

CITY OF BEATRICE, NEBRASKA

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

for the year ended

September 30, 2010

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, 2010
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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

March 11, 2011

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, 2010.

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, 2010 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, 2010 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, 2010 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 66.

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, 2010 was 5.6%, slightly higher than the State of Nebraska rate of 4.6%; however, it continued to be lower than the national rate of 9.6%. By the end of 2010, the City of Beatrice unemployment rate dropped to 4.7%.

Tax revenues increased 5.6% in 2010 when compared to 2009 due to a combination of higher property valuations, increased sales tax collections and increased occupation taxes. City sales tax collections rose 6.1% in 2010 due to a reduction in refunds paid to corporate citizens under the existing Nebraska Employment and Investment Growth Act. That Act provides sales tax refunds in exchange for corporate investment and employment growth. Occupation taxes were higher due to the City initiating a tax on lodging in late 2008.

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 15 manufacturing and commercial industries employed approximately 700 people in 2010. 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 2010.

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.

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.

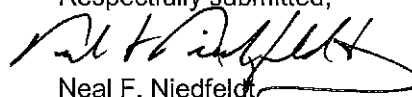
Awards and Acknowledgements

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, 2009. This was the 19th 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, 2009

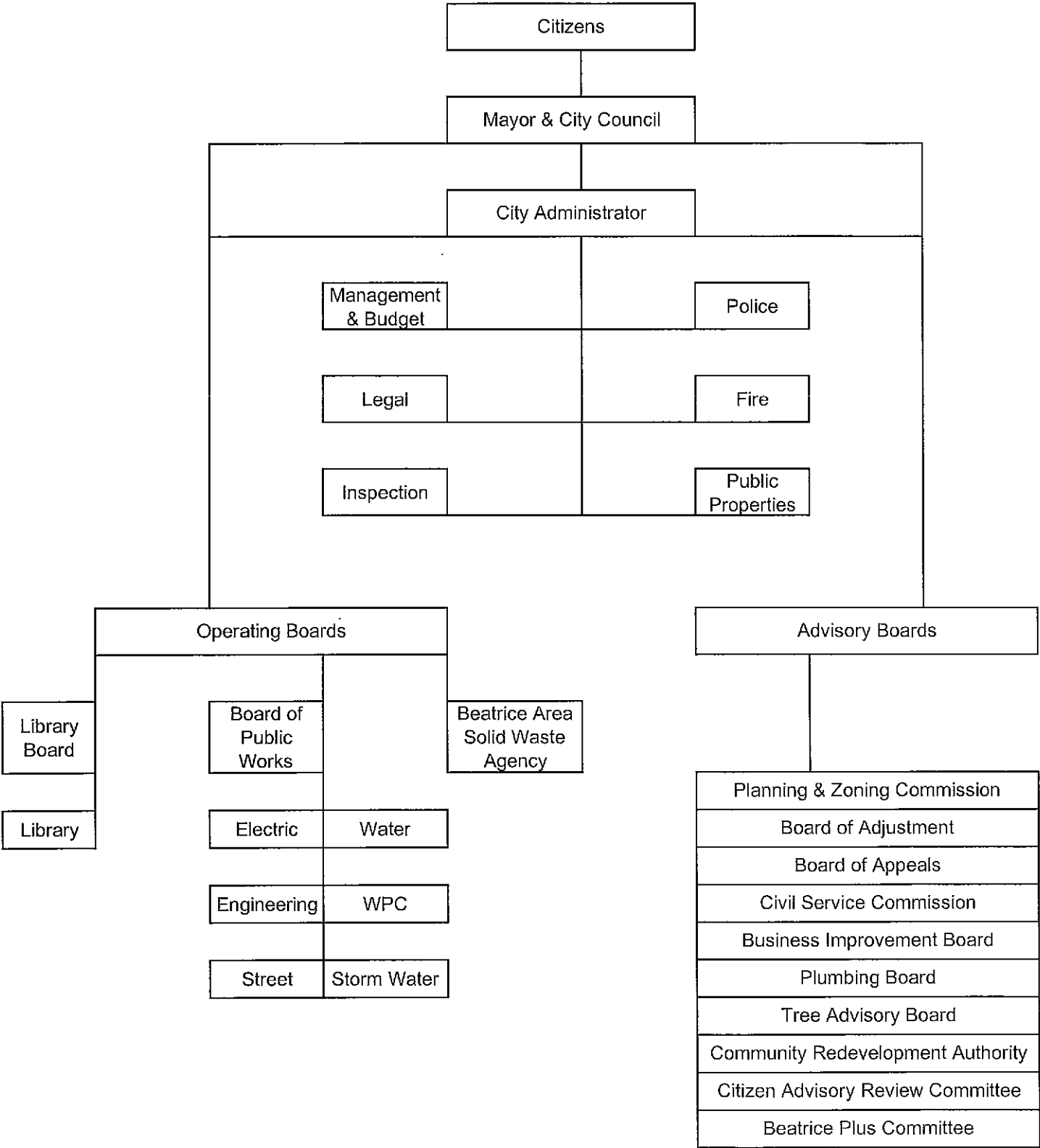
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF BEATRICE, NEBRASKA
ORGANIZATIONAL CHART



**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2010**

MAYOR
Dennis Schuster

CITY COUNCILMEMBERS

Jason Schmale	Calvin Carey
Alan Fetty	Ted Fairbanks
Jason Moore	Dwight Parde
David "Pede" Catlin	Gary Lytle

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, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of and for the year ended September 30, 2010, 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 2009 financial statements and, in our report dated February 18, 2010, 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, and the aggregate remaining fund information of the City of Beatrice, Nebraska, as of September 30, 2010, 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 March 3, 2011, 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.

Management's Discussion and Analysis and budgetary comparison information on pages 3 through 11 and 60 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information, pages 62 through 127 and 151 through 157 including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana F Cole + Company, LLP

Lincoln, Nebraska
March 3, 2011

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, 2010. 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 \$58,331,362. Of this amount, \$9,993,413 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased \$1,437,705 or 2.5%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$5,618,237, an increase of \$447,459 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,773,479, or 24.2% of total General Fund expenditures.

The City of Beatrice's total debt decreased \$870,747 (11%) during the current fiscal year. Annual debt obligations of \$1,309,322 were paid and proceeds were received in the amount of \$438,575 in the form of a new \$98,575 Utilities Note and a new \$340,000 Airport Authority 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 an electric distribution operation, 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 59 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 60 and 61 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 \$58,331,362 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (76.1%) 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, 2010 and 2009

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	6,606	6,530	10,426	8,833	17,032	15,363
Capital assets	26,284	26,923	26,110	26,746	52,394	53,669
TOTAL ASSETS	<u>32,890</u>	<u>33,453</u>	<u>36,536</u>	<u>35,579</u>	<u>69,426</u>	<u>69,032</u>
LIABILITIES						
Long-term liabilities outstanding	1,104	1,382	6,262	6,672	7,366	8,054
Other liabilities	1,331	1,772	2,397	2,312	3,728	4,084
TOTAL LIABILITIES	<u>2,435</u>	<u>3,154</u>	<u>8,659</u>	<u>8,984</u>	<u>11,094</u>	<u>12,138</u>
NET ASSETS						
Invested in capital assets, net of related debt	25,415	25,646	18,955	18,995	44,370	44,641
Restricted	3,324	3,185	644	643	3,968	3,828
Unrestricted	1,715	1,468	8,278	6,956	9,993	8,424
TOTAL NET ASSETS	<u>30,454</u>	<u>30,299</u>	<u>27,877</u>	<u>26,594</u>	<u>58,331</u>	<u>56,893</u>

An additional portion of the City of Beatrice's net assets (6.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$9,993,413 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 \$155,637 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 \$1,282,068. 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, 2010 and 2009

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues						
Charges for services	2,235	2,087	19,448	17,642	21,683	19,729
Operating grants and contributions	1,674	1,785	-	-	1,674	1,785
Capital grants and contributions	654	291	-	-	654	291
General revenues						
Taxes	5,237	4,960	-	-	5,237	4,960
Unrestricted intergovernmental	561	566	-	-	561	566
Other revenue	219	361	256	375	475	736
TOTAL REVENUES	10,580	10,050	19,704	18,017	30,284	28,067
EXPENSES						
General Government	1,501	1,427			1,501	1,427
Public Safety	5,342	4,987			5,342	4,987
Highway/Streets	2,056	1,801			2,056	1,801
Culture and Recreation	1,495	1,424			1,495	1,424
Interest on long-term debt	31	38			31	38
Electric			12,837	11,991	12,837	11,991
Water			1,838	1,752	1,838	1,752
Water Pollution Control			1,600	1,626	1,600	1,626
Sanitation			1,190	1,174	1,190	1,174
Solid Waste Management			957	943	957	943
TOTAL EXPENSES	10,425	9,677	18,422	17,486	28,847	27,163
CHANGE IN NET ASSETS	155	373	1,282	531	1,437	904
NET ASSETS, beginning of year	30,299	29,926	26,595	26,064	56,894	55,990
NET ASSETS, end of year	30,454	30,299	27,877	26,595	58,331	56,894

Governmental Activities

Tax revenues increased 5.6% in 2010 from the previous year. This includes property tax, sales tax and occupation tax revenues. In 2010 property tax revenues increased 5% due to debt service tax requirements; the general levy did not increase but brought in an additional 2.5% tax revenues through an increase in property valuation. Sales tax revenues collected increased 6.1% in 2010 from 2009. Differences in sales tax revenue collections are affected by LB775 tax refunds to qualified businesses which during 2009 totaled \$175,532, as compared to \$28,640 in

2010. Without those refunds, sales tax revenues maintained the same level for a two year period. Occupation tax collections increased 5.2% in 2010. A new lodging occupation tax was implemented in December of 2008. More information on tax revenue history can be found in Table 3 of the Statistical Section.

Unrestricted intergovernmental revenues, which include state aid to cities and municipal equalization funding, decreased just slightly in 2010 from 2009.

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, decreased 5.4% in 2010 from 2009. 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 and drug task force salaries. Interlocal agreements also provide funding for County-wide 911 services and ambulance services.

Capital Grants and contributions vary from year to year. During 2010 the City continued to receive grant funding for public safety equipment and contributions to fund a new K-9 Unit. Private contributions assisted in park improvements and library materials. Grant funds helped pay the City's share to resurface the two federal highways that intersect the City, other street improvements and a CDBG grant paid for a storm sewer analysis.

Operating expenses increased 7.7% from 2009. An unusually harsh winter increased operating costs in the street fund for snow removal and ice control. Changes in General Government are a direct result of capital grants expenses which vary from year to year.

Business-Type Activities

Charges for services for business-type activities increased 10.2% in 2010 from 2009. The Electric fund, which distributes purchased power, increased revenues 11.6% from increased usage and 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 12% through an increase in the customer base rate of \$2.50 per month per service 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, increased just 1.4% with no change in rates during the fiscal year. The Beatrice Area Solid Waste Agency fund fees remained the same and revenues decreased just 0.2%.

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, unreserved 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 \$5,618,237, an increase of \$447,459 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 committed: 1) to pay for CDBG Revolving Loans (\$1,555,418); 2) to pay debt service (\$212,370); 3) for the LB840 Economic Development program (\$1,227,426); 4) for public safety equipment (\$206,202) and 5) for other restricted fund purposes (\$122,541). The remaining balance of \$2,294,280 in unreserved fund balance is available for spending at the government's discretion. This is an increase of \$339,816 when compared to 2009.

The General Fund is the chief operating fund of the City of Beatrice. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$1,773,479. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. Unreserved fund balance represents 24.2% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund increased by \$24,812 during the current fiscal year, which reflects the efforts taken to maintain a balanced budget during stressed revenue times. A more detailed analysis of operational revenues and expenditures is as follows:

General fund revenues as a total increased 4.9% over the previous year. Tax revenues increased 4.9% with property taxes increasing 2.3% due to the increase in valuation and sales tax revenues, which were down in 2009 due to large refunds rebounded back to the 2008 level with an increase of 7% from 2009. Intergovernmental revenue available to fund general operations was just slightly less than 2009, with a larger increase in special grants for a specific purpose, due to federal stimulus funds received to assist law enforcement. Charges for services are up 2.6%, due to annual service fee increases and an increase in water park fees. Miscellaneous revenues decreased \$89,359 from 2009 due to a drop in interest rates and decreased donations for special projects.

General fund operating expenditures increased 4.9% from the previous year. Personnel costs increased 5% accounting for a majority of the increase and other operational costs increased 2.2%. Contingency costs continue to account for the cost of an EPA cleanup at a former gas plant site acquired by the City through floodplain acquisitions and unanticipated expenditures. Contractual services were up 4.4%. To maintain the general fund balance the amount of funds transferred out for capital projects was reduced to \$120,115 in 2010 as compared to \$290,571 in 2009. Funding of the Storm Water program was also reduced to \$25,000 in 2010 as compared to \$70,000 in 2009.

The fund balance of the Street Fund increased by \$251,424 during the current fiscal year due to State funds being allocated towards the City's share of the 2009 mill and overlay project of two federal highways which intersect the City. In 2010 operating revenues were maintained, due to a sales tax revenue increase of 6% offsetting the decrease in highway allocation funding of 5.4%. Operating expenditures increased 18.2% from the previous year due to an unusually harsh winter resulting in major snow removal and ice control costs of increased personnel overtime, cost allocation of additional staff utilized, use of private contractors, fuel, salt, and equipment maintenance. Capital Outlay projects were reduced to meet the increased expenditure needs.

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 \$3,411,888. A majority of this fund balance is reserved for specific purposes; \$1,227,426 for Economic Development; \$212,370 for Debt Service; \$1,555,418 for CDBG Revolving Loans; \$299,618 for Capital projects; \$7,699 for E911 costs; and \$72 for Storm Water Management. The Economic Development fund received the maximum sales tax dollars of \$250,000, plus \$14,654 in interest earnings and miscellaneous revenues, which helped to fund the program expenditures. Capital development projects were deferred to future years thereby increasing the reserved fund balance \$160,654. The Community Development Block Grant fund balance reserved for Revolving Loans of \$1,555,418 decreased when compared to \$1,593,105 at the end of 2009. Cash decreased and Loans Receivable increased due to a \$600,000 loan to a local business in 2010. The Keno fund proceeds decreased 16% from 2009 plus increased funding for community betterment projects resulted in a decrease to fund balance of \$42,151. 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, which accounts for the collection of 911 surcharge taxes for authorized expenditures, made the final 911 equipment lease payment in 2010. The Debt Service fund requirements were funded with special levies and special assessment revenues. Capital Improvement fund balances at year end are legally reserved for a specific purpose, \$93,416 for the library and \$206,202 for Fire Equipment. As stated earlier, due to funding issues, capital projects in 2010 were reduced, the main capital projects funded and completed in 2010 included park road improvements, a new phone system, and public safety equipment. Grant funding to complete the trail system was deferred to 2011.

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 \$8,278,234, an increase of \$1,431,232 from 2009. The Electric fund increased \$1,415,785 through higher revenues, and the Water and Water Pollution Control funds decreased \$235,924. The BASWA fund increased \$102,207 due to reduced operating expenses. Restricted Net

Assets decreased \$108,841. Invested in Capital Assets decreased from \$18,995,203 in FY2009 to \$18,954,880 in FY2010. 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

During the fiscal year 2010 expenditure needs of the governmental funds were adjusted to stay within the anticipated budget therefore no budget amendment was necessary. Furthermore to maintain fund balances expenditures were also adjusted to meet any revenue shortfalls.

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, 2010, amounts to \$49,723,081 (net of accumulated depreciation) and land of \$2,670,969. 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 decrease in the City of Beatrice's investment in capital assets for the current fiscal year was 2.4 percent (a 2.4% decrease for governmental activities and a 2.4% decrease for business-type activities).

City of Beatrice's Capital Assets
(net of depreciation, except land)
(expressed in thousands)
September 30, 2010 and 2009

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	2,582	2,581	89	89	2,671	2,670
Buildings and system	5,537	5,504	4,911	4,778	10,448	10,282
Improvements other than					-	-
Buildings	3,716	3,660	55,150	53,899	58,866	57,559
Machinery & Equipment	8,168	8,003	5,715	5,450	13,883	13,453
Infrastructure	23,795	23,306	-	-	23,795	23,306
Construction in progress			1	-	1	-
Less accumulated depreciation	(17,514)	(16,131)	(39,756)	(37,470)	(57,270)	(53,601)
TOTAL	26,284	26,923	26,110	26,746	52,394	53,669

Major changes in Capital Assets in the Governmental Activities during fiscal year 2010 included infrastructure improvements for street projects, park road improvements, park tabernacle renovations, and park improvements paid for with the assistance of private funding. Equipment purchases included a new police car, computer equipment and a new phone system. Homeland Security and other grant funds made possible needed equipment purchases to improve and enhance our public safety departments, including a new defibrillator.

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, replace U/G cable, substation improvements, and computer equipment upgrades; in the Water fund continuation of water main replacement projects, which in 2010 included the areas of North 10th from Ella to Garfield and 13th to 18th along Grant, plus the well rehab and fencing and water tower repairs; and in the Water Pollution Control the Lift Station I & I Study, Mosaic sanitary sewer replacement, preliminary design Lift Station #5, manhole rehab, and compost site improvements. New Aerial photography maps were completed for use by all departments.

Additional information on the City of Beatrice's capital assets can be found in Note 5 on pages 42 to 43 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Beatrice had total bonded debt outstanding of \$5,362,731. Of this amount, \$860,444 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, 2010 and 2009

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	815	1,065	-	-	815	1,065
General notes	45	101	-	-	45	101
Special assessment debt with governmental commitment	-	55	-	-	-	55
Revenue bonds	-	-	4,502	5,078	4,502	5,078
TOTAL	860	1,221	4,502	5,078	5,362	6,299

During the current fiscal year, the City of Beatrice issued Utilities Notes Payable through the Nebraska Department of Environmental Quality in the amount of \$98,575, with the payment of annual bond maturities in the amount of \$1,034,522, the net change in debts decreased by \$939,947 (14.9%).

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$346,000 at September 30, 2010. Of this amount \$340,000 comprises bonded debt paid through a special levy approved by the City of Beatrice. During the current fiscal year bonds were issued in the amount of \$340,000, with the payment of annual bond maturities in the amount of \$74,800, the net change is an increase of \$265,200.

The Community Redevelopment Authority, a component unit of the City of Beatrice, had outstanding debt at September 30, 2010, of \$1,280,000, a decrease of \$200,000. 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 44 to 47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice is currently 5.6 percent, a slight decrease from a rate of 5.9 percent a year ago. While higher than the state's average unemployment rate of 4.6 percent, this compares favorably to the national average of 9.6 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, which during 2009 reduced the City's sales tax revenue \$175,000. As a measure of the economy, sales tax revenues, prior to the reduction in tax incentives, remained the same in fiscal year 2010 as compared to 2009. It should be further noted, however, that sales tax revenues increased 4% during the last six months of the current fiscal year as compared to the same period the prior year, which is hope that the economy is improving. Economic Development efforts continue to try and attract more new companies. Construction is now complete at the site of the new National Regional Nebraska Guard Armory on land provided by the City on West

Highway 136. Construction is in progress on a new hospital located in the new Northgate development on the City's north edge.

During the current fiscal year, the unreserved fund balance in the General Fund increased from \$1,721,437 to \$1,773,479 at the end of fiscal year 2010. In preparing the budget for fiscal year 2011, the City of Beatrice presented a balanced budget to preserve fund balances at the 2010 level. Tax revenue projections include a conservative increase in sales tax revenues, and kept the total property tax levy at the same rate as 2010. The general fund levy went from .268594 to .273511; however, due to a decrease valuation the property tax revenues actually decreased .276%. Debt service requirements decreased, reducing the debt service levy from .057221 to .052329. General fund dollars of \$277,279 and Keno dollars of \$22,500 were budgeted to fund the City's capital projects in 2011. Revenue projections will be sufficient to maintain the City's operating expenditures and personnel staffing. Funds are being reserved in the form of lodging occupation taxes and keno funds in anticipation of approval of grant funding to move forward with renovation of the Carnegie Building project. Costs associated with the EPA cleanup at a former gas plant site, on property acquired by the City, are not fully funded and could be an issue in the near future.

Electric fund revenue projections and expenses will require an average 5% rate increase in the 2011 budget to ensure sufficient revenue to fund the purchased power rate increase, capital costs, plus provide prudent reserves for cash flow and emergencies. An increase in rates was budgeted in the Water fund of 9% and in the Water Pollution Control fund of 5% to fund operations and capital costs and also provide prudent reserves. No additional increase was proposed in the garbage rates; the contract rate increase in April of 2009 was for two years and will need to be sufficient to provide funding of the Beatrice Area Solid Waste Agency 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, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	Primary Government				2010
	Governmental	Business-Type	2010	2009	Component
	Activities	Activities	Total	Total	Units
Assets					
Current Assets					
Cash and cash equivalents	\$ 3,030,663	\$ 5,801,233	\$ 8,831,896	\$ 7,974,125	\$ 344,157
Investments	603,349	-	603,349	400,296	-
Cash on deposit - County Treasurer	192,810	-	192,810	210,848	35,339
Accounts receivable	588,109	1,274,645	1,862,754	1,693,246	15,505
Assessments receivable	240,453	-	240,453	275,040	-
Unbilled and accrued revenues	-	619,775	619,775	660,121	-
Materials and supplies inventories	-	835,719	835,719	826,207	44,233
Prepaid expenses	-	14,953	14,953	13,996	-
Interest receivable	40,466	13,461	53,927	41,079	-
In-lieu-of assessments	10,105	-	10,105	10,105	-
Due to City (from Component Unit)	-	-	-	50,000	-
Taxes receivable	162,090	-	162,090	140,395	17,241
Current portion of CRA bonds receivable	-	-	-	-	338,397
Total Current Assets	4,868,045	8,559,786	13,427,831	12,295,458	794,872
Noncurrent Assets					
Restricted Cash and Cash Equivalents					
Employee benefits	-	103,237	103,237	121,723	-
Grants and capital projects	199,315	-	199,315	316,554	-
Debt Service Reserve Account	-	643,769	643,769	643,308	-
Restricted Investments					
Customer deposits	-	190,770	190,770	174,920	-
Grants and capital projects	82,076	-	82,076	81,705	-
Closure/postclosure maintenance	-	889,944	889,944	756,974	-
Total Restricted Assets	281,391	1,827,720	2,109,111	2,095,184	-
Capital Assets					
Land	2,581,491	89,478	2,670,969	2,670,052	1,310,356
Capital assets, net of accumulated depreciation	23,702,035	26,021,046	49,723,081	50,998,801	1,625,089
Net Capital Assets	26,283,526	26,110,524	52,394,050	53,668,853	2,935,445
Other Assets					
Loans receivable, net of current portion	1,456,719	-	1,456,719	925,645	3,767,594
Unamortized bond issuance costs	-	38,132	38,132	46,614	6,039
Total Other Assets	1,456,719	38,132	1,494,851	972,259	3,773,633
Total Noncurrent Assets	28,021,636	27,976,376	55,998,012	56,736,296	6,709,078
Total Assets	32,889,681	36,536,162	69,425,843	69,031,754	7,503,950

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS (Continued)
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	Primary Government				2010
	Governmental	Business-Type	2010	2009	Component
	Activities	Activities	Total	Total	Units
Liabilities					
Current Liabilities					
Accounts payable	476,147	1,108,410	1,584,557	1,684,532	33,243
Registered warrants payable	207,261	-	207,261	247,235	12,327
Claims incurred but not reported	37,253	-	37,253	34,449	-
Accrued compensated absences	-	227,439	227,439	204,977	-
Sales tax payable	-	91,080	91,080	72,022	-
Employee insurance payable	-	70,323	70,323	88,809	-
Accrued interest payable	50,429	49,325	99,754	101,924	8,784
Accrued expenses	-	89,701	89,701	74,801	40,783
Unearned revenues	251,150	-	251,150	292,743	28,848
Customer deposits	-	190,745	190,745	174,895	-
Current maturities of TIF payable	-	-	-	-	338,397
Current maturities of long-term debt	308,384	570,603	878,987	1,107,443	249,800
Total Current Liabilities	<u>1,330,624</u>	<u>2,397,626</u>	<u>3,728,250</u>	<u>4,083,830</u>	<u>712,182</u>
Noncurrent Liabilities, Net of Current Portion					
Revenue bonds	-	2,363,575	2,363,575	2,705,000	-
General obligation bonds	555,000	-	555,000	815,000	1,375,000
Notes and leases payable	4,727	1,571,466	1,576,193	1,750,327	1,200
Noncurrent deferred revenue	-	-	-	-	48,655
TIF payable	-	-	-	-	2,476,145
Compensated absences, noncurrent	544,851	401,612	946,463	879,940	-
Estimated current cost of closure and postclosure	-	1,925,000	1,925,000	1,904,000	-
Total Noncurrent Liabilities	<u>1,104,578</u>	<u>6,261,653</u>	<u>7,366,231</u>	<u>8,054,267</u>	<u>3,901,000</u>
Total Liabilities	<u>2,435,202</u>	<u>8,659,279</u>	<u>11,094,481</u>	<u>12,138,097</u>	<u>4,613,182</u>
Net Assets					
Invested in capital assets, net of related debt	25,415,415	18,954,880	44,370,295	44,641,083	2,589,445
Restricted net assets					
Restricted for economic development	1,227,426	-	1,227,426	1,066,772	-
Restricted for debt service	212,370	643,769	856,139	879,108	14,079
Restricted for Library capital improvements	93,416	-	93,416	81,705	-
Restricted for grant expenditures	21,354	-	21,354	48,584	-
Restricted for public safety equipment	206,202	-	206,202	158,668	-
Restricted Loan Fund	1,555,418	-	1,555,418	1,593,105	-
Restricted for E911 public safety	7,699	-	7,699	-	-
Unrestricted net assets	1,715,179	8,278,234	9,993,413	8,424,632	287,244
Total Net Assets	<u>\$30,454,479</u>	<u>\$27,876,883</u>	<u>\$58,331,362</u>	<u>\$56,893,657</u>	<u>\$2,890,768</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Assets Primary Government			2010 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	2010 Total	2009 Total	
Primary Government:									
Governmental Activities									
General government	\$ 1,501,214	\$ 311,477	\$ -	\$ -	\$ (1,189,737)	\$ -	\$ (1,189,737)	\$ (1,222,180)	
Public safety	5,342,184	1,666,149	653,879	81,648	(2,940,508)	-	(2,940,508)	(2,649,327)	
Highways and streets	2,055,666	22,865	993,497	496,972	(542,332)	-	(542,332)	(566,182)	
Culture and recreation	1,494,887	234,027	26,849	75,472	(1,158,539)	-	(1,158,539)	(1,038,477)	
Interest on long-term debt	31,322	-	-	-	(31,322)	-	(31,322)	(38,318)	
Total Governmental Activities	<u>10,425,273</u>	<u>2,234,518</u>	<u>1,674,225</u>	<u>654,092</u>	<u>(5,862,438)</u>	<u>-</u>	<u>(5,862,438)</u>	<u>(5,514,484)</u>	
Business-type Activities									
Electric	12,837,407	14,104,065	-	-	-	1,266,658	1,266,658	651,494	
Water	1,837,721	1,728,981	-	-	-	(108,740)	(108,740)	(174,762)	
Water pollution control	1,599,624	1,375,951	-	-	-	(223,673)	(223,673)	(427,703)	
Sanitation	1,190,463	1,190,463	-	-	-	-	-	-	
BASWA	956,627	1,048,397	-	-	-	91,770	91,770	107,541	
Total Business-type Activities	<u>18,421,842</u>	<u>19,447,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,015</u>	<u>1,026,015</u>	<u>156,570</u>	
Total Primary Government	<u>\$ 28,847,115</u>	<u>\$ 21,682,375</u>	<u>\$ 1,674,225</u>	<u>\$ 654,092</u>	<u>(5,862,438)</u>	<u>1,026,015</u>	<u>(4,836,423)</u>	<u>(5,357,914)</u>	
Component Units:									
Airport Authority	\$ 830,113	\$ 404,244	\$ -	\$ 764,419					\$ 338,550
Community Redevelopment Authority	856,898	-	-	-					(856,898)
Total Component Units	<u>\$ 1,687,011</u>	<u>\$ 404,244</u>	<u>\$ -</u>	<u>\$ 764,419</u>					<u>(518,348)</u>
General Revenues									
Taxes									
Property tax					1,783,347	-	1,783,347	1,698,740	167,845
Tax Increment Financing					-	-	-	-	849,027
Sales tax					2,629,559	-	2,629,559	2,478,365	-
Occupation tax					824,113	-	824,113	783,120	-
Unrestricted intergovernmental					561,813	-	561,813	566,172	-
Miscellaneous revenues					146,476	196,031	342,507	599,767	50,772
Unrestricted investment earnings					72,767	60,022	132,789	136,046	229
Total General Revenues					<u>6,018,075</u>	<u>256,053</u>	<u>6,274,128</u>	<u>6,262,210</u>	<u>1,067,873</u>
Change in Net Assets					155,637	1,282,068	1,437,705	904,296	549,525
Net Assets, Beginning of Year					<u>30,298,842</u>	<u>26,594,815</u>	<u>56,893,657</u>	<u>55,989,361</u>	<u>2,341,243</u>
Net Assets, End of Year					<u>\$ 30,454,479</u>	<u>\$ 27,876,883</u>	<u>\$ 58,331,362</u>	<u>\$ 56,893,657</u>	<u>\$ 2,890,768</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010				
	General	Streets	Other Governmental Funds	Total Governmental Funds	2009 Total
Assets					
Cash and cash equivalents	\$ 557,559	\$631,569	\$1,837,790	\$ 3,026,918	\$ 3,645,079
Investments	603,349	-	-	603,349	400,296
Cash on deposit - County Treasurer	161,599	-	31,211	192,810	210,848
Accounts receivable	437,466	43,028	6,429	486,923	520,466
Interest receivable	-	-	40,466	40,466	31,372
Assessments receivable	-	-	240,453	240,453	275,040
Restricted:					
Cash	(6,887)	-	206,202	199,315	207,252
Investments	-	-	82,076	82,076	81,705
In-lieu-of assessments	-	-	10,105	10,105	10,105
Due from other funds	102,000	-	14,715	116,715	29,715
Due from component unit	-	-	-	-	50,000
Loans receivable	-	-	1,456,719	1,456,719	925,645
Taxes receivable	136,058	-	26,032	162,090	140,395
Total Assets	\$1,991,144	\$674,597	\$3,952,198	\$ 6,617,939	\$ 6,527,918
Liabilities					
Accounts payable	\$ 78,176	\$248,366	\$ 149,605	\$ 476,147	\$ 733,657
Registered warrants payable	-	-	207,261	207,261	247,235
Accrued interest payable	-	-	50,429	50,429	53,790
Unearned revenues	118,135	-	133,015	251,150	292,743
Due to other funds	-	14,715	-	14,715	29,715
Total Liabilities	196,311	263,081	540,310	999,702	1,357,140
Fund Balances					
Reserved for:					
Reserved for economic development	-	-	1,227,426	1,227,426	1,066,772
Reserved for debt service	-	-	212,370	212,370	235,800
Reserved for Library capital improvements	-	-	93,416	93,416	81,705
Reserved for public safety equipment	-	-	206,202	206,202	158,668
Reserved for storm water management	-	-	72	72	31,680
Revolving Loan Fund	-	-	1,555,418	1,555,418	1,593,105
E911 Public Safety	-	-	7,699	7,699	-
Police grants and programs	21,354	-	-	21,354	48,584
Unreserved, Undesignated, Reported in:					
General Fund	1,057,315	-	-	1,057,315	1,129,331
Special Revenue Funds	-	411,516	162,712	574,228	362,860
Debt Service Funds	-	-	(53,427)	(53,427)	(129,833)
Unreserved, Designated for:					
Subsequent years' expenditures	716,164	-	-	716,164	592,106
Total Fund Balances	1,794,833	411,516	3,411,888	5,618,237	5,170,778
Total Liabilities and Fund Balances	\$1,991,144	\$674,597	\$3,952,198	\$ 6,617,939	\$ 6,527,918

CITY OF BEATRICE, NEBRASKA
 BALANCE SHEET (Continued)
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	General	Streets	2010 Other Governmental Funds	Total Governmental Funds	2009 Total
Fund Balances of Governmental Funds				\$ 6,617,939	\$ 6,527,918
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.				26,283,526	26,922,618
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.				(34,322)	(2,579)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds as follows:					
Bonds Payable				(815,000)	(1,120,000)
Notes and Leases Payable				(53,111)	(153,366)
Noncurrent Accrued Absences				(544,851)	(518,609)
Net Assets of Governmental Activities				<u>\$30,454,479</u>	<u>\$30,298,842</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010		2009	
	General	Streets	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property tax	\$1,472,469	\$ -	\$ 310,878	\$1,783,347
Sales tax	1,853,737	525,822	250,000	2,629,559
Occupation tax	824,113	-	-	824,113
Licenses and permits	173,182	-	-	173,182
Intergovernmental	1,078,334	1,463,449	259,628	2,801,411
Charges for services	1,930,909	22,865	89,292	2,043,066
Keno proceeds	-	-	75,178	75,178
Special assessments	-	-	63,252	63,252
Interest	20,312	-	52,455	72,767
Donations and miscellaneous revenue	111,739	-	35,039	146,778
Total Revenues	<u>7,464,795</u>	<u>2,012,136</u>	<u>1,135,722</u>	<u>10,612,653</u>
Expenditures				
Current				
General government	1,214,860	-	258,638	1,473,498
Public safety	4,929,021	-	45,998	4,975,019
Highways and streets	-	1,263,739	-	1,263,739
Culture and recreation	1,013,450	-	-	1,013,450
Debt Service				
Principal	-	-	360,148	360,148
Interest	-	-	31,322	31,322
Capital outlay	171,037	496,973	253,509	921,519
MFO payments - other entities	-	-	126,499	126,499
Total Expenditures	<u>7,328,368</u>	<u>1,760,712</u>	<u>1,076,114</u>	<u>10,165,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>136,427</u>	<u>251,424</u>	<u>59,608</u>	<u>447,459</u>
Other Financing Sources (Uses)				
Transfers in	33,500	-	249,434	282,934
Transfers out	(145,115)	-	(137,819)	(282,934)
Total Other Financing Sources (Uses)	<u>(111,615)</u>	<u>-</u>	<u>111,615</u>	<u>-</u>
Net Change in Fund Balances	<u>24,812</u>	<u>251,424</u>	<u>171,223</u>	<u>447,459</u>
Fund Balances, Beginning of Year	<u>1,770,021</u>	<u>160,092</u>	<u>3,240,665</u>	<u>5,170,778</u>
Fund Balances, End of Year	<u>\$1,794,833</u>	<u>\$ 411,516</u>	<u>\$3,411,888</u>	<u>\$5,618,237</u>

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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net change in fund balances - total governmental funds	\$ 447,459	\$ (261,145)
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	1,705,749	2,557,528
Depreciation Expense	(1,530,959)	(1,425,893)
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.	(408,627)	(423,223)
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.	(26,242)	4,950
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	-	(20,393)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(31,743)</u>	<u>(58,794)</u>
Change in Net Assets of Governmental Activities	<u>\$ 155,637</u>	<u>\$ 373,030</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009**

	2010						Governmental Activities	2009 Total
	Business-Type Activities Enterprise Funds							
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals		
Current Assets								
Cash and investments	\$ 4,410,069	\$ 465,092	\$ 760,559	\$ 165,346	\$ 167	\$ 5,801,233	\$ 3,745	\$ 4,298,277
Accounts receivable, net	1,011,677	83,075	61,578	92,693	25,622	1,274,645	101,186	1,171,679
Unbilled and accrued revenues	456,290	88,241	75,244	-	-	619,775	-	660,121
Materials and supplies inventories	559,542	276,177	-	-	-	835,719	-	826,207
Prepaid expenses	6,856	6,003	2,094	-	-	14,953	-	13,996
Interest receivable	13,441	8	12	-	-	13,461	-	9,707
Total Current Assets	6,457,875	918,596	899,487	258,039	25,789	8,559,786	104,931	6,979,987
Noncurrent Assets								
Restricted Cash and Cash Equivalents								
Employee benefits	103,237	-	-	-	-	103,237	-	121,723
Debt Service Reserve Account	236,346	116,077	120,077	171,269	-	643,769	-	643,308
Grant Reserve Account	-	-	-	-	-	-	-	109,302
Restricted Investments								
Customer deposits	190,770	-	-	-	-	190,770	-	174,920
Closure/postclosure maintenance and care	-	-	-	889,944	-	889,944	-	756,974
Total Restricted Cash, Cash Equivalents and Investments	530,353	116,077	120,077	1,061,213	-	1,827,720	-	1,806,227
Capital Assets								
Land and land rights	17,432	55,458	16,588	-	-	89,478	-	89,478
Buildings and improvements	1,115,795	64,049	-	-	-	1,179,844	-	1,179,844
Improvements other than buildings	25,412,389	13,311,008	16,426,288	3,731,109	-	58,880,794	-	57,496,646
Machinery and equipment	2,472,136	799,158	1,691,172	752,691	-	5,715,157	-	5,450,406
Construction in progress	1,016	254	-	-	-	1,270	-	-
	29,018,768	14,229,927	18,134,048	4,483,800	-	65,866,543	-	64,216,374
Less accumulated depreciation	16,598,907	9,030,459	11,045,574	3,081,079	-	39,756,019	-	37,470,139
Net Capital Assets	12,419,861	5,199,468	7,088,474	1,402,721	-	26,110,524	-	26,746,235
Other Assets								
Unamortized bond issuance cost	13,593	11,752	10,384	2,403	-	38,132	-	46,614
Total Noncurrent Assets	12,963,807	5,327,297	7,218,935	2,466,337	-	27,976,376	-	28,599,076
Total Assets	19,421,682	6,245,893	8,118,422	2,724,376	25,789	36,536,162	104,931	35,579,063

CITY OF BEATRICE, NEBRASKA
STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010						Governmental Activities	2009 Total
	Business-Type Activities Enterprise Funds							
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds	
Liabilities								
Current Liabilities								
Accounts payable	1,060,762	12,670	8,259	930	25,789	1,108,410	-	950,875
Claims incurred but not reported	-	-	-	-	-	-	37,253	-
Accrued compensated absences	109,598	75,276	29,720	12,845	-	227,439	-	204,977
Accrued payroll	49,162	23,422	14,203	2,914	-	89,701	-	74,801
Sales tax payable	91,001	79	-	-	-	91,080	-	72,022
Employee insurance payable	70,323	-	-	-	-	70,323	-	88,809
Accrued interest	11,620	16,060	18,776	2,869	-	49,325	-	51,506
Customer deposits	190,745	-	-	-	-	190,745	-	174,895
Due to other funds	-	-	-	-	-	-	102,000	-
Current maturities of long-term debt	137,277	71,146	133,823	228,357	-	570,603	-	693,964
Total Current Liabilities	<u>1,720,488</u>	<u>198,653</u>	<u>204,781</u>	<u>247,915</u>	<u>25,789</u>	<u>2,397,626</u>	<u>139,253</u>	<u>2,311,849</u>
Noncurrent Liabilities								
Compensated absences, noncurrent	201,397	155,863	44,352	-	-	401,612	-	361,331
Revenue bonds, net of current maturities	792,750	792,750	778,075	-	-	2,363,575	-	2,705,000
Notes payable, net of current maturities	-	510,516	1,060,950	-	-	1,571,466	-	1,702,068
Noncurrent cost of closure and postclosure	-	-	-	1,925,000	-	1,925,000	-	1,904,000
Total Noncurrent Liabilities	<u>994,147</u>	<u>1,459,129</u>	<u>1,883,377</u>	<u>1,925,000</u>	<u>-</u>	<u>6,261,653</u>	<u>-</u>	<u>6,672,399</u>
Total Liabilities	<u>2,714,635</u>	<u>1,657,782</u>	<u>2,088,158</u>	<u>2,172,915</u>	<u>25,789</u>	<u>8,659,279</u>	<u>139,253</u>	<u>8,984,248</u>
Net Assets								
Invested in capital assets, net of related debt	9,489,834	3,475,056	4,815,626	1,174,364	-	18,954,880	-	18,995,203
Restricted for debt service	236,346	116,077	120,077	171,269	-	643,769	-	643,308
Restricted for grants	-	-	-	-	-	-	-	109,302
Unrestricted	6,980,867	996,978	1,094,561	(794,172)	-	8,278,234	(34,322)	6,847,002
Total Net Assets	<u>\$ 16,707,047</u>	<u>\$ 4,588,111</u>	<u>\$ 6,030,264</u>	<u>\$ 551,461</u>	<u>\$ -</u>	<u>\$ 27,876,883</u>	<u>\$ (34,322)</u>	<u>\$ 26,594,815</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010						2009 Total
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds
Operating Revenues							
Charges for services	\$ 14,104,065	\$ 1,728,981	\$ 1,375,951	\$ 1,048,397	\$ 1,190,463	\$ 19,447,857	\$ 1,266,811
Reimbursements	-	-	-	-	-	-	299,008
Total Operating Revenues	<u>14,104,065</u>	<u>1,728,981</u>	<u>1,375,951</u>	<u>1,048,397</u>	<u>1,190,463</u>	<u>19,447,857</u>	<u>1,565,819</u>
Operating Expenses							
Electric energy purchased	9,423,595	-	-	-	-	9,423,595	-
Operating and maintenance expenses	923,905	841,956	511,512	-	1,190,463	3,467,836	-
Customer accounting expenses	244,698	135,477	69,251	-	-	449,426	-
Engineering services	147,675	16,000	16,000	-	-	179,675	-
Administrative and general expense	681,730	358,721	232,187	557,754	-	1,830,392	-
Municipal expenses	449,712	24,224	9,860	-	-	483,796	-
Depreciation and amortization	918,089	407,090	690,984	293,767	-	2,309,930	-
Landfill operating contracts	-	-	-	90,567	-	90,567	-
Health insurance claims paid	-	-	-	-	-	-	1,325,168
Health and life insurance premiums	-	-	-	-	-	-	125,125
Payflex expenditures	-	-	-	-	-	-	90,048
Workers' compensation claims paid	-	-	-	-	-	-	36,899
Other services and charges	-	-	-	-	-	-	20,503
Total Operating Expenses	<u>12,789,404</u>	<u>1,783,468</u>	<u>1,529,794</u>	<u>942,088</u>	<u>1,190,463</u>	<u>18,235,217</u>	<u>1,597,743</u>
Operating Income (Loss)	<u>1,314,661</u>	<u>(54,487)</u>	<u>(153,843)</u>	<u>106,309</u>	<u>-</u>	<u>1,212,640</u>	<u>(31,924)</u>
Nonoperating Revenues (Expenses)							
Interest income	34,549	8,566	7,465	9,442	-	60,022	181
Merchandising, etc.	(20,127)	27,782	17,909	-	-	25,564	-
Grant income	-	-	-	-	-	-	-
Miscellaneous	134,705	31,655	3,112	995	-	170,467	-
Loss on asset disposal	-	-	-	-	-	-	-
Interest expense	(44,787)	(52,877)	(68,340)	(12,139)	-	(178,143)	-
Amortization of bond issuance cost	(3,216)	(1,376)	(1,490)	(2,400)	-	(8,482)	-
Total Nonoperating Revenues (Expenses)	<u>101,124</u>	<u>13,750</u>	<u>(41,344)</u>	<u>(4,102)</u>	<u>-</u>	<u>69,428</u>	<u>181</u>
Change in Net Assets	<u>1,415,785</u>	<u>(40,737)</u>	<u>(195,187)</u>	<u>102,207</u>	<u>-</u>	<u>1,282,068</u>	<u>(31,743)</u>
Net Assets, Beginning of Year	<u>15,291,262</u>	<u>4,628,848</u>	<u>6,225,451</u>	<u>449,254</u>	<u>-</u>	<u>26,594,815</u>	<u>(2,579)</u>
Net Assets, End of Year	<u>\$ 16,707,047</u>	<u>\$ 4,588,111</u>	<u>\$ 6,030,264</u>	<u>\$ 551,461</u>	<u>\$ -</u>	<u>\$ 27,876,883</u>	<u>\$ (34,322)</u>

See Accompanying Notes to Financial Statements

CITY OF BEATRICE, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2010 Totals	Internal Service Funds	2009 Totals
Cash Flows From Operating Activities								
Cash received from customers	\$ 14,155,633	\$ 1,794,381	\$ 1,390,978	\$ 1,045,648	\$ 1,194,628	\$ 19,581,268	\$ 1,465,734	\$ 17,955,467
Cash paid to suppliers for goods and services	(10,243,468)	(443,757)	(267,918)	(366,345)	(1,194,637)	(12,516,125)	(1,594,939)	(13,279,939)
Cash paid to employees for services	(1,404,038)	(919,522)	(561,333)	(262,138)	-	(3,147,031)	-	(3,046,733)
Net Cash Provided by (Used in) Operating Activities	2,508,127	431,102	561,727	417,165	(9)	3,918,112	(129,205)	1,628,795
Cash Flows from Capital and Related Financing Activities								
Principal payments on long-term debt	(213,898)	(87,886)	(54,014)	(239,590)	-	(595,388)	-	(679,640)
Principal advances on long-term debt	-	-	-	-	-	-	-	2,265,000
Loans from other funds	-	-	-	-	-	-	102,000	-
Interest paid on revenue bond maturities	(43,605)	(52,756)	(69,629)	(14,848)	-	(180,838)	-	(121,827)
Grant proceeds	-	-	-	-	-	-	-	15,700
Purchases of capital assets	(797,074)	(418,710)	(289,843)	(168,078)	-	(1,673,705)	-	(1,192,144)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,054,577)	(559,352)	(413,486)	(422,516)	-	(2,449,931)	102,000	287,089
Cash Flows From Investing Activities								
Interest received	24,949	11,647	10,230	9,442	-	56,268	181	53,384
Net Cash Provided by Investing Activities	24,949	11,647	10,230	9,442	-	56,268	181	53,384
Net Increase (Decrease) in Cash and Cash Equivalents	1,478,499	(116,603)	158,471	4,091	(9)	1,524,449	(27,024)	1,969,268
Cash and Cash Equivalents, Beginning of Year	3,461,923	697,772	722,165	1,222,468	176	6,104,504	30,769	4,135,236
Cash and Cash Equivalents, End of Year	\$ 4,940,422	\$ 581,169	\$ 880,636	\$ 1,226,559	\$ 167	\$ 7,628,953	\$ 3,745	\$ 6,104,504
Cash and Cash Equivalents Consist of:								
Cash and investments	\$ 4,410,069	\$ 465,092	\$ 760,559	\$ 165,346	\$ 167	\$ 5,801,233	\$ 3,745	\$ 4,298,277
Employee benefits cash	103,237	-	-	-	-	103,237	-	121,723
Debt Service Reserve Account	236,346	116,077	120,077	171,269	-	643,769	-	643,308
Grant Reserve Account	-	-	-	-	-	-	-	109,302
Customer deposits investments	190,770	-	-	-	-	190,770	-	174,920
Closure/postclosure maintenance and care	-	-	-	889,944	-	889,944	-	756,974
Total Cash and Cash Equivalents	\$ 4,940,422	\$ 581,169	\$ 880,636	\$ 1,226,559	\$ 167	\$ 7,628,953	\$ 3,745	\$ 6,104,504

CITY OF BEATRICE, NEBRASKA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities Enterprise Funds					Governmental Activities		
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2010 Totals	Internal Service Funds	2009 Totals
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$ 1,314,661	\$ (54,487)	\$ (153,843)	\$ 106,309	\$ -	\$ 1,212,640	\$ (31,924)	\$ 316,531
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities								
Depreciation and amortization	918,089	407,090	690,984	293,767	-	2,309,930	-	2,349,064
Merchandise and miscellaneous revenue	114,578	59,437	21,021	995	-	196,031	-	305,612
Increase in estimated cost of closure and postclosure	-	-	-	21,000	-	21,000	-	34,000
(Increase) decrease in unbilled and accrued revenues	43,616	167	(3,437)	-	-	40,346	-	(78,630)
(Increase) decrease in accounts receivable	(106,626)	5,796	(2,557)	(3,744)	4,165	(102,966)	(97,281)	85,940
(Increase) decrease in inventory	3,553	(13,065)	-	-	-	(9,512)	-	29,117
(Increase) decrease in prepaid insurance	1,813	(2,872)	102	-	-	(957)	-	61
Increase (decrease) in accounts payable	166,947	500	(1,602)	(4,136)	(4,174)	157,535	-	(1,488,634)
Increase (decrease) in sales tax payable	19,032	26	-	-	-	19,058	-	2,740
Increase (decrease) in employee insurance payable	(18,486)	-	-	-	-	(18,486)	-	(4,691)
Increase (decrease) in accrued payroll	26,559	4,050	2,099	2,974	-	35,682	-	(669)
Increase (decrease) in accrued compensated absences	15,850	24,460	8,960	-	-	49,270	-	69,204
Increase (decrease) in customer deposits	8,541	-	-	-	-	8,541	-	9,150
Total Adjustments	1,193,466	485,589	715,570	310,856	(9)	2,705,472	(97,281)	1,312,264
Net Cash Provided by (Used in) Operating Activities	\$ 2,508,127	\$ 431,102	\$ 561,727	\$ 417,165	\$ (9)	\$ 3,918,112	\$ (129,205)	\$ 1,628,795
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, 2010 AND 2009

	Pension Trust Fund	
	2010	2009
Assets		
Investments with fiscal agent:		
Demand deposits	\$ 505,484	\$ 591,023
Guaranteed interest accounts	6,862,707	6,454,424
Publicly traded equities	6,938,684	5,859,928
Total Assets	14,306,875	12,905,375
Liabilities	-	-
Net Assets		
Net assets held in trust for pension benefits	<u>\$ 14,306,875</u>	<u>\$ 12,905,375</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, 2010 AND 2009

	Pension Trust Fund	
	2010	2009
Additions		
Contributions		
Employer	\$ 432,781	\$ 413,937
Employee	483,185	426,997
Total Contributions	<u>915,966</u>	<u>840,934</u>
Investment Earnings		
Net (decrease) increase in the fair value of investments	<u>953,645</u>	<u>(61,901)</u>
Total Additions	<u>1,869,611</u>	<u>779,033</u>
Deductions		
Benefits	394,261	757,028
Administrative expenses	18,935	10,730
Transfers to another plan	54,915	-
Total Deductions	<u>468,111</u>	<u>767,758</u>
Change in Net Assets	1,401,500	11,275
Net Assets, Beginning of Year	<u>12,905,375</u>	<u>12,894,100</u>
Net Assets, End of Year	<u>\$ 14,306,875</u>	<u>\$ 12,905,375</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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 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, 2010

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, 2009, 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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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

Government fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

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.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures, and Expenses (Continued)

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.

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, 2009
	Levy date	October 15, 2009
	Tax bills mailed	December 1, 2009
	Due date	December 31, 2009
	First installment payment delinquent	May 1, 2010
	Second installment payment delinquent	September 1, 2010

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

The City is permitted to levy taxes up to \$.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, 2010 was \$.268594 per \$100 of assessed valuation, which means the City has a tax margin of \$.23134 per \$100 of assessed valuation and could raise taxes by \$1,289,702, based on the present assessed valuation of \$557,492,191, 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.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures, and Expenses (Continued)

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified 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.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

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

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.

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 20, the City Administrator submitted to the Mayor and City Council a proposed operating budget for the fiscal period commencing October 1, 2009 and ending September 30, 2010. 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 10, 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:

Sanitation Fund	\$25,000
Employee Benefits Fund	<u>500,000</u>
Total	<u>\$525,000</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

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, 2010, 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, 2010.

Type of Investment	Carrying Amount	Fair Value
Demand deposits	\$ 1,301,679	\$ 1,301,679
Time deposits	969,944	969,944
Publicly traded equities	6,938,684	6,938,684
Guaranteed investment securities	6,862,707	6,862,707
	<u>\$16,073,014</u>	<u>\$16,073,014</u>

Investments are presented as follows as of September 30, 2010:

Primary Government:	
Unrestricted investments	\$ 603,349
Restricted investments	1,162,790
Employee Pension Funds	14,306,875
	<u>\$16,073,014</u>

Restricted Assets

The restricted assets as of September 30, 2010, are as follows:

Type of Restricted Assets:	Governmental Activities	Business- Type Activities	Total Primary Government
Cash and cash equivalents	\$199,315	\$ 747,006	\$ 946,321
Investments	82,076	1,080,714	1,162,790
	<u>\$281,391</u>	<u>\$ 1,827,720</u>	<u>\$ 2,109,111</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 4 - ACCOUNTS AND NOTES RECEIVABLE

Accounts receivable of the business-type activities consist of utilities accounts receivable. Accounts receivable of the governmental activities consist 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, 2010, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$628,109	\$1,304,170	\$1,932,279	\$ 15,505
Allowance for doubtful accounts	<u>(40,000)</u>	<u>(29,525)</u>	<u>(69,525)</u>	<u>-</u>
Net accounts receivable	<u>\$588,109</u>	<u>\$1,274,645</u>	<u>\$1,862,754</u>	<u>\$ 15,505</u>

Assessments receivable consist of the following as of September 30:

	<u>2010</u>	<u>2009</u>
Current	\$ 36,130	\$ 54,537
Delinquent	104,015	56,942
Deferred	<u>100,308</u>	<u>163,561</u>
	<u>\$ 240,453</u>	<u>\$ 275,040</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, 2010.

<u>Due From</u>	<u>Balance 9/30/10</u>	<u>Terms</u>
5Stat, Inc.	\$ 300,000	0% due in annual payments of \$30,000 through December 2019.
5Stat, Inc.	300,000	0% note forgivable upon meeting program requirements
Sea Breeze Land Development Co.	151,272	5%; \$3,782 due March 2009, \$7,564 due March 2010 and 2011, with the balance due September 2011.
Goldenrod Research Corporation	12,500	3%; due July 2011
Sea Breeze Land Development Co.	136,183	5%; \$3,405 due March 2009, \$6,809 due March 2010 and 2011, with the balance due September 2011.
Sea Breeze Land Development Co.	63,330	5%; \$1,583 due March 2009, \$3,167 due March 2010 and 2011, with the balance due September 2011.
Nebraska's Own Network, Inc.	14,267	3.5%; due in monthly installments of \$1,341 through April 2009,
Store Kraft Manufacturing Co.	179,167	0%; due in monthly payments of \$4,167 through April 2014.
BVA, Inc.	<u>300,000</u>	2%, due in semiannual payments through May 2016.
	<u>\$1,456,719</u>	

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Components of the City's capital assets at September 30, 2010, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land and land rights	\$ 2,581,490	\$ 89,478	\$ 2,670,968
Buildings and improvements	5,537,360	4,910,953	10,448,313
Improvements other than buildings	3,716,056	55,149,685	58,865,741
Machinery and equipment	8,167,543	5,715,157	13,882,700
Infrastructure	<u>23,795,089</u>	<u>-</u>	<u>23,795,089</u>
	43,797,538	65,865,273	109,662,811
Accumulated depreciation	<u>(17,514,012)</u>	<u>(39,756,019)</u>	<u>(57,270,031)</u>
	<u>\$ 26,283,526</u>	<u>\$ 26,109,254</u>	<u>\$ 52,392,780</u>

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

	<u>Balance 10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/10</u>
Buildings and improvements	\$ 5,503,516	\$ 33,844	\$ -	\$ 5,537,360
Improvements other than buildings	3,660,397	55,659	-	3,716,056
Machinery and equipment	8,003,040	312,498	(147,996)	8,167,542
Infrastructure	<u>23,306,140</u>	<u>488,949</u>	<u>-</u>	<u>23,795,089</u>
	40,473,093	890,950	(147,996)	41,216,047
Land	<u>2,580,574</u>	<u>917</u>	<u>-</u>	<u>2,581,491</u>
	<u>\$43,053,667</u>	<u>\$ 891,867</u>	<u>\$ (147,996)</u>	<u>\$ 43,797,538</u>

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

	<u>Balance 10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/10</u>
Land and land rights	\$ 89,478	\$ -	\$ -	\$ 89,478
Buildings and improvements	4,777,974	132,979	-	4,910,953
Improvements other than buildings	53,898,516	1,251,169	-	55,149,685
Machinery and equipment	<u>5,450,406</u>	<u>279,614</u>	<u>(14,863)</u>	<u>5,715,157</u>
	64,216,374	1,663,762	(14,863)	65,865,273
Construction in progress	<u>-</u>	<u>1,270</u>	<u>-</u>	<u>1,270</u>
	<u>\$64,216,374</u>	<u>\$1,665,032</u>	<u>\$ (14,863)</u>	<u>\$ 65,866,543</u>

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

	<u>Balance 10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/10</u>
Land and land rights	\$ 488,600	\$ 821,756	\$ -	\$ 1,310,356
Buildings and improvements	1,693,764	-	-	1,693,764
Improvements other than buildings	4,349,911	-	-	4,349,911
Machinery and equipment	<u>308,431</u>	<u>-</u>	<u>-</u>	<u>308,431</u>
	6,840,706	821,756	-	7,662,462
Construction in progress	<u>-</u>	<u>233,079</u>	<u>-</u>	<u>233,079</u>
	<u>\$ 6,840,706</u>	<u>\$1,054,835</u>	<u>\$ -</u>	<u>\$ 7,895,541</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (Continued)

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

	Balance <u>10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/10</u>
Buildings and improvements	\$ 1,988,587	\$ 131,556	\$ -	\$ 2,120,143
Improvements other than buildings	2,054,406	817,275	-	2,871,681
Machinery and equipment	4,163,473	582,128	(147,996)	4,597,605
Infrastructure	7,924,583	-	-	7,924,583
	<u>\$16,131,049</u>	<u>\$1,530,959</u>	<u>\$ (147,996)</u>	<u>\$ 17,514,012</u>

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

General government	\$ 16,929
Public safety	367,165
Highways and streets	791,927
Culture and recreation	354,938
Total depreciation	<u>\$ 1,530,959</u>

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

	Balance <u>10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/10</u>
Buildings and improvements	\$ 2,884,385	\$ 648,301	\$ -	\$ 3,532,686
Improvements other than buildings	30,940,937	1,316,032	-	32,256,969
Machinery and equipment	3,644,817	336,410	(14,863)	3,966,364
	<u>\$37,470,139</u>	<u>\$2,300,743</u>	<u>\$ (14,863)</u>	<u>\$ 39,756,019</u>

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

	Balance <u>10/1/09</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/10</u>
Buildings and improvements	\$ 1,082,503	\$ 57,136	\$ -	\$ 1,139,639
Improvements other than buildings	3,413,061	159,469	-	3,572,530
Machinery and equipment	227,028	20,899	-	247,927
	<u>\$ 4,722,592</u>	<u>\$ 237,504</u>	<u>\$ -</u>	<u>\$ 4,960,096</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 licensed software for the police department. 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, 2010, the amount included in the government activities in the government-wide statements is \$7,667.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

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 John Deere Loader 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 \$3,356. The gross cost of the equipment obtained through this lease was \$162,507, 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, 2010:

Year Ending September 30,	Governmental Funds	Enterprise Funds	Total
2011	\$ 3,292	\$ 3,400	\$ 6,692
2012	3,292	-	3,292
2013	1,645	-	1,645
Total minimum lease payments	8,229	3,400	11,629
Less: amount representing interest	(562)	(44)	(606)
Present value of future minimum lease payments	<u>\$ 7,667</u>	<u>\$ 3,356</u>	<u>\$ 11,023</u>

The capital leases transaction summary for the year ended September 30, 2010, follows:

	Governmental Funds	Enterprise Funds	Total
Capital Leases 10/1/09	\$ 56,146	\$22,946	\$79,092
Capital Leases Additions	-	-	-
Capital Leases Payments	(48,479)	(19,590)	(68,069)
Capital Leases 9/30/10	<u>\$ 7,667</u>	<u>\$ 3,356</u>	<u>\$ 11,023</u>

NOTE 7 - LONG-TERM DEBT

The summary of bond and note transactions of the City for the year ended September 30, 2010, follows:

	Balance 10/1/09	Additions	Principal Payments	Balance 9/30/10	Amounts Due Within One Year
Governmental Activities:					
Notes and bonds payable	\$ 1,220,592	\$ -	\$ (360,148)	\$ 860,444	\$ 305,444
Business-type Activities:					
Notes and bonds payable	5,078,086	98,575	(674,374)	4,502,287	567,246
Component Units:					
Notes and bonds payable	1,560,800	340,000	(274,800)	1,626,000	246,200
	<u>\$7,859,478</u>	<u>\$438,575</u>	<u>\$(1,309,322)</u>	<u>\$6,988,731</u>	<u>\$ 1,118,890</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 7 - LONG-TERM DEBT (Continued)

Bonds payable as of September 30, 2010, 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. \$265,000

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. 550,000

Note payable to the Beatrice Library Foundation is due in four annual installments of \$55,148 beginning May 1, 2008. The note is non-interest-bearing if paid according to terms. 45,444

\$860,444

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. \$1,149,215

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. 549,497

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. 98,575

Combined Utilities Revenue Bonds issued August 20, 2002, issued rates ranging from 2.0% to 4.30%, due in semiannual installments ranging from \$270,000 due September 15, 2003, to \$335,000 due September 15, 2010, and the final installment of \$215,000 due September 15, 2011. 215,000

Solid Waste Disposal Facilities Revenue Bonds issued May 6, 2002, issued rates ranging from 1.75% to 4.35%, due in annual installments ranging from \$60,000 due December 15, 2002, to \$225,000 due December 15, 2010. 225,000

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

\$4,502,287

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 7 - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2010, 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	
2011	\$ 305,444	\$ 23,868	\$ 567,246	\$ 148,296	\$ 17,657
2012	270,000	14,918	276,284	128,828	16,375
2013	140,000	7,743	285,442	121,763	15,052
2014	145,000	2,646	289,733	113,994	13,687
2015	-	-	299,160	105,418	12,278
2016-2020	-	-	1,647,305	380,191	38,654
2021-2025	-	-	1,108,681	1,108,681	5,059
2026-2030	-	-	28,436	87,559	794
	<u>\$ 860,444</u>	<u>\$ 49,175</u>	<u>\$ 4,502,287</u>	<u>\$ 2,194,730</u>	<u>\$ 119,556</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. \$340,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through February 2012. 3,400

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through October 2011. 2,600

\$346,000

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. \$ 720,000

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. 560,000

\$1,280,000

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 7 - LONG-TERM DEBT (Continued)

Component Unit Bonds and Notes Payable (Continued)

The outstanding balance as of September 30, 2010, 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
2011	\$ 39,800	\$ 7,668	\$ 210,000	\$ 61,740
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
2016-2020	135,000	8,620	310,000	38,122
	<u>\$346,000</u>	<u>\$ 42,144</u>	<u>\$1,280,000</u>	<u>\$ 254,975</u>

Compensated Absences

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

	Governmental Activities	Business-Type Activities
Compensated absences, September 30, 2009	\$518,609	\$361,331
Additions	<u>26,242</u>	<u>40,281</u>
Compensated absences, September 30, 2010	<u>\$544,851</u>	<u>\$401,612</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, 2010.

	Governmental Funds	Community Redevelopment Authority
Warrants payable, September 30, 2009	\$247,235	\$ 22,328
Warrants issued	-	-
Warrants paid	<u>(39,974)</u>	<u>(10,000)</u>
Warrants payable, September 30, 2010	<u>\$207,261</u>	<u>\$ 12,328</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 9 - NOTES RECEIVABLE/PAYABLE – TAX INCREMENT FINANCING

Estimated future receivables and payables under TIF agreements were as follows as of September 30, 2010:

	<u>Receivable</u>	<u>Payable</u>
Cornhusker Hospitality II, LLC	\$ 128,903	\$ 128,903
Airport Authority of Beatrice	1,070,136	1,085,617
E-6 Investments, Inc.	172,332	173,787
E-6 Investments, Inc.	38,046	40,553
Fakler Development, LLC	12,327	12,327
E-6 Investments, Inc.	71,077	72,469
Toby and Teresa Bissegger	32,732	32,732
Beatrice Biodiesel, KKC	2,210,000	2,210,000
Precise Bldg, LLC	143,435	143,435
Southwick Enterprises	227,003	227,003
	<u>\$4,105,991</u>	<u>\$ 4,126,826</u>
	<u>Receivable</u>	<u>Payable</u>
Current portion	\$ 338,397	\$ 338,397
Noncurrent portion	3,767,594	3,788,429
	<u>\$4,105,991</u>	<u>\$ 4,126,826</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, 2010, represent individual fund interfund receivables and payables:

<u>Fund</u>		<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds:	Street Fund	\$ -	\$ 14,715
Debt Service Funds:	Unbonded	14,715	-
		<u>\$ 14,715</u>	<u>\$ 14,715</u>
Internal Service Funds:	Self-Insured Group Insurance Fund	\$ -	\$ 102,000
General Fund		102,000	-
		<u>\$ 102,000</u>	<u>\$ 102,000</u>

NOTE 11 - INTERFUND TRANSFERS

Interfund transfers were as follows for the year ended September 30, 2010:

<u>Transfer Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 120,115	\$120,115
Nonmajor Governmental Funds	33,500	129,319	162,819
Total	<u>\$33,500</u>	<u>\$249,434</u>	<u>\$282,934</u>

The General and Keno Funds transferred \$120,115 and \$104,319 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, 2010

NOTE 12 - DEFICIT FUND BALANCES

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$53,427 at September 30, 2010.

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 2010 was \$1,100,982 and the City contributions were based on a payroll of \$1,101,483. Both the City and the covered employees made the required contributions, amounting to \$66,089 (retirement rate of 6.0% of covered payroll) for the City and \$66,089 (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 2010 was \$1,201,714 and the City's contributions were based on a payroll of \$958,969. Both the City and the covered employees made the required contributions, amounting to \$124,667 (retirement rate of 13.0% of covered payroll) for the City and \$62,333 (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, 2010

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, 2010	\$455,652
Benefit liability at January 1, 2003, plus	
An inflation factor to September 30, 2010	<u>301,394</u>
Funded Status	<u>\$154,258</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, 2010.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

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, exclusive of the Airport Authority, for 2010 was \$1,685,455 and the City's contributions were based on a payroll of \$1,242,633. Both the City and covered employees made required contributions, totaling \$81,796 (retirement rate of 6.0% of covered payroll) for the City and \$81,796 (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 21. 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.

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:

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)

Board of Public Works (Continued)

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 \$166,520 and \$155,141 were made by the Board of Public Works to match required contributions for the years ended September 30, 2010 and 2009, respectively. Contributions were based on gross regular wages totaling \$2,775,333 and \$2,585,683 for the years ending September 30, 2010 and 2009, respectively. Total wages paid by the Board of Public Works were \$2,920,353 and \$2,848,502 for the years ended September 30, 2010 and 2009, 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, 2010, 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	<u>Annual Pension Percentage of APC</u>		Net Pension Obligation
	<u>Cost (APC)</u>	<u>Contributed</u>	
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, 2010

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, 2010 are as follows:

Total Assets	14,306,875	Contributions	915,966
Total Liabilities	<u>-</u>	Investment earnings	953,645
Net assets held in trust		Deductions	<u>(468,111)</u>
for pension benefits	<u>14,306,875</u>	Change in net assets	<u>1,401,500</u>

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

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.

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 \$97,253 and \$123,257 reported in the Fund at September 30, 2010 and 2009, is based on the requirements of Governmental Accounting Standards City 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 probable 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 2010 and 2009 were:

	Beginning of Fiscal Period Liability	Current Period Claims and Changes in Estimates	Charges and Reimbursements	Balance at Fiscal Period-End
2009 - 2010	\$123,257	1,223,211	(1,249,215)	\$97,253
2008 - 2009	\$128,500	1,163,335	(1,168,578)	\$123,257

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.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 14 - RISK MANAGEMENT (Continued)

Deposits and Investments (Continued)

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.

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, 2010 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 2010	\$ 602,667
December 2010	7,560
February 2011	275,330
May 2011	2,726,500
September 2011	969,944
	<u>\$4,582,001</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 14 - RISK MANAGEMENT (Continued)

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.

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, 2010, the City's investments in certificates of deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Security First Bank	\$2,978,797
Great Western Bank	202,667
Pinnacle Bank	<u>1,400,537</u>
	<u>\$4,582,001</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. 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, 2010, was \$14,306,875.

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, 2010.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

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 \$1,925,000 reported as landfill closure and postclosure care liability at September 30, 2010, 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 \$21,000 over the previous fiscal year.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

Closure and Postclosure Care Cost (Continued)

The City will recognize the remaining estimated cost of closure and postclosure care of \$1,565,700 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. 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.

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, 2010, investments of \$889,944 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 Gage County Economic Development, 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. STAT. 13-315. On September 30, 2008, the city council took action to give notice to terminate the agreement with GCED effectively changing the agreement to a specific two year remaining term which ended September 30, 2010.

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, 2011	\$24,000
September 30, 2012	\$24,000

The City has entered into an agreement with the Beatrice Area Chamber of Commerce, Inc. to conduct a publicity campaign for the purpose of promoting Beatrice, Nebraska. The City may pay as follows:

September 30, 2011	\$ 3,000
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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.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)

Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2010:

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, 2009, through June 30, 2010.	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, 2000, until 90-day written notice is given to terminate	To provide necessary ambulance service to the City of Beatrice and certain areas of Gage County.
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.
Pickerell Rural Fire District City of Beatrice	February 5, 2001, as long as District maintains State license	To perform basic life support/nontransport services needed due to medical emergencies.
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	To improve Hickory Road, a part of the County Road System.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

NOTE 15 – COMMITMENTS AND CONTINGENCIES (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, 2009, through August 31, 2010	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	May 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 City of Tecumseh	July 1, 2009 until June 30, 2010	To provide NCIC/NCIS services to Tecumseh.
City of Beatrice County of Gage	Perpetual	To work cooperatively to control the spread of noxious weeds.
City of Beatrice County of Gage	July 6, 2009 until project is completed	To allocate the award of JAG funds and to install an Automatic Vehicle Location System for City and County Emergency Response Vehicles outlining the cost and responsibilities.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2010

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.

	Bonded and Unbonded	General Obligation	Total
REVENUES			
Revenues on budgetary basis	\$ 73,241	\$287,846	\$361,087
Cash to accrual adjustments	<u>37,760</u>	<u>(265)</u>	<u>37,495</u>
Revenues on a GAAP basis	<u>111,001</u>	<u>287,581</u>	<u>398,582</u>
EXPENDITURES			
Expenditures on budgetary basis	104,957	281,843	386,800
Cash to accrual adjustments	<u>(39,994)</u>	<u>(1,200)</u>	<u>(41,194)</u>
Expenditures on a GAAP basis	<u>64,963</u>	<u>280,643</u>	<u>345,606</u>
TRANSFERS			
Transfers on budgetary basis	15,000	-	15,000
Cash to accrual adjustments	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Transfers on a GAAP basis	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES ON A GAAP BASIS	<u>\$ 46,038</u>	<u>\$ 6,938</u>	<u>\$ 52,976</u>

NOTE 17 - SUBSEQUENT EVENTS

In preparing the financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through March 3, 2011, the date the financial statements were available to be issued.

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	,2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Property tax	\$ 1,487,565	\$ 1,487,565	\$ 1,472,469	\$ (15,096)	\$ 1,439,685
Sales tax	1,985,428	1,985,428	1,853,737	(131,691)	1,732,701
Occupation tax	820,060	820,060	824,113	4,053	783,120
Licenses and permits	97,650	97,650	173,182	75,532	80,819
Intergovernmental	1,114,763	1,114,763	1,078,334	(36,429)	979,492
Charges for services	1,958,023	1,958,023	1,930,909	(27,114)	1,882,025
Miscellaneous	152,250	152,250	132,051	(20,199)	221,410
Total Revenues	<u>7,615,739</u>	<u>7,615,739</u>	<u>7,464,795</u>	<u>(150,944)</u>	<u>7,119,252</u>
Expenditures					
General government	1,068,125	1,068,125	1,221,715	(153,590)	1,070,220
Public safety	4,907,415	4,907,415	4,960,779	(53,364)	4,733,133
Culture and recreation	1,210,170	1,210,170	1,145,874	64,296	1,181,986
Total Expenditures	<u>7,185,710</u>	<u>7,185,710</u>	<u>7,328,368</u>	<u>(142,658)</u>	<u>6,985,339</u>
Excess of Revenues Over Expenditures	<u>430,029</u>	<u>430,029</u>	<u>136,427</u>	<u>(293,602)</u>	<u>133,913</u>
Other Financing Sources (Uses)					
Transfers in	35,500	35,500	33,500	(2,000)	28,675
Transfers out	(418,825)	(418,825)	(145,115)	273,710	(360,571)
Total Other Financing Sources (Uses)	<u>(383,325)</u>	<u>(383,325)</u>	<u>(111,615)</u>	<u>271,710</u>	<u>(331,896)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 46,704</u>	<u>\$ 46,704</u>	<u>\$ 24,812</u>	<u>\$ (21,892)</u>	<u>\$ (197,983)</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 561,000	\$ 561,000	\$ 525,822	\$ (35,178)	\$ 495,664
Intergovernmental:					
Local shared revenue	25,000	25,000	-	(25,000)	7,300
State shared revenue	1,061,000	1,061,000	1,426,302	365,302	1,171,018
Federal grants	-	-	37,147	37,147	1,992
Total Intergovernmental	<u>1,086,000</u>	<u>1,086,000</u>	<u>1,463,449</u>	<u>377,449</u>	<u>1,180,310</u>
Charges for services	20,000	20,000	22,865	2,865	26,790
	<u>20,000</u>	<u>20,000</u>	<u>22,865</u>	<u>2,865</u>	<u>26,790</u>
Total Revenues	<u>1,667,000</u>	<u>1,667,000</u>	<u>2,012,136</u>	<u>345,136</u>	<u>1,702,764</u>
Expenditures					
Personal services	759,950	759,950	796,236	(36,286)	700,266
Supplies	262,000	262,000	322,622	(60,622)	274,449
Other services and charges	103,190	103,190	144,881	(41,691)	94,507
Capital outlay	646,402	646,402	496,973	149,429	593,185
Total Expenditures	<u>1,771,542</u>	<u>1,771,542</u>	<u>1,760,712</u>	<u>10,830</u>	<u>1,662,407</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,542)</u>	<u>(104,542)</u>	<u>251,424</u>	<u>355,966</u>	<u>40,357</u>
Other Financing Sources (Uses)					
Transfers to other funds	(25,000)	(25,000)	-	25,000	123,039
Net Change in Fund Balance	<u>\$ (129,542)</u>	<u>\$ (129,542)</u>	<u>\$ 251,424</u>	<u>\$ 380,966</u>	<u>\$ 163,396</u>

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

**CITY OF BEATRICE, NEBRASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$1,597,108	\$186,666	\$ 54,016	\$1,837,790
Cash on deposit - County Treasurer	-	31,211	-	31,211
Accounts receivable	-	-	6,429	6,429
Interest receivable	-	40,466	-	40,466
Assessments receivable	-	240,453	-	240,453
Restricted:				
Cash	-	-	206,202	206,202
Investments	-	-	82,076	82,076
In-lieu-of assessments	-	10,105	-	10,105
Loans receivable	1,456,719	-	-	1,456,719
Taxes receivable	-	26,032	-	26,032
Due from other funds	-	14,715	-	14,715
Total Assets	<u>3,053,827</u>	<u>549,648</u>	<u>348,723</u>	<u>3,952,198</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	100,500	-	49,105	149,605
Accrued interest payable	-	50,429	-	50,429
Registered warrants payable	-	207,261	-	207,261
Deferred revenues	-	133,015	-	133,015
Total Liabilities	<u>100,500</u>	<u>390,705</u>	<u>49,105</u>	<u>540,310</u>
Fund Balances				
Reserved for economic development	1,227,426	-	-	1,227,426
Reserved for debt service	-	212,370	-	212,370
Reserved for Library capital improvements	-	-	93,416	93,416
Reserved for public safety equipment	-	-	206,202	206,202
Reserved for Revolving Loan Fund	1,555,418	-	-	1,555,418
Reserved for storm water management	72	-	-	72
Reserved for E911 public safety	7,699	-	-	7,699
Unreserved, undesignated	162,712	(53,427)	-	109,285
Total Fund Balances	<u>2,953,327</u>	<u>158,943</u>	<u>299,618</u>	<u>3,411,888</u>
Total Liabilities and Fund Balances	<u>\$3,053,827</u>	<u>\$549,648</u>	<u>\$348,723</u>	<u>\$3,952,198</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 250,000	\$ 310,878	\$ -	\$ 560,878
Intergovernmental	27,020	1,125	231,483	259,628
Charges for services	89,292	-	-	89,292
Keno proceeds	75,178	-	-	75,178
Special assessments	-	63,252	-	63,252
Interest	28,757	23,327	371	52,455
Donations and miscellaneous revenue	6,210	-	28,829	35,039
Total Revenues	<u>476,457</u>	<u>398,582</u>	<u>260,683</u>	<u>1,135,722</u>
Expenditures				
General government	258,638	-	-	258,638
Public safety	45,998	-	-	45,998
Capital outlay	-	9,284	244,225	253,509
Debt service:				
Principal	-	305,000	55,148	360,148
Interest	-	31,322	-	31,322
MFO payments - other entities	-	-	126,499	126,499
Total Expenditures	<u>304,636</u>	<u>345,606</u>	<u>425,872</u>	<u>1,076,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>171,821</u>	<u>52,976</u>	<u>(165,189)</u>	<u>59,608</u>
Other Financing Sources (Uses)				
Operating transfers in	25,000	-	224,434	249,434
Operating transfer out	(137,819)	-	-	(137,819)
Total Other Financing Sources (Uses)	<u>(112,819)</u>	<u>-</u>	<u>224,434</u>	<u>111,615</u>
Net Change in Fund Balances	<u>59,002</u>	<u>52,976</u>	<u>59,245</u>	<u>171,223</u>
Fund Balances, Beginning of Year	<u>2,894,325</u>	<u>105,967</u>	<u>240,373</u>	<u>3,240,665</u>
Fund Balances, End of Year	<u>\$ 2,953,327</u>	<u>\$ 158,943</u>	<u>\$ 299,618</u>	<u>\$ 3,411,888</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2010

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
Assets						
Cash and investments	\$ 1,327,926	\$ 98,699	\$ 162,712	\$ 7,699	\$ 72	\$ 1,597,108
Loans receivable	-	1,456,719	-	-	-	1,456,719
Total Assets	<u>1,327,926</u>	<u>1,555,418</u>	<u>162,712</u>	<u>7,699</u>	<u>72</u>	<u>\$ 3,053,827</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	100,500	-	-	-	-	100,500
Fund Balance						
Reserved for:						
Economic development	1,227,426	-	-	-	-	1,227,426
Revolving Loan Fund	-	1,555,418	-	-	-	1,555,418
Storm water management	-	-	-	-	72	72
E911 public safety	-	-	-	7,699	-	7,699
Unreserved:						
Undesignated	-	-	162,712	-	-	162,712
Total Fund Balance	<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>
Total Liabilities and Fund Balance	<u>\$ 1,327,926</u>	<u>\$ 1,555,418</u>	<u>\$ 162,712</u>	<u>\$ 7,699</u>	<u>\$ 72</u>	<u>\$ 3,053,827</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, 2010

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
Revenues						
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Intergovernmental	-	-	-	-	27,020	27,020
Charges for services	-	-	-	89,292	-	89,292
Keno proceeds	-	-	75,178	-	-	75,178
Interest	8,444	20,313	-	-	-	28,757
Other revenue	6,210	-	-	-	-	6,210
Total Revenues	<u>264,654</u>	<u>20,313</u>	<u>75,178</u>	<u>89,292</u>	<u>27,020</u>	<u>476,457</u>
Expenditures						
General government	104,000	58,000	13,010	-	83,628	258,638
Public safety	-	-	-	45,998	-	45,998
Total Expenditures	<u>104,000</u>	<u>58,000</u>	<u>13,010</u>	<u>45,998</u>	<u>83,628</u>	<u>304,636</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>160,654</u>	<u>(37,687)</u>	<u>62,168</u>	<u>43,294</u>	<u>(56,608)</u>	<u>171,821</u>
Other Financing Sources (Uses)						
Transfers from other funds	-	-	-	-	25,000	25,000
Transfers to other funds	-	-	(104,319)	(33,500)	-	(137,819)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(104,319)</u>	<u>(33,500)</u>	<u>25,000</u>	<u>(112,819)</u>
Net Change in Fund Balances	160,654	(37,687)	(42,151)	9,794	(31,608)	59,002
Fund Balances, Beginning of Year	<u>1,066,772</u>	<u>1,593,105</u>	<u>204,863</u>	<u>(2,095)</u>	<u>31,680</u>	<u>2,894,325</u>
Fund Balances, End 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>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
Assets		
Unrestricted cash	\$ 557,559	\$ 763,515
Restricted cash	(6,887)	48,584
Investments	603,349	400,296
Cash on deposit - County Treasurer	161,599	182,030
Accounts receivable	437,466	375,439
Taxes receivable	136,058	105,491
Due from Self-Insured Health Care Fund	102,000	-
Due from Component Unit	-	50,000
Total Assets	<u>\$ 1,991,144</u>	<u>\$ 1,925,355</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 78,176	\$ 67,995
Unearned revenues	118,135	87,339
Total Liabilities	<u>196,311</u>	<u>155,334</u>
Fund Balance		
Reserved for police grants and programs	21,354	48,584
Unreserved:		
Designated for subsequent years' expenditures	716,164	592,106
Undesignated	1,057,315	1,129,331
Total Fund Balance	<u>1,794,833</u>	<u>1,770,021</u>
Total Liabilities and Fund Balance	<u>\$ 1,991,144</u>	<u>\$ 1,925,355</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes	\$ 4,293,053	\$ 4,293,053	\$ 4,150,319	\$ (142,734)	\$ 3,955,506
Licenses and permits	97,650	97,650	173,182	75,532	80,819
Intergovernmental	1,114,763	1,114,763	1,078,334	(36,429)	979,492
Charges for services	1,958,023	1,958,023	1,930,909	(27,114)	1,882,025
Interest	50,000	50,000	20,312	(29,688)	47,864
Miscellaneous	102,250	102,250	111,739	9,489	173,546
Total Revenues	<u>7,615,739</u>	<u>7,615,739</u>	<u>7,464,795</u>	<u>(150,944)</u>	<u>7,119,252</u>
Expenditures					
General government	1,068,125	1,068,125	1,221,715	(153,590)	1,070,220
Public safety	4,907,415	4,907,415	4,960,779	(53,364)	4,733,133
Culture and recreation	1,210,170	1,210,170	1,145,874	64,296	1,181,986
Total Expenditures	<u>7,185,710</u>	<u>7,185,710</u>	<u>7,328,368</u>	<u>(142,658)</u>	<u>6,985,339</u>
Excess of Revenues Over Expenditures	<u>430,029</u>	<u>430,029</u>	<u>136,427</u>	<u>(293,602)</u>	<u>133,913</u>
Other Financing Sources (Uses)					
Operating transfers in	35,500	35,500	33,500	(2,000)	28,675
Operating transfers out	(418,825)	(418,825)	(145,115)	273,710	(360,571)
Total Other Financing Sources (Uses)	<u>(383,325)</u>	<u>(383,325)</u>	<u>(111,615)</u>	<u>271,710</u>	<u>(331,896)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 46,704</u>	<u>\$ 46,704</u>	<u>24,812</u>	<u>\$ (21,892)</u>	<u>(197,983)</u>
Fund Balance, Beginning of Year			<u>1,770,021</u>		<u>1,968,004</u>
Fund Balance, End of Year			<u>\$ 1,794,833</u>		<u>\$ 1,770,021</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
General Government					
Management and Budget:					
Personal services	\$ 343,184	\$ 343,184	\$ 358,621	\$ (15,437)	\$ 335,531
Supplies	6,800	6,800	4,797	2,003	6,346
Other services and charges	84,890	84,890	73,067	11,823	75,781
Capital outlay	-	-	6,855	(6,855)	2,250
Contingency	100,000	100,000	274,788	(174,788)	162,574
Contractual services	106,595	106,595	118,756	(12,161)	109,177
Total Management and Budget	<u>641,469</u>	<u>641,469</u>	<u>836,884</u>	<u>(195,415)</u>	<u>691,659</u>
Legal:					
Personal services	113,284	113,284	115,757	(2,473)	105,529
Supplies	1,000	1,000	217	783	103
Other services and charges	8,190	8,190	4,922	3,268	6,231
Total Legal	<u>122,474</u>	<u>122,474</u>	<u>120,896</u>	<u>1,578</u>	<u>111,863</u>
Inspection:					
Personal services	179,949	179,949	161,384	18,565	172,294
Supplies	4,850	4,850	4,809	41	3,711
Other services and charges	60,050	60,050	38,409	21,641	52,026
Capital outlay	-	-	-	-	-
Contractual services	59,333	59,333	59,333	-	38,667
Total Inspection	<u>304,182</u>	<u>304,182</u>	<u>263,935</u>	<u>40,247</u>	<u>266,698</u>
Total General Government	<u>1,068,125</u>	<u>1,068,125</u>	<u>1,221,715</u>	<u>(153,590)</u>	<u>1,070,220</u>
Public Safety					
Police:					
Personal services	2,131,565	2,131,565	2,174,732	(43,167)	2,036,595
Supplies	84,692	84,692	77,737	6,955	60,113
Other services and charges	174,935	174,935	165,755	9,180	156,022
Capital outlay	13,080	13,080	19,090	(6,010)	67,510
Contingencies	9,499	9,499	29,113	(19,614)	24,038
Total Police	<u>2,413,771</u>	<u>2,413,771</u>	<u>2,466,427</u>	<u>(52,656)</u>	<u>2,344,278</u>
Fire and Ambulance:					
Personal services	1,704,059	1,704,059	1,704,142	(83)	1,646,424
Supplies	129,575	129,575	98,344	31,231	103,689
Other services and charges	644,110	644,110	672,992	(28,882)	614,135
Capital outlay	15,900	15,900	12,668	3,232	18,552
Contractual services	-	-	6,206	(6,206)	6,055
Total Fire	<u>2,493,644</u>	<u>2,493,644</u>	<u>2,494,352</u>	<u>(708)</u>	<u>2,388,855</u>
Total Public Safety	<u>4,907,415</u>	<u>4,907,415</u>	<u>4,960,779</u>	<u>(53,364)</u>	<u>4,733,133</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP) (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Culture and Recreation					
Public Properties:					
Personal services	380,485	380,485	382,753	(2,268)	360,210
Supplies	120,090	120,090	118,450	1,640	104,241
Other services and charges	136,950	136,950	87,732	49,218	108,113
Capital outlay	49,200	49,200	52,583	(3,383)	71,494
Contractual services	33,000	33,000	27,075	5,925	48,549
Total Public Properties	<u>719,725</u>	<u>719,725</u>	<u>668,593</u>	<u>51,132</u>	<u>692,607</u>
Library:					
Personal services	321,704	321,704	334,702	(12,998)	320,528
Supplies	8,800	8,800	9,378	(578)	9,391
Other services and charges	60,814	60,814	53,360	7,454	58,700
Capital outlay	99,127	99,127	79,841	19,286	100,760
Total Library	<u>490,445</u>	<u>490,445</u>	<u>477,281</u>	<u>13,164</u>	<u>489,379</u>
Total Culture and Recreation	<u>1,210,170</u>	<u>1,210,170</u>	<u>1,145,874</u>	<u>64,296</u>	<u>1,181,986</u>
Total Expenditures	<u>\$7,185,710</u>	<u>\$7,185,710</u>	<u>\$7,328,368</u>	<u>\$ (142,658)</u>	<u>\$6,985,339</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Taxes:					
Property taxes	\$1,392,565	\$1,392,565	\$1,310,635	\$ (81,930)	\$1,286,581
Homestead exemption allocation	90,000	90,000	99,214	9,214	91,117
Property tax credit	-	-	54,126	54,126	56,453
Interest on delinquent taxes	5,000	5,000	8,494	3,494	5,534
City sales tax	1,985,428	1,985,428	1,853,737	(131,691)	1,732,701
Utilities occupation tax	740,000	740,000	729,054	(10,946)	713,816
Beer and liquor occupation tax	17,500	17,500	18,670	1,170	16,555
Insurance company occupation tax	60	60	80	20	75
Lodging occupation tax	60,000	60,000	73,739	13,739	50,319
Miscellaneous occupation tax	2,500	2,500	2,570	70	2,355
	<u>4,293,053</u>	<u>4,293,053</u>	<u>4,150,319</u>	<u>(142,734)</u>	<u>3,955,506</u>
Licenses and Permits:					
Bicycle licenses	150	150	75	(75)	80
Dog licenses	4,500	4,500	3,605	(895)	3,813
Plumbers' licenses	1,000	1,000	1,813	813	375
Building permits	80,000	80,000	155,396	75,396	70,863
Plumbing permits	5,000	5,000	6,865	1,865	2,406
Mechanical permits	2,000	2,000	856	(1,144)	761
Miscellaneous permits	5,000	5,000	4,572	(428)	2,521
	<u>97,650</u>	<u>97,650</u>	<u>173,182</u>	<u>75,532</u>	<u>80,819</u>
Intergovernmental:					
County library aid	21,685	21,685	21,685	-	21,155
Motor vehicle tax	205,000	205,000	197,499	(7,501)	206,393
County ambulance aid	157,000	157,000	156,108	(892)	152,300
Interlocal 911 dispatch aid	62,685	62,685	62,685	-	61,116
Governmental sub/state aid	109,177	109,177	106,447	(2,730)	109,190
Crime commission - VAC grants	47,872	47,872	46,397	(1,475)	33,872
Local match - SEADE	37,143	37,143	31,578	(5,565)	37,142
Library grants	-	-	2,000	2,000	4,500
Prorate motor vehicle tax	5,000	5,000	5,767	767	5,744
State library aid	3,214	3,214	3,164	(50)	3,214
Municipal equalization funds	258,106	258,106	250,628	(7,478)	243,593
Crime commission - SEADE grants	53,136	53,136	53,136	-	25,310
Federal grant FEMA	-	-	7,977	7,977	13,281
JAG Recovery Act - officer retention	52,600	52,600	49,203	(3,397)	5,834
JAG Recovery Act for SEADE	48,170	48,170	15,254	(32,916)	-
Other intergovernmental	53,975	53,975	68,806	14,831	56,848
	<u>1,114,763</u>	<u>1,114,763</u>	<u>1,078,334</u>	<u>(36,429)</u>	<u>979,492</u>
Charges for Services:					
Publication cost income	1,000	1,000	473	(527)	697
Management and budget miscellaneous charges	1,000	1,000	1,222	222	362
Accounting services	29,664	29,664	29,664	-	28,800
BASWA management services	16,000	16,000	16,000	-	16,000
CDBG administration fees	-	-	7,500	7,500	-
Legal services	39,741	39,741	41,559	1,818	38,584
Legal miscellaneous charges	100	100	145	45	24
Restitution - fees and damages	2,000	2,000	5,360	3,360	2,821

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Charges for Services: (Continued)					
Inspection miscellaneous charges	1,100	1,100	945	(155)	1,047
Recover demolition charges	10,000	10,000	16,726	6,726	14,635
Police charges	2,500	2,500	2,097	(403)	2,528
Fire charges	20,250	20,250	21,287	1,037	18,301
Fire inspections	2,000	2,000	-	(2,000)	1,400
Ambulance charges	1,579,000	1,579,000	1,501,066	(77,934)	1,504,375
Public safety miscellaneous charges	23,500	23,500	39,755	16,255	24,140
Stop program charges	3,000	3,000	2,200	(800)	2,080
Tuition reimbursement	5,400	5,400	3,755	(1,645)	2,360
Land use agreements	6,000	6,000	3,650	(2,350)	6,050
Auditorium use fee	24,000	24,000	29,361	5,361	27,080
Water Park admissions	93,500	93,500	88,933	(4,567)	81,453
Camping receipts	30,000	30,000	44,678	14,678	44,710
Water Park concessions and sales	32,500	32,500	30,354	(2,146)	30,253
Public properties miscellaneous charges	10,000	10,000	15,689	5,689	9,794
BASWA facility maintenance	6,118	6,118	6,118	-	5,940
Library use fees	9,200	9,200	8,306	(894)	8,348
Library copying fees	3,000	3,000	2,440	(560)	2,685
Library miscellaneous charges	500	500	4,208	3,708	1,463
Interlibrary loan revenue	350	350	290	(60)	300
Parking fines and rents	2,850	2,850	2,428	(422)	2,564
School fines and fees	3,750	3,750	4,700	950	3,231
	<u>1,958,023</u>	<u>1,958,023</u>	<u>1,930,909</u>	<u>(27,114)</u>	<u>1,882,025</u>
Miscellaneous:					
Interest earnings	50,000	50,000	20,312	(29,688)	47,864
Reimbursements	2,000	2,000	16,895	14,895	45,230
Drug money seizure	-	-	-	-	200
Donations - Beatrice Program Plus	6,250	6,250	7,959	1,709	5,877
Police donations	1,000	1,000	7,979	6,979	15,245
Fire donations	1,500	1,500	2,075	575	1,240
Public properties donations - Water Park	1,500	1,500	2,239	739	2,500
Parks donations	14,000	14,000	22,411	8,411	31,952
Library donations	5,000	5,000	4,710	(290)	7,038
Library donations/Foundation	32,000	32,000	12,171	(19,829)	26,515
Lease income - BASWA	34,000	34,000	34,000	-	34,000
Sales of capital assets	5,000	5,000	1,300	(3,700)	3,749
	<u>152,250</u>	<u>152,250</u>	<u>132,051</u>	<u>(20,199)</u>	<u>221,410</u>
Total Revenues	<u>\$7,615,739</u>	<u>\$7,615,739</u>	<u>\$ 7,464,795</u>	<u>\$ (150,944)</u>	<u>\$7,119,252</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 631,569	\$ 462,580
Accounts receivable	<u>43,028</u>	<u>59,761</u>
Total Assets	<u>\$ 674,597</u>	<u>\$ 522,341</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 248,366	\$ 332,534
Due to Debt Service Fund	<u>14,715</u>	<u>29,715</u>
Total Liabilities	<u>263,081</u>	<u>362,249</u>
Fund Balance		
Unreserved		
Undesignated	<u>411,516</u>	<u>160,092</u>
Total Liabilities and Fund Balance	<u>\$ 674,597</u>	<u>\$ 522,341</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 561,000	\$ 561,000	\$ 525,822	\$ (35,178)	\$ 495,664
Intergovernmental:					
Local shared revenue	25,000	25,000	-	(25,000)	7,300
State shared revenue	1,061,000	1,061,000	1,426,302	365,302	1,171,018
Federal grants	-	-	37,147	-	1,992
Total Intergovernmental	<u>1,086,000</u>	<u>1,086,000</u>	<u>1,463,449</u>	<u>340,302</u>	<u>1,180,310</u>
Charges for services	20,000	20,000	22,865	2,865	26,790
Total Revenues	<u>1,667,000</u>	<u>1,667,000</u>	<u>2,012,136</u>	<u>307,989</u>	<u>1,702,764</u>
Expenditures					
Personal Services:					
Salaries	520,000	520,000	560,525	(40,525)	483,991
Social security	34,000	34,000	32,932	1,068	33,677
Retirement	21,500	21,500	26,682	(5,182)	22,240
Health and life insurance	124,650	124,650	122,040	2,610	126,358
Workmen's compensation	59,800	59,800	54,057	5,743	34,000
Total Personal Services	<u>759,950</u>	<u>759,950</u>	<u>796,236</u>	<u>(36,286)</u>	<u>700,266</u>
Supplies:					
Operating supplies	98,500	98,500	106,582	(8,082)	69,092
Repairs and maintenance supplies	163,500	163,500	216,040	(52,540)	205,357
Total Supplies	<u>262,000</u>	<u>262,000</u>	<u>322,622</u>	<u>(60,622)</u>	<u>274,449</u>
Other Services and Charges:					
Insurance	26,000	26,000	14,834	11,166	22,993
Outside professional services	-	-	3,314	(3,314)	1,447
Utilities	750	750	750	-	750
Maintenance and repairs	25,000	25,000	29,082	(4,082)	25,659
Rentals	36,000	36,000	83,424	(47,424)	33,051
Data processing costs	2,520	2,520	2,520	-	2,520
Training and transportation	3,500	3,500	3,546	(46)	2,203
Communications	5,300	5,300	4,929	371	5,591
Miscellaneous	4,120	4,120	2,482	1,638	293
Total Other Services and Charges	<u>103,190</u>	<u>103,190</u>	<u>144,881</u>	<u>(41,691)</u>	<u>94,507</u>
Capital Outlay:					
Improvements other than buildings	508,000	508,000	447,868	60,132	495,498
Machinery and equipment	138,402	138,402	49,105	89,297	97,687
Total Capital Outlay	<u>646,402</u>	<u>646,402</u>	<u>496,973</u>	<u>149,429</u>	<u>593,185</u>
Total Expenditures	<u>1,771,542</u>	<u>1,771,542</u>	<u>1,760,712</u>	<u>10,830</u>	<u>1,662,407</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,542)</u>	<u>(104,542)</u>	<u>251,424</u>	<u>355,966</u>	<u>40,357</u>
Other Financing Sources (Uses)					
Transfers from other funds	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>123,039</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u><u>\$(129,542)</u></u>	<u><u>\$(129,542)</u></u>	<u>251,424</u>	<u><u>\$ 380,966</u></u>	<u>163,396</u>
Fund Balance, Beginning of Year			<u>160,092</u>		<u>(3,304)</u>
Fund Balance, End of Year			<u><u>\$ 411,516</u></u>		<u><u>\$ 160,092</u></u>

CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and investments	\$ 1,327,926	\$ 1,066,772
Total Assets	<u>\$ 1,327,926</u>	<u>\$ 1,066,772</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 100,500	\$ -
Fund Balance		
Reserved for economic development	<u>1,227,426</u>	<u>1,066,772</u>
Total Liabilities and Fund Balance	<u>\$ 1,327,926</u>	<u>\$ 1,066,772</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest earnings	20,000	20,000	8,444	(11,556)	20,722
Loans/rents revenue	6,200	6,200	6,210	10	6,210
	<u>26,200</u>	<u>26,200</u>	<u>14,654</u>	<u>(11,546)</u>	<u>26,932</u>
Total Revenues	<u>276,200</u>	<u>276,200</u>	<u>264,654</u>	<u>(11,546)</u>	<u>276,932</u>
Expenditures					
Economic development	280,000	280,000	104,000	176,000	90,000
Capital outlay	<u>2,713,250</u>	<u>2,713,250</u>	-	<u>2,713,250</u>	<u>21,746</u>
Total Expenditures	<u>2,993,250</u>	<u>2,993,250</u>	<u>104,000</u>	<u>2,889,250</u>	<u>111,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,717,050)</u>	<u>(2,717,050)</u>	<u>160,654</u>	<u>2,877,704</u>	<u>165,186</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>\$(1,067,050)</u>	<u>\$(1,067,050)</u>	<u>160,654</u>	<u>\$1,227,704</u>	<u>165,186</u>
Fund Balance, Beginning of Year			<u>1,066,772</u>		<u>901,586</u>
Fund Balance, End of Year			<u>\$ 1,227,426</u>		<u>\$1,066,772</u>

CITY OF BEATRICE, NEBRASKA
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 98,699	\$ 667,460
Loans receivable	<u>1,456,719</u>	<u>925,645</u>
Total Assets	<u>\$ 1,555,418</u>	<u>\$ 1,593,105</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Reserved for Revolving Loan Fund	<u>1,555,418</u>	<u>1,593,105</u>
Total Liabilities and Fund Balance	<u>\$ 1,555,418</u>	<u>\$ 1,593,105</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Grants	\$ 505,000	\$ 505,000	\$ -	\$ (505,000)
Interest earnings	12,000	12,000	2,249	(9,751)
Loan payments - principal	83,093	83,093	-	(83,093)
Loan payments - interest	18,039	18,039	18,064	25
Total Revenues	<u>618,132</u>	<u>618,132</u>	<u>20,313</u>	<u>(597,819)</u>
Expenditures				
Administration	6,000	6,000	8,000	(2,000)
Grant repayments	50,000	50,000	50,000	-
Reuse loans	1,227,782	1,227,782	-	1,227,782
Loan forgiveness	-	-	-	-
Total Expenditures	<u>1,283,782</u>	<u>1,283,782</u>	<u>58,000</u>	<u>1,225,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(665,650)</u>	<u>(665,650)</u>	<u>(37,687)</u>	<u>627,963</u>
Fund Balance, Beginning of Year			<u>1,593,105</u>	<u>1,654,085</u>
Fund Balance, End of Year			<u>\$ 1,555,418</u>	<u>\$ 1,593,105</u>

CITY OF BEATRICE, NEBRASKA
 KENO/LOTTERY SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and investments	\$ 162,712	\$ 204,863
Total Assets	<u>\$ 162,712</u>	<u>\$ 204,863</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Unreserved	<u>162,712</u>	<u>204,863</u>
Total Liabilities and Fund Balance	<u>\$ 162,712</u>	<u>\$ 204,863</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Keno/lottery proceeds	\$ 100,000	\$100,000	\$ 75,178	\$(24,822)	\$ 89,668
Expenditures					
Other services and charges	18,000	18,000	13,010	4,990	16,600
Excess of Revenues Over Expenditures	82,000	82,000	62,168	(19,832)	73,068
Other Financing Sources (Uses)					
Transfers to other funds	(110,816)	(110,816)	(104,319)	6,497	(59,610)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(28,816)	(28,816)	(42,151)	(13,335)	13,458
Fund Balance, Beginning of Year			204,863		191,405
Fund Balance, End of Year			\$ 162,712		\$204,863

CITY OF BEATRICE, NEBRASKA
 911 SURCHARGE SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash - 911 Surcharge	\$ 95	\$ 47
Cash - E911 Wireless	<u>7,604</u>	<u>-</u>
Total Assets	<u>\$7,699</u>	<u>\$ 47</u>
Liabilities and Fund Balance		
Liabilities		
Accrued interest payable	<u>\$ -</u>	<u>\$2,142</u>
Fund Balance		
Reserved for E911 public safety	<u>7,699</u>	<u>(2,095)</u>
Total Liabilities and Fund Balance	<u>\$7,699</u>	<u>\$ 47</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
911 service surcharge	\$ 83,500	\$83,500	\$81,688	\$ (1,812)	\$ 81,235
E911 wireless surcharge	-	-	7,604	7,604	-
Total Revenues	<u>83,500</u>	<u>83,500</u>	<u>89,292</u>	<u>5,792</u>	<u>81,235</u>
Expenditures					
Lease payments	<u>48,333</u>	<u>48,333</u>	<u>45,998</u>	<u>2,335</u>	<u>50,590</u>
Excess of Revenues Over Expenditures	<u>35,167</u>	<u>35,167</u>	<u>43,294</u>	<u>8,127</u>	<u>30,645</u>
Other Financing Sources (Uses)					
Operating transfers out	<u>(35,500)</u>	<u>(35,500)</u>	<u>(33,500)</u>	<u>2,000</u>	<u>(28,675)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (333)</u>	<u>\$ (333)</u>	9,794	<u>\$ 10,127</u>	1,970
Fund Balance, Beginning of Year			<u>(2,095)</u>		<u>(4,065)</u>
Fund Balance, End of Year			<u>\$ 7,699</u>		<u>\$ (2,095)</u>

CITY OF BEATRICE, NEBRASKA
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 72	\$31,680
Total Assets	<u>\$ 72</u>	<u>\$31,680</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Reserved for storm water management plan	<u>72</u>	<u>31,680</u>
Total Liabilities and Fund Balance	<u>\$ 72</u>	<u>\$31,680</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Intergovernmental	\$27,602	\$27,602	\$ 27,020	\$ (582)	\$27,602
Miscellaneous revenue	-	-	-	-	60
Total Revenues	<u>27,602</u>	<u>27,602</u>	<u>27,020</u>	<u>(582)</u>	<u>27,662</u>
Expenditures					
Personal services	73,281	73,281	72,419	862	62,452
Other services and charges	9,092	9,092	7,683	1,409	5,466
Supplies	5,229	5,229	13	5,216	5,669
Capital outlay	10,000	10,000	3,513	6,487	3,481
Total Expenditures	<u>97,602</u>	<u>97,602</u>	<u>83,628</u>	<u>13,974</u>	<u>77,068</u>
Excess of Revenues Over Expenditures	<u>(70,000)</u>	<u>(70,000)</u>	<u>(56,608)</u>	<u>13,392</u>	<u>(49,406)</u>
Other Financing Sources (Uses)					
Transfers from other funds	<u>70,000</u>	<u>70,000</u>	<u>25,000</u>	<u>(45,000)</u>	<u>70,000</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(31,608)</u>	<u>\$(31,608)</u>	<u>20,594</u>
Fund Balance, Beginning of Year			<u>31,680</u>		<u>11,086</u>
Fund Balance, End of Year			<u>\$ 72</u>		<u>\$31,680</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010				
	General Obligation	Bonded Districts	Unbonded Assessments	Total	2009 Totals
Assets					
Cash	\$ 182,774	\$ -	\$ 3,892	\$ 186,666	\$200,300
Cash on deposit - County Treasurer	31,211	-	-	31,211	28,818
Taxes receivable	26,032	-	-	26,032	34,904
Assessments receivable:					
Current	-	-	36,130	36,130	54,537
Delinquent	-	-	104,015	104,015	56,942
Deferred	-	-	100,308	100,308	163,561
In process	-	-	-	-	-
Accrued interest receivable	-	-	40,466	40,466	31,372
In-lieu-of assessments	-	10,105	-	10,105	10,105
Due from Street Fund	-	-	14,715	14,715	29,715
Total Assets	<u>\$ 240,017</u>	<u>\$ 10,105</u>	<u>\$299,526</u>	<u>\$ 549,648</u>	<u>\$610,254</u>
Liabilities and Fund Balance					
Liabilities					
Accrued interest payable	\$ 5,045	\$ -	\$ 45,384	\$ 50,429	\$ 51,648
Registered warrants payable	-	-	207,261	207,261	247,235
Deferred revenues	22,602	10,105	100,308	133,015	205,404
Total Liabilities	<u>27,647</u>	<u>10,105</u>	<u>352,953</u>	<u>390,705</u>	<u>504,287</u>
Fund Balance					
Reserved for debt service	212,370	-	-	212,370	235,800
Unreserved	-	-	(53,427)	(53,427)	(129,833)
Total Fund Balance (Deficit)	<u>212,370</u>	<u>-</u>	<u>(53,427)</u>	<u>158,943</u>	<u>105,967</u>
Total Liabilities and Fund Balance	<u>\$ 240,017</u>	<u>\$ 10,105</u>	<u>\$299,526</u>	<u>\$ 549,648</u>	<u>\$610,254</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				2009
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues					
Property taxes	\$ 286,456	\$24,422	\$ -	\$ 310,878	\$ 259,055
Intergovernmental revenues	1,125	-	-	1,125	1,252
Special assessments	-	-	63,252	63,252	85,724
Interest on assessments	-	889	22,438	23,327	20,025
Total Revenues	<u>287,581</u>	<u>25,311</u>	<u>85,690</u>	<u>398,582</u>	<u>366,056</u>
Expenditures					
Capital projects:					
Improvements	-	-	-	-	3,915
Interest on registered warrants	-	-	9,284	9,284	15,975
Debt service:					
Interest	30,643	679	-	31,322	38,318
Principal	250,000	55,000	-	305,000	315,000
Total Expenditures	<u>280,643</u>	<u>55,679</u>	<u>9,284</u>	<u>345,606</u>	<u>373,208</u>
Deficiency of Revenues Over (Under) Expenditures	<u>6,938</u>	<u>(30,368)</u>	<u>76,406</u>	<u>52,976</u>	<u>(7,152)</u>
Other Financing Sources (Uses)					
Transfers from (to) other funds	-	-	-	-	(123,039)
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	<u>6,938</u>	<u>(30,368)</u>	<u>76,406</u>	<u>52,976</u>	<u>(130,191)</u>
Fund Balances (Deficit), Beginning of Year	<u>205,432</u>	<u>30,368</u>	<u>(129,833)</u>	<u>105,967</u>	<u>236,158</u>
Fund Balances (Deficit), End of Year	<u>\$ 212,370</u>	<u>\$ -</u>	<u>\$ (53,427)</u>	<u>\$ 158,943</u>	<u>\$ 105,967</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Property taxes	\$280,843	\$280,843	\$286,721	\$5,878	\$194,402
Intergovernmental revenues	1,000	1,000	1,125	125	1,252
Total Revenues	<u>281,843</u>	<u>281,843</u>	<u>287,846</u>	<u>6,003</u>	<u>195,654</u>
Expenditures					
Debt Service:					
Interest	31,843	31,843	31,843	-	35,506
Principal	250,000	250,000	250,000	-	260,000
Total Expenditures	<u>281,843</u>	<u>281,843</u>	<u>281,843</u>	<u>-</u>	<u>295,506</u>
Deficiency of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,003</u>	<u>\$6,003</u>	<u>\$(99,852)</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Property taxes	\$35,000	\$ 35,000	\$ 24,421	\$ (10,579)	\$ 65,709
Special assessments	9,686	9,686	10,436	750	2,798
Interest on assessments	4,282	4,282	6,068	1,786	1,415
Total Revenues	<u>48,968</u>	<u>48,968</u>	<u>40,925</u>	<u>(8,043)</u>	<u>69,922</u>
Expenditures					
Bond principal payments	55,000	55,000	55,000	-	55,000
Interest on registered warrants	908	908	907	(1)	2,668
Total Expenditures	<u>55,908</u>	<u>55,908</u>	<u>55,907</u>	<u>(1)</u>	<u>57,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,940)</u>	<u>\$ (6,940)</u>	<u>\$ (14,982)</u>	<u>\$ (8,042)</u>	<u>\$ 12,254</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
				2009 Totals
Revenues				
Special assessments	\$ 79,713	\$ 79,713	\$ 24,149	\$ (55,564)
Interest on assessments	36,452	36,452	8,167	(28,285)
Proceeds from registered warrants	-	-	-	-
Total Revenues	<u>116,165</u>	<u>116,165</u>	<u>32,316</u>	<u>(83,849)</u>
Expenditures				
Interest on registered warrants	20,907	20,907	9,076	11,831
Principal on registered warrants	123,880	123,880	39,974	83,906
Improvements	-	-	-	-
Total Expenditures	<u>144,787</u>	<u>144,787</u>	<u>49,050</u>	<u>95,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,622)</u>	<u>(28,622)</u>	<u>(16,734)</u>	<u>11,888</u>
Other Financing Sources (Uses)				
Operating transfers in	<u>25,000</u>	<u>25,000</u>	<u>15,000</u>	<u>(10,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,622)</u>	<u>\$ (3,622)</u>	<u>\$ (1,734)</u>	<u>\$ 1,888</u>
				<u>\$ (8,173)</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010			2009
	Library Capital Improvements	Capital Improvements	Total	Totals
Assets				
Cash	\$ -	\$ 54,016	\$ 54,016	\$ 247,862
Restricted:				
Cash	-	206,202	206,202	158,668
Investments	82,076	-	82,076	81,705
Accounts receivable	-	6,429	6,429	85,266
Total Assets	<u>\$ 82,076</u>	<u>\$ 266,647</u>	<u>\$ 348,723</u>	<u>\$ 573,501</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 49,105	\$ 49,105	333,128
Fund Balances				
Reserved for Library capital improvement	82,076	11,340	93,416	81,705
Reserved for public safety equipment	-	206,202	206,202	158,668
Total Fund Balances	<u>82,076</u>	<u>217,542</u>	<u>299,618</u>	<u>240,373</u>
Total Liabilities and Fund Balances	<u>\$ 82,076</u>	<u>\$ 266,647</u>	<u>\$ 348,723</u>	<u>\$ 573,501</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			2009
	Library Capital Improvements	Capital Improvements	Total	Totals
Revenues				
Intergovernmental	\$ -	\$ 231,483	\$ 231,483	\$ 305,986
Donations and miscellaneous revenue	-	28,829	28,829	57,056
Interest	371	-	371	966
Total Revenues	<u>371</u>	<u>260,312</u>	<u>260,683</u>	<u>364,008</u>
Expenditures				
Capital projects	-	244,225	244,225	763,907
MFO payments - other entities	-	126,499	126,499	126,877
Debt service: principal payments	-	55,148	55,148	60,000
Total Expenditures	<u>-</u>	<u>425,872</u>	<u>425,872</u>	<u>950,784</u>
Deficiency of Revenues Under Expenditures	<u>371</u>	<u>(165,560)</u>	<u>(165,189)</u>	<u>(586,776)</u>
Other Financing Sources (Uses)				
Transfers from other funds	<u>-</u>	<u>224,434</u>	<u>224,434</u>	<u>350,181</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	371	58,874	59,245	(236,595)
Fund Balances, Beginning of Year	<u>81,705</u>	<u>158,668</u>	<u>240,373</u>	<u>476,968</u>
Fund Balances, End of Year	<u>\$ 82,076</u>	<u>\$ 217,542</u>	<u>\$ 299,618</u>	<u>\$ 240,373</u>

CITY OF BEATRICE, NEBRASKA
 LIBRARY CAPITAL IMPROVEMENTS FUND
 CAPITAL PROJECTS FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Restricted investments	\$ 82,076	\$ 81,705
Total Assets	<u>\$ 82,076</u>	<u>\$ 81,705</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Reserved for Library capital improvement	<u>82,076</u>	<u>81,705</u>
Total Liabilities and Fund Balance	<u>\$ 82,076</u>	<u>\$ 81,705</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			2009 Totals
	Original Budget	Final Budget	Actual Variance Favorable (Unfavorable)	
Revenues				
Interest	\$901	\$901	\$ 371	\$ 966
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$901	\$901	371	966
Fund Balance, Beginning of Year			81,705	80,739
Fund Balance, End of Year			\$82,076	\$81,705

CITY OF BEATRICE, NEBRASKA
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2010

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 54,016	\$247,862
Restricted:		
Cash	206,202	158,668
Accounts receivable	<u>6,429</u>	<u>85,266</u>
Total Assets	<u>\$266,647</u>	<u>\$491,796</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 49,105</u>	<u>\$333,128</u>
Fund Balance		
Reserved for public safety equipment	206,202	158,668
Reserved for library capital improvements	<u>11,340</u>	<u>-</u>
Total Fund Balance	<u>217,542</u>	<u>158,668</u>
Total Liabilities and Fund Balance	<u>\$266,647</u>	<u>\$491,796</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Revenues					
Donations and miscellaneous revenue	\$ 562,742	\$ 562,742	\$ 28,829	\$(533,913)	\$ 57,056
Intergovernmental	227,150	227,150	231,483	4,333	305,986
Total Revenues	<u>789,892</u>	<u>789,892</u>	<u>260,312</u>	<u>(529,580)</u>	<u>363,042</u>
Expenditures					
Capital Projects					
Park equipment and improvements	174,400	174,400	61,522	112,878	29,055
Beatrice Plus	8,825	8,825	6,800	2,025	7,818
Building improvements	60,000	60,000	501	59,499	241,055
Public safety equipment	97,500	97,500	58,417	39,083	103,714
Fire equipment and facilities improvements	562,500	562,500	49,667	512,833	338,962
Trails	500,000	500,000	2,806	497,194	-
Computer equipment	101,660	101,660	31,631	70,029	32,389
Telephone equipment	-	-	32,881	(32,881)	10,914
MFO payments - other entities	126,500	126,500	126,499	1	126,877
Debt Service					
Principal payments	<u>55,148</u>	<u>55,148</u>	<u>55,148</u>	<u>-</u>	<u>60,000</u>
Total Expenditures	<u>1,686,533</u>	<u>1,686,533</u>	<u>425,872</u>	<u>1,260,661</u>	<u>950,784</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(896,641)</u>	<u>(896,641)</u>	<u>(165,560)</u>	<u>731,081</u>	<u>(587,742)</u>
Other Financing Sources (Uses)					
Transfers from other funds	459,641	459,641	224,434	(235,207)	350,181
Bond and loan proceeds	450,000	450,000	-	(450,000)	-
Total Other Financing Sources (Uses)	<u>909,641</u>	<u>909,641</u>	<u>224,434</u>	<u>(685,207)</u>	<u>350,181</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>58,874</u>	<u>\$ 45,874</u>	<u>(237,561)</u>
Fund Balance, Beginning of Year			<u>158,668</u>		<u>396,229</u>
Fund Balance, End of Year			<u>\$217,542</u>		<u>\$158,668</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 4,410,069	\$ 2,928,934
Accounts receivable, net	1,011,677	905,051
Unbilled and accrued revenues	456,290	499,906
Materials and supplies inventories	559,542	563,095
Prepaid expenses	6,856	8,669
Interest receivable	13,441	3,841
Total Current Assets	<u>6,457,875</u>	<u>4,909,496</u>
Noncurrent Assets		
Restricted Cash		
Employee Benefits	103,237	121,723
Debt Service Reserve Account	236,346	236,346
Total Restricted Cash	<u>339,583</u>	<u>358,069</u>
Restricted Investments		
Customer deposits	190,770	174,920
Total Restricted Assets	<u>530,353</u>	<u>532,989</u>
Property, Plant and Equipment		
Land and land rights	17,432	17,432
Buildings and improvements	1,115,795	1,115,795
Improvements other than building	25,412,389	24,723,188
Machinery and equipment	2,472,136	2,380,142
	<u>29,017,752</u>	<u>28,236,557</u>
Less: accumulated depreciation	16,598,907	15,695,681
	<u>12,418,845</u>	<u>12,540,876</u>
Construction in progress	1,016	-
Net Property, Plant and Equipment	<u>12,419,861</u>	<u>12,540,876</u>
Other Assets		
Unamortized bond issuance cost, net of amortization of \$14,059 and \$10,843 for 2010 and 2009	13,593	16,809
Total Noncurrent Assets	<u>12,433,454</u>	<u>12,557,685</u>
Total Assets	<u>\$ 19,421,682</u>	<u>\$18,000,170</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET (Continued)
SEPTEMBER 30, 2010

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,060,762	\$ 893,815
Compensated absences	109,598	104,247
Accrued payroll	49,162	40,621
Sales tax payable	91,001	71,969
Employee insurance payable	70,323	88,809
Accrued interest	11,620	10,438
Customer deposits	190,745	174,895
Current portion of revenue bonds	137,277	213,897
Total Current Liabilities	<u>1,720,488</u>	<u>1,598,691</u>
Long-Term Liabilities		
Compensated absences, noncurrent	201,397	180,189
Revenue bonds, net of current portion	792,750	930,028
Total Long-term Liabilities	<u>994,147</u>	<u>1,110,217</u>
Total Liabilities	<u>2,714,635</u>	<u>2,708,908</u>
Net Assets		
Invested in capital assets, net of related debt	9,489,834	9,396,951
Restricted for debt service	236,346	236,346
Unrestricted	6,980,867	5,657,965
Total Net Assets	<u>16,707,047</u>	<u>15,291,262</u>
Total Liabilities and Net Assets	<u>\$ 19,421,682</u>	<u>\$18,000,170</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Operating Revenues					
Charges for services	\$ 13,450,000	\$ 13,450,000	\$ 14,104,065	\$ 654,065	\$ 12,642,133
Operating Expenses					
Electric energy purchased	9,474,500	9,474,500	9,423,595	50,905	8,573,360
Operating and maintenance expense	1,031,500	1,031,500	923,905	107,595	950,838
Customer accounting expenses	238,600	238,600	244,698	(6,098)	241,711
Engineering services	156,000	156,000	147,675	8,325	146,467
Administrative and general expense	680,570	680,570	681,730	(1,160)	685,286
Depreciation and amortization	980,000	980,000	918,089	61,911	957,729
Municipal expenses	419,700	419,700	449,712	(30,012)	398,919
Total Operating Expenses	<u>12,980,870</u>	<u>12,980,870</u>	<u>12,789,404</u>	<u>191,466</u>	<u>11,954,310</u>
Operating Income	<u>469,130</u>	<u>469,130</u>	<u>1,314,661</u>	<u>845,531</u>	<u>687,823</u>
Nonoperating Revenues (Expenses)					
Merchandising, etc.	(3,000)	(3,000)	(20,127)	(17,127)	(6,787)
Interest income	16,000	16,000	34,549	18,549	21,821
Miscellaneous	50,000	50,000	134,705	84,705	144,247
Loss on asset disposal	-	-	-	-	(995)
Interest expense	(44,800)	(44,800)	(44,787)	13	(32,664)
Amortization of bond issuance cost	(3,500)	(3,500)	(3,216)	284	(2,670)
Total Nonoperating Revenues (Expenses)	<u>14,700</u>	<u>14,700</u>	<u>101,124</u>	<u>86,424</u>	<u>122,952</u>
Net Income (Loss)	<u>\$ 483,830</u>	<u>\$ 483,830</u>	<u>1,415,785</u>	<u>\$ 931,955</u>	<u>810,775</u>
Retained Earnings, Beginning of Year			<u>15,291,262</u>		<u>14,480,487</u>
Retained Earnings, End of Year			<u>\$ 16,707,047</u>		<u>\$ 15,291,262</u>

CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010	2009
Cash Flows From Operating Activities		
Cash received from customers	\$ 14,155,633	\$ 12,727,310
Cash paid to suppliers for goods and services	(10,243,468)	(10,662,148)
Cash paid to employees for services	(1,404,038)	(1,349,529)
Net Cash Provided by Operating Activities	<u>2,508,127</u>	<u>715,633</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(213,898)	(207,512)
Proceeds from long-term debt	-	792,750
Interest paid on revenue bond maturities	(43,605)	(24,983)
Purchases of capital assets	(797,074)	(670,202)
Net Cash Used in Capital and Related Financing Activities	<u>(1,054,577)</u>	<u>(109,947)</u>
Cash Flows From Investing Activities		
Interest received	24,949	21,821
Net Cash Provided by Investing Activities	<u>24,949</u>	<u>21,821</u>
Net Increase in Cash and Restricted Cash	1,478,499	627,507
Cash and Restricted Cash, Beginning of Year	<u>3,461,923</u>	<u>2,834,416</u>
Cash and Restricted Cash, End of Year	<u>\$ 4,940,422</u>	<u>\$ 3,461,923</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 4,410,069	\$ 2,928,934
Employee benefits cash	103,237	121,723
Debt Service Reserve Account	236,346	236,346
Customer deposits investments	190,770	174,920
Total Cash and Cash Equivalents	<u>\$ 4,940,422</u>	<u>\$ 3,461,923</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 1,314,661	\$ 687,823
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and amortization	918,089	957,729
Merchandise and miscellaneous revenue	114,578	137,460
(Increase) decrease in unbilled and accrued revenues	43,616	(66,925)
(Increase) decrease in accounts receivable	(106,626)	14,642
(Increase) decrease in inventory	3,553	14,116
(Increase) decrease in prepaid expenses	1,813	(2,481)
Increase (decrease) in accounts payable	166,947	(1,083,856)
Increase (decrease) in customer deposits	8,541	9,150
Increase (decrease) in sales tax payable	19,032	2,745
Increase (decrease) in employee insurance payable	(18,486)	(4,691)
Increase (decrease) in accrued payroll	26,559	6,945
Increase (decrease) in compensated absences	15,850	42,976
Total Adjustments	<u>1,193,466</u>	<u>27,810</u>
Net Cash Provided by Operating Activities	<u>\$ 2,508,127</u>	<u>\$ 715,633</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 465,092	\$ 581,695
Accounts receivable, net	83,075	88,871
Unbilled and accrued revenues	88,241	88,408
Materials and supplies inventories	276,177	263,112
Prepaid expenses	6,003	3,131
Interest receivable	8	3,089
Total Current Assets	<u>918,596</u>	<u>1,028,306</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	<u>116,077</u>	<u>116,077</u>
Property, Plant and Equipment		
Land and land rights	55,458	55,458
Buildings and improvements	64,049	64,049
Improvements other than buildings	13,311,008	12,901,994
Machinery and equipment	799,158	789,716
	<u>14,229,673</u>	<u>13,811,217</u>
Less: accumulated depreciation	<u>9,030,459</u>	<u>8,623,882</u>
	5,199,214	5,187,335
Construction in Progress	254	-
Net Property, Plant and Equipment	<u>5,199,468</u>	<u>5,187,335</u>
Deferred Charges		
Unamortized Bond Issuance Costs, Net of Amortization of \$9,845 and \$8,469 for 2010 and 2009	<u>11,752</u>	<u>13,127</u>
Total Noncurrent Assets	<u>5,327,297</u>	<u>5,316,539</u>
Total Assets	<u>\$ 6,245,893</u>	<u>\$ 6,344,845</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts payable	\$ 12,670	\$ 12,170
Accrued compensated absences	75,276	65,109
Accrued payroll	23,422	19,372
Sales tax payable	79	53
Accrued interest	16,060	15,425
Current portion of long-term debt	71,146	87,887
Total Current Liabilities	<u>198,653</u>	<u>200,016</u>
Long-Term Liabilities		
Compensated absences, noncurrent	155,863	141,570
Revenue bonds, net of current portion	792,750	824,914
Notes payable, net of current portion	510,516	549,497
Total Long-Term Liabilities	<u>1,459,129</u>	<u>1,515,981</u>
Total Liabilities	<u>1,657,782</u>	<u>1,715,997</u>
Net Assets		
Invested in capital assets, net of related debt	3,475,056	3,375,037
Restricted for debt service	116,077	116,077
Unrestricted	996,978	1,137,734
Total Net Assets	<u>4,588,111</u>	<u>4,628,848</u>
Total Liabilities and Net Assets	<u>\$ 6,245,893</u>	<u>\$ 6,344,845</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Operating Revenues					
Charges for services	1,731,000	1,731,000	1,728,981	(2,019)	1,577,016
Operating Expenses					
Operating and maintenance expenses	1,272,900	1,272,900	841,956	430,944	794,948
Customer accounting expenses	135,500	135,500	135,477	23	126,436
Engineering services	16,000	16,000	16,000	-	16,000
Administrative and general expenses	367,250	367,250	358,721	8,529	345,463
Depreciation and amortization	408,000	408,000	407,090	910	399,428
Municipal expenses	29,500	29,500	24,224	5,276	32,466
Total Operating Expenses	<u>2,229,150</u>	<u>2,229,150</u>	<u>1,783,468</u>	<u>445,682</u>	<u>1,714,741</u>
Operating Income (Loss)	<u>(498,150)</u>	<u>(498,150)</u>	<u>(54,487)</u>	<u>443,663</u>	<u>(137,725)</u>
Nonoperating Revenues (Expenses)					
Merchandising, etc.	35,500	35,500	27,782	(7,718)	26,396
Interest income	3,500	3,500	8,566	5,066	6,943
Grant income	-	-	-	-	15,700
Miscellaneous	29,100	29,100	31,655	2,555	34,513
Loss on asset disposal	-	-	-	-	(3,782)
Interest expense	(53,000)	(53,000)	(52,877)	123	(32,426)
Amortization of bond issuance costs	(2,000)	(2,000)	(1,376)	624	(829)
Total Nonoperating Revenues (Expenses)	<u>13,100</u>	<u>13,100</u>	<u>13,750</u>	<u>650</u>	<u>46,515</u>
Net Income (Loss)	<u>(485,050)</u>	<u>(485,050)</u>	<u>(40,737)</u>	<u>444,313</u>	<u>(91,210)</u>
Retained Earnings, Beginning of Year			4,628,848		4,720,058
Retained Earnings, End of Year			<u>4,588,111</u>		<u>4,628,848</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010	2009
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,794,381	\$ 1,634,768
Cash paid to suppliers for goods and services	(443,757)	(526,807)
Cash paid to employees for services	(919,522)	(889,942)
Net Cash Provided by Operating Activities	<u>431,102</u>	<u>218,019</u>
Cash Flows from Capital and Related Financing Activities		
Principal payments on long-term debt	(87,886)	(85,218)
Proceeds from long-term debt	-	792,750
Interest paid on long-term debt	(52,756)	(22,477)
Grant proceeds	-	15,700
Purchases of capital assets	(418,710)	(342,679)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(559,352)</u>	<u>358,076</u>
Cash Flows From Investing Activities		
Interest received	11,647	6,943
Net Cash Provided by Investing Activities	<u>11,647</u>	<u>6,943</u>
Net Increase (Decrease) in Cash and Restricted Cash	(116,603)	583,038
Cash and Restricted Cash, Beginning of Year	<u>697,772</u>	<u>114,734</u>
Cash and Restricted Cash, End of Year	<u>\$ 581,169</u>	<u>\$ 697,772</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 465,092	\$ 581,695
Debt Service Reserve Account	116,077	116,077
Total Cash and Cash Equivalents	<u>\$ 581,169</u>	<u>\$ 697,772</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (54,487)	\$ (137,725)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and amortization	407,090	399,428
Merchandise and miscellaneous revenue	59,437	60,909
(Increase) decrease in accounts receivable	5,796	1,342
(Increase) decrease in unbilled and accrued expenses	167	(4,499)
(Increase) decrease in inventory	(13,065)	15,001
(Increase) decrease in prepaid expenses	(2,872)	1,252
Increase (decrease) in accounts payable	500	(145,270)
Increase (decrease) in sales tax payable	26	(5)
Increase (decrease) in accrued payroll	4,050	2,567
Increase (decrease) in compensated absences	24,460	25,019
Total Adjustments	<u>485,589</u>	<u>355,744</u>
Net Cash Provided by Operating Activities	<u>\$ 431,102</u>	<u>\$ 218,019</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 760,559	\$ 602,088
Accounts receivable, net	61,578	59,021
Unbilled and accrued revenues	75,244	71,807
Prepaid expenses	2,094	2,196
Interest receivable	12	2,777
Total Current Assets	<u>899,487</u>	<u>737,889</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	120,077	120,077
Property, Plant and Equipment		
Land and land rights	16,588	16,588
Improvements other than buildings	16,426,288	16,273,334
Machinery and equipment	1,691,172	1,554,283
	<u>18,134,048</u>	<u>17,844,205</u>
Less: accumulated depreciation	11,045,574	10,354,591
	<u>7,088,474</u>	<u>7,489,614</u>
Construction in progress	-	-
Net Property, Plant and Equipment	<u>7,088,474</u>	<u>7,489,614</u>
Deferred Charges		
Unamortized Debt Expense, Net of Amortization of \$9,150 and \$7,660 for 2010 and 2009	10,384	11,875
Total Noncurrent Assets	<u>7,218,935</u>	<u>7,621,566</u>
Total Assets	<u>\$8,118,422</u>	<u>\$8,359,455</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts payable	\$ 8,259	\$ 9,861
Compensated absences	29,720	25,540
Accrued payroll	14,203	12,104
Accrued interest	18,776	20,065
Current portion of long-term debt	133,823	152,590
Total Current Liabilities	<u>204,781</u>	<u>220,160</u>
Long-Term Liabilities		
Compensated absences, noncurrent	44,352	39,572
Revenue bonds, net of current portion	778,075	725,058
Notes payable, net of current portion	1,060,950	1,149,214
Total Long-Term Liabilities	<u>1,883,377</u>	<u>1,913,844</u>
Total Liabilities	<u>2,088,158</u>	<u>2,134,004</u>
Fund Equity		
Invested in capital assets, net of related debt	4,815,626	5,162,752
Restricted for debt service	120,077	120,077
Unrestricted	1,094,561	942,622
Total Fund Equity	<u>6,030,264</u>	<u>6,225,451</u>
Total Liabilities and Fund Equity	<u>\$8,118,422</u>	<u>\$8,359,455</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
Operating Revenues					
Charges for services	\$ 1,321,080	\$ 1,321,080	\$ 1,375,951	\$ 54,871	\$1,198,716
Operating Expenses					
Operating and maintenance expenses	624,700	624,700	511,512	113,188	540,657
Customer accounting expenses	69,500	69,500	69,251	249	61,697
Engineering expenses	16,000	16,000	16,000	-	16,000
Administrative and general expenses	255,700	255,700	232,187	23,513	240,134
Depreciation and amortization	700,000	700,000	690,984	9,016	695,602
Municipal expenses	10,000	10,000	9,860	140	10,602
Total Operating Expenses	<u>1,675,900</u>	<u>1,675,900</u>	<u>1,529,794</u>	<u>146,106</u>	<u>1,564,692</u>
Operating Income (Loss)	<u>(354,820)</u>	<u>(354,820)</u>	<u>(153,843)</u>	<u>200,977</u>	<u>(365,976)</u>
Nonoperating Revenues (Expenses)					
Merchandising, etc.	15,250	15,250	17,909	2,659	20,025
Interest income	3,500	3,500	7,465	3,965	6,541
Miscellaneous	20,000	20,000	3,112	(16,888)	57,780
Income (loss) on disposal of assets	-	-	-	-	(6,396)
Interest expense	(71,050)	(71,050)	(68,340)	2,710	(54,309)
Amortization of bond issuance costs	(1,500)	(1,500)	(1,490)	10	(1,022)
Total Nonoperating Revenues (Expenses)	<u>(33,800)</u>	<u>(33,800)</u>	<u>(41,344)</u>	<u>(7,544)</u>	<u>22,619</u>
Net Income (Loss)	<u>\$ (388,620)</u>	<u>\$ (388,620)</u>	<u>(195,187)</u>	<u>\$ 193,433</u>	<u>(343,357)</u>
Retained Earnings, Beginning of Year			<u>6,225,451</u>		<u>6,568,808</u>
Retained Earnings, End of Year			<u>\$6,030,264</u>		<u>\$6,225,451</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010	2009
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,390,978	\$ 1,270,555
Cash paid to suppliers for goods and services	(267,918)	(489,300)
Cash paid to employees for services	(561,333)	(558,025)
Net Cash Provided by Operating Activities	<u>561,727</u>	<u>223,230</u>
Cash Flows From Capital and Related Financing Activities		
Principal payments on long-term debt	(54,014)	(158,222)
Proceeds from long-term debt	-	679,500
Interest paid on long-term debt	(69,629)	(49,437)
Purchases of capital assets	(289,843)	(158,898)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(413,486)</u>	<u>312,943</u>
Cash Flows From Investing Activities		
Interest received	10,230	6,541
Net Cash Provided by Investing Activities	<u>10,230</u>	<u>6,541</u>
Net Increase in Cash	158,471	542,714
Cash and Restricted Cash, Beginning of Year	<u>722,165</u>	<u>179,451</u>
Cash and Restricted Cash, End of Year	<u>\$ 880,636</u>	<u>\$ 722,165</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 760,559	\$ 602,088
Debt Service Reserve Account	120,077	120,077
Total Cash and Cash Equivalents	<u>\$ 880,636</u>	<u>\$ 722,165</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (153,843)	\$ (365,976)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and amortization	690,984	695,602
Merchandise and miscellaneous revenue	21,021	77,805
(Increase) decrease in accounts receivable	(2,557)	1,240
(Increase) decrease in unbilled and accrued revenues	(3,437)	(7,206)
Increase (decrease) in prepaid expenses	102	1,290
Increase (decrease) in accounts payable	(1,602)	(182,689)
Increase (decrease) in accrued payroll	2,099	1,955
Increase (decrease) in accrued compensated absences	8,960	1,209
Total Adjustments	<u>715,570</u>	<u>589,206</u>
Net Cash Provided by Operating Activities	<u>\$ 561,727</u>	<u>\$ 223,230</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash	\$ 167	\$ 176
Accounts receivable, net	<u>25,622</u>	<u>29,787</u>
Total Assets	<u>\$ 25,789</u>	<u>\$ 29,963</u>
Liabilities and Fund Equity		
Liabilities		
Accounts payable	<u>\$ 25,789</u>	<u>\$ 29,963</u>
Fund Equity		
Retained earnings	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 25,789</u>	<u>\$ 29,963</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			2009 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Garbage service fees	\$ 1,175,100	\$ 1,175,100	\$ 1,190,463	\$ 15,363
Operating Expenses				
Bad debt expense	500	500	2,258	(1,758)
Garbage disposal contract	643,600	658,600	647,546	11,054
Garbage hauler contract	531,000	541,000	540,659	341
Total Operating Expenses	<u>1,175,100</u>	<u>1,200,100</u>	<u>1,190,463</u>	<u>9,637</u>
Net Income	<u>\$ -</u>	<u>\$ (25,000)</u>	-	<u>\$ 25,000</u>
Retained Earnings, Beginning of Year			-	-
Retained Earnings (Deficit), End of Year			<u>\$ -</u>	<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION
 ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010	2009
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,194,628	\$ 1,186,731
Cash paid to supplies for goods and services	(1,194,637)	(1,226,804)
Net Cash Used in Operating Activities	<u>(9)</u>	<u>(40,073)</u>
Net Increase (Decrease) in Cash	(9)	(40,073)
Cash, Beginning of Year	<u>176</u>	<u>40,249</u>
Cash, End of Year	<u>\$ 167</u>	<u>\$ 176</u>
Reconciliation of Net Income to Net Cash Used in Operating Activities		
Operating income	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:		
(Increase) decrease in accounts receivable	4,165	12,200
Increase (decrease) in accounts payable	(4,174)	(52,273)
Total Adjustments	<u>(9)</u>	<u>(40,073)</u>
Net Cash Used in Operating Activities	<u>\$ (9)</u>	<u>\$ (40,073)</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
 BASWA ENTERPRISE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash and investments	\$ 165,346	\$ 185,384
Accounts receivable, net	<u>92,693</u>	<u>88,949</u>
Total Current Assets	<u>258,039</u>	<u>274,333</u>
Noncurrent Assets		
Restricted Cash		
Debt Service Reserve Account	171,269	170,808
Grant account	-	109,302
Restricted Investments		
Closure/postclosure maintenance account	<u>889,944</u>	<u>756,974</u>
Total Restricted Assets	<u>1,061,213</u>	<u>1,037,084</u>
Property, Plant and Equipment		
Improvements other than buildings	3,731,109	3,598,130
Machinery and equipment	<u>752,691</u>	<u>726,265</u>
	4,483,800	4,324,395
Less: accumulated depreciation	<u>3,081,079</u>	<u>2,795,985</u>
Net Property, Plant and Equipment	<u>1,402,721</u>	<u>1,528,410</u>
Deferred Charges		
Bond issue costs, net of amortization of \$16,647 and \$14,247 for 2010 and 2009	<u>2,403</u>	<u>4,803</u>
Total Noncurrent Assets	<u>2,466,337</u>	<u>2,570,297</u>
Total Assets	<u>\$ 2,724,376</u>	<u>\$ 2,844,630</u>

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
BALANCE SHEET (Continued)
SEPTEMBER 30, 2010

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 930	\$ 5,066
Compensated absences	12,845	10,081
Accrued compensation	2,914	2,704
Accrued interest payable	2,869	5,578
Current maturities of bonds payable	225,000	220,000
Current maturities of notes payable	3,357	19,590
Total Current Liabilities	<u>247,915</u>	<u>263,019</u>
Long-Term Liabilities		
Revenue bonds payable, net of current portion	-	225,000
Notes payable, net of current portion	-	3,357
Estimated current cost of closure and postclosure	1,925,000	1,904,000
Total Long-Term Liabilities	<u>1,925,000</u>	<u>2,132,357</u>
Total Liabilities	<u>2,172,915</u>	<u>2,395,376</u>
Net Assets		
Invested in capital assets, net of related debt	1,174,364	1,060,463
Restricted for debt service	171,269	170,808
Restricted for grants	-	109,302
Unrestricted	(794,172)	(891,319)
Net Assets	<u>551,461</u>	<u>449,254</u>
Total Liabilities and Net Assets	<u>\$ 2,724,376</u>	<u>\$ 2,844,630</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, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Other government user fees	\$ 97,659	\$ 97,659	\$ 97,659	\$ -	\$ 97,659
Gate fees	278,000	278,000	282,748	4,748	292,244
Garbage service fees	659,600	659,600	666,251	6,651	657,735
Recycling income	3,000	3,000	1,739	(1,261)	2,511
Total Operating Revenues	<u>1,038,259</u>	<u>1,038,259</u>	<u>1,048,397</u>	<u>10,138</u>	<u>1,050,149</u>
Operating Expenses					
Personal services	292,898	292,898	265,112	27,786	237,101
Supplies	99,900	99,900	99,456	444	102,812
Other services and charges	468,563	468,563	193,186	275,377	177,086
Contractual services	107,618	107,618	69,567	38,051	70,436
Depreciation and amortization	285,000	285,000	293,767	(8,767)	296,305
Landfill closure and postclosure care	-	-	21,000	(21,000)	34,000
Total Operating Expenses	<u>1,253,979</u>	<u>1,253,979</u>	<u>942,088</u>	<u>311,891</u>	<u>917,740</u>
Operating Income (Loss)	(215,720)	(215,720)	106,309	322,029	132,409
Nonoperating Revenues (Expenses)					
Miscellaneous income	-	-	995	995	29,438
Interest earnings	22,750	22,750	9,442	(13,308)	18,079
Grant revenue	75,000	75,000	-	(75,000)	-
Interest expense	(235,848)	(235,847)	(12,139)	223,708	(22,468)
Amortization of bond issue costs	-	-	(2,400)	(2,400)	(2,400)
Total Nonoperating Revenues (Expenses)	<u>(138,098)</u>	<u>(138,097)</u>	<u>(4,102)</u>	<u>133,995</u>	<u>22,649</u>
Net Income (Loss)	<u>\$ (353,818)</u>	<u>\$ (353,817)</u>	102,207	<u>\$456,024</u>	155,058
Retained Earnings, Beginning of Year			<u>449,254</u>		<u>294,196</u>
Retained Earnings, End of Year			<u>\$ 551,461</u>		<u>\$ 449,254</u>

CITY OF BEATRICE, NEBRASKA
 BASWA ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010	2009
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,045,648	\$ 1,136,103
Cash paid to suppliers for goods and services	(366,345)	(374,880)
Cash paid to employees for services	(262,138)	(249,237)
Net Cash Provided by Operating Activities	<u>417,165</u>	<u>511,986</u>
Cash Flows from Capital and Related Financing Activities		
Bond principal repayments	(220,000)	(210,000)
Note payable advances (repayments)	(19,590)	(18,688)
Interest expenditures	(14,848)	(24,930)
Capital expenditures	(168,078)	(20,365)
Net Cash Used in Capital and Related Financing Activities	<u>(422,516)</u>	<u>(273,983)</u>
Cash Flows from Investing Activities		
Interest received	9,442	18,079
Net Cash Provided by Investing Activities	<u>9,442</u>	<u>18,079</u>
Net Increase in Cash and Cash Equivalents	- 4,091	256,082
Cash and Cash Equivalents, Beginning of Year	<u>1,222,468</u>	<u>966,386</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,226,559</u>	<u>\$ 1,222,468</u>
Cash and Cash Equivalents Consist of:		
Cash and investments	\$ 165,346	\$ 185,384
Debt Service Reserve Account	171,269	170,808
Grant account	-	109,302
Closure/postclosure maintenance account	889,944	756,974
Total Cash and Cash Equivalents	<u>\$ 1,226,559</u>	<u>\$ 1,222,468</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating income	\$ 106,309	\$ 132,409
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	293,767	296,305
Other revenue	995	29,438
Increase in estimated current cost of closure and postclosure	21,000	34,000
(Increase) decrease in accounts receivable	(3,744)	56,516
Increase (decrease) in accounts payable	(4,136)	(24,546)
Increase (decrease) in accrued expenses	2,974	(12,136)
Total Adjustments	<u>310,856</u>	<u>379,577</u>
Net Cash Provided by Operating Activities	<u>\$ 417,165</u>	<u>\$ 511,986</u>
Summary of Noncash Transactions: None		

CITY OF BEATRICE, NEBRASKA
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,745	\$ 30,769
Accounts receivable, net	<u>101,186</u>	<u>1,101</u>
Total Assets	<u>104,931</u>	<u>31,870</u>
Liabilities		
Current Liabilities		
Claims incurred but not reported	37,253	34,449
Due from other funds	<u>102,000</u>	<u>-</u>
Total Current Liabilities	<u>139,253</u>	<u>34,449</u>
Total Liabilities	<u>139,253</u>	<u>34,449</u>
Net Assets		
Unrestricted	<u>(34,322)</u>	<u>(2,579)</u>
Total Net Assets	<u>\$(34,322)</u>	<u>\$ (2,579)</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010			Variance Favorable (Unfavorable)	2009 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for services	\$1,064,080	\$1,064,080	\$1,266,811	\$202,731	\$1,128,639
Reimbursements	5,000	5,000	299,008	294,008	34,696
Total Operating Revenues	<u>1,069,080</u>	<u>1,069,080</u>	<u>1,565,819</u>	<u>496,739</u>	<u>1,163,335</u>
Operating Expenses					
Health insurance claims paid	742,102	1,242,102	1,325,168	(83,066)	854,868
Insurance premiums	131,500	131,500	125,125	6,375	117,374
Payflex expenditures	97,060	97,060	90,048	7,012	78,077
Workers' compensation claims paid	115,000	115,000	36,899	78,101	147,437
Other services and charges	26,939	26,939	20,503	6,436	25,455
Total Operating Expenses	<u>1,112,601</u>	<u>1,612,601</u>	<u>1,597,743</u>	<u>14,858</u>	<u>1,223,211</u>
Operating Income (Loss)	(43,521)	(543,521)	(31,924)	481,881	(59,876)
Nonoperating Revenues					
Interest	1,001	1,001	181	(820)	1,082
CHANGE IN NET ASSETS	(42,520)	(542,520)	(31,743)	<u>\$481,061</u>	(58,794)
TOTAL NET ASSETS, Beginning of Year			(2,579)		56,215
TOTAL NET ASSETS, End of Year			<u>\$ (34,322)</u>		<u>\$ (2,579)</u>

CITY OF BEATRICE, NEBRASKA
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$1,465,734	\$1,162,234
Payments to suppliers	<u>(1,594,939)</u>	<u>(1,223,762)</u>
Net Cash Used in Operating Activities	<u>(129,205)</u>	<u>(61,528)</u>
Cash Flows From Capital and Related Financing Activities		
Loans from General Fund	<u>102,000</u>	<u> </u>
Net Cash Provided by Capital and Related Financing Activities	<u>102,000</u>	<u> </u>
Cash Flows From Investing Activities		
Interest received	<u>181</u>	<u>1,082</u>
Net Cash Provided by Investing Activities	<u>181</u>	<u>1,082</u>
Net Decrease in Cash	(27,024)	(60,446)
Cash, Beginning of Year	<u>30,769</u>	<u>91,215</u>
Cash, End of Year	<u>\$ 3,745</u>	<u>\$ 30,769</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ (31,924)	\$ (59,876)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
(Increase) decrease in accounts receivable	(100,085)	(1,101)
Increase (decrease) in claims incurred but not reported	<u>2,804</u>	<u>(551)</u>
Total Adjustments	<u>(97,281)</u>	<u>(1,652)</u>
Net cash used in operating activities	<u>\$ (129,205)</u>	<u>\$ (61,528)</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investments with fiscal agent:		
Demand deposits	\$ 505,484	\$ 591,023
Guaranteed interest accounts	6,862,707	6,454,424
Publicly traded equities	<u>6,938,684</u>	<u>5,859,928</u>
Total Assets	<u>14,306,875</u>	<u>12,905,375</u>
Net Assets		
Reserved for employees' retirement system	<u>14,306,875</u>	<u>12,905,375</u>
Total Net Assets	<u>\$ 14,306,875</u>	<u>\$ 12,905,375</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010					2009
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Assets						
Investments with fiscal agent:						
Demand deposits	\$ 20,667	\$ 87,781	\$ 263,584	\$ 133,452	\$ 505,484	\$ 591,023
Guaranteed interest accounts	711,411	452,897	764,084	4,934,315	6,862,707	6,454,424
Publicly traded equities	3,310,748	1,167,542	1,067,602	1,392,792	6,938,684	5,859,928
Total Assets	<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						
Reserved for employees' retirement system	<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>
Total Net Assets	<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>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Additions:		
Contributions:		
Employer	\$ 432,781	\$ 413,937
Employee	483,185	426,997
Total Contributions	<u>915,966</u>	<u>840,934</u>
Investment Income:		
Net appreciation (depreciation) in fair value of investments	<u>953,645</u>	<u>(61,901)</u>
Total Additions	<u>1,869,611</u>	<u>779,033</u>
Deductions:		
Benefit payments	394,261	757,028
Administrative costs	18,935	10,730
Transfers to another plan	<u>54,915</u>	<u>-</u>
Total Deductions	<u>468,111</u>	<u>767,758</u>
Net Increase (Decrease)	1,401,500	11,275
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>12,905,375</u>	<u>12,894,100</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 14,306,875</u>	<u>\$12,905,375</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, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010				2009
	Firefighters	Police	General Government	Board of Public Works	Totals
Additions:					
Contributions:					
Employer	\$ 124,667	\$ 62,777	\$ 78,817	\$ 166,520	\$ 413,937
Employee	62,333	66,089	81,797	272,966	426,997
Total Contributions	<u>187,000</u>	<u>128,866</u>	<u>160,614</u>	<u>439,486</u>	<u>840,934</u>
Investment Income:					
Net appreciation (depreciation) in fair value of investments	<u>370,129</u>	<u>127,263</u>	<u>130,100</u>	<u>326,153</u>	<u>(61,901)</u>
Total Additions (Reductions)	<u>557,129</u>	<u>256,129</u>	<u>290,714</u>	<u>765,639</u>	<u>779,033</u>
Deductions:					
Benefit payments	115,935	211,206	32,108	35,012	757,028
Administrative costs	9,020	3,415	4,860	1,640	10,730
Transfers to another plan	-	-	54,915	-	-
Total Deductions	<u>124,955</u>	<u>214,621</u>	<u>91,883</u>	<u>36,652</u>	<u>767,758</u>
Net Increase (Decrease)	432,174	41,508	198,831	728,987	11,275
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>3,610,652</u>	<u>1,666,712</u>	<u>1,896,439</u>	<u>5,731,572</u>	<u>12,894,100</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$4,042,826</u>	<u>\$ 1,708,220</u>	<u>\$2,095,270</u>	<u>\$ 6,460,559</u>	<u>\$ 12,905,375</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Cash contributions received	\$ 915,966	\$ 840,934
Cash terminations/retirements paid	(394,261)	(757,028)
Other operating charges paid	(18,935)	(10,730)
Net Cash Provided by Operating Activities	<u>502,770</u>	<u>73,176</u>
Cash Flows From Investing Activities		
Interest and dividends on investments	(953,645)	61,901
Purchase of investments	450,875	(135,077)
Net Cash Used in Investing Activities	<u>(502,770)</u>	<u>(73,176)</u>
Net Increase in Cash	-	-
Cash and Cash Equivalents, Beginning of Year	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net		
Cash Provided by Operating Activities		
Operating income (loss)	\$ 1,401,500	\$ 11,275
Adjustments to Reconcile Net Income to Net		
Cash Provided by Operating Activities:		
Interest and dividends on investments	(953,645)	61,901
Net Cash Provided by Operating Activities	<u>\$ 447,855</u>	<u>\$ 73,176</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2010					2009
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Cash Flows From Operating Activities						
Cash contributions received	\$ 187,000	\$ 128,866	\$ 160,614	\$ 439,486	\$ 915,966	\$ 840,934
Cash terminations/retirements paid	(115,935)	(211,206)	(32,108)	(35,012)	(394,261)	(757,028)
Other operating charges paid	(9,020)	(3,415)	(4,860)	(1,640)	(18,935)	(10,730)
Net Cash Provided by (Used in) Operating Activities	62,045	(85,755)	123,646	402,834	502,770	73,176
Cash Flows From Investing Activities						
Interest and dividends on investments	(370,129)	(127,263)	(130,100)	(326,153)	(953,645)	61,901
Sale (purchase) of investments	308,084	213,018	6,454	(76,681)	450,875	(135,077)
Net Cash Provided by (Used in) Investing Activities	(62,045)	85,755	(123,646)	(402,834)	(502,770)	(73,176)
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ 432,174	\$ 41,508	\$ 198,831	\$ 728,987	\$ 1,401,500	\$ 11,275
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:						
Interest and dividends on investments	(370,129)	(127,263)	(130,100)	(326,153)	(953,645)	61,901
Net Cash Provided by (Used In) Operating Activities	\$ 62,045	\$ (85,755)	\$ 68,731	\$ 402,834	\$ 447,855	\$ 73,176

CITY OF BEATRICE, NEBRASKA
COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Total Component Units
Assets			
Current Assets			
Cash and cash equivalents	\$ 288,516	\$ 55,641	\$ 344,157
Cash on deposit - County Treasurer	18,465	16,874	35,339
Accounts receivable	15,505	-	15,505
Taxes receivable	17,241	-	17,241
Inventories	44,233	-	44,233
Current portion of TIF notes receivable	-	338,397	338,397
Total Current Assets	<u>383,960</u>	<u>410,912</u>	<u>794,872</u>
Noncurrent Assets			
Capital Assets			
Land	1,310,356		1,310,356
Capital assets, net of accumulated depreciation	<u>1,625,089</u>	<u>-</u>	<u>1,625,089</u>
Net Capital Assets	<u>2,935,445</u>	<u>-</u>	<u>2,935,445</u>
Other Assets			
TIF notes receivable, net of current portion	-	3,767,594	3,767,594
Unamortized bond issuance costs	<u>6,039</u>	<u>-</u>	<u>6,039</u>
Total Other Assets	<u>6,039</u>	<u>3,767,594</u>	<u>3,773,633</u>
Total Noncurrent Assets	<u>2,941,484</u>	<u>3,767,594</u>	<u>6,709,078</u>
Total Assets	<u>3,325,444</u>	<u>4,178,506</u>	<u>7,503,950</u>
Liabilities			
Current Liabilities			
Accounts payable	33,243	-	33,243
Accrued expenses	40,783	-	40,783
Accrued interest payable	2,505	6,279	8,784
Deferred revenues	28,848	-	28,848
Warrants payable	-	12,327	12,327
Current maturities of long-term debt	<u>39,800</u>	<u>210,000</u>	<u>249,800</u>
Total Current Liabilities	<u>145,179</u>	<u>228,606</u>	<u>373,785</u>
Noncurrent Liabilities, Net of Current Portion			
Noncurrent portion of deferred rent	48,655		48,655
Bonds payable	305,000	1,070,000	1,375,000
TIF payable	-	2,814,542	2,814,542
Notes and leases payable	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total Noncurrent Liabilities	<u>354,855</u>	<u>3,884,542</u>	<u>4,239,397</u>
Total Liabilities	<u>500,034</u>	<u>4,113,148</u>	<u>4,613,182</u>
Net Assets			
Invested in capital assets, net of related debt	2,589,445		2,589,445
Restricted for debt service	14,079		14,079
Unrestricted net assets	<u>221,886</u>	<u>65,358</u>	<u>287,244</u>
Total Net Assets	<u>\$2,825,410</u>	<u>\$ 65,358</u>	<u>\$2,890,768</u>

CITY OF BEATRICE, NEBRASKA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Totals	
Expenses							
Functions/Programs							
Airport Authority:							
Airport operations	\$ 588,830	\$ 404,244	\$ -	\$ 764,419	\$ 579,833	\$ 579,833	
Depreciation	237,504	-	-	-	(237,504)	(237,504)	
Amortization	1,274	-	-	-	(1,274)	(1,274)	
Interest on long-term debt	2,505	-	-	-	(2,505)	(2,505)	
Total Beatrice Airport Authority	830,113	404,244	-	764,419	338,550	338,550	
Community Redevelopment Authority:							
Community development	786,916	-	-	-	\$(786,916)	-	
Interest on long-term debt	69,982	-	-	-	(69,982)	-	
Total Community Redevelopment Authority	856,898	-	-	-	(856,898)	-	
Total Component Units	\$1,687,011	\$404,244	\$ -	\$764,419	338,550	338,550	
General Revenues							
Property tax				167,845	-	167,845	
Tax Increment Financing				-	849,027	849,027	
Unrestricted intergovernmental				-	-	-	
Miscellaneous revenues				50,772	-	50,772	
Unrestricted investment earnings				229	-	229	
Total General Revenues				218,846	849,027	1,067,873	
Change in Net Assets				557,396	(7,871)	549,525	
Net Assets, Beginning of Year				2,268,014	73,229	2,341,243	
Newt Assets, End of Year				\$2,825,410	\$ 65,358	\$2,890,768	

CITY OF BEATRICE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY SOURCE
 SEPTEMBER 30, 2010
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

	2010	2009
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 2,581,490	\$ 2,580,574
Buildings	5,537,360	5,503,516
Improvements other than buildings	3,716,056	3,660,397
Machinery and equipment	8,167,543	8,003,040
Infrastructure	23,795,089	23,306,140
Total	<u>43,797,538</u>	<u>43,053,667</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Obligation Bonds	4,811,020	4,811,020
Federal and State Grants	7,376,920	7,333,265
General Fund Revenues	29,196,508	28,540,624
Donations	2,413,090	2,368,758
Total Investments in Governmental Funds Capital Assets	<u>\$43,797,538</u>	<u>\$43,053,667</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, 2010
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009

Function and Activity	2010						2009 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and budget	\$ 5,025	\$ -	\$ -	\$ 146,359	\$ -	\$ 151,384	\$ 107,303
Legal	-	-	-	4,803	-	4,803	4,794
Inspection	-	-	-	44,699	-	44,699	42,975
Total General Government	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>195,861</u>	<u>-</u>	<u>200,886</u>	<u>155,072</u>
PUBLIC SAFETY							
Police	76,500	62,748	147,480	2,020,908	-	2,307,636	2,220,191
Fire	-	-	-	2,948,990	-	2,948,990	2,953,220
Total Public Safety	<u>76,500</u>	<u>62,748</u>	<u>147,480</u>	<u>4,969,898</u>	<u>-</u>	<u>5,256,626</u>	<u>5,173,411</u>
CULTURE AND RECREATION							
Public properties	2,399,388	2,668,427	3,486,372	797,769	-	9,351,956	9,270,699
Library	100,577	2,452,022	82,204	695,062	-	3,329,865	3,309,637
Total Culture and Recreation	<u>2,499,965</u>	<u>5,120,449</u>	<u>3,568,576</u>	<u>1,492,831</u>	<u>-</u>	<u>12,681,821</u>	<u>12,580,336</u>
STREETS	<u>-</u>	<u>354,163</u>	<u>-</u>	<u>1,485,612</u>	<u>22,857,413</u>	<u>24,697,188</u>	<u>24,183,831</u>
STORM WATER MANAGEMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,341</u>	<u>937,676</u>	<u>961,017</u>	<u>961,017</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 2,581,490</u>	<u>\$ 5,537,360</u>	<u>\$ 3,716,056</u>	<u>\$ 8,167,543</u>	<u>\$ 23,795,089</u>	<u>\$ 43,797,538</u>	<u>\$ 43,053,667</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2010

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 10/1/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets 9/30/10</u>
GENERAL GOVERNMENT				
Management and budget	\$ 107,303	\$ 50,551	\$ 6,470	\$ 151,384
Legal	4,794	1,501	1,492	4,803
Inspection	42,975	1,724	-	44,699
Total General Government	<u>155,072</u>	<u>53,776</u>	<u>7,962</u>	<u>200,886</u>
PUBLIC SAFETY				
Police	2,220,191	130,266	42,822	2,307,635
Fire	2,953,220	84,840	89,070	2,948,990
Total Public Safety	<u>5,173,411</u>	<u>215,106</u>	<u>131,892</u>	<u>5,256,625</u>
CULTURE AND RECREATION				
Public properties	9,270,699	81,258	-	9,351,957
Library	3,309,637	26,992	6,764	3,329,865
Total Culture and Recreation	<u>12,580,336</u>	<u>108,250</u>	<u>6,764</u>	<u>12,681,822</u>
STREETS	<u>24,183,831</u>	<u>514,735</u>	<u>1,378</u>	<u>24,697,188</u>
STORM WATER MANAGEMENT	<u>961,017</u>	<u>-</u>	<u>-</u>	<u>961,017</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$43,053,667</u>	<u>\$ 891,867</u>	<u>\$ 147,996</u>	<u>\$43,797,538</u>

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

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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

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

Table 1

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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
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
Unrestricted			1,243,908	(339,060)	1,401,146	1,018,752	1,404,834	1,487,967	1,468,328	1,715,179
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
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	\$ 18,995,203	\$ 18,954,880
Restricted			-	-	-	732,489	425,387	598,152	643,308	643,769
Unrestricted			5,300,332	3,398,774	3,674,447	1,445,042	1,550,277	1,009,142	6,956,304	8,278,234
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
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	\$ 44,641,083	\$ 44,370,295
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
Unrestricted	-	-	6,544,240	3,059,714	5,075,593	2,463,794	2,955,111	2,497,109	8,424,632	9,993,413
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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
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
Interest on Long-Term Debt			81,337	58,176	141,854	156,582	51,357	49,910	38,318	31,322
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
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
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
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
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
Beatrice Area Solid Waste Agency			859,694	815,750	882,331	1,048,967	1,075,677	1,649,170	942,608	956,627
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
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
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
Public Safety			631,460	618,717	770,979	1,306,089	1,402,026	1,586,908	1,642,214	1,666,149
Culture and Recreation			375,281	356,773	246,427	250,418	192,847	187,454	212,136	234,027
Other Governmental Activities			950	6,390	26,757	37,492	34,318	38,457	26,790	22,865
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
Capital Grants and Contributions			1,830,176	458,219	307,453	461,506	1,378,513	597,350	290,637	654,092
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
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
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
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
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
Beatrice Area Solid Waste Agency			957,043	903,927	930,981	923,420	997,495	1,075,120	1,050,149	1,048,397
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
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

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

Table 2

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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)
Business-type Activities	-	-	177,094	(357,041)	43,779	188,789	(91,790)	(366,584)	156,570	1,026,015
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)
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
Unrestricted Intergovernmental			388,778	418,468	383,844	453,478	555,063	587,786	566,172	561,813
Miscellaneous Revenues			484,498	839,042	538,916	414,510	302,369	447,468	278,455	146,476
Unrestricted Investment Earnings			44,477	33,266	69,412	142,609	136,094	114,399	82,662	72,767
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
Business-type Activities:										
Miscellaneous Revenues			252,942	116,105	335,657	121,725	171,536	277,591	321,312	196,031
Investment Earnings			53,154	38,857	59,192	110,699	131,793	98,880	53,384	60,022
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
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
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
Business-type Activities	-	-	483,190	(558,908)	377,936	421,213	211,539	4,990	531,266	1,282,068
Total Primary Government	\$ -	\$ -	\$ (894,619)	\$ (267,569)	\$ 214,298	\$ 1,458,901	\$ 1,680,710	\$ 112,801	\$ 904,296	\$ 1,437,705

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>
2001	(1)	\$ 1,140,204	\$ 2,458,680	\$ 630,511	\$ 15,980	\$ 4,245,375
2002	(2)	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	(3)	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	(4)	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	(5)	1,724,779	2,629,801	736,406	19,390	5,110,376
2009	(6)	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

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 Tax increase due to exceptionally cold winter and high natural gas prices

(2) 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.

(3) Sales Tax increase due to expanded tax base implemented by the State Legislature

(4) Utility Occupation Taxes amended to include wireless phone service

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

(6) 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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved								128,019	48,584	21,354
Unreserved, undesignated	\$ 1,463,851	\$ 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
Unreserved, designated for subsequent years' expenditures	550,000	470,000	570,000	570,000	570,000	445,000	491,000	629,500	592,106	716,164
Total General Fund	<u>\$ 2,013,851</u>	<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>
All other governmental funds										
Reserved for:										
Reserved for Economic Development	\$ 313,171	\$ 431,340	\$ 532,318	\$ 664,788	\$ 845,281	\$ 861,742	\$ 675,162	\$ 901,586	\$ 1,066,772	\$ 1,227,426
Reserved for Debt Service	229,581	223,638	492,957	370,480	233,006	223,587	217,103	450,392	235,800	212,370
Reserved for Library Capital	90,079	90,263	91,583	92,120	94,083	97,106	96,835	80,739	81,705	93,416
Reserved for Public Safety	172,661	70,590	47,106	109,613	184,598	235,366	266,131	304,799	158,668	206,202
Reserved for Storm Water Management	0	0	0	0	0	0	31,262	11,086	31,680	72
Reserved for E911 Public Safety	0	0	0	0	0	0	0	0	0	7,699
Reserved for CDBG Revolving Loans	770,074	304,619	410,553	639,589	361,394	2,316,008	2,305,147	1,654,085	1,593,105	1,555,418
Unreserved, reported in:										
Special Revenue funds	909,598	467,156	70,277	(1,908,825)	71,699	8,287	184,959	184,036	362,860	574,228
Debt Service Funds	167,179	0	(199,997)	(84,177)	(159,872)	(183,671)	(235,058)	(214,234)	(129,833)	(53,427)
Capital Projects funds	1,944	42,278	63,863	30,075	22,766	34,799	3,462	91,430	0	0
Total all other governmental funds	<u>\$ 2,654,287</u>	<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>

1997 - Capital Projects fund balance included proceeds for New Water Park

2001 - New Keno Operator discontinued progressive game

2004 - Community Revlopment 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

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

Table 5

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 4,245,375	\$ 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
Licenses & Permits	89,054	86,120	75,169	98,084	106,454	94,817	199,008	103,070	80,819	173,182
Intergovernmental and Grants	3,369,977	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
Charges for Services*	729,622	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
Keno Proceeds	251,975	167,404	179,889	172,674	135,253	93,706	109,558	113,062	89,668	75,178
Special Assessments	325,257	156,549	575,503	146,619	93,984	159,761	103,792	60,611	85,724	63,252
Interest	220,132	83,257	44,157	33,055	68,976	141,297	152,259	135,906	112,125	72,767
Donations and Misc Revenue	446,967	680,385	498,554	839,042	538,916	532,419	404,930	594,879	236,872	146,778
Lease Income	109,363	109,945	110,145	0	0	0	0	0	0	0
Total revenues	9,787,722	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
Expenditures										
General Government	1,350,144	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
Public Safety	3,064,295	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
Highways and Streets	2,434,542	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
Culture and Recreation	1,029,748	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
Lease Payments	109,363	109,945	110,145	0	0	0	0	0	0	0
Debt Service:										
Principal	492,082	508,210	394,372	354,803	535,000	325,000	165,000	230,000	375,000	360,148
Interest	172,229	123,328	81,337	58,176	141,854	156,582	51,357	49,910	38,318	31,322
Bond Insurance Costs	0	0	0	0	0	0	0	10,199	0	0
Capital Outlay	736,714	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
MFO Payments to Other Entities	111,165	116,522	121,332	118,336	120,880	122,576	122,907	124,292	126,877	126,499
Total Expenditures	9,500,282	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
Excess of Revenues over (under) Expenditures	287,440	(1,076,847)	(877,402)	(1,813,932)	(828,123)	(560,209)	(47,576)	(786,509)	(261,145)	447,459
Other Financing Sources (Uses)										
Transfers In	1,412,267	880,832	527,577	142,251	341,370	387,000	313,958	473,865	448,856	228,934
Transfers Out	(1,412,267)	(880,832)	(527,577)	(142,251)	(341,370)	(387,000)	(313,958)	(473,865)	(448,856)	(228,934)
Bond Issuance Costs	0	0	0	0	(33,834)	0	0	0	0	0
Grant write-off	0	0	0	0	0	0	0	(87,857)	0	0
Bond and Lease Proceeds			299,990	0	2,480,000	0	216,263	819,329	0	0
Sale of Capital Assets	0	15,000	40,000	540,043	359	39,100	17,854	0	0	0
Total Other Financing Sources (Uses)	0	15,000	339,990	540,043	2,446,525	39,100	234,117	731,472	0	0
Net Change in Fund Balances	\$ 287,440	\$ (1,061,847)	\$ (537,412)	\$ (1,273,889)	\$ 1,618,402	\$ (521,109)	\$ 186,541	\$ (55,037)	\$ (261,145)	\$ 447,459
Debt Service as a percentage of noncapital expenditures	7.8%	6.9%	4.9%	4.9%	7.4%	6.0%	2.6%	2.9%	4.8%	4.3%

**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
2001	\$ 366,646,731	n/a	\$ 366,646,731	3.88%	1
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

(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
LAST TEN FISCAL YEARS

Table 7

FISCAL YEAR	CITY OF BEATRICE	SCHOOL DIST. #15	GAGE COUNTY	SPECIAL TAX DIST.	AIRPORT	TOTAL TAX RATE
2001	0.302007	1.298063	0.353581	0.091067	0.043048	2.087766
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

**CITY OF BEATRICE, NEBRASKA
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
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>
2001	1.50%	5.00%	6.50%
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%

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

Table 8

TAXPAYER	TYPE OF BUSINESS	2010			2001		
		(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION	(a) ASSESSED VALUATION	Rank	%OF TOTAL ASSESSED VALUATION
Beatrice Biodiesel, LLC	(1) Manufacturing Plant	\$ 21,958,325	1	3.94%			
KH Beatrice LLC	(1) Manufacturing	13,020,425	2	2.34%			
Wal-Mart Stores	Shopping Mall	6,373,165	3	1.14%	5,051,285	1	1.38%
Beatrice Retirement Inc.	Retirement homes	3,213,745	4	0.58%	3,004,235	3	0.82%
Farmers Co-op Elevator	Grain/Feed Elevator	3,059,335	5	0.55%	2,629,645	5	0.72%
Cornhusker Hospitality II, LLC	(1) Hotel	2,707,530	6	0.49%	2,957,660	4	0.81%
Stanley T & Judy E Meyer	Shopping Mall plus other	2,331,815	7	0.42%	1,948,550	6	0.53%
Store Kraft Mfg Co.	manufacturing	2,277,730	8	0.41%			
LTC Properties	Retirement home/assisted	2,027,485	9	0.36%	1,615,440	8	0.44%
Homestead Village	Retirement home/complex	1,933,715	10	0.35%	1,670,555	9	0.46%
Beatrice Housing Partners	apartment complex				1,806,300	7	0.49%
John C & Marie Waltke	retail & apartment buildings				1,603,500	10	0.44%
DDM Investments	Shopping Mall				3,300,000	2	0.90%
		<u>\$ 58,903,270</u>		<u>10.57%</u>	<u>\$ 25,587,170</u>		<u>6.98%</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 Three Years Ago

Table 8a

Business Classification	Calendar Year 2009			Calendar Year 2006		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 76,250,044	1	48.7%	\$ 77,274,726	1	46.9%
Utilities	19,873,828	2	12.7%	21,922,078	2	13.3%
Accommodation & Food Services	17,772,905	3	11.4%	18,424,781	3	11.2%
Wholesale Trade	10,308,422	4	6.6%	9,760,521	4	5.9%
Information	8,349,425	5	5.3%	9,725,695	5	5.9%
Construction	3,845,773	6	2.5%	6,225,598	6	3.8%
Other	20,096,260		12.8%	21,593,149		13.1%
Total	156,496,657		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 four 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 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
2001	\$ 1,107,296	\$ 1,040,483	93.97%	\$ 51,360	\$ 1,091,843	98.6%
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%	45,705	1,201,357	100.3%
2005	1,250,949	1,197,780	95.75%	52,828	1,250,608	100.0%
2006	1,360,231	1,302,036	95.72%	57,975	1,360,011	100.0%
2007	1,459,640	1,393,092	95.44%	64,383	1,457,475	99.9%
2008	1,726,146	1,665,902	96.51%	69,325	1,735,227	100.5%
2009	1,715,278	1,635,184	95.33%	74,875	1,710,059	99.7%
2010	1,816,392	1,714,589	94.40%	0	1,714,589	94.4%

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

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

Table 10

FISCAL YEAR	Governmental Activities				Business-type Activities				Total Primary Government	% Personal Income	Per Capita
	General Obligation Bonds	General Notes	Development Revenue Bonds	Capital Leases	Utility Revenue Bonds	Utility State Notes	BASWA Revenue Bonds	Capital Leases			
2001	\$ 2,375,000	-	\$ 115,000	\$ 42,518	\$ 2,905,000	-	\$ 2,090,000	\$ 234,730	\$ 7,762,248	2.44%	620.88
2002	2,020,000	-	-	-	2,575,000	2,561,538	1,650,000	193,294	8,999,832	2.66%	719.41
2003	1,665,000	-	-	214,285	2,305,000	2,460,379	1,590,000	144,880	8,379,544	2.56%	669.83
2004	1,375,000	-	-	274,265	2,040,000	2,361,592	1,415,000	102,490	7,568,347	2.15%	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	2.35%	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	1.22%	415.99
2009(c)	1,120,000	100,592	-	56,146	2,815,000	1,818,086	445,000	22,946	6,377,770	1.40%	509.41
2010	815,000	45,444	-	7,667	2,480,000	1,797,287	225,000	3,356	5,373,754	1.17%	422.37

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

**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
2001	\$366,646,731	\$ 2,375,000	\$ 108,141	\$ 2,266,859	0.62%	181.32
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

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 on page___ 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, 2010**

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	\$ 984,608	100.00%	\$ 984,608
Airport Authority	\$ 346,000	100.00%	\$ 346,000
Total Direct Debt			<u>1,330,608</u>
OVERLAPPING:			
School District #15	\$ 4,595,000	63.20%	\$ 2,904,040
Lower Big Blue Natural Resources District	\$ 202,320	16.90%	\$ 34,192
Gage County	\$ 2,797,782	29.10%	\$ 814,155
Total Overlapping Debt			<u>3,752,387</u>
Total Direct & Overlapping Debt			<u><u>5,082,995</u></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	
2001	\$12,484,851	\$ 10,261,148	\$ 2,223,703	\$ 220,000	\$183,315	\$403,315	5.51
2002 (a)	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

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

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

(a) The 1996 and 1997 Bond issues were refunded with a new \$2,575,000 issue

**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)
2001	12,502	\$318,088,386	\$ 25,443	39.9	2,285	1.90%
2002	12,510	338,708,250	27,075	39.9	2,264	2.40%
2003	12,510	327,874,590	26,209	39.9	2,281	3.50%
2004	12,510	352,043,910	28,141	39.9	2,326	3.40%
2005	12,518	376,453,814	30,073	40.6	2,266	4.10%
2006	12,518	387,281,884	30,938	40.1	2,221	3.30%
2007	12,518	404,619,314	32,323	40.1	2,181	3.60%
2008	12,518	426,400,634	34,063	41.6	2,146	4.60%
2009	12,520	456,579,360	36,468	42	2,189	5.90%
2010	12,723	458,028,000	36,000	43	2,134	5.60%

SOURCES:

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

(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 TWO YEARS AGO**

Table 15

Employer	Type of Activity	2009			2006		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice State Developmental Center	Home for mentally handicapped	799	1	6.36%	888	1	8.56%
Beatrice Community Hospital	Medical	469	2	3.73%	441	3	4.25%
Exmark Manufacturing	Manufacturing	400	3	3.18%	704	2	6.79%
Beatrice Public Schools	Education	340	4	2.71%	280	6	2.70%
Mosaic	Home for mentally handicapped	365	5	2.91%	352	4	3.39%
Store Kraft Manufacturing	Manufacturing	192	6	1.53%	226	7	2.18%
Good Samaritan Center	Elderly Care Facility	203	7	1.62%	180	9	1.73%
Husqvarna Turf Care	Manufacturing	201	8	1.60%	350	5	3.37%
NEAPCO	Manufacturing	145	9	1.15%	164	10	1.58%
City of Beatrice	Government	168	10	1.34%	181	8	1.73%
		<u>3,282</u>		<u>26.13%</u>	<u>3,766</u>		<u>36.28%</u>

Source: Nebraska Public Power District Community Facts Book
2009 is the most recent information available

Note: 10 year historical data for comparision 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>2001</u>	<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>
General Government	8	8	8	7	5	5	5	8	8	8
Public Safety										
Police										
Commissioned	22	22	22	22	22	22	22	22	22	21
Civilians	11	11	12	12	11	11	11	11	11	11
Fire										
Full-time Firefighters	23	23	23	23	23	23	23	23	23	23
Civilians	1	1	1	1	1	1	1	0	0	0
Culture and Recreation	13	13	13	13	14	14	13	9	9	9
Highways and Streets	9	9	9	10	10	9	10	10	10	9
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	12	12	11	13	13	14	14	12	11	11
Sewer	7	7	7	7	7	7	7	7	7	7
Electric	34	36	33	35	34	33	33	30	30	30
Total	144	146	143	147	144	143	143	136	135	133

FUNCTION	Part-time Employees									
	<u>2001</u>	<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>
Public Safety										
Police										
Civilians	3	3	3	3	3	3	3	2	2	2
Fire										
Reserves	8	6	8	9	8	8	9	6	6	8
Culture and Recreation	20	22	17	17	20	20	20	16	18	18
Solid Waste Agency/WPC	5	5	5	5	5	5	5	6	6	6
Electric	2	2	2	2	2	2	2	2	0	0
Total	38	38	35	36	38	38	39	32	32	34

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

C & R Summer Seasonal	58	50	50	54	40	40	40	45	48	48
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**CITY OF BEATRICE, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 17

FUNCTION	<u>2001</u>	<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>
General Government										
Building Permits Issued	230	234	232	264	267	208	253	227	471	395
Commercial Construction Value	\$7,772,253	\$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
Residential Construction Value	\$5,606,176	\$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
Public Safety										
Police										
Physical Arrests	NA	1,082	1,179	746	1,382	1,191	988	1,048	808	662
Patrol Citations	NA	2,685	2,284	1,216	3,509	2,815	2,437	3,078	2,507	2,025
Calls for Service	NA	12,633	13,998	22,819	22,059	21,736	21,571	23,947	22,230	22,118
Fire										
Ambulance Calls	1,418	1,501	1,590	1,687	1,803	1,960	1,928	2,288	2,349	2,435
Fire & Rescue Calls	587	649	634	554	795	776	886	902	939	887
Culture and recreation										
Water Park Admissions	\$ 73,027	\$ 78,916	\$ 82,235	\$ 62,908	\$ 73,494	\$ 85,892	\$ 90,059	\$ 86,083	\$ 81,453	\$ 88,933
Electric										
Average Daily Usage Commercial (MWH)	305.1	288.1	285.7	272.1	281.8	286.6	283.5	283.2	262.7	282.8
Average Daily Usage Residential (MWH)	178.9	174.6	177.6	173.7	180.9	186.3	189.9	191.1	185.3	201.3
Water										
Average Daily Consumption (gal)	4.44m	3.98m	4.41m	4.06m	4.03m	4.25m	3.95m	3.40m	3.60m	3.36m
Water Pollution Control										
Average Daily Treatment (gal)	1.69m	1.46m	1.6m	1.45m	1.44m	1.5m	1.4m	1.3m	1.2m	1.2m

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

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>2001</u>	<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>
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	259	264.7	270	270	270.9	274.4	278.14
Street Lane Miles, Unpaved	34	34	34	34	32.4	31.7	31.7	31.5	31.5	34.15
Storm Sewer Miles	25	25	25	25	25	25	25	25	32	33
Bridges	11	11	11	11	11	11	11	11	9	9
Street Lights	1479	1492	1505	1520	1520	1535	1551	1566	1656	1496
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	111	113	118	119	120	123	123	123	123	123
Fire Hydrants	587	602	617	627	632	652	652	659	668	673
Sewer										
Sanitary Sewer Miles	127	127	127	127	127	127	128	128	128	128
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	12	12	12	12	12	10	10	10	10	10
Miles 12.5KV Service	78.6	86	91	93	93	94	94	94	98	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	113.2	110.2	104.2	102.2	102.2	101	92	92	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, 2010**

Federal Grantor/Pass-Through	Program	Project No.	Federal CFDA Number	Federal Disbursements/ Expenditures
Department of Homeland Security				
Passed-Through:				
Nebraska Emergency Management Agency	November ice storm - electrical service	1864-DR-NE	97.036	5,440
	2010 ice/snow curb and sidewalk damage	1902-DR-NE	97.036	64,488
	Roadway ditches and drainage system	1902-DR-NE	97.036	<u>65,580</u>
Total Department of Homeland Security				<u>135,518</u>
U.S. Department of Justice				
Passed-Through:				
Nebraska Commission on Law Enforcement	Southeast Area Drug Enforcement	09-DA-304	16.738	53,136
	Victims Assistance Program	09-VA-209	16.575	38,000
	ARRA - Victims Assistance Program	09-VX-2003	16.801	8,397
	ARRA - Southeast Area Drug Enforcement	2009-SB-89-1771	16.804	15,254
	ARRA - COPS Retention	2009-RK-WX-0539	16.710	49,203
Bureau of Justice Assistance				
	Bulletproof Vest Partnership Program		16.607	<u>6,429</u>
Total U.S. Department of Justice				<u>170,419</u>
U.S. Department of Housing and Urban Development				
Passed-Through:				
State of Nebraska CDBG Disaster Recovery Program	Storm Sewer Analysis	08-DRP-004	14.228	<u>37,147</u>
U.S. Department of Transportation Passed-Through:				
Nebraska Department of Aeronautics	South RPZ Acq.Rel	03-31-0009-12	20.106	9,255
	ALP	03-31-0009-13	20.106	177,162
	Sealcoat	03-31-0009-14	20.106	44,073
Nebraska Office of Highway Safety				
	Click it or Ticket	HSIP0810	20.205	1,231
	Click it or Ticket	HSIP0811	20.205	922
	You Drink & Drive You Lose	NHTSA 410	20.601	<u>4,790</u>
Total U.S. Department of Transportation				<u>237,433</u>
TOTAL				<u>580,517</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, 2010, which collectively comprise City of Beatrice, Nebraska's basic financial statements and have issued our report thereon dated March 3, 2011. 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
March 3, 2011

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO 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, 2010. 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, 2010.

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
March 3, 2011

CITY OF BEATRICE, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2010

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
accordance with section 510(a) of
Circular A-133: ☐ Yes ☒ No

Identification of Type A Programs
audited as Major Programs:

Airport Improvement Program CFDA 20.106

Disaster Grants – Public Assistance CFDA 97.036

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, 2010

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

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