	-	-	-	41,983	-	41,983	44,699
Total General Government	-	-	-	233,824	-	233,824	200,886
PUBLIC SAFETY							
Police	76,500	-	147,480	2,133,114	-	2,357,094	2,307,636
Fire	-	-	-	2,914,083	-	2,914,083	2,948,990
Total Public Safety	76,500	-	147,480	5,047,197	-	5,271,177	5,256,626
CULTURE AND RECREATION							
Public properties	2,400,764	3,008,809	3,694,779	765,862	-	9,870,214	9,351,956
Library	100,577	2,410,121	82,204	678,446	-	3,271,348	3,329,865
Total Culture and Recreation	2,501,341	5,418,930	3,776,983	1,444,308	-	13,141,562	12,681,821
STREETS	-	354,163	-	1,429,202	24,386,570	26,169,935	24,697,188
STORM WATER MANAGEMENT	-	-	-	23,341	937,676	961,017	961,017
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 2,577,841</u>	<u>\$ 5,773,093</u>	<u>\$ 3,924,463</u>	<u>\$ 8,177,872</u>	<u>\$ 25,324,246</u>	<u>\$ 45,777,515</u>	<u>\$ 43,797,538</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2011

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 10/1/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>Governmental Funds Capital Assets 9/30/11</u>
GENERAL GOVERNMENT					
Management and budget	\$ 151,384	\$ 41,729	\$ 525	\$ (5,025)	\$ 187,563
Legal	4,803	-	525	-	4,278
Inspection	44,699	4,139	6,855	-	41,983
Total General Government	<u>200,886</u>	<u>45,868</u>	<u>7,905</u>	<u>(5,025)</u>	<u>233,824</u>
PUBLIC SAFETY					
Police	2,307,635	130,273	18,066	(62,748)	2,357,094
Fire	2,948,990	104,090	138,997	-	2,914,083
Total Public Safety	<u>5,256,625</u>	<u>234,363</u>	<u>157,063</u>	<u>(62,748)</u>	<u>5,271,177</u>
CULTURE AND RECREATION					
Public properties	9,351,957	445,378	46,375	119,254	9,870,214
Library	3,329,865	33,111	40,147	(51,481)	3,271,348
Total Culture and Recreation	<u>12,681,822</u>	<u>478,489</u>	<u>86,522</u>	<u>67,773</u>	<u>13,141,562</u>
STREETS	<u>24,697,188</u>	<u>1,636,622</u>	<u>163,875</u>	<u>-</u>	<u>26,169,935</u>
STORM WATER MANAGEMENT	<u>961,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,017</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 43,797,538</u>	<u>\$ 2,395,342</u>	<u>\$ 415,365</u>	<u>\$ -</u>	<u>\$ 45,777,515</u>

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

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

SECTION 3

STATISTICAL SECTION

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

Table 1

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in capital assets, net of related debt		\$ 20,075,667	\$ 21,654,093	\$ 19,908,477	\$ 21,437,464	\$ 24,852,789	\$ 24,951,333	\$ 25,645,880	\$ 25,415,415	\$ 26,471,016
Restricted		1,574,517	1,876,590	1,718,362	3,733,809	3,560,378	3,486,512	3,184,634	3,323,885	3,198,583
Unrestricted		1,243,908	(339,060)	1,401,146	1,018,752	1,404,834	1,487,967	1,468,328	1,715,179	1,787,462
Total Governmental Activities Net Assets	\$ -	\$ 22,894,092	\$ 23,191,623	\$ 23,027,985	\$ 26,190,025	\$ 29,818,001	\$ 29,925,812	\$ 30,298,842	\$ 30,454,479	\$ 31,457,061
Business-type Activities										
Invested in capital assets, net of related debt		\$ 21,503,986	\$ 22,840,444	\$ 22,943,802	\$ 23,669,489	\$ 24,082,895	\$ 24,456,255	\$ 21,645,203	\$ 21,604,880	\$ 21,153,306
Restricted		-	-	-	732,489	425,387	598,152	643,308	643,769	467,738
Unrestricted		5,300,332	3,398,774	3,674,447	1,445,042	1,550,277	1,009,142	4,306,304	5,628,234	7,988,560
Total Business-type Activities Net Assets	\$ -	\$ 26,804,318	\$ 26,239,218	\$ 26,618,249	\$ 25,847,020	\$ 26,058,559	\$ 26,063,549	\$ 26,594,815	\$ 27,876,883	\$ 29,609,604
Primary Government										
Invested in capital assets, net of related debt	\$ -	\$ 41,579,653	\$ 44,494,537	\$ 42,852,279	\$ 45,106,953	\$ 48,935,684	\$ 49,407,588	\$ 47,291,083	\$ 47,020,295	\$ 47,624,322
Restricted	-	1,574,517	1,876,590	1,718,362	4,466,298	3,985,765	4,084,664	3,827,942	3,967,654	3,666,321
Unrestricted	-	6,544,240	3,059,714	5,075,593	2,463,794	2,955,111	2,497,109	5,774,632	7,343,413	9,776,022
Total Primary Government Net Assets	\$ -	\$ 49,698,410	\$ 49,430,841	\$ 49,646,234	\$ 52,037,045	\$ 55,876,560	\$ 55,989,361	\$ 56,893,657	\$ 58,331,362	\$ 61,066,665

2003 - Implementation of GASB 34

2005 - Restatement in 2006 financials

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

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

Table 2

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities:										
General Government*		\$ 3,856,369	\$ 2,381,834	\$ 2,534,949	\$ 1,534,901	\$ 1,525,313	\$ 2,279,782	\$ 1,427,557	\$ 1,501,214	\$ 2,142,072
Public Safety		3,954,312	3,976,443	4,199,255	4,221,570	4,814,618	4,961,626	4,986,635	5,342,184	5,524,713
Highways and Streets		3,000,884	2,234,234	2,068,107	1,322,483	1,583,261	1,890,095	1,800,884	2,055,666	2,025,079
Culture and Recreation		1,536,976	1,382,277	1,164,624	1,337,021	1,661,496	1,625,953	1,423,702	1,494,887	1,418,419
Interest on Long-Term Debt		81,337	58,176	141,854	156,582	51,357	49,910	38,318	31,322	23,868
Total Governmental Activities Expenses	-	12,429,878	10,032,964	10,108,789	8,572,557	9,636,045	10,807,366	9,677,096	10,425,273	11,134,151
Business-type Activities										
Electric		10,011,509	9,992,361	10,459,639	10,754,605	11,352,226	11,790,452	11,990,639	12,837,407	13,466,171
Water		1,558,393	1,662,178	1,631,342	1,716,187	1,685,340	1,680,952	1,751,778	1,837,721	1,976,606
Water Pollution Control		1,242,411	1,294,085	1,350,663	1,434,806	1,469,718	1,567,092	1,626,419	1,599,624	1,616,210
Off-Street Parking		28,182	-	-	-	-	-	-	-	-
Sanitation		1,023,608	1,047,352	1,066,056	1,072,664	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618
Beatrice Area Solid Waste Agency		859,694	815,750	882,331	1,048,967	1,075,677	1,649,170	942,608	956,627	1,025,297
Total Business-type Activities Expenses	-	14,723,797	14,811,726	15,390,031	16,027,229	16,722,594	17,896,230	17,485,975	18,421,842	19,269,902
Total Primary Government Expenses	\$ -	\$ 27,153,675	\$ 24,844,690	\$ 25,498,820	\$ 24,599,786	\$ 26,358,639	\$ 28,703,596	\$ 27,163,071	\$ 28,847,115	\$ 30,404,053
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government		\$ 1,293,248	\$ 959,092	\$ 979,857	\$ 345,007	\$ 371,674	\$ 284,335	\$ 205,377	\$ 311,477	\$ 250,053
Public Safety		631,460	618,717	770,979	1,306,089	1,402,026	1,586,908	1,642,214	1,666,149	1,806,582
Culture and Recreation		375,281	356,773	246,427	250,418	192,847	187,454	212,136	234,027	212,851
Other Governmental Activities		950	6,390	26,757	37,492	34,318	38,457	26,790	22,865	50,147
Operating Grants and Contributions		1,500,639	1,641,935	2,140,648	1,525,902	1,829,626	1,967,155	1,785,458	1,674,225	1,414,084
Capital Grants and Contributions		1,830,176	458,219	307,453	461,506	1,378,513	597,350	290,637	654,092	2,307,752
Total Governmental Activities Program Revenues	-	5,631,754	4,041,126	4,472,121	3,926,414	5,209,004	4,661,659	4,162,612	4,562,835	6,041,469
Business-type Activities										
Charges for Services:										
Electric		10,409,284	10,066,889	10,828,533	10,964,847	11,524,236	12,400,570	12,642,133	14,104,065	14,498,621
Water		1,402,693	1,387,434	1,545,380	1,643,628	1,625,956	1,487,231	1,577,016	1,728,981	1,969,342
Water Pollution Control		1,077,881	1,049,083	1,062,860	1,156,364	1,129,261	1,158,511	1,198,716	1,375,951	1,453,143
Sanitation		1,023,608	1,047,352	1,066,056	1,072,664	1,139,633	1,208,564	1,174,531	1,190,463	1,185,618
Beatrice Area Solid Waste Agency		957,043	903,927	930,981	923,420	997,495	1,075,120	1,050,149	1,048,397	1,017,931
Other Business-type Activities		30,382	-	-	-	-	-	-	-	-
Capital Grants and Contributions		-	-	-	455,095	214,223	199,650	-	-	-
Total Business-type Activities Program Revenues	-	14,900,891	14,454,685	15,433,810	16,216,018	16,630,804	17,529,646	17,642,545	19,447,857	20,124,655
Total Primary Government Program Revenues	\$ -	\$ 20,532,645	\$ 18,495,811	\$ 19,905,931	\$ 20,142,432	\$ 21,839,808	\$ 22,191,305	\$ 21,805,157	\$ 24,010,692	\$ 26,166,124

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

Table 2

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue										
Governmental Activities:	\$ -	\$ (6,798,124)	\$ (5,991,838)	\$ (5,636,668)	\$ (4,646,143)	\$ (4,427,041)	\$ (6,145,707)	\$ (5,514,484)	\$ (5,862,438)	\$ (5,092,682)
Business-type Activities	-	177,094	(357,041)	43,779	188,789	(91,790)	(366,584)	156,570	1,026,015	854,753
Total Primary Government Net (Expense)	\$ -	\$ (6,621,030)	\$ (6,348,879)	\$ (5,592,889)	\$ (4,457,354)	\$ (4,518,831)	\$ (6,512,291)	\$ (5,357,914)	\$ (4,836,423)	\$ (4,237,929)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes		\$ 4,102,572	\$ 4,631,501	\$ 4,487,542	\$ 4,668,783	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141
Unrestricted Intergovernmental		388,778	418,468	383,844	453,478	555,063	587,786	566,172	561,813	597,411
Miscellaneous Revenues		484,498	839,042	538,916	414,510	302,369	447,468	278,455	146,476	238,004
Unrestricted Investment Earnings		44,477	33,266	69,412	142,609	136,094	114,399	82,662	72,767	17,708
Lease Proceeds		299,990	-	-	-	-	-	-	-	-
Transfers		60,000	356,829	-	-	-	-	-	-	-
Gain (loss) on Sale of Capital Assets		40,000	4,071	(6,684)	4,451	(84,842)	(6,511)	-	-	-
Total Governmental Activities	-	5,420,315	6,283,177	5,473,030	5,683,831	5,896,212	6,253,518	5,887,514	6,018,075	6,095,264
Business-type Activities:										
Miscellaneous Revenues		252,942	116,105	335,657	121,725	171,536	277,591	321,312	196,031	810,950
Investment Earnings		53,154	38,857	59,192	110,699	131,793	98,880	53,384	60,022	67,018
Transfers		-	(356,829)	-	-	-	-	-	-	-
(Loss) Gain on Sale of Capital Assets		-	-	(60,692)	-	-	(4,897)	-	-	-
Total Business-type Activities	-	306,096	(201,867)	334,157	232,424	303,329	371,574	374,696	256,053	877,968
Total Primary Government	\$ -	\$ 5,726,411	\$ 6,081,310	\$ 5,807,187	\$ 5,916,255	\$ 6,199,541	\$ 6,625,092	\$ 6,262,210	\$ 6,274,128	\$ 6,973,232
Change in Net Assets										
Governmental Activities	\$ -	\$ (1,377,809)	\$ 291,339	\$ (163,638)	\$ 1,037,688	\$ 1,469,171	\$ 107,811	\$ 373,030	\$ 155,637	\$ 1,002,582
Business-type Activities	-	483,190	(558,908)	377,936	421,213	211,539	4,990	531,266	1,282,068	1,732,721
Total Primary Government	\$ -	\$ (894,619)	\$ (267,569)	\$ 214,298	\$ 1,458,901	\$ 1,680,710	\$ 112,801	\$ 904,296	\$ 1,437,705	\$ 2,735,303

2003 - Implementation of GASB 34

2005 - Restatement in 2006 Financials

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

*Fluctuations in the General Government Activities expenses is in relation to CDBG Grants

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

Table 3

<u>FISCAL YEAR</u>		<u>PROPERTY TAX</u>	<u>SALES TAX</u>	<u>UTILITY OCC. TAX</u>	<u>OTHER OCC. TAX</u>	<u>TOTAL</u>
2002	(1)	\$ 1,079,319	\$ 2,456,856	\$ 496,516	\$ 14,845	\$ 4,047,536
2003		1,129,960	2,410,431	546,536	15,645	4,102,572
2004	(2)	1,236,778	2,804,409	574,788	15,526	4,631,501
2005		1,250,205	2,666,234	557,578	13,525	4,487,542
2006	(3)	1,345,681	2,609,294	693,266	20,542	4,668,783
2007		1,437,813	2,813,973	715,056	20,686	4,987,528
2008	(4)	1,724,779	2,629,801	736,406	19,390	5,110,376
2009	(5)	1,698,740	2,478,365	713,816	69,304	4,960,225
2010		1,783,347	2,629,559	729,054	95,059	5,237,019
2011		1,757,256	2,687,099	695,828	101,958	5,242,141

Note:

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

- (1) Utility Occupation taxes returned back to the 2000 level due to natural gas use and price
For the first time sales tax did not increase which is a reflection of the current economy, however remaining stable could be viewed as positive when compared to the state's decreased projections.
- (2) Sales Tax increase due to expanded tax base implemented by the State Legislature
- (3) Utility Occupation Taxes amended to include wireless phone service
- (4) Property tax increase due to new debt service levy for Public Safety Tax Anticipation Notes
- (5) Sales Tax revenues reduced by \$175,532 in state tax incentive refunds; Miscellaneous occupation tax increased due to the new 3% lodging occupation tax

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

Table 4

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Restricted							128,019	48,584	21,354	52,588
Unassigned	\$ 1,506,408	\$ 990,220	\$ 1,311,328	\$ 1,190,438	\$ 1,262,195	\$ 1,450,957	\$ 1,210,485	\$ 1,129,331	\$ 1,057,315	\$ 849,366
Assigned for subsequent years' expenditures	470,000	570,000	570,000	570,000	445,000	491,000	629,500	592,106	716,164	734,960
Total General Fund	<u>\$ 1,976,408</u>	<u>\$ 1,560,220</u>	<u>\$ 1,881,328</u>	<u>\$ 1,760,438</u>	<u>\$ 1,707,195</u>	<u>\$ 1,941,957</u>	<u>\$ 1,968,004</u>	<u>\$ 1,770,021</u>	<u>\$ 1,794,833</u>	<u>\$ 1,636,914</u>
All other governmental funds										
Restricted for:										
Restricted for Economic Development	\$ 431,340	\$ 532,318	\$ 664,788	\$ 845,281	\$ 861,742	\$ 675,162	\$ 901,586	\$ 1,066,772	\$ 1,227,426	\$ 1,030,152
Restricted for Debt Service	223,638	492,957	370,480	233,006	223,587	217,103	450,392	235,800	212,370	212,845
Restricted for CDBG Revolving Loans	308,463	414,922	643,221	361,596	2,314,689	2,309,706	1,654,085	1,593,105	1,555,418	1,523,666
Restricted for E911 Public Safety	53,479	70,374	44,930	10,869	(8,651)	(5,964)	(4,065)	(2,095)	7,699	41,351
Restricted for Storm Water Management	0	0	0	0	0	31,262	11,086	31,680	72	21,438
Restricted for Streets	203,638	(156,693)	(153,334)	(70,922)	(163,548)	4,677	(3,304)	160,092	411,516	378,019
Committed for:										
Committed for Community Betterment	206,195	152,227	218,427	198,319	181,805	181,687	191,405	204,863	162,712	209,771
Committed for Library Capital	90,263	91,583	92,120	94,083	97,106	96,835	80,739	81,705	93,416	82,405
Committed for Public Safety	70,590	47,106	109,613	184,598	235,366	266,131	304,799	158,668	206,202	255,576
Committed for Capital Project	0	0	0	0	0	0	0	0	0	267,233
Unassigned, reported in:										
Special Revenue-CRA fund	0	0	(2,022,480)	(66,769)	0	0	0	0	0	0
Debt Service Funds	0	(199,997)	(84,177)	(159,872)	(183,671)	(235,058)	(214,234)	(129,833)	(53,427)	(16,416)
Capital Projects funds	42,278	63,863	30,075	22,766	34,799	3,462	91,430	0	0	0
Total all other governmental funds	<u>\$ 1,629,884</u>	<u>\$ 1,508,660</u>	<u>\$ (86,337)</u>	<u>\$ 1,652,955</u>	<u>\$ 3,593,224</u>	<u>\$ 3,545,003</u>	<u>\$ 3,463,919</u>	<u>\$ 3,400,757</u>	<u>\$ 3,823,404</u>	<u>\$ 4,006,040</u>

2004 - Community Revopement Authority fund large TIF project still in progress at year end

2005 - Restatement in 2006 Financials

2006 - Restatement due to compensated absences in governmental funds and reclassifying Community Redevelopment Authority as a component unit

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

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

2011 - For comparison purposes restated the fund balances from 2002 thru 2010 per the new definitions

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

Table 5

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 4,047,536	\$ 4,102,572	\$ 4,631,501	\$ 4,487,542	\$ 4,668,783	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225	\$ 5,237,019	\$ 5,242,141
Licenses & Permits	86,120	75,169	98,084	106,454	94,817	199,008	103,070	80,819	173,182	108,465
Intergovernmental and Grants	3,385,058	3,719,593	2,345,948	2,602,708	2,452,508	3,457,823	2,827,669	2,494,643	2,801,411	4,254,245
Charges for Services*	927,667	916,447	1,073,036	1,167,068	1,461,191	1,773,046	1,974,053	1,990,050	2,043,066	2,170,302
Keno Proceeds	167,404	179,889	172,674	135,253	93,706	109,558	113,062	89,668	75,178	83,401
Special Assessments	156,549	575,503	146,619	93,984	159,761	103,792	60,611	85,724	63,252	25,794
Interest	83,257	44,157	33,055	68,976	141,297	152,259	135,906	112,125	72,767	62,518
Donations and Misc Revenue	680,385	498,554	839,042	538,916	532,419	404,930	594,879	236,872	146,778	165,542
Lease Income	109,945	110,145	0	0	0	0	0	0	0	0
Total revenues	9,643,921	10,222,029	9,339,959	9,200,901	9,604,482	11,187,944	10,919,626	10,050,126	10,612,653	12,112,408
Expenditures										
General Government	2,043,008	1,925,040	1,632,846	1,456,889	1,338,934	1,297,993	2,230,741	1,356,912	1,473,498	2,827,461
Public Safety	3,171,902	3,667,750	3,660,010	3,900,882	4,105,029	4,552,974	4,732,030	4,697,661	4,975,019	5,148,150
Highways and Streets	2,225,867	2,464,023	1,677,969	1,968,128	898,007	968,064	1,101,521	1,069,722	1,263,739	1,224,442
Culture and Recreation	1,053,991	1,097,953	1,055,237	1,164,624	1,141,291	1,321,558	1,314,275	1,030,637	1,013,450	1,040,086
Lease Payments	109,945	110,145	0	0	0	0	0	0	0	0
Debt Service:										
Principal	508,210	394,372	354,803	535,000	325,000	165,000	230,000	375,000	360,148	305,444
Interest	123,328	81,337	58,176	141,854	156,582	51,357	49,910	38,318	31,322	23,868
Bond Insurance Costs	0	0	0	0	0	0	10,199	0	0	0
Capital Outlay	1,367,995	1,237,479	2,596,514	740,767	2,077,272	2,755,667	1,913,167	1,616,144	921,519	1,393,246
MFO Payments to Other Entities	116,522	121,332	118,336	120,880	122,576	122,907	124,292	126,877	126,499	124,994
Total Expenditures	10,720,768	11,099,431	11,153,891	10,029,024	10,164,691	11,235,520	11,706,135	10,311,271	10,165,194	12,087,691
Excess of Revenues										
over (under) Expenditures	(1,076,847)	(877,402)	(1,813,932)	(828,123)	(560,209)	(47,576)	(786,509)	(261,145)	447,459	24,717
Other Financing Sources (Uses)										
Transfers In	880,832	527,577	142,251	341,370	387,000	313,958	473,865	448,856	228,934	371,548
Transfers Out	(880,832)	(527,577)	(142,251)	(341,370)	(387,000)	(313,958)	(473,865)	(448,856)	(228,934)	(371,548)
Bond Issuance Costs	0	0	0	(33,834)	0	0	0	0	0	0
Grant write-off	0	0	0	0	0	0	(87,857)	0	0	0
Bond and Lease Proceeds		299,990	0	2,480,000	0	216,263	819,329	0	0	0
Sale of Capital Assets	15,000	40,000	540,043	359	39,100	17,854	0	0	0	0
Total Other Financing Sources (Uses)	15,000	339,990	540,043	2,446,525	39,100	234,117	731,472	0	0	0
Net Change in Fund Balances	\$(1,061,847)	\$(537,412)	\$(1,273,889)	\$ 1,618,402	\$(521,109)	\$ 186,541	\$(55,037)	\$(261,145)	\$ 447,459	\$ 24,717
Debt Service as a percentage of noncapital expenditures	6.9%	4.9%	4.9%	7.4%	5.9%	2.6%	2.9%	5.3%	4.3%	3.4%

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

Table 6

FISCAL YEAR	ASSESSED VALUE (1)	Personal Property ASSESSED VALUE (1)	TOTAL ASSESSED VALUATION	PERCENT OF GROWTH	RATIO OF ASSESSED TO EST. ACTUAL
2002	\$ 403,585,978	n/a	\$ 403,585,978	10.07%	1
2003	415,500,759	n/a	415,500,759	2.95%	1
2004	437,194,620	n/a	437,194,620	5.22%	1
2005	453,422,564	n/a	453,422,564	3.71%	1
2006	463,420,813	n/a	463,420,813	2.21%	1
2007	481,285,347	16,002,826	497,288,173	7.31%	1
2008	486,617,931	15,869,700	502,487,631	1.05%	1
2009	525,995,213	18,150,178	544,145,391	8.29%	1
2010	532,301,625	25,190,566	557,492,191	2.45%	1
2011	530,661,631	15,296,532	545,958,163	-2.07%	1

(1) As provided by the County Assessor, includes both real and personal property
Breakdown not available for past years.

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

Table 7

<u>FISCAL YEAR</u>	<u>CITY OF BEATRICE</u>	<u>SCHOOL DIST. #15</u>	<u>GAGE COUNTY</u>	<u>SPECIAL TAX DIST.</u>	<u>AIRPORT</u>	<u>TOTAL TAX RATE</u>
2002	0.273986	1.167993	0.364278	0.124815	0.041043	1.972115
2003	0.273985	1.167071	0.391282	0.125460	0.040610	1.998408
2004	0.273984	1.168804	0.401505	0.123692	0.046065	2.014050
2005	0.275890	1.168805	0.387777	0.125965	0.042787	2.001224
2006	0.29352	1.161633	0.369699	0.127308	0.041655	1.993815
2007	0.29352	1.161632	0.327795	0.132702	0.040008	1.955657
2008	0.34352	1.161632	0.373835	0.142877	0.041529	2.063393
2009	0.315224	1.13984	0.410005	0.144141	0.040084	2.049294
2010	0.325815	1.135029	0.412199	0.14144	0.034099	2.048582
2011	0.325839	1.165588	0.409978	0.133048	0.034819	2.069272

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

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

Table 7a

<u>FISCAL YEAR</u>	<u>CITY OF BEATRICE</u>	<u>STATE OF NEBRASKA</u>	<u>TOTAL TAX RATE</u>
2002	1.50%	5.00%	6.50%
2003	1.50%	5.50%	7.00%
2004	1.50%	5.50%	7.00%
2005	1.50%	5.50%	7.00%
2006	1.50%	5.50%	7.00%
2007	1.50%	5.50%	7.00%
2008	1.50%	5.50%	7.00%
2009	1.50%	5.50%	7.00%
2010	1.50%	5.50%	7.00%
2011	1.50%	5.50%	7.00%

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

CITY OF BEATRICE, NEBRASKA
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago

Table 8

TAXPAYER	TYPE OF BUSINESS	2011		2002	
		(a) ASSESSED VALUATION	Rank %OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank %OF TOTAL ASSESSED VALUATION
Flint Hills Resources Beatrice LL	(1) Manufacturing Plant	\$ 21,958,325	1		
KH Beatrice LLC	(1) Manufacturing	13,020,425	2		
Wal-Mart Stores	Shopping Mall	6,373,165	3	5,451,425	2
Farmers Co-op Elevator	Grain/Feed Elevator	3,970,100	4	3,245,215	3
Beatrice Retirement Inc.	Retirement homes	3,197,850	5	5,969,390	1
Cornhusker Hospitality II, LLC	(1) Hotel	2,707,530	6	2,892,870	4
Stanley T & Judy E Meyer	Shopping Mall plus other	2,460,285	7	1,920,860	8
Store Kraft Mfg Co.	manufacturing	2,277,730	8		
LTC Properties	Retirement home/assisted	2,027,485	9	1,741,775	10
Homestead Village	Retirement home/complex	1,933,715	10	1,801,635	9
Beatrice Housing Partners	apartment complex			1,948,745	7
DDM Investments	Shopping Mall			2,750,000	5
Sea Breeze Land Development	manufacturing			2,445,230	6
		<u>\$ 59,926,610</u>		<u>\$ 30,167,145</u>	
			<u>10.98%</u>		<u>7.48%</u>

Source: Gage County Assessor

(a) Real Estate Valuation only, does not include personal property

(1) Currently under Tax Increment Financing

CITY OF BEATRICE, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
Current Year and Four Years Ago

Table 8a

Business Classification	Calendar Year 2010			Calendar Year 2006		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 75,656,706	1	48.0%	\$ 77,274,726	1	46.9%
Utilities	22,928,877	2	14.6%	21,922,078	2	13.3%
Accommodation & Food Services	18,015,704	3	11.4%	18,424,781	3	11.2%
Wholesale Trade	10,169,799	4	6.5%	9,760,521	4	5.9%
Information	4,049,045	6	2.6%	9,725,695	5	5.9%
Construction	4,428,048	5	2.8%	6,225,598	6	3.8%
Other	22,245,713		14.1%	21,593,149		13.1%
Total	157,493,892		100.0%	164,926,548		100.0%

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

Source: Nebraska Department of Revenue
City of Beatrice as a percent (85.6%) of Gage County Totals

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

Table 9

FISCAL YEAR	TOTAL TAX LEVY	FISCAL YEARS TAX COLL.	% OF LEVY COLL.	SUBSE- QUENT YEARS TAX COLL.	TOTAL TAX COLL. TO DATE	% TOTAL TAX COLL. OF LEVY
2002	\$ 1,105,767	\$ 1,034,788	93.58%	\$ 62,636	\$ 1,097,424	99.2%
2003	1,138,409	1,072,347	94.20%	64,956	1,137,303	99.9%
2004	1,197,846	1,155,652	96.48%	45,752	1,201,404	100.3%
2005	1,250,949	1,197,780	95.75%	52,856	1,250,636	100.0%
2006	1,360,231	1,302,036	95.72%	57,985	1,360,021	100.0%
2007	1,459,640	1,393,092	95.44%	64,501	1,457,593	99.9%
2008	1,726,146	1,665,902	96.51%	69,486	1,735,388	100.5%
2009	1,715,278	1,635,184	95.33%	75,840	1,711,024	99.8%
2010	1,816,392	1,714,589	94.40%	64,222	1,778,811	97.9%
2011	1,778,950	1,704,384	95.81%	0	1,704,384	95.8%

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

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

Table 10

FISCAL YEAR	Governmental Activities				Business-type Activities				Total Primary Government	% Personal Income	Per Capita
	General Obligation Bonds	General Notes	Development Revenue Bonds	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2002	\$ 2,020,000	\$ -	\$ -	\$ -	\$ 2,575,000	\$ 2,561,538	\$ 1,650,000	\$ 193,294	\$ 8,999,832	2.53%	719.41
2003	1,665,000	-	-	214,285	2,305,000	2,460,379	1,590,000	144,880	8,379,544	2.42%	669.83
2004	1,375,000	-	-	274,265	2,040,000	2,361,592	1,415,000	102,490	7,568,347	2.05%	604.98
2005	1,105,000	-	2,215,000	232,864	1,765,000	2,259,639	1,235,000	52,806	8,865,309	2.28%	708.20
2006	955,000	-	2,040,000	185,739	1,475,000	2,154,419	1,050,000	76,441	7,936,599	2.05%	634.01
2007(a)	790,000	216,263	-	139,989	1,180,000	2,045,825	855,000	59,464	5,286,541	1.31%	422.32
2008(b)	1,435,000	160,592	-	106,372	875,000	1,933,752	655,000	41,635	5,207,351	1.21%	415.99
2009 (c)	1,120,000	100,592	-	56,146	2,815,000	1,818,086	445,000	22,946	6,377,770	1.37%	509.41
2010	815,000	45,444	-	7,667	2,480,000	1,797,287	225,000	3,356	5,373,754	1.15%	422.37
2011(d)	555,000	-	-	4,727	2,265,000	1,670,041	1,655,000	200,911	6,350,679	1.38%	509.73

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

- (a) 2007 Community Redevelopment Authority reclassified as a component unit
(b) 2008 Issued Public Safety Tax Anticipation Bonds in the amount of \$815,000
(c) 2009 Issued Board of Public Works Revenue Utilities Bonds in the amount of \$2,265,000
(d) 2011 Issued Solid Waste Disposal Facility Revenue bonds in the amount of \$1,655,000

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

Table 11

FISCAL YEAR	ESTIMATED ACTUAL VALUE	GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUNDS AVAILABLE	NET BONDED DEBT	% OF ASSESSED TAXABLE VALUE	NET BONDED PER CAPITA
2002	\$403,585,978	\$ 2,020,000	\$ 223,638	\$ 1,796,362	0.45%	143.59
2003 (b)	415,500,759	1,665,000	492,957	1,172,043	0.28%	93.69
2004	437,194,620	1,375,000	370,480	1,004,520	0.23%	80.30
2005	453,422,564	1,105,000	233,006	871,994	0.19%	69.66
2006	463,420,813	995,000	223,587	771,413	0.17%	61.62
2007	497,288,173	790,000	217,103	572,897	0.12%	45.77
2008 c)	502,487,631	1,435,000	450,392	984,608	0.20%	78.66
2009	544,145,391	1,120,000	235,800	884,200	0.16%	70.62
2010	557,492,191	815,000	212,370	602,630	0.11%	47.37
2011	545,958,163	555,000	212,845	342,155	0.06%	27.46

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

(a) Public Safety Tax Anticipation Bonds issued December, 1999 in the amount of \$485,000 and
General Obligation Various Purpose Bonds issued January 2000 in the amount of \$655,000

(b) Water Park Bonds were refunded in November 2002,

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

**CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2011**

Table 12

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO CITY OF BEATRICE</u>	<u>AMOUNT APPLICABLE TO CITY OF BEATRICE</u>
DIRECT:			
City of Beatrice	\$ 342,155	100.00%	\$ 342,155
Airport Authority	\$ 306,200	100.00%	\$ 306,200
Total Direct Debt			<u>648,355</u>
OVERLAPPING:			
School District #15	\$ 8,765,000	61.40%	\$ 5,381,710
Lower Big Blue Natural Resources District	\$ 187,142	16.30%	\$ 30,504
Gage County	\$ 2,347,549	28.30%	\$ 664,356
Total Overlapping Debt			<u>6,076,571</u>
Total Direct & Overlapping Debt			<u>6,724,926</u>

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

Table 13

FISCAL YEAR	OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
				PRINCIPAL	INTEREST	TOTAL	
2002	\$12,805,886	\$ 10,448,362	\$ 2,357,524	\$ 330,000	\$211,167	\$541,167	4.36
2003	12,889,858	10,894,933	1,994,925	399,599	123,640	523,239	3.81
2004	12,503,406	10,874,129	1,629,277	382,747	181,980	564,727	2.89
2005	13,436,773	11,280,512	2,156,261	376,953	173,006	549,959	3.92
2006	13,681,795	11,719,683	1,962,112	395,220	160,872	556,092	3.53
2007	14,166,081	12,355,830	1,810,251	403,594	125,884	529,478	3.42
2008	15,046,312	12,909,175	2,137,137	417,073	112,079	529,152	4.04
2009	15,417,865	13,180,984	2,236,881	450,952	96,897	547,849	4.08
2010	17,208,997	14,086,503	3,122,494	355,798	165,990	521,788	5.98
2011	17,921,106	14,887,284	3,033,822	342,246	142,390	484,636	6.26

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

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

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

Table 14

FISCAL YEAR	POPULATION(1)	TOTAL PERSONAL INCOME	PER CAPITA PERSONAL INCOME(4)	MEDIAN AGE (3)	SCHOOL ENROLLMENT(2)	UNEMPLOYMENT RATE(3)
2002	12,510	\$356,397,390	28,489	39.9	2,264	2.40%
2003	12,510	345,576,240	27,624	39.9	2,281	3.50%
2004	12,510	369,307,710	29,521	39.9	2,326	3.40%
2005	12,518	389,021,886	31,077	40.6	2,266	4.10%
2006	12,518	387,294,402	30,939	40.1	2,221	3.30%
2007	12,518	404,619,314	32,323	40.1	2,181	3.60%
2008	12,518	430,368,840	34,380	41.6	2,146	4.60%
2009	12,520	465,368,400	37,170	42	2,189	5.90%
2010	12,723	468,142,785	36,795	43	2,134	5.60%
2011	12,459	460,983,000	37,000	43.7	2,173	5.00%

SOURCES:

(1) U.S. Census 2000 plus annexations certified with the Nebr Dept of Revenue; U.S. Census 2010

(2) School District #15, Board of Education Office, Beatrice, NE
(does not include 2 parochial schools)

(3) Nebraska Workforce Development Office
Dept. of Labor, Lincoln, NE

(4) Bureau of Economic Analysis, U.S. Department of Commerce

**CITY OF BEATRICE, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR and FIVE YEARS AGO**

Table 15

Employer	Type of Activity	2011			2006		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice State Developmental Center	Home for mentally handicapped	697	1	5.85%	888	1	8.56%
Beatrice Community Hospital	Medical	450	2	3.78%	441	3	4.25%
Exmark Manufacturing	Manufacturing	400	3	3.36%	704	2	6.79%
Mosaic	Home for mentally handicapped	350	4	2.94%	352	4	3.39%
NEAPCO	Manufacturing	285	5	2.39%	164	10	1.58%
Beatrice Public Schools	Education	281	6	2.36%	280	6	2.70%
Good Samaritan Center	Elderly Care Facility	225	7	1.89%	180	9	1.73%
Store Kraft	Manufacturing	190	8	1.60%	226	7	2.18%
City of Beatrice	Government	164	9	1.38%	181	8	1.73%
Southeast Community College	Education	110	10	0.92%			
Husqvarna Turf Care	Manufacturing				350	5	3.37%
		<u>3,152</u>		<u>26.46%</u>	<u>3,766</u>		<u>36.28%</u>

Source: Nebraska Public Power District Community Facts Book

Note: 10 year historical data for comparison in this table will not be available until 2015.

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

TABLE 16

FUNCTION	Full-time Employees									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	8	8	7	5	5	5	8	8	8	8
Public Safety										
Police										
Commissioned	22	22	22	22	22	22	22	22	21	21
Civilians	11	12	12	11	11	11	11	11	11	10
Fire										
Full-time Firefighters	23	23	23	23	23	23	23	23	23	23
Civilians	1	1	1	1	1	1	0	0	0	0
Culture and Recreation	13	13	13	14	14	13	9	9	9	8
Highways and Streets	9	9	10	10	9	10	10	10	9	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	12	11	13	13	14	14	12	11	11	11
Sewer	7	7	7	7	7	7	7	7	7	7
Electric	36	33	35	34	33	33	30	30	30	30
Total	146	143	147	144	143	143	136	135	133	131

FUNCTION	Part-time Employees									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Police										
Civilians	3	3	3	3	3	3	2	2	2	2
Fire										
Reserves	6	8	9	8	8	9	6	6	8	8
Culture and Recreation	22	17	17	20	20	20	16	18	18	18
Solid Waste Agency/WPC	5	5	5	5	5	5	6	6	6	5
Electric	2	2	2	2	2	2	2	0	0	0
Total	38	35	36	38	38	39	32	32	34	33

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

C & R Summer Seasonal	50	50	54	40	40	40	45	48	48	45
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**CITY OF BEATRICE, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 17

FUNCTION	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Building Permits Issued	234	232	264	267	208	253	227	471	395	454
Commercial Construction Value	\$4,954,570	\$6,608,349	\$3,879,062	\$13,662,621	\$2,508,711	\$12,153,494	\$20,991,748	\$ 2,373,880	\$ 3,678,807	\$19,336,559
Residential Construction Value	\$7,703,695	\$7,012,260	\$4,493,007	\$ 4,811,590	\$6,749,220	\$ 5,714,833	\$ 4,715,420	\$ 5,579,131	\$ 2,501,790	\$ 3,300,316
Public Safety										
Police										
Physical Arrests	1,082	1,179	746	1,382	1,191	988	1,048	808	662	928
Patrol Citations	2,685	2,284	1,216	3,509	2,815	2,437	3,078	2,507	2,025	1,699
Calls for Service	12,633	13,998	22,819	22,059	21,736	21,571	23,947	22,230	22,118	21,472
Fire										
Ambulance Calls	1,501	1,590	1,687	1,803	1,960	1,928	2,288	2,349	2,435	2,241
Fire & Rescue Calls	649	634	554	795	776	886	902	939	887	910
Culture and recreation										
Water Park Admissions	\$ 78,916	\$ 82,235	\$ 62,908	\$ 73,494	\$ 85,892	\$ 90,059	\$ 86,083	\$ 81,453	\$ 88,933	\$ 83,252
Electric										
Average Daily Usage Commercial (MWH)	288.1	285.7	272.1	281.8	286.6	283.5	283.2	262.7	282.8	272.7
Average Daily Usage Residential (MWH)	174.6	177.6	173.7	180.9	186.3	189.9	191.1	185.3	201.3	193.7
Water										
Average Daily Consumption (gal)	3.98m	4.41m	4.06m	4.03m	4.25m	3.95m	3.40m	3.60m	3.36m	3.42m
Water Pollution Control										
Average Daily Treatment (gal)	1.46m	1.6m	1.45m	1.44m	1.5m	1.4m	1.3m	1.2m	1.2m	1.2m

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

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

2001 Police data not available due to software conversion

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

Table 18

FUNCTION	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Highway & Streets										
Street Lane Miles, Paved	259	259	259	264.7	270	270	270.9	274.4	278.14	279.44
Street Lane Miles, Unpaved	34	34	34	32.4	31.7	31.7	31.5	31.5	34.15	31.47
Storm Sewer Miles	25	25	25	25	25	25	25	32	33	33.71
Bridges	11	11	11	11	11	11	11	9	9	9
Street Lights	1492	1505	1520	1520	1535	1551	1566	1656	1496	1513
Culture and recreation										
Number of Parks	11	11	11	11	11	11	11	11	11	11
Park acreage	340	340	340	340	340	340	340	340	340	340
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Ballfields	12	12	12	12	12	12	12	12	12	12
Library	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Main Miles	113	118	119	120	123	123	123	123	123	126
Fire Hydrants	602	617	627	632	652	652	659	668	673	703
Sewer										
Sanitary Sewer Miles	127	127	127	127	127	128	128	128	128	129.3
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	12	12	12	12	10	10	10	10	10	10
Miles 12.5KV Service	86	91	93	93	94	94	94	98	99	99
Miles 34.5KV Service	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
Miles 4.16KV Service	110.2	104.2	102.2	102.2	101	92	92	88	88	88

Information provided by department annual reports for the year ending during the fiscal year period.
2009 - new analysis made of storm sewer miles

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**CITY OF BEATRICE, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2011**

Federal Grantor/Pass-Through	Program	Project No.	Federal CFDA Number	Federal Disbursements/ Expenditures
Department of Energy Passed-Through: Nebraska Energy Office	Energy Efficiency and Conservation	09-10-E053	81.128	<u>\$ 111,726</u>
Department of Interior Passed-Through: Nebraska Game and Parks	Riverside Campground	31-00994	15.916	<u>\$ 41,400</u>
U.S. Department of Justice Passed-Through: Nebraska Commission on Law Enforcement	Southeast Area Drug Enforcement	09-DX-9018	16.738	20,775
	Southeast Area Drug Enforcement	10-DA-306	16.738	95,420
	Victims Assistance Program	10-VA-207	16.575	37,611
	ARRA - Victims Assistance Program	09-VX-2003	16.801	2,799
	ARRA - COPS Retention	2009-RK-WX-0539	16.710	<u>52,928</u>
Total U.S. Department of Justice				<u>209,533</u>
U.S. Department of Housing and Urban Development Passed-Through: State of Nebraska CDBG Disaster Recovery Program	Downtown Revitalization	10-DTR-002	14.228	27,900
State of Nebraska Department of Economic Development	ARRA - CDBG-R Funds	09-EDR-05	14.255	<u>1,000,000</u>
				<u>1,027,900</u>
U.S. Department of Transportation Passed-Through: Nebraska Department of Aeronautics	ALP	03-31-0009-13	20.106	41,357
	Sealcoat	03-31-0009-14	20.106	382,704
Nebraska Office of Highway Safety	Click it or Ticket	HSIP0902	20.205	1,217
	You Drink You Drive You Lose Crackdown		20.205	5,509
Nebraska Department of Roads	Beatrice Main St Historical Byway Signage	ENH-34(39)	20.205	35
	GA Co Museum & 2nd Street	ENH-6105(6)	20.205	<u>844</u>
Total U.S. Department of Transportation				<u>431,666</u>
TOTAL				<u>\$ 1,822,225</u>

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Beatrice and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2. SUBRECIPIENTS

The City of Beatrice provided awards to Beatrice Airport Authority.

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1248 O STREET, SUITE 500
LINCOLN, NEBRASKA 68508

**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**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of and for the year ended September 30, 2011, which collectively comprise City of Beatrice, Nebraska's basic financial statements and have issued our report thereon dated February 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Beatrice, Nebraska's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Beatrice, Nebraska's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Beatrice, Nebraska's internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the governing body, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dana F Cole + Company, LLP

Lincoln, Nebraska
February 14, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited City of Beatrice, Nebraska's compliance with the types of compliance requirements described in the OMB Circular A-133 "Compliance Supplement" that could have a direct and material effect on each of City of Beatrice, Nebraska's major federal programs for the year ended September 30, 2011. City of Beatrice, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Beatrice, Nebraska's management. Our responsibility is to express an opinion on City of Beatrice, Nebraska's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Beatrice, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Beatrice, Nebraska's compliance with those requirements.

In our opinion, City of Beatrice, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended September 30, 2011.

Internal Control Over Compliance

Management of City of Beatrice, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Beatrice, Nebraska's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Beatrice, Nebraska's internal control over compliance.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the governing body, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dana J Cole + Company, LLP

Lincoln, Nebraska
February 14, 2012

CITY OF BEATRICE, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2011

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified: ☐ Yes ☒ No

Reportable condition identified
that are not considered to be
material weaknesses: ☐ Yes ☒ None reported

Noncompliance matter to the financial
statements disclosed: ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness identified: ☐ Yes ☒ No

Reportable condition identified
that is not considered to be
material weakness: ☐ Yes ☒ None reported

Type of auditors' report issued on
compliance for major programs: Unqualified

Any audit findings disclosed that are
required to be reported in accord-
ance with section 510(a) of
Circular A-133: ☐ Yes ☒ No

Identification of Type A Programs
audited as Major Programs:

ARRA - CDBG-R Grant Funds CFDA 14.255

Downtown Revitalization CFDA 14.228

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as a low-risk ☐ Yes ☒ No

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF BEATRICE, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2011

There were no prior audit findings required to be reported under Circular A-133.