

# CITY OF BEATRICE NEBRASKA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2009

# **CITY OF BEATRICE, NEBRASKA**

## **COMPREHENSIVE**

## **ANNUAL**

## **FINANCIAL**

## **REPORT**

for the year ended

**September 30, 2009**

Prepared by  
Management & Budget  
Department

Neal F. Niedfeldt  
City Administrator



**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
TABLE OF CONTENTS**

	<u>Page</u>
Title Page	i
Table of Contents	iii

**INTRODUCTORY SECTION**

Letter of Transmittal	ix
GFOA Certificate of Achievement	xii
Organizational Chart	xiii
List of Principal Officials	xiv

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		1
Management's Discussion and Analysis		3
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	1	12
Statement of Activities	2	14
Fund Financial Statements		
Balance Sheet - Governmental Funds	3	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	18
Statement of Net Assets - Proprietary Funds	6	19
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	7	21
Statement of Cash Flows - Proprietary Funds	8	22
Statement of Fiduciary Net Assets - Fiduciary Funds	9	24
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	10	25
Notes to the Financial Statements		26

	<u>Statement/ Schedule</u>	<u>Page</u>
<b>Required Supplementary Information</b>		
Major Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
General Fund	A-1	60
Streets Special Revenue Fund	A-2	61

**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
TABLE OF CONTENTS**

<b>FINANCIAL SECTION (Continued)</b>	<b><u>Statement/ Schedule</u></b>	<b><u>Page</u></b>
Other Supplementary Information		
Combining and Individual Fund Statements and Schedules		
Nonmajor Governmental Funds		
Combining Balance Sheet	B-1	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	63
Combining and Individual Fund Statements and Schedules (Continued)		
Nonmajor Special Revenue Funds		
Combining Balance Sheet	C-1	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	65
General Fund		
Comparative Balance Sheet	D-1	66
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual	D-2	67
Schedule of Expenditures Compared to Budget (GAAP)	D-3	68
Supporting Schedule - General Fund Revenues - Budget (GAAP) and Actual	D-4	70
Special Revenue Funds		
Street Fund		
Balance Sheet	E-1	72
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-2	73
Economic Development Fund		
Balance Sheet	F-3	75
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-4	76
Community Development Block Grant Fund		
Balance Sheet	E-5	77
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-6	78
Keno/Lottery Fund		
Balance Sheet	E-7	79
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-8	80
911 Surcharge Fund		
Balance Sheet	E-9	81
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-10	82

**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2009  
TABLE OF CONTENTS**

<b>FINANCIAL SECTION (Continued)</b>	<b><u>Statement/ Schedule</u></b>	<b><u>Page</u></b>
Other Supplementary Information (Continued)		
Special Revenue Funds (Continued)		
Storm Water Management Plan Special Fund		
Balance Sheet	E-11	83
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	E-12	84
Debt Service Funds		
Combining Balance Sheet	F-1	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	86
General Obligation Debt Service Fund		
Schedule of Revenues and Expenditures Budget (Non-GAAP) and Actual	F-3	87
Bonded Districts Debt Service Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual	F-4	88
Unbonded Districts Debt Service Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual	F-5	89
Capital Projects Funds		
Combining Balance Sheet	G-1	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	91
Library Capital Improvements Fund		
Balance Sheet	G-3	92
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual	G-4	93
Capital Improvements Fund		
Balance Sheet	G-5	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual	G-6	95
Enterprise Funds		
Electric Fund		
Balance Sheet	H-1	96
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (GAAP) and Actual	H-2	98
Statement of Cash Flows	H-3	99

**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2009  
TABLE OF CONTENTS**

	<u>Statement/ Schedule</u>	<u>Page</u>
<b>FINANCIAL SECTION (Continued)</b>		
Other Supplementary Information (Continued)		
Enterprise Funds (Continued)		
Water Fund		
Balance Sheet	H-4	100
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (GAAP) and Actual	H-5	102
Statement of Cash Flows	H-6	103
Water Pollution Control Fund		
Balance Sheet	H-7	104
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (GAAP) and Actual	H-8	105
Statement of Cash Flows	H-9	106
Sanitation Fund		
Balance Sheet	H-10	107
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (GAAP) and Actual	H-11	108
Statement of Cash Flows	H-12	109
Beatrice Area Solid Waste Agency Fund		
Balance Sheet	H-13	110
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (GAAP) and Actual	H-14	112
Statement of Cash Flows	H-15	113
Internal Service Fund		
Self-Insured Group Insurance Fund		
Statement of Net Assets	I-1	114
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual	I-2	115
Combining Statement of Cash Flows	I-3	116
Fiduciary Funds		
Combining Statement of Net Assets	J-1	117
Pension Trust Fund - Employees' Retirement System		
Combining Statement of Net Assets	J-2	118
Statement of Changes in Plan Net Assets	J-3	119
Combining Statement of Changes in Plan Net Assets	J-4	120
Schedule of Cash Flows	J-5	121
Combining Schedule of Cash Flows	J-6	122
Component Units		
Combining Statement of Net Assets	K-1	123
Combining Statement of Activities	K-2	124

**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2009  
TABLE OF CONTENTS**

	<b><u>Statement/ Schedule</u></b>	<b><u>Page</u></b>
<b>FINANCIAL SECTION (Continued)</b>		
Other Supplementary Information (Continued)		
Capital Assets		
Capital Assets Used in the Operation of Governmental Funds Schedules by Source	L-1	125
Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity	L-2	126
Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity	L-3	127
<b>STATISTICAL SECTION</b>		
Net Assets by Components	1	129
Changes in Net Assets	2	130
Governmental Activities Tax Revenues by Source	3	132
Fund Balances of Governmental Funds	4	133
Changes in Fund Balances of Governmental Funds	5	134
Assess and Estimated Actual Value	6	135
Property Tax Rates and Tax Levies (Per \$100 Valuation)		
Direct and Overlapping Governments	7	136
Sales Tax Rates Direct and Overlapping Governments	7a	137
Principal Taxpayers	8	138
Net Taxable Sales by Business Classification	8a	139
Property Tax Levies and Collections	9	140
Ratios of Outstanding Debt by Type	10	141
Ratios General Bonded Debt Outstanding	11	142
Computation of Direct and Overlapping Debt	12	143
Revenue Bond Coverage Electric, Water and Sewer Bonds	13	144
Demographic Statistics	14	145
Principal Employers	15	146
City Government Employees by Function	16	147
Operating Indicators by Function	17	148
Capital Asset Statistics by Function	18	149
<b>REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>		
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		151

(This page has been left blank intentionally.)

# **SECTION 1**

## **INTRODUCTORY SECTION**



# City of Beatrice

*www.ci.beatrice.ne.us*

*402-228-5200*

*400 Ella Street*

*Beatrice, Nebraska 68310*

March 1, 2010

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, 2009.

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, 2009 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, 2009 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, 2009 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 12,520. 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 1<sup>st</sup> 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 31<sup>st</sup>. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 20<sup>th</sup>. 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 5.9% is slightly higher than the 2008 rate of 4.6%; however, it continues to be lower than the national rate of 9.8%.

Tax revenues declined 2.9% in 2009 when compared to 2008 due to a combination of lower property and sales taxes partially offset by an increase in occupation taxes. City sales tax collections declined 5.8% in 2009 largely due to refunds paid to corporate citizens under the existing Nebraska Employment and Investment Growth Act which 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 the Gage County Economic Development, Inc. to promote and market the industrial climate jointly 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 2009. 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 2009. The City and Gage County Economic Development, Inc are actively pursuing tenants to occupy the Beatrice Business Campus at a site adjacent to the Southeast Community College. In 2009 the City began working with developers to begin construction on the new Northgate development project on the north edge of the city. This project will include the proposed site of a new Beatrice Community Hospital as well as offer 28 additional sites for commercial use.

The City has endorsed the use of Tax Increment Financing (TIF), which assists developers in funding the basic infrastructure improvements to be made in designated areas for development of both residential and commercial property. TIF financing has been very instrumental in commercial development and used to help attract new industries.

#### Financial Planning and Initiatives

Each year the City Council participates in a goal-setting session 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 for a 5 year period.

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, 2008. This was the 18<sup>th</sup> 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, 2008

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.



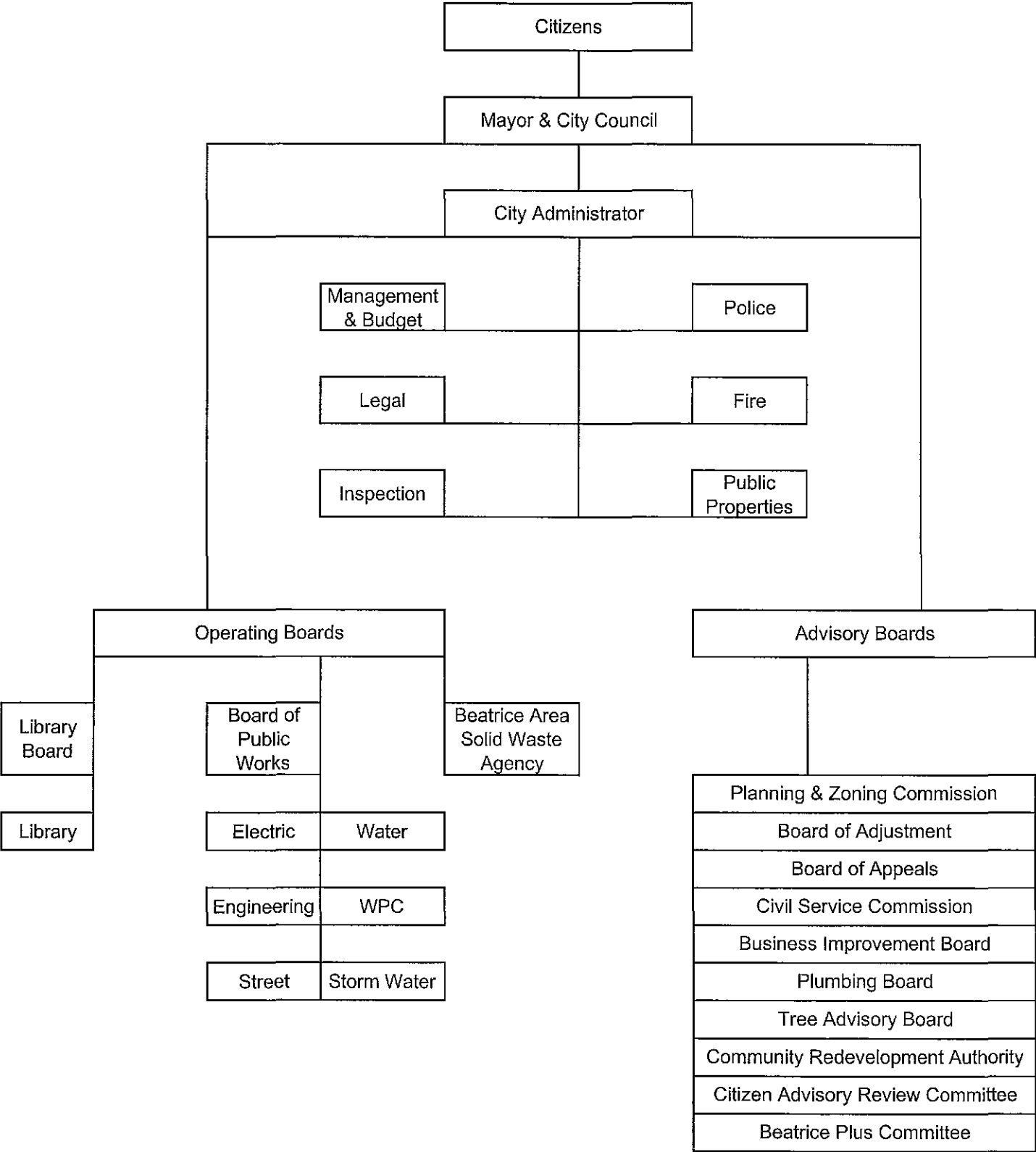
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

CITY OF BEATRICE, NEBRASKA  
ORGANIZATIONAL CHART



**CITY OF BEATRICE, NEBRASKA  
OFFICIALS  
2009**

**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
John Riggs	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**



## 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, 2009, 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 2008 financial statements, which were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated February 2, 2009.

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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 18, 2010, 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 financial statements that collectively comprise the City of Beatrice, Nebraska's basic financial statements. The other supplementary information on pages 62 through 127 is presented for purposes of additional analysis and are 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana & Cole + Company, LLP

Lincoln, Nebraska  
February 18, 2010

## 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, 2009. 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 \$56,893,657. Of this amount, \$5,774,632 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased \$904,296 or 1.6%.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$5,170,778, a decrease of \$261,145 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,721,437, or 24.6% of total General Fund expenditures.

The City of Beatrice's total debt increased \$970,802 (14%) during the current fiscal year. Annual debt obligations of \$1,294,198 were paid and proceeds were received in the amount of \$2,265,000 in the form of a new Combined Utilities Revenue Bond issue.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Beatrice that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Beatrice include general government, public safety, highways and streets, storm water, sanitation, economic development, and culture and recreation. The business-type activities of the City of Beatrice include 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 included as discretely presented component units 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 \$56,893,657 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (83.1%) 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, 2009 and 2008

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
ASSETS						
Current and other assets	6,530	6,362	8,833	6,864	15,363	13,226
Capital assets	26,923	26,654	26,746	27,943	53,669	54,597
TOTAL ASSETS	<u>33,453</u>	<u>33,016</u>	<u>35,579</u>	<u>34,807</u>	<u>69,032</u>	<u>67,823</u>
LIABILITIES						
Long-term liabilities outstanding	1,382	1,795	6,672	5,016	8,054	6,811
Other liabilities	1,772	1,295	2,312	3,727	4,084	5,022
TOTAL LIABILITIES	<u>3,154</u>	<u>3,090</u>	<u>8,984</u>	<u>8,743</u>	<u>12,138</u>	<u>11,833</u>
NET ASSETS						
Invested in capital assets, net of related debt	25,646	24,951	21,645	24,456	47,291	49,407
Restricted	3,185	3,487	643	598	3,828	4,085
Unrestricted	1,468	1,488	4,306	1,009	5,774	2,497
TOTAL NET ASSETS	<u>30,299</u>	<u>29,926</u>	<u>26,594</u>	<u>26,063</u>	<u>56,893</u>	<u>55,989</u>

An additional portion of the City of Beatrice's net assets (6.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$5,774,632 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 \$373,030 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 \$531,266. 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, 2009 and 2008

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
<b>REVENUES</b>						
Program Revenues						
Charges for services	2,087	2,097	17,642	17,330	19,729	19,427
Operating grants and contributions	1,785	1,967	-	-	1,785	1,967
Capital grants and contributions	291	598	-	199	291	797
General revenues						
Taxes	4,960	5,110	-	-	4,960	5,110
Unrestricted intergovernmental	566	588	-	-	566	588
Other revenue	361	555	375	372	736	927
<b>TOTAL REVENUES</b>	<b>10,050</b>	<b>10,915</b>	<b>18,017</b>	<b>17,901</b>	<b>28,067</b>	<b>28,816</b>
<b>EXPENSES</b>						
General Government	1,427	2,280			1,427	2,280
Public Safety	4,987	4,961			4,987	4,961
Highway/Streets	1,801	1,890			1,801	1,890
Culture and Recreation	1,424	1,626			1,424	1,626
Interest on long-term debt	38	50			38	50
Electric			11,991	11,790	11,991	11,790
Water			1,752	1,681	1,752	1,681
Water Pollution Control			1,626	1,567	1,626	1,567
Sanitation			1,174	1,209	1,174	1,209
Solid Waste Management			943	1,649	943	1,649
<b>TOTAL EXPENSES</b>	<b>9,677</b>	<b>10,807</b>	<b>17,486</b>	<b>17,896</b>	<b>27,163</b>	<b>28,703</b>
<b>CHANGE IN NET ASSETS</b>	<b>373</b>	<b>108</b>	<b>531</b>	<b>5</b>	<b>904</b>	<b>113</b>
<b>NET ASSETS, beginning of year</b>	<b>29,926</b>	<b>29,818</b>	<b>26,064</b>	<b>26,059</b>	<b>55,990</b>	<b>55,877</b>
<b>NET ASSETS, end of year</b>	<b>30,299</b>	<b>29,926</b>	<b>26,595</b>	<b>26,064</b>	<b>56,894</b>	<b>55,990</b>

#### Governmental Activities

Tax revenues decreased 2.9% in 2009 from the previous year. This includes property tax, sales tax and occupation tax revenues. In 2009 property tax revenues decreased 1.5% due to a decrease in the debt service tax requirements. Sales Tax revenues collected decreased 5.8% in 2009 from 2008, largely due to LB775 tax refunds to qualified businesses totaling \$175,532. Without those refunds the City would have recognized only a 2.3% decrease, which is a reflection of the downturn in the economy. Occupation tax collections increased 3.6%.

Unrestricted intergovernmental revenues, which include state aid to cities and municipal equalization funding, decreased 3.7% in 2009 from 2008.

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 4% in 2009 from 2008. The police department operates a victim assistance program and an area drug task force with grant funding and matching dollars coming from interlocal agreements. Decreased federal Byrne funding in 2009 threatened these programs, however Seizure funds on hand were utilized to keep those programs running. Interlocal agreements also provide funding for County-wide 911 services and ambulance services.

Capital Grants and contributions vary from year to year. During 2009 the City continued to receive grant funding for public safety equipment, including additional funding to support an Automated Vehicle Location system. Private contributions assisted in park improvements and library materials.

For the most part, operating expenses closely paralleled inflation and growth in the demand for services. FY2009 personnel expense, which accounts for the majority of operating expenses, remained the same despite increases in benefit costs and annual salary increases due to an administrative personnel reorganization plan in 2008. General Government increases 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 1.8% in 2009 from 2008. The Electric fund, which distributes purchased power, increased rates effective January 20, 2009, an average of 6.5%, to provide for the increased cost of purchased power from Nebraska Public Power District and to build sufficient reserves consistent with prudent utility practice. The Water and Water Pollution Control funds increased rates in October of 2008 an average of 9% to provide working capital and meet debt coverage requirements. Garbage Service fees, which are accounted for in the Sanitation fund, took a 7% jump in May of 2007 to provide for Beatrice Area Solid Waste Agency landfill disposal fees. As per the contract the residential rates increased slightly in April 2009, however, commercial fee collections decreased 9%. The Beatrice Area Solid Waste Agency fund therefore reflects a decrease in revenues of 2.3%.

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

The focus of the City of Beatrice's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Beatrice's financing requirements. In particular, 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 \$5,170,778, a decrease of \$261,145 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 (\$1,593,105); 2) to pay debt service (\$235,800); 3) for the LB840 Economic Development program (\$1,066,772); 4) for public safety equipment (\$158,668) and 5) for other restricted fund purposes (\$161,969). The remaining balance of \$1,954,464 in unreserved fund balance is available for spending at the government's discretion. This is an increase of \$53,247 when compared to 2008.

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 \$1,721,437. 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 24.6% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund decreased by \$197,983 during the current fiscal year, due to the transfer out of funds on hand to expend for capital projects. A more detailed analysis of operational revenues and expenditures is as follows:

General fund revenues as a total decreased 4.6% over the previous year. Tax revenues increased 1.2% due to a property tax levy increase, which offset the sales tax decrease of 6.5%. Intergovernmental revenue available to fund general operations decreased 6.3%, with a larger decrease reflected from special grants for a specific purpose. Charges for services are up 1.6%, largely due to an increase in the number of ambulance calls, since the budgeted rate increase did not go into effect until June of 2009. Miscellaneous revenues decreased \$160,128 from 2008 with the majority of the change due to police seizure funds received in 2008. Investment earnings were down due to a drop in interest rates.

General fund operating expenditures decreased 2.7% from the previous year. Personnel costs did not increase even with 2009 benefit and salary increases due to the 2008 reorganization of administrative staff through a retirement incentive. Other operational expenditures decreased 2%, plus a decrease is reflected in contractual services from 2008 due to a housing grant received the previous year. 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. In 2009, \$290,571 was transferred out again to fund capital projects, plus an increase of \$70,000 was transferred to assist in funding the new Storm Water program.

The Street Fund was in the black with a fund balance of \$160,092 at the end of 2009, an increase of \$163,396 from the previous year. In 2009 operating revenues decreased 4.9%, due to the sales tax and state highway allocation decreases, forcing a tightening on operational expenditures, which decreased 2.9%, and the cancellation of capital outlay for street improvement projects for the second year in a row. One major project the mill and overlay of two federal highways which intersect the City was completed in 2009 with a local-share cost of \$314,000. The change in fund balance is due to a transfer of excess funds collected in the Bonded Districts Debt Service Fund, which reduces the Street fund liability for the city share of assessed costs.

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 \$3,240,665. A majority of this fund balance is reserved for specific purposes; \$1,066,772 for Economic Development; \$235,800 for Debt Service; \$1,593,105 for CDBG Revolving Loans; \$240,373 for Capital projects; and \$31,680 for Storm Water Management. The Economic Development fund received the maximum sales tax dollars of \$250,000, plus \$26,932 in interest earnings and miscellaneous revenues, which helped to fund the program expenditures. Capital outlay projects were deferred to future years thereby increasing the reserved fund balance \$165,186. The Community Development Block Grant fund balance reserved for Revolving Loans of \$1,593,105 decreased when compared to \$1,654,085 at the end of 2008. Cash decreased and Loans Receivable increased due to a \$300,000 loan to a local business in 2009. The Keno fund proceeds decreased 20% from 2008, thereby decreasing funding for community betterment projects. 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 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, \$81,705 for the library and \$158,668 for Fire Equipment. Major capital projects funded and completed in 2009 include acquisition of land for and construction of a new Parks Shop, purchase of two ambulances, and a public safety Automated Vehicle Location system.

#### 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 \$4,197,002, an increase of \$3,187,860 from 2008. The Electric fund increased \$1,646,037 and the Water and Water Pollution Control funds increased \$1,331,899 through higher revenues and bonds issued to assist in funding construction projects. The BASWA fund increased of \$209,924 due to reduced operating expenses. Invested in Capital Assets decreased from \$24,456,255 in FY2008 to \$21,645,203 in FY2009. Extension and replacement of capital assets is discussed later in this report. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Beatrice's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for governmental funds amounted to an increase in appropriations of \$323,841 and can be briefly summarized as follows: Expenditures related to grants, donations, and additional reimbursements received in the amount of \$78,841; \$10,000 in expenditures related to Medicare and Medicaid mandated adjustments to ambulance service charges; \$75,000 excess to fund the Employee Benefits Fund; \$130,000 in the Employee Benefits Fund to pay the excess self-funding costs; \$30,000 in community redevelopment payments.

The increase was funded with a combination of grants, donations, ambulance service charges and available fund balance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City of Beatrice's investment in capital assets for its governmental and business type activities as of September 30, 2009, amounts to \$50,998,801 (net of accumulated depreciation) and land of \$2,670,052. 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 1.8 percent (a 1% increase for governmental activities and a 4.2% decrease for business-type activities).

City of Beatrice's Capital Assets  
(net of depreciation, except land)  
(expressed in thousands)  
September 30, 2009 and 2008

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	2,581	2,545	89	94	2,670	2,639
Buildings and system improvements other than	5,504	5,294	4,778	4,771	10,282	10,065
Buildings	3,660	3,634	53,899	52,988	57,559	56,622
Machinery & Equipment	8,003	7,252	5,450	5,650	13,453	12,902
Infrastructure	23,306	22,835	-	-	23,306	22,835
Construction in progress			-	25	-	25
Less accumulated depreciation	(16,131)	(14,907)	(37,470)	(35,585)	(53,601)	(50,492)
<b>TOTAL</b>	<b>26,923</b>	<b>26,653</b>	<b>26,746</b>	<b>27,943</b>	<b>53,669</b>	<b>54,596</b>

Major changes in Capital Assets in the Governmental Activities during fiscal year 2009 included infrastructure improvements for street mill and overlay projects, a new park shop, and park improvements paid for with the assistance of private funding. Large equipment purchases included two new ambulances, and a dump truck and wheel loader for the street department. Increase in land included acquisition of property for a new park shop. Homeland Security and other grant funds made possible needed equipment purchases to improve and enhance our public safety departments, including the new Automated Vehicle Location system.

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, Country Club underground cable replacement, service to the New Armory, new transformers and computer equipment upgrades; in the Water fund continuation of water main replacement projects which in 2009 included the areas of 12<sup>th</sup> and 10<sup>th</sup> Streets Jackson-Garfield, Grant-Garfield, 9<sup>th</sup> Street Ella-Grant, and 18<sup>th</sup> Street Irving-Park, plus the well rehab and fencing; and in

the Water Pollution Control the Lift Station I & I Study, extension of service to the new armory, manhole rehab, Weir washers and Dynablend replacement bulbs.

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 \$6,298,678. Of this amount, \$1,165,592 comprises debt backed by the full faith and credit of the government and \$55,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. 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, 2009 and 2008

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	1,065	1,325	-	-	1,065	1,325
General notes	101	160	-	-	101	160
Special assessment debt with governmental commitment	55	110	-	-	55	110
Revenue bonds	-	-	5,078	3,464	5,078	3,464
<b>TOTAL</b>	<b>1,221</b>	<b>1,595</b>	<b>5,078</b>	<b>3,464</b>	<b>6,299</b>	<b>5,059</b>

During the current fiscal year, the City of Beatrice issued new Combined Utilities Revenue Bonds in the amount of \$2,265,000, with the payment of annual bond maturities in the amount of \$1,025,666, the net change in debts increased by \$1,239,334 (24.5%).

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt of \$80,800 at September 30, 2009, after annual bond and note maturities were paid. Of this amount \$70,000 comprises bonded debt paid through a special levy approved by the City of Beatrice.

The Community Redevelopment Authority, a component unit of the City of Beatrice, had outstanding debt at September 30, 2009, of \$1,480,000. 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 5.9 percent, an increase from a rate of 4.6 percent a year ago. While slightly higher than the state's average unemployment rate of 4.9 percent, this compares favorably to the national average of 9.8 percent.

The occupancy rate of the government's central business district has dropped to 70% as small businesses find it hard to compete in the current economy. The decrease in 2009 sales tax revenues reflects a slight downturn in the economy. Also affecting sales tax revenues are tax incentives offered to local businesses that are receiving tax credits reducing the city sales tax received. Economic Development efforts continue to try and attract more new

companies. The new Beatrice Biodiesel plant was complete in 2007, however, has presently ceased operations as the company is actively pursuing a new buyer to operate the plant. Construction is in progress at the site of the new National Regional Nebraska Guard Armory on land provided by the City on West Highway 136. The new Northgate development on the City's north edge is the proposed site of a new hospital scheduled for construction in 2010.

During the current fiscal year, the unreserved fund balance in the General Fund decreased from \$1,839,985 to \$1,721,437 at the end of fiscal year 2009. In preparing the budget for fiscal year 2010, the City of Beatrice took a conservative increase in sales tax projections and used the property valuation increase of 2.45% to increase the general property tax dollars while keeping the general levy at .268594. Debt service requirements increased the debt service levy from .046630 to .057221 making the change in total tax levy from .315224 to .325815. General fund dollars of \$348,825 and Keno dollars of \$110,816 were budgeted to fund the City's capital projects in 2010. Revenue projections will be sufficient to maintain the City's operating expenditures and personnel staffing. Funds are being set aside in anticipation of the EPA cleanup costs at the former gas plant site.

Electric fund revenue projections and expenses will require an average 5% rate increase in the 2010 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 the base rate from \$6.60 to \$9.00 was budgeted in the Water and Water Pollution Control funds 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, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	Primary Government				2009
	Governmental	Business-Type	2009	2008	Component
	Activities	Activities	Total	Total	Units
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 3,675,848	\$ 4,298,277	\$ 7,974,125	\$ 6,071,566	\$ 315,145
Investments	400,296	-	400,296	400,000	-
Cash on deposit - County Treasurer	210,848	-	210,848	291,636	63,359
Accounts receivable	521,567	1,171,679	1,693,246	1,806,845	9,731
Assessments receivable	275,040	-	275,040	296,686	-
Unbilled and accrued revenues	-	660,121	660,121	581,491	-
Materials and supplies inventories	-	826,207	826,207	855,324	48,380
Prepaid expenses	-	13,996	13,996	14,057	-
Interest receivable	31,372	9,707	41,079	22,635	-
In-lieu-of assessments	10,105	-	10,105	10,105	-
Grants receivable	-	-	-	-	-
Due to City (from Component Unit)	50,000	-	50,000	50,000	-
Taxes receivable	140,395	-	140,395	65,445	14,749
Current portion of CRA bonds receivable	-	-	-	79,000	349,987
<b>Total Current Assets</b>	<u>5,315,471</u>	<u>6,979,987</u>	<u>12,295,458</u>	<u>10,544,790</u>	<u>801,351</u>
<b>Noncurrent Assets</b>					
<b>Restricted Cash and Cash Equivalents</b>					
Employee benefits	-	121,723	121,723	126,414	-
Grants and capital projects	207,252	109,302	316,554	545,550	-
Debt Service Reserve Account	-	643,308	643,308	485,420	-
<b>Restricted Investments</b>					
Customer deposits	-	174,920	174,920	165,770	-
Grants and capital projects	81,705	-	81,705	80,739	-
Closure/postclosure maintenance	-	756,974	756,974	616,701	-
<b>Total Restricted Assets</b>	<u>288,957</u>	<u>1,806,227</u>	<u>2,095,184</u>	<u>2,020,594</u>	<u>-</u>
<b>Capital Assets</b>					
Land	2,580,574	89,478	2,670,052	2,639,389	488,600
Construction in progress	-	-	-	24,515	-
Capital assets, net of accumulated depreciation	<u>24,342,044</u>	<u>26,656,757</u>	<u>50,998,801</u>	<u>51,932,608</u>	<u>1,629,514</u>
<b>Net Capital Assets</b>	<u>26,922,618</u>	<u>26,746,235</u>	<u>53,668,853</u>	<u>54,596,512</u>	<u>2,118,114</u>
<b>Other Assets</b>					
Loans receivable, net of current portion	925,645	-	925,645	642,222	4,062,917
Unamortized bond issuance costs	-	46,614	46,614	18,427	1,011
<b>Total Other Assets</b>	<u>925,645</u>	<u>46,614</u>	<u>972,259</u>	<u>660,649</u>	<u>4,063,928</u>
<b>Total Noncurrent Assets</b>	<u>28,137,220</u>	<u>28,599,076</u>	<u>56,736,296</u>	<u>57,277,755</u>	<u>6,182,042</u>
<b>Total Assets</b>	<u>33,452,691</u>	<u>35,579,063</u>	<u>69,031,754</u>	<u>67,822,545</u>	<u>6,983,393</u>

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS (Continued)**  
**SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	Primary Government				2009
	Governmental	Business-Type	2009	2008	Component
	Activities	Activities	Total	Total	Units
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	733,657	950,875	1,684,532	2,619,855	7,331
Registered warrants payable	247,235	-	247,235	312,960	22,327
Claims incurred but not reported	34,449	-	34,449	35,000	-
Accrued compensated absences	-	204,977	204,977	199,153	-
Sales tax payable	-	72,022	72,022	69,282	-
Employee insurance payable	-	88,809	88,809	93,500	-
Accrued interest payable	50,418	51,506	101,924	69,480	8,684
Accrued expenses	-	74,801	74,801	63,251	38,111
Unearned revenues	292,743	-	292,743	303,778	25,755
Customer deposits	-	174,895	174,895	165,745	-
Due to City (from Component Unit)	-	-	-	-	50,000
Current maturities of TIF payable	-	-	-	-	-
Current maturities of long-term debt	413,479	693,964	1,107,443	1,089,717	274,800
<b>Total Current Liabilities</b>	<u>1,771,981</u>	<u>2,311,849</u>	<u>4,083,830</u>	<u>5,021,721</u>	<u>427,008</u>
<b>Noncurrent Liabilities, Net of Current Portion</b>					
Revenue bonds	-	2,705,000	2,705,000	995,000	-
General obligation bonds	815,000	-	815,000	1,120,000	1,280,000
Notes and leases payable	48,259	1,702,068	1,750,327	2,002,634	6,000
Noncurrent deferred revenue	-	-	-	-	62,501
TIF payable	-	-	-	-	2,866,641
Compensated absences, noncurrent	518,609	361,331	879,940	823,829	-
Estimated current cost of closure	-	-	-	-	-
and postclosure	-	1,904,000	1,904,000	1,870,000	-
<b>Total Noncurrent Liabilities</b>	<u>1,381,868</u>	<u>6,672,399</u>	<u>8,054,267</u>	<u>6,811,463</u>	<u>4,215,142</u>
<b>Total Liabilities</b>	<u>3,153,849</u>	<u>8,984,248</u>	<u>12,138,097</u>	<u>11,833,184</u>	<u>4,642,150</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	25,645,880	21,645,203	47,291,083	49,407,588	2,037,314
Restricted net assets					
Restricted for economic development	1,066,772	-	1,066,772	901,586	-
Restricted for debt service	235,800	643,308	879,108	935,812	40,636
Restricted for Library capital improvements	81,705	-	81,705	80,739	-
Restricted for grant expenditures	48,584	-	48,584	207,643	-
Restricted for public safety equipment	158,668	-	158,668	304,799	-
Restricted Loan Fund	1,593,105	-	1,593,105	1,654,085	-
Unrestricted net assets	<u>1,468,328</u>	<u>4,306,304</u>	<u>5,774,632</u>	<u>2,497,109</u>	<u>263,293</u>
<b>Total Net Assets</b>	<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>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				2009 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2009 Total	2008 Total	
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
General government	\$ 1,427,557	\$ 205,377	\$ -	\$ -	\$(1,222,180)	\$ -	\$(1,222,180)	\$(1,672,122)	
Public safety	4,986,635	1,642,214	593,343	101,751	(2,649,327)	-	(2,649,327)	(2,640,514)	
Highways and streets	1,800,884	26,790	1,167,746	40,166	(566,182)	-	(566,182)	(593,143)	
Culture and recreation	1,423,702	212,136	24,369	148,720	(1,038,477)	-	(1,038,477)	(1,196,529)	
Interest on long-term debt	38,318	-	-	-	(38,318)	-	(38,318)	(49,910)	
<b>Total Governmental Activities</b>	<u>9,677,096</u>	<u>2,086,517</u>	<u>1,785,458</u>	<u>290,637</u>	<u>(5,514,484)</u>	<u>-</u>	<u>(5,514,484)</u>	<u>(6,152,218)</u>	
<b>Business-type Activities</b>									
Electric	11,990,639	12,642,133	-	-	-	651,494	651,494	620,818	
Water	1,751,778	1,577,016	-	-	-	(174,762)	(174,762)	(186,303)	
Water pollution control	1,626,419	1,198,716	-	-	-	(427,703)	(427,703)	(344,678)	
Sanitation	1,174,531	1,174,531	-	-	-	-	-	-	
BASWA	942,608	1,050,149	-	-	-	107,541	107,541	(461,318)	
<b>Total Business-type Activities</b>	<u>17,485,975</u>	<u>17,642,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,570</u>	<u>156,570</u>	<u>(371,481)</u>	
<b>Total Primary Government</b>	<u>\$27,163,071</u>	<u>\$19,729,062</u>	<u>\$1,785,458</u>	<u>\$290,637</u>	<u>(5,514,484)</u>	<u>156,570</u>	<u>(5,357,914)</u>	<u>(6,523,699)</u>	
<b>Component Units:</b>									
Airport Authority	\$ 796,829	\$ 383,319	\$ -	\$ 64,764					\$ (348,746)
Community Redevelopment Authority	460,235	-	-	-					(460,235)
<b>Total Component Units</b>	<u>\$ 1,257,064</u>	<u>\$ 383,319</u>	<u>\$ -</u>	<u>\$ 64,764</u>					<u>(808,981)</u>
<b>General Revenues</b>									
Taxes									
Property tax					1,698,740	-	1,698,740	1,724,779	192,207
Tax Increment Financing					-	-	-	-	486,253
Sales tax					2,478,365	-	2,478,365	2,629,801	-
Occupation tax					783,120	-	783,120	755,796	-
Unrestricted intergovernmental					566,172	-	566,172	587,786	-
Miscellaneous revenues					278,455	321,312	599,767	725,059	33,393
Unrestricted investment earnings					82,662	53,384	136,046	213,279	832
<b>Total General Revenues</b>					<u>5,887,514</u>	<u>374,696</u>	<u>6,262,210</u>	<u>6,636,500</u>	<u>712,685</u>
<b>Change in Net Assets</b>					373,030	531,266	904,296	112,801	(96,296)
<b>Net Assets, Beginning of Year</b>					<u>29,925,812</u>	<u>26,063,549</u>	<u>55,989,361</u>	<u>55,876,560</u>	<u>2,437,539</u>
<b>Net Assets, End of Year</b>					<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>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009				
	General	Streets	Other Governmental Funds	Total Governmental Funds	2008 Total
<b>Assets</b>					
Cash and cash equivalents	\$ 763,515	\$462,580	\$2,418,984	\$ 3,645,079	\$ 3,352,152
Investments	400,296	-	-	400,296	400,000
Cash on deposit - County Treasurer	182,030	-	28,818	210,848	291,636
Accounts receivable	375,439	59,761	85,266	520,466	549,226
Interest receivable	-	-	31,372	31,372	20,936
Assessments receivable	-	-	275,040	275,040	296,686
Restricted:					
Cash	48,584	-	158,668	207,252	432,818
Investments	-	-	81,705	81,705	80,739
In-lien-of assessments	-	-	10,105	10,105	10,105
Due from other funds	-	-	29,715	29,715	176,068
Due from component unit	50,000	-	-	50,000	50,000
Loans receivable	-	-	925,645	925,645	721,222
Taxes receivable	105,491	-	34,904	140,395	65,445
<b>Total Assets</b>	<b>\$ 1,925,355</b>	<b>\$522,341</b>	<b>\$4,080,222</b>	<b>\$ 6,527,918</b>	<b>\$ 6,447,033</b>
<b>Liabilities</b>					
Accounts payable	\$ 67,995	\$332,534	\$ 333,128	\$ 733,657	\$ 180,346
Registered warrants payable	-	-	247,235	247,235	312,960
Accrued interest payable	-	-	53,790	53,790	41,958
Unearned revenues	87,339	-	205,404	292,743	303,778
Due to other funds	-	29,715	-	29,715	176,068
<b>Total Liabilities</b>	<b>155,334</b>	<b>362,249</b>	<b>839,557</b>	<b>1,357,140</b>	<b>1,015,110</b>
<b>Fund Balances</b>					
Reserved for:					
Reserved for economic development	-	-	1,066,772	1,066,772	901,586
Reserved for debt service	-	-	235,800	235,800	450,392
Reserved for Library capital improvements	-	-	81,705	81,705	80,739
Reserved for public safety equipment	-	-	158,668	158,668	304,799
Reserved for storm water management	-	-	31,680	31,680	11,086
Revolving Loan Fund	-	-	1,593,105	1,593,105	1,654,085
Police grants and programs	48,584	-	-	48,584	128,019
Unreserved, Undesignated, Reported in:					
General fund	1,129,331	-	-	1,129,331	1,210,485
Special revenue funds	-	160,092	202,768	362,860	184,036
Debt service funds	-	-	(129,833)	(129,833)	(214,234)
Capital projects funds	-	-	-	-	91,430
Unreserved, Designated for:					
Subsequent years' expenditures	592,106	-	-	592,106	629,500
<b>Total Fund Balances</b>	<b>1,770,021</b>	<b>160,092</b>	<b>3,240,665</b>	<b>5,170,778</b>	<b>5,431,923</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,925,355</b>	<b>\$522,341</b>	<b>\$4,080,222</b>	<b>\$ 6,527,918</b>	<b>\$ 6,447,033</b>

CITY OF BEATRICE, NEBRASKA  
BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009				
	General	Streets	Other Governmental Funds	Total Governmental Funds	2008 Total
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.				26,922,618	26,653,297
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.				(2,579)	56,215
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds as follows:					
Bonds Payable				(1,120,000)	(1,435,000)
Notes and Leases Payable				(153,366)	(266,964)
Noncurrent Accrued Absences				(518,609)	(513,659)
Net Assets of Governmental Activities				\$ 30,298,842	\$29,925,812

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, 2009  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				2008
	General	Streets	Other Governmental Funds	Total Governmental Funds	Total
<b>Revenues</b>					
Taxes					
Property tax	\$1,439,685	\$ -	\$ 259,055	\$1,698,740	\$1,724,779
Sales tax	1,732,701	495,664	250,000	2,478,365	2,629,801
Occupation tax	783,120	-	-	783,120	755,796
Licenses and permits	80,819	-	-	80,819	103,070
Intergovernmental	979,493	1,180,310	334,840	2,494,643	2,827,669
Charges for services	1,882,025	26,790	81,235	1,990,050	1,974,053
Keno proceeds	-	-	89,668	89,668	113,062
Special assessments	-	-	85,724	85,724	60,611
Interest	47,864	-	64,261	112,125	135,906
Donations and miscellaneous revenue	173,546	-	63,326	236,872	594,879
<b>Total Revenues</b>	<u>7,119,253</u>	<u>1,702,764</u>	<u>1,228,109</u>	<u>10,050,126</u>	<u>10,919,626</u>
<b>Expenditures</b>					
Current					
General government	1,067,970	-	288,942	1,356,912	2,260,016
Public safety	4,647,071	-	50,590	4,697,661	4,732,030
Highways and streets	-	1,069,722	-	1,069,722	1,160,103
Culture and recreation	1,030,637	-	-	1,030,637	1,314,275
Lease payments	-	-	-	-	-
Debt Service					
Principal	-	-	375,000	375,000	230,000
Interest	-	-	38,318	38,318	49,910
Bond issue costs	-	-	-	-	10,199
Capital outlay	239,662	592,685	783,797	1,616,144	1,913,167
MFO payments - other entities	-	-	126,877	126,877	124,292
<b>Total Expenditures</b>	<u>6,985,340</u>	<u>1,662,407</u>	<u>1,663,524</u>	<u>10,311,271</u>	<u>11,793,992</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	133,913	40,357	(435,415)	(261,145)	(874,366)
<b>Other Financing Sources (Uses)</b>					
Transfers in	28,675	123,039	297,142	448,856	473,865
Transfers out	(360,571)	-	(88,285)	(448,856)	(473,865)
Bond proceeds	-	-	-	-	819,329
Sale of capital assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(331,896)</u>	<u>123,039</u>	<u>208,857</u>	<u>-</u>	<u>819,329</u>
<b>Net Change in Fund Balances</b>	(197,983)	163,396	(226,558)	(261,145)	(55,037)
<b>Fund Balances, Beginning of Year</b>	<u>1,968,004</u>	<u>(3,304)</u>	<u>3,467,223</u>	<u>5,431,923</u>	<u>5,486,960</u>
<b>Fund Balances, End of Year</b>	<u>\$1,770,021</u>	<u>\$ 160,092</u>	<u>\$3,240,665</u>	<u>\$5,170,778</u>	<u>\$5,431,923</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, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Net change in fund balances - total governmental funds	\$ (261,145)	\$ (55,037)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period as follows:		
Capital Outlays	2,557,528	2,094,799
Depreciation Expense	(1,425,893)	(1,434,032)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	(423,223)	(555,712)
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 in compensated absences.	4,950	59,785
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(20,393)	(6,511)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(58,794)</u>	<u>4,519</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 373,030</u></u>	<u><u>\$ 107,811</u></u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009						2008 Total
	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	
<b>Current Assets</b>							
Cash and investments	\$ 2,928,934	\$ 581,695	\$ 602,088	\$ 185,384	\$ 176	\$ 4,298,277	\$ 2,628,199
Accounts receivable, net	905,051	88,871	59,021	88,949	29,787	1,171,679	1,257,619
Unbilled and accrued revenues	499,906	88,408	71,807	-	-	660,121	581,491
Materials and supplies inventories	563,095	263,112	-	-	-	826,207	855,324
Prepaid expenses	8,669	3,131	2,196	-	-	13,996	14,057
Interest receivable	3,841	3,089	2,777	-	-	9,707	1,699
<b>Total Current Assets</b>	<u>4,909,496</u>	<u>1,028,306</u>	<u>737,889</u>	<u>274,333</u>	<u>29,963</u>	<u>6,979,987</u>	<u>5,338,389</u>
<b>Noncurrent Assets</b>							
<b>Restricted Cash and Cash Equivalents</b>							
Employee benefits	121,723	-	-	-	-	121,723	126,414
Debt Service Reserve Account	236,346	116,077	120,077	170,808	-	643,308	485,420
Grant Reserve Account	-	-	-	109,302	-	109,302	112,732
<b>Restricted Investments</b>							
Customer deposits	174,920	-	-	-	-	174,920	165,770
Closure/postclosure maintenance and care	-	-	-	756,974	-	756,974	616,701
<b>Total Restricted Cash, Cash Equivalents and Investments</b>	<u>532,989</u>	<u>116,077</u>	<u>120,077</u>	<u>1,037,084</u>	<u>-</u>	<u>1,806,227</u>	<u>1,507,037</u>
<b>Capital Assets</b>							
Land and land rights	17,432	55,458	16,588	-	-	89,478	93,852
Buildings and improvements	1,115,795	64,049	-	-	-	1,179,844	1,187,117
Improvements other than buildings	24,723,188	12,901,994	16,273,334	3,598,130	-	57,496,646	56,572,048
Machinery and equipment	2,380,142	789,716	1,554,283	726,265	-	5,450,406	5,650,402
Construction in progress	-	-	-	-	-	-	24,515
	<u>28,236,557</u>	<u>13,811,217</u>	<u>17,844,205</u>	<u>4,324,395</u>	<u>-</u>	<u>64,216,374</u>	<u>63,527,934</u>
Less accumulated depreciation	<u>15,695,681</u>	<u>8,623,882</u>	<u>10,354,591</u>	<u>2,795,985</u>	<u>-</u>	<u>37,470,139</u>	<u>35,584,719</u>
<b>Net Capital Assets</b>	<u>12,540,876</u>	<u>5,187,335</u>	<u>7,489,614</u>	<u>1,528,410</u>	<u>-</u>	<u>26,746,235</u>	<u>27,943,215</u>
<b>Other Assets</b>							
Unamortized bond issuance cost	16,809	13,127	11,875	4,803	-	46,614	18,427
<b>Total noncurrent Assets</b>	<u>13,090,674</u>	<u>5,316,539</u>	<u>7,621,566</u>	<u>2,570,297</u>	<u>-</u>	<u>28,599,076</u>	<u>29,468,679</u>
<b>Total Assets</b>	<u>18,000,170</u>	<u>6,344,845</u>	<u>8,359,455</u>	<u>2,844,630</u>	<u>29,963</u>	<u>35,579,063</u>	<u>34,807,068</u>

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS (Continued)**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009						Governmental Activities	2008 Total
	Business-Type Activities Enterprise Funds							
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals		
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts payable	893,815	12,170	9,861	5,066	29,963	950,875	-	2,439,509
Claims incurred but not reported	-	-	-	-	-	-	34,449	-
Accrued compensated absences	104,247	65,109	25,540	10,081	-	204,977	-	199,153
Accrued payroll	40,621	19,372	12,104	2,704	-	74,801	-	63,251
Sales tax payable	71,969	53	-	-	-	72,022	-	69,282
Employee insurance payable	88,809	-	-	-	-	88,809	-	93,500
Accrued interest	10,438	15,425	20,065	5,578	-	51,506	-	27,522
Customer deposits	174,895	-	-	-	-	174,895	-	165,745
Current maturities of long-term debt	213,897	87,887	152,590	239,590	-	693,964	-	669,347
<b>Total Current Liabilities</b>	<u>1,598,691</u>	<u>200,016</u>	<u>220,160</u>	<u>263,019</u>	<u>29,963</u>	<u>2,311,849</u>	<u>34,449</u>	<u>3,727,309</u>
<b>Noncurrent Liabilities</b>								
Compensated absences, noncurrent	180,189	141,570	39,572	-	-	361,331	-	310,170
Revenue bonds, net of current maturities	930,028	824,914	725,058	225,000	-	2,705,000	-	995,000
Notes payable, net of current maturities	-	549,497	1,149,214	3,357	-	1,702,068	-	1,841,040
Noncurrent cost of closure and postclosure	-	-	-	1,904,000	-	1,904,000	-	1,870,000
<b>Total Noncurrent Liabilities</b>	<u>1,110,217</u>	<u>1,515,981</u>	<u>1,913,844</u>	<u>2,132,357</u>	<u>-</u>	<u>6,672,399</u>	<u>-</u>	<u>5,016,210</u>
<b>Total Liabilities</b>	<u>2,708,908</u>	<u>1,715,997</u>	<u>2,134,004</u>	<u>2,395,376</u>	<u>29,963</u>	<u>8,984,248</u>	<u>34,449</u>	<u>8,743,519</u>
<b>Net Assets</b>								
Invested in capital assets, net of related debt	11,396,951	3,725,037	5,462,752	1,060,463	-	21,645,203	-	24,456,255
Restricted for debt service	236,346	116,077	120,077	170,808	-	643,308	-	485,420
Restricted for grants	-	-	-	109,302	-	109,302	-	112,732
Unrestricted	3,657,965	787,734	642,622	(891,319)	-	4,197,002	(2,579)	1,009,142
<b>Total Net Assets</b>	<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>	<u>\$ 26,063,549</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, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009							
	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds	2008 Total
Operating Revenues								
Charges for services	\$ 12,642,133	\$ 1,577,016	\$ 1,198,716	\$ 1,050,149	\$ 1,174,531	\$ 17,642,545	\$ 1,128,639	\$ 17,329,996
Reimbursements	-	-	-	-	-	-	34,696	-
Total Operating Revenues	12,642,133	1,577,016	1,198,716	1,050,149	1,174,531	17,642,545	1,163,335	17,329,996
Operating Expenses								
Electric energy purchased	8,573,360	-	-	-	-	8,573,360	-	8,301,361
Operating and maintenance expenses	950,838	794,948	540,657	-	1,174,531	3,460,974	-	3,513,193
Customer accounting expenses	241,711	126,436	61,697	-	-	429,844	-	403,779
Engineering services	146,467	16,000	16,000	-	-	178,467	-	168,935
Administrative and general expense	685,286	345,463	240,134	516,999	-	1,787,882	-	1,954,960
Municipal expenses	398,919	32,466	10,602	-	-	441,987	-	431,316
Depreciation and amortization	957,729	399,428	695,602	296,305	-	2,349,064	-	2,308,304
Landfill operating contracts	-	-	-	104,436	-	104,436	-	667,885
Health insurance claims paid	-	-	-	-	-	-	854,868	-
Health and life insurance premiums	-	-	-	-	-	-	117,374	-
Payflex expenditures	-	-	-	-	-	-	78,077	-
Workers' compensation claims paid	-	-	-	-	-	-	147,437	-
Other services and charges	-	-	-	-	-	-	25,455	-
Total Operating Expenses	11,954,310	1,714,741	1,564,692	917,740	1,174,531	17,326,014	1,223,211	17,749,733
Operating Income (Loss)	687,823	(137,725)	(365,976)	132,409	-	316,531	(59,876)	(419,737)
Nonoperating Revenues (Expenses)								
Interest income	21,821	6,943	6,541	18,079	-	53,384	1,082	98,880
Merchandising, etc.	(6,787)	26,396	20,025	-	-	39,634	-	62,473
Grant income	-	15,700	-	-	-	15,700	-	199,650
Miscellaneous	144,247	34,513	57,780	29,438	-	265,978	-	215,118
Loss on asset disposal	(995)	(3,782)	(6,396)	-	-	(11,173)	-	(4,897)
Interest expense	(32,664)	(32,426)	(54,309)	(22,468)	-	(141,867)	-	(139,556)
Amortization of bond issuance cost	(2,670)	(829)	(1,022)	(2,400)	-	(6,921)	-	(6,941)
Total Nonoperating Revenues (Expenses)	122,952	46,515	22,619	22,649	-	214,735	1,082	424,727
Change in Net Assets	810,775	(91,210)	(343,357)	155,058	-	531,266	(58,794)	4,990
Net Assets, Beginning of Year	14,480,487	4,720,058	6,568,808	294,196	-	26,063,549	56,215	26,058,559
Net Assets, End of Year	\$ 15,291,262	\$ 4,628,848	\$ 6,225,451	\$ 449,254	\$ -	\$ 26,594,815	\$ (2,579)	\$ 26,063,549

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type Activities Enterprise Funds					Governmental Activities		
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2009 Totals	Internal Service Funds	2008 Totals
<b>Cash Flows From Operating Activities</b>								
Cash received from customers	\$ 12,727,310	\$ 1,634,768	\$ 1,270,555	\$ 1,136,103	\$ 1,186,731	\$ 17,955,467	\$1,162,234	\$17,600,131
Cash paid to suppliers for goods and services	(10,662,148)	(526,807)	(489,300)	(374,880)	(1,226,804)	(13,279,939)	(1,223,762)	(10,514,932)
Cash paid to employees for services	(1,349,529)	(889,942)	(558,025)	(249,237)	-	(3,046,733)	-	(2,997,293)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>715,633</u>	<u>218,019</u>	<u>223,230</u>	<u>511,986</u>	<u>(40,073)</u>	<u>1,628,795</u>	<u>(61,528)</u>	<u>4,087,906</u>
<b>Cash Flows from Capital and Related Financing Activities</b>								
Principal payments on long-term debt	(207,512)	(85,218)	(158,222)	(228,688)	-	(679,640)	-	(634,902)
Principal advances on long-term debt	792,750	792,750	679,500	-	-	2,265,000	-	-
Interest paid on revenue bond maturities	(24,983)	(22,477)	(49,437)	(24,930)	-	(121,827)	-	(143,307)
Grant proceeds	-	15,700	-	-	-	15,700	-	199,650
Capital expenditures	(670,202)	(342,679)	(158,898)	(20,365)	-	(1,192,144)	-	(2,058,600)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(109,947)</u>	<u>358,076</u>	<u>312,943</u>	<u>(273,983)</u>	<u>-</u>	<u>287,089</u>	<u>-</u>	<u>(2,637,159)</u>
<b>Cash Flows From Investing Activities</b>								
Receipt of principal payments on bond receivable	-	-	-	-	-	-	-	185,000
Interest received	21,821	6,943	6,541	18,079	-	53,384	1,082	88,665
<b>Net Cash Provided by Investing Activities</b>	<u>21,821</u>	<u>6,943</u>	<u>6,541</u>	<u>18,079</u>	<u>-</u>	<u>53,384</u>	<u>1,082</u>	<u>273,665</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>627,507</u>	<u>583,038</u>	<u>542,714</u>	<u>256,082</u>	<u>(40,073)</u>	<u>1,969,268</u>	<u>(60,446)</u>	<u>1,724,412</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,834,416</u>	<u>114,734</u>	<u>179,451</u>	<u>966,386</u>	<u>40,249</u>	<u>4,135,236</u>	<u>91,215</u>	<u>2,410,824</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,461,923</u>	<u>\$ 697,772</u>	<u>\$ 722,165</u>	<u>\$ 1,222,468</u>	<u>\$ 176</u>	<u>\$ 6,104,504</u>	<u>\$ 30,769</u>	<u>\$ 4,135,236</u>
<b>Cash and Cash Equivalents Consist of:</b>								
Cash and investments	\$ 2,928,934	\$ 581,695	\$ 602,088	\$ 185,384	\$ 176	\$ 4,298,277	\$ 30,769	\$ 2,628,199
Employee benefits cash	121,723	-	-	-	-	121,723	-	126,414
Debt Service Reserve Account	236,346	116,077	120,077	170,808	-	643,308	-	485,420
Grant Reserve Account	-	-	-	109,302	-	109,302	-	112,732
Customer deposits investments	174,920	-	-	-	-	174,920	-	165,770
Closure/postclosure maintenance and care	-	-	-	756,974	-	756,974	-	616,701
<b>Total Cash and Cash Equivalents</b>	<u>\$ 3,461,923</u>	<u>\$ 697,772</u>	<u>\$ 722,165</u>	<u>\$ 1,222,468</u>	<u>\$ 176</u>	<u>\$ 6,104,504</u>	<u>\$ 30,769</u>	<u>\$ 4,135,236</u>

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	2009 Totals	Internal Service Funds	2008 Totals
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>								
Operating income (loss)	\$ 687,823	\$ (137,725)	\$ (365,976)	\$ 132,409	\$ -	\$ 316,531	\$ (59,876)	\$ (419,737)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities</b>								
Depreciation and amortization	957,729	399,428	695,602	296,305	-	2,349,064	-	2,308,304
Merchandise and miscellaneous revenue	137,460	60,909	77,805	29,438	-	305,612	-	290,456
Increase in estimated cost of closure and postclosure	-	-	-	34,000	-	34,000	-	600,000
(Increase) decrease in unbilled and accrued revenues	(66,925)	(4,499)	(7,206)	-	-	(78,630)	-	(64,146)
(Increase) decrease in accounts receivable	14,642	1,342	1,240	56,516	12,200	85,940	(1,652)	21,925
(Increase) decrease in inventory	14,116	15,001	-	-	-	29,117	-	(96,328)
(Increase) decrease in prepaid insurance	(2,481)	1,252	1,290	-	-	61	-	988
Increase (decrease) in accounts payable	(1,083,856)	(145,270)	(182,689)	(24,546)	(52,273)	(1,488,634)	-	1,421,526
Increase (decrease) in sales tax payable	2,745	(5)	-	-	-	2,740	-	(6,502)
Increase (decrease) in employee insurance payable	(4,691)	-	-	-	-	(4,691)	-	25,500
Increase (decrease) in accrued payroll	6,945	2,567	1,955	(12,136)	-	(669)	-	17,111
Increase (decrease) in accrued compensated absences	42,976	25,019	1,209	-	-	69,204	-	(33,091)
Increase (decrease) in customer deposits	9,150	-	-	-	-	9,150	-	21,900
<b>Total Adjustments</b>	<b>27,810</b>	<b>355,744</b>	<b>589,206</b>	<b>379,577</b>	<b>(40,073)</b>	<b>1,312,264</b>	<b>(1,652)</b>	<b>4,507,643</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 715,633</b>	<b>\$ 218,019</b>	<b>\$ 223,230</b>	<b>\$ 511,986</b>	<b>\$ (40,073)</b>	<b>\$ 1,628,795</b>	<b>\$ (61,528)</b>	<b>\$ 4,087,906</b>
<b>Noncash Investing, Capital and Financing Activities:</b>								
None								

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2009 AND 2008**

---

	Pension Trust Fund	
	2009	2008
<b>Assets</b>		
Investments with fiscal agent:		
Demand deposits	\$ 591,023	\$ 591,363
Guaranteed interest accounts	6,454,424	6,509,541
Publicly traded equities	<u>5,859,928</u>	<u>5,793,196</u>
<b>Total Assets</b>	12,905,375	12,894,100
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		
Reserved for employees' retirement system	<u>\$ 12,905,375</u>	<u>\$ 12,894,100</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, 2009 AND 2008**

	Pension Trust Fund	
	2009	2008
<b>Additions</b>		
<b>Contributions</b>		
Employer	\$ 413,937	\$ 384,859
Employee	426,997	406,661
<b>Total Contributions</b>	<u>840,934</u>	<u>791,520</u>
<b>Transfer From Other Funds</b>	<u>-</u>	<u>40,285</u>
<b>Investment Earnings</b>		
Net (decrease) increase in the fair value of investments	<u>(61,901)</u>	<u>(938,450)</u>
<b>Total Additions</b>	<u>779,033</u>	<u>(106,645)</u>
<b>Deductions</b>		
Benefits	757,028	2,620,662
Administrative expenses	10,730	23,074
Transfer to other funds	-	40,285
<b>Total Deductions</b>	<u>767,758</u>	<u>2,684,021</u>
<b>Change in Net Assets</b>	11,275	(2,790,666)
<b>Net Assets, Beginning of Year</b>	<u>12,894,100</u>	<u>15,684,766</u>
<b>Net Assets, End of Year</b>	<u>\$ 12,905,375</u>	<u>\$ 12,894,100</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**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, 2009**

**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. 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.

**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.

CITY OF BEATRICE, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
SEPTEMBER 30, 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**Government-wide Financial Statements (Continued)**

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.

**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.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**Governmental Funds (Continued)**

*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 - Community Development Block Grant Special Revenue Fund*

The Community Development Block Grant Special Revenue Fund accounts for federal grant monies received through the State Department of Economic Development for economic development i.e., industrial tract expansion, working capital and job training, and any other federal block grants.

*Debt Service - Unbonded Assessment Debt Service Fund*

The Unbonded Assessment Debt Service Fund is used to account for collection of special assessments and debt service related to paving, water, and sewer projects.

*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.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**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.

*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, 2009**

**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, 2008, 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, 2009**

**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, 2009**

**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 sue 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, 2009**

**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, 2009**

**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 but sick leave 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. 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, 2009**

**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, 2009**

**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, 2008
	Levy date	October 15, 2008
	Tax bills mailed	December 1, 2008
	Due date	December 31, 2008
	First installment payment delinquent	May 1, 2009
	Second installment payment delinquent	September 1, 2009

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, 2008 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 \$1,258,826, based on the present assessed valuation of \$544,145,391, 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, 2009**

**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, 2009**

**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, Public Safety Debt Service, and Capital Projects Funds (except Library Building Corporation Funds) on the modified accrual basis which is consistent with generally accepted accounting principles (GAAP). An appropriated budget is adopted each fiscal period for the Public Safety, Water Park and Unbonded Debt Service Funds on a non-GAAP (cash) basis. Reconciliation of the budgetary basis and GAAP-basis reporting of revenues and expenditures of the Debt Service Funds is presented in Note 12. An appropriated budget is adopted each fiscal period for each Enterprise Fund and Internal Service Fund on the accrual basis which is consistent with GAAP.

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

1. Prior to September 10, the City Administrator submitted to the Mayor and City Council a proposed operating budget for the fiscal period commencing October 1, 2008 and ending September 30, 2009. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the City 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 (except Library Building Corporation Fund) and Debt-Service funds. The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter total appropriations of any fund must be approved by the City Council.

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

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

General All-Purpose Fund	\$163,841
Employee Benefits Fund	130,000
Community Redevelopment Authority Fund	<u>30,000</u>
Total	<u>\$323,841</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**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, 2009, 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, 2009.

Type of Investment	Carrying Amount	Fair Value
Demand deposits	\$ 1,167,944	\$ 1,167,944
Time deposits	836,974	836,974
Publicly traded equities	5,859,928	5,859,928
Guaranteed investment securities	<u>6,454,424</u>	<u>6,454,424</u>
	<u>\$14,319,270</u>	<u>\$14,319,270</u>

Investments are presented as follows as of September 30, 2009:

Primary Government -	
Unrestricted investments	\$ 400,296
Restricted investments	1,013,599
Employee Pension Funds	<u>12,905,375</u>
	<u>\$14,319,270</u>

**Restricted Assets**

The restricted assets as of September 30, 2009, are as follows:

Type of Restricted Assets:	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Cash and cash equivalents	\$207,252	\$2,081,343	\$2,288,595
Investments	<u>81,705</u>	<u>931,894</u>	<u>1,013,599</u>
	<u>\$288,957</u>	<u>\$3,013,237</u>	<u>\$3,302,194</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**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, 2009, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$561,567	\$1,179,679	\$1,741,246	\$9,731
Allowance for doubtful Accounts	<u>(40,000)</u>	<u>(8,000)</u>	<u>(48,000)</u>	<u>-</u>
Net accounts receivable	<u>\$521,567</u>	<u>\$1,171,679</u>	<u>\$1,693,246</u>	<u>\$9,731</u>

Assessments receivable consist of the following as of September 30:

	<u>2009</u>	<u>2008</u>
Current	\$ 54,537	\$ 46,704
Delinquent	56,942	22,619
Deferred	163,561	188,485
In-process	<u>38,878</u>	<u>38,878</u>
	<u>\$275,040</u>	<u>\$296,686</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, 2009.

<u>Due From</u>	<u>Balance 9/30/2009</u>	<u>Terms</u>
Precise Fabrication, Inc.	\$ -	Loan was paid in full during the year ended September 30, 2008.
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	30,000	3%; due three years following the final payment to the primary lender.
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.	15,693	3.5%; due in monthly installments of \$1,341 through April 2009,
Store Kraft Manufacturing Co.	229,166	9%; 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>\$925,644</u>	

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Components of the City's capital assets at September 30, 2009, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land and land rights	\$ 2,580,574	\$ 89,478	\$ 2,670,052
Buildings and improvements	5,503,516	4,777,974	10,281,490
Improvements other than buildings	3,660,397	53,898,516	57,558,913
Machinery and equipment	8,003,040	5,450,406	13,453,446
Infrastructure	<u>23,306,140</u>	<u>-</u>	<u>23,306,140</u>
	43,053,667	64,216,374	107,270,041
Accumulated depreciation	<u>(16,131,049)</u>	<u>(37,470,139)</u>	<u>(53,601,188)</u>
	<u>\$26,922,618</u>	<u>\$26,746,235</u>	<u>\$53,668,853</u>

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

	<u>Balance 10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/09</u>
Buildings and improvements	\$ 5,293,550	\$ 222,848	\$ (12,882)	\$5,503,516
Improvements other than buildings	3,633,681	26,716	-	3,660,397
Machinery and equipment	7,251,843	939,686	(188,489)	8,003,040
Infrastructure	<u>22,835,210</u>	<u>470,930</u>	<u>-</u>	<u>23,306,140</u>
	39,014,284	1,660,180	(201,371)	40,473,093
Land	<u>2,545,537</u>	<u>55,430</u>	<u>(20,393)</u>	<u>2,580,574</u>
	<u>\$41,559,821</u>	<u>\$1,715,610</u>	<u>\$(221,764)</u>	<u>\$43,053,667</u>

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

	<u>Balance 10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/09</u>
Land and land rights	\$ 93,852	\$ -	\$ (4,374)	\$ 89,478
Buildings and improvements	4,771,333	13,915	(7,274)	4,777,974
Improvements other than buildings	52,987,832	970,382	(59,698)	53,898,516
Machinery and equipment	<u>5,650,402</u>	<u>207,847</u>	<u>(407,843)</u>	<u>5,450,406</u>
	63,503,419	1,192,144	(479,189)	64,216,374
Construction in Progress	<u>24,515</u>	<u>-</u>	<u>(24,515)</u>	<u>-</u>
	<u>\$63,527,934</u>	<u>\$1,192,144</u>	<u>\$(503,704)</u>	<u>\$64,216,374</u>

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

	<u>Balance 10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/09</u>
Land and land rights	\$ 488,600	\$ -	\$ -	\$ 488,600
Buildings and improvements	1,689,314	4,450	-	1,693,764
Improvements other than buildings	4,344,311	5,600	-	4,349,911
Machinery and equipment	<u>308,431</u>	<u>-</u>	<u>-</u>	<u>308,431</u>
	<u>\$6,830,656</u>	<u>\$10,050</u>	<u>\$ -</u>	<u>\$6,840,706</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (Continued)**

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

	Balance 10/01/08	Additions	Deletions	Balance 09/30/09
Buildings and improvements	\$ 1,835,343	\$ 153,244	\$ -	\$ 1,988,587
Improvements other than buildings	1,894,835	172,450	(12,882)	2,054,406
Machinery and equipment	3,873,529	478,433	(188,489)	4,163,473
Infrastructure	<u>7,302,817</u>	<u>621,766</u>	<u>-</u>	<u>7,924,583</u>
	<u>\$14,906,527</u>	<u>\$1,425,893</u>	<u>\$(201,371)</u>	<u>\$16,131,049</u>

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

General government	\$ 12,692
Public safety	288,974
Highways and streets	731,162
Culture and recreation	<u>393,065</u>
Total depreciation	<u>\$1,425,893</u>

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

	Balance 10/01/08	Additions	Deletions	Balance 09/30/09
Buildings and improvements	\$ 2,600,017	\$ 287,859	\$ (3,491)	\$ 2,884,385
Improvements other than buildings	29,295,162	1,699,079	(53,304)	30,940,937
Machinery and equipment	<u>3,689,638</u>	<u>362,028</u>	<u>(406,849)</u>	<u>3,644,817</u>
	<u>\$35,584,817</u>	<u>\$2,348,966</u>	<u>\$(463,644)</u>	<u>\$37,470,139</u>

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

	Balance 10/01/08	Additions	Deletions	Balance 09/30/09
Buildings and improvements	\$1,025,338	\$ 57,165	\$ -	\$1,082,503
Improvements other than buildings	3,253,580	159,487	-	3,413,061
Machinery and equipment	<u>204,013</u>	<u>23,015</u>	<u>-</u>	<u>227,028</u>
	<u>\$4,482,925</u>	<u>\$239,667</u>	<u>\$ -</u>	<u>\$4,722,592</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. At September 30, 2009, the amount included in the government activities in the government-wide statements is \$10,449.

The City has entered into a lease agreement, as lessee, to finance the acquisition of licensed software for the police department. This lease qualified 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. At September 30, 2009, the amount included in the governmental activities in the government-wide statements is \$45,697. The gross cost of the equipment obtained through this lease was \$300,000, and is included in machinery and equipment.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**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 \$22,946. 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, 2009:

Year Ending September 30,	Governmental Funds	Enterprise Funds	Total
2010	\$51,466	\$20,256	\$71,722
2011	3,292	3,400	6,692
2012	3,292	-	3,292
2013	<u>1,645</u>	<u>-</u>	<u>1,645</u>
Total minimum lease payments	59,695	23,656	83,351
Less: amount representing interest	<u>(3,549)</u>	<u>(710)</u>	<u>(4,259)</u>
Present value of future minimum lease payments	<u>\$56,146</u>	<u>\$22,946</u>	<u>\$79,092</u>

The capital leases transaction summary for the year ended September 30, 2009, follows:

Year Ending September 30,	Governmental Funds	Enterprise Funds	Total
Capital Leases 10/01/08	\$106,372	\$41,635	\$148,007
Capital Leases Additions	-	-	-
Capital Leases Payments	<u>(50,226)</u>	<u>(18,689)</u>	<u>(68,915)</u>
Capital Leases 09/30/09	<u>\$ 56,146</u>	<u>\$22,946</u>	<u>\$ 79,092</u>

**NOTE 7 - LONG-TERM DEBT**

The summary of bond and note transactions of the City for the year ended September 30, 2009, follows:

	Balance 9/30/08	Additions	Principal Payments	Balance 9/30/09	Amounts Due Within One Year
Governmental Activities:					
Note and bonds payable	\$1,595,592	\$ -	\$ (375,000)	\$1,220,592	\$ 365,000
Business-type Activities:					
Note and bonds payable	3,463,752	2,265,000	(650,666)	5,078,086	674,374
Component Units:					
Note and bonds payable	<u>1,829,332</u>	<u>-</u>	<u>(268,532)</u>	<u>1,560,800</u>	<u>274,800</u>
	<u>\$6,888,676</u>	<u>\$2,265,000</u>	<u>\$(1,294,198)</u>	<u>\$7,859,478</u>	<u>\$1,314,474</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

Bonds payable as of September 30, 2009, are comprised of the following individual issues:

**Governmental Activities**

General Obligation Refunding Bonds issued February 14, 2005, interest rates ranging from 2.5% to 3.3%. Principal and interest due in annual installments ranging from \$45,000 due February 15, 2006, to \$55,000 due February 15, 2010. \$ 55,000

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. 390,000

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. 675,000

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. 100,592

\$1,220,592

**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. \$1,230,818

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. 587,268

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.  
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. 550,000

Solid Waste Disposal Facilities Revenue Bonds issued May 6, 2002, interest 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. 445,000

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

\$5,078,086

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2009, are as follows:

Fiscal Year Ending September 30,	Governmental Activities Note and Bonds Payable		Business-Type Activities Note and Bonds Payable		NDEQ Fees
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 365,000	\$32,750	\$ 674,374	\$ 183,141	\$ 17,885
2011	300,592	23,867	563,200	148,296	16,681
2012	270,000	14,918	272,149	128,828	15,440
2013	140,000	7,742	281,225	121,763	14,158
2014	145,000		285,430	113,994	12,835
2015 - 2019			1,570,116	427,063	42,805
2020 - 2023			<u>1,431,592</u>	<u>135,148</u>	<u>6,879</u>
	<u>\$1,220,592</u>	<u>\$79,277</u>	<u>\$5,078,086</u>	<u>\$1,258,233</u>	<u>\$126,683</u>

**Component Unit Bonds and Notes Payable**

Airport Authority:

Airport Authority Bonds, Series 2002, issued December 20, 2002, interest rates ranging from 1.80% to 3.55%. Interest due in semiannual installments beginning April 1, 2003. Principal due in annual installments ranging from \$60,000 due October 1, 2003, to \$70,000 due October 1, 2009. \$70,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through February 2012. 5,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through October 2011. 5,800

\$80,800

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. \$ 790,000

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. 690,000

\$1,480,000

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**Component Unit Bonds and Notes Payable (Continued)**

The outstanding balance as of September 30, 2009, is estimated to be repaid as follows:

Fiscal Year Ending September 30,	Airport Authority Notes and Bonds Payable		Community Redevelopment Authority Bonds Payable	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$74,800	\$1,242	\$ 200,000	\$ 69,425
2011	4,800		210,000	61,740
2012	1,200		215,000	53,190
2013			220,000	43,995
2014			235,000	34,285
2015 - 2018			400,000	61,765
Total	<u>\$80,800</u>	<u>\$1,242</u>	<u>\$1,480,000</u>	<u>\$324,400</u>

**Compensated Absences**

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

	Governmental Activities	Business-Type Activities
Compensated absences, September 30, 2008	513,659	310,170
Additions	<u>4,950</u>	<u>51,161</u>
Compensated absences, September 30, 2009	<u>518,609</u>	<u>361,331</u>

**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, 2009.

	Governmental Funds	Community Redevelopment Authority	Airport Authority
Warrants payable September 30, 2008	\$312,960	\$32,328	\$329,662
Warrants issued	2,229	-	-
Warrants paid	<u>(67,954)</u>	<u>(10,000)</u>	<u>(329,662)</u>
Warrants payable September 30, 2009	<u>\$247,235</u>	<u>\$22,328</u>	<u>\$ -</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 9 - NOTES RECEIVABLE/PAYABLE – TAX INCREMENT FINANCING**

Estimated future receivables and payables under TIF agreements were as follows as of September 30, 2009:

	<u>Receivable</u>	<u>Payable</u>
Cornhusker Hospitality II, LLC	\$ 149,346	\$ 149,346
Airport Authority of Beatrice	1,291,981	1,291,981
E-6 Investments, Inc.	192,785	197,320
E-6 Investments, Inc.	40,626	43,552
Fakler Development, LLC	22,237	22,327
E-6 Investments, Inc.	81,936	83,302
Toby and Teresa Bissegger	36,858	36,858
Beatrice Biodiesel, LLC	2,210,000	2,210,000
Precise Bldg., LLC	157,135	157,135
Southwick Enterprises	<u>230,000</u>	<u>230,000</u>
	<u>\$4,412,904</u>	<u>\$4,421,821</u>
	<u>Receivable</u>	<u>Payable</u>
Current Portion	\$ 349,987	\$ 349,987
Noncurrent Portion	<u>4,062,917</u>	<u>4,071,834</u>
	<u>\$4,412,904</u>	<u>\$4,421,821</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, 2009, represent individual fund interfund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds: Street Fund	\$ -	\$29,715
Debt Service Funds: Unbonded	<u>29,715</u>	
	<u>\$29,715</u>	<u>\$29,715</u>
Component Unit - CRA	\$ -	\$50,000
General Fund	<u>50,000</u>	
	<u>\$50,000</u>	<u>\$50,000</u>

**NOTE 11 - INTERFUND TRANSFERS**

Interfund transfers were as follows for the year ended September 30, 2009:

<u>Transfer Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
General Fund	\$ -	\$360,571	\$360,571
Nonmajor Governmental Funds	<u>28,675</u>	<u>88,825</u>	<u>117,500</u>
Total	<u>\$28,675</u>	<u>\$449,396</u>	<u>\$478,071</u>

The General and Keno Funds transferred \$360,571 and \$88,825 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, 2009**

**NOTE 12 - DEFICIT FUND BALANCES**

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$126,461 at September 30, 2009.

**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 2009 was \$1,072,296 and the City contributions were based on a payroll of \$1,074,200. Both the City and the covered employees made the required contributions, amounting to \$64,452 (retirement rate of 6.0% of covered payroll) for the City and \$64,452 (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 2009 was \$1,171,673 and the City's contributions were based on a payroll of \$976,253. Both the City and the covered employees made the required contributions, amounting to \$126,913 (retirement rate of 13.0% of covered payroll) for the City and \$63,456 (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, 2009**

**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 not 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, 2009	\$446,719
Benefit liability at January 1, 2003, plus	
An inflation factor to September 30, 2009	<u>331,965</u>
Funded Status	<u>\$114,754</u>
 Prepaid (accrued) benefit cost	
Recognized in the balance sheet	 \$ _____

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2009.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**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 shall be vested with the employee at a rate of 25% each year (ie. 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 2009 was \$1,623,659 and the City's contributions were based on a payroll of \$1,242,633. Both the City and covered employees made required contributions, totaling \$74,558 (retirement rate of 6.0% of covered payroll) for the City and \$74,558 (6.0%) for the employees, plus \$4,276 in additional voluntary contributions. 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.

**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:

The vesting schedule on the plan is 3/7, i.e., less than 1 years, 0%; 1 year, 20%; 2 years, 40%; 3 years, 60%; 4 years, 80%, and 5 or more years, 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 \$155,141 and \$144,975 were made by the Board of Public Works to match required contributions for the years ended September 30, 2009 and 2008, respectively. Contributions were based on gross regular wages totaling \$2,585,683 and \$2,416,250 for the years ending September 30, 2009 and 2008, respectively. Total wages paid by the Board of Public Works were \$2,848,502 and \$2,968,998 for the years ended September 30, 2009 and 2008, respectively. Benefits under the plan will be based on accumulated contributions.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 13 - PENSION AND OTHER BENEFIT PLANS (Continued)**

**Board of Public Works (Continued)**

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, 2009, was \$899,371, which is funded by the unallocated account in the Firefighter Defined Benefit Plan.

**Three-year Trend Information for Public Safety Employees Retirement System**

<u>Fiscal Year Ending</u>	<u>Annual Pension Percentage of APC</u>		<u>Net Pension Obligation</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	
9/30/07	\$	N/A	\$
9/30/08		N/A	
9/30/09		N/A	

There are no separate financial statements prepared for the above pension plans.

**NOTE 14 - RISK MANAGEMENT**

**Insurance**

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

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 14 - RISK MANAGEMENT (Continued)**

**Insurance (Continued)**

The City is exposed to various risks of loss related to medical claims of employees and dependents. The City established a Self-Insured Group Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured Group Insurance Fund provides coverage for up to a maximum of \$90,000 per person annually for medical claims. The City is also self-insured for workers' compensation claims up to \$100,000 per occurrence and per employee and \$300,000 per aggregate. 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 \$123,257 and \$128,500 reported in the Fund at September 30, 2009 and 2008, 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. The city is taking proposals for insurance which will take effect November 1, 2009 to go back to a fully-insured workers compensation policy.

Changes in the Fund's claims liability amount in fiscal 2009 and 2008 were:

	Beginning of Fiscal Period Liability	Current Period Claims and Changes in Estimates	Charges and Reimbursements	Balance at Fiscal Period-End
2008 - 2009	\$128,500	1,163,335	(1,168,578)	\$123,257
2007 - 2008	\$103,000	1,246,055	(1,271,555)	\$128,500

**Deposits and Investments**

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

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

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

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

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 14 - RISK MANAGEMENT (Continued)**

**Deposits and Investments (Continued)**

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

The City Treasurer shall not have on deposit in any bank at any time more than either (1) the maximum amount of the bond given by said bank if the bank gives a surety bond, nor in any bank giving a personal bond, more than one-half of the amount of the bond of such bank, and the amounts so 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, 2009 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 2009	\$ 514,098
December 2009	7,433
February 2010	600,296
March 2010	<u>756,974</u>
	<u>\$1,878,801</u>

**Credit Risk**

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

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 14 - RISK MANAGEMENT (Continued)**

**Concentration of Credit Risk**

The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2009, the City's investments in certificates of deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Security First Bank	\$ 878,264
Pinnacle Bank	<u>1,000,537</u>
	<u>\$1,878,801</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 City 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, 2009, was \$12,905,375.

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, 2009.

**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 \$1,904,000 reported as landfill closure and postclosure care liability at September 30, 2009, represents the cumulative amount reported to date based on the use of 51.93% of the estimated capacity of the landfill, and is an increase of \$34,000 over the previous fiscal year.

The City will recognize the remaining estimated cost of closure and postclosure care of \$1,545,600 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. The City expects to close the landfill in 2027. Actual cost of closure and postclosure may be higher than anticipated due to inflation, changes in technology, or changes in laws or regulations.

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2009**

**NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)**

**Closure and Postclosure Care Cost (Continued)**

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The City is in compliance with these requirements, and at September 30, 2009, investments of \$756,974 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 will end September 30, 2010.

Pursuant to this agreement, the City agrees not to expend in excess of the following amounts during each year of this agreement:

September 30, 2010	\$180,000
--------------------	-----------

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, 2010	\$24,000
--------------------	----------

The City has entered into an agreement with the Pickrell Rural Fire Protection District to perform basic life support/non-transport services within the City of Beatrice. The City may pay as follows:

September 30, 2010	\$ 6,206
--------------------	----------

**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, 2009**

**NOTE 15 - COMMITMENTS AND CONTINGENCIES (Continued)**

**Interlocal Agreements**

The City has the following interlocal agreements in effect as of September 30, 2009:

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, 2008, through June 30, 2009.	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.
Pickrell 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, 2009**

**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 County of Gage	May 19, 2003, 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, 2008, through August 31, 2009	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, 2009**

**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
<b>REVENUES</b>			
Revenues on budgetary basis	\$118,864	\$ 195,654	\$ 314,518
Cash to accrual adjustments	<u>52,594</u>	<u>(1,056)</u>	<u>51,538</u>
Revenues on GAAP basis	<u>171,458</u>	<u>194,598</u>	<u>366,056</u>
<b>EXPENDITURES</b>			
Expenditures on budgetary basis	139,783	295,506	435,289
Cash to accrual adjustments	<u>(64,126)</u>	<u>359</u>	<u>(63,767)</u>
Expenditures on GAAP basis	<u>75,657</u>	<u>295,865</u>	<u>371,522</u>
<b>Transfers</b>			
Transfers on a budgetary basis	25,000		25,000
Cash to accrual adjustments	<u>(146,353)</u>	<u>-</u>	<u>(146,353)</u>
Transfers on a GAAP basis	<u>(121,353)</u>	<u>-</u>	<u>(121,353)</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER)</b>			
EXPENDITURES ON A GAAP BASIS	<u>\$(25,552)</u>	<u>\$(101,267)</u>	<u>\$(126,819)</u>



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Property tax	\$ 1,452,070	\$ 1,452,070	\$ 1,439,685	\$ (12,385)	\$ 1,297,595
Sales tax	1,950,000	1,950,000	1,732,701	(217,299)	1,853,751
Occupation tax	840,060	840,060	783,120	(56,940)	755,796
Licenses and permits	98,150	98,150	80,819	(17,331)	103,070
Intergovernmental	957,577	957,577	979,493	21,916	1,219,115
Charges for services	1,913,224	1,913,224	1,882,025	(31,199)	1,852,582
Miscellaneous	140,500	140,500	221,410	80,910	381,538
<b>Total Revenues</b>	<u>7,351,581</u>	<u>7,351,581</u>	<u>7,119,253</u>	<u>(232,328)</u>	<u>7,463,447</u>
<b>Expenditures</b>					
General government	1,010,598	1,121,180	1,070,220	50,960	1,180,937
Public safety	4,803,537	4,830,526	4,733,133	97,393	4,681,415
Culture and recreation	1,195,466	1,221,736	1,181,987	39,749	1,314,275
<b>Total Expenditures</b>	<u>7,009,601</u>	<u>7,173,442</u>	<u>6,985,340</u>	<u>188,102</u>	<u>7,176,627</u>
<b>Excess of Revenues Over Expenditures</b>	<u>341,980</u>	<u>178,139</u>	<u>133,913</u>	<u>(44,226)</u>	<u>286,820</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	30,654	30,654	28,675	(1,979)	30,500
Transfers out	(552,634)	(552,634)	(360,571)	192,063	(291,273)
<b>Total Other Financing Sources (Uses)</b>	<u>(521,980)</u>	<u>(521,980)</u>	<u>(331,896)</u>	<u>190,084</u>	<u>(260,773)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (180,000)</u>	<u>\$ (343,841)</u>	<u>\$ (197,983)</u>	<u>\$ 145,858</u>	<u>\$ 26,047</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
<b>Taxes</b>				
Sales tax	\$ 550,000	\$ 550,000	\$ 495,664	\$ (54,336)
<b>Intergovernmental:</b>				
Local shared revenue	17,500	17,500	7,300	(10,200)
State shared revenue	2,117,914	2,117,914	1,171,018	(946,896)
Federal grants	-	-	1,992	1,992
<b>Total Intergovernmental</b>	<u>2,135,414</u>	<u>2,135,414</u>	<u>1,180,310</u>	<u>(955,104)</u>
Charges for services	25,000	25,000	26,790	1,790
	<u>25,000</u>	<u>25,000</u>	<u>26,790</u>	<u>1,790</u>
<b>Total Revenues</b>	<u>2,710,414</u>	<u>2,710,414</u>	<u>1,702,764</u>	<u>(1,007,650)</u>
<b>Expenditures</b>				
Personal services	645,202	645,202	700,266	(55,064)
Supplies	253,000	253,000	274,449	(21,449)
Other services and charges	121,490	121,490	95,007	26,483
Capital outlay	1,760,000	1,760,000	592,685	1,167,315
<b>Total Expenditures</b>	<u>2,779,692</u>	<u>2,779,692</u>	<u>1,662,407</u>	<u>1,117,285</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(69,278)</u>	<u>(69,278)</u>	<u>40,357</u>	<u>(109,635)</u>
<b>Other Financing Sources (Uses)</b>				
Grant write-off	-	-	-	(58,582)
Transfers to other funds	(25,000)	(25,000)	123,039	(148,039)
<b>Total Other Financing Sources (Uses)</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>123,039</u>	<u>(128,122)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (94,278)</u>	<u>\$ (94,278)</u>	<u>\$ 163,396</u>	<u>\$ (257,674)</u>

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



**OTHER SUPPLEMENTARY  
INFORMATION**

**CITY OF BEATRICE, NEBRASKA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,970,822	\$ 200,300	\$ 247,862	\$ 2,418,984
Cash on deposit - County Treasurer	-	28,818	-	28,818
Accounts receivable	-	-	85,266	85,266
Interest receivable	-	31,372	-	31,372
Assessments receivable	-	275,040	-	275,040
Restricted:				
Cash	-	-	158,668	158,668
Investments	-	-	81,705	81,705
In-lieu-of assessments	-	10,105	-	10,105
Loans receivable	925,645	-	-	925,645
Taxes receivable	-	34,904	-	34,904
Due from other funds	-	29,715	-	29,715
<b>Total Assets</b>	<u>2,896,467</u>	<u>610,254</u>	<u>573,501</u>	<u>4,080,222</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	-	-	333,128	333,128
Accrued interest payable	2,142	51,648	-	53,790
Registered warrants payable	-	247,235	-	247,235
Deferred revenues	-	205,404	-	205,404
<b>Total Liabilities</b>	<u>2,142</u>	<u>504,287</u>	<u>333,128</u>	<u>839,557</u>
<b>Fund Balances</b>				
Reserved for economic development	1,066,772	-	-	1,066,772
Reserved for debt service	-	235,800	-	235,800
Reserved for Library capital improvements	-	-	81,705	81,705
Reserved for public safety equipment	-	-	158,668	158,668
Reserved for Revolving Loan Fund	1,593,105	-	-	1,593,105
Reserved for storm water management	31,680	-	-	31,680
Unreserved, undesignated	202,768	(129,833)	-	72,935
<b>Total Fund Balances</b>	<u>2,894,325</u>	<u>105,967</u>	<u>240,373</u>	<u>3,240,665</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,896,467</u>	<u>\$ 610,254</u>	<u>\$ 573,501</u>	<u>\$ 4,080,222</u>

**CITY OF BEATRICE, NEBRASKA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 250,000	\$ 259,055	\$ -	\$ 509,055
Intergovernmental	27,602	1,252	305,986	334,840
Charges for services	81,235	-	-	81,235
Keno proceeds	89,668	-	-	89,668
Special assessments	-	85,724	-	85,724
Interest	43,270	20,025	966	64,261
Donations and miscellaneous revenue	6,270	-	57,056	63,326
<b>Total Revenues</b>	<u>498,045</u>	<u>366,056</u>	<u>364,008</u>	<u>1,228,109</u>
<b>Expenditures</b>				
General government	288,942	-	-	288,942
Public safety	50,590	-	-	50,590
Capital outlay	-	19,890	763,907	783,797
Debt service:				
Principal	-	315,000	60,000	375,000
Interest	-	38,318	-	38,318
MFO payments - other entities	-	-	126,877	126,877
<b>Total Expenditures</b>	<u>339,532</u>	<u>373,208</u>	<u>950,784</u>	<u>1,663,524</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>158,513</u>	<u>(7,152)</u>	<u>(586,776)</u>	<u>(435,415)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	70,000	(123,039)	350,181	297,142
Operating transfer out	(88,285)	-	-	(88,285)
<b>Total Other Financing Sources (Uses)</b>	<u>(18,285)</u>	<u>(123,039)</u>	<u>350,181</u>	<u>208,857</u>
<b>Net Change in Fund Balances</b>	140,228	(130,191)	(236,595)	(226,558)
<b>Fund Balances, Beginning of Year</b>	<u>2,754,097</u>	<u>236,158</u>	<u>476,968</u>	<u>3,467,223</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,894,325</u>	<u>\$ 105,967</u>	<u>\$ 240,373</u>	<u>\$ 3,240,665</u>

**CITY OF BEATRICE, NEBRASKA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009**

	<u>Economic Development</u>	<u>Community Development Block Grant</u>	<u>Keno</u>	<u>911 Surcharge</u>	<u>Storm Water Management</u>	<u>Total</u>
<b>Assets</b>						
Cash and investments	\$ 1,066,772	\$ 667,460	\$ 204,863	\$ 47	\$ 31,680	\$ 1,970,822
Loans receivable	-	925,645	-	-	-	925,645
<b>Total Assets</b>	<u>1,066,772</u>	<u>1,593,105</u>	<u>204,863</u>	<u>47</u>	<u>31,680</u>	<u>\$ 2,896,467</u>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Accrued interest payable	-	-	-	2,142	-	2,142
<b>Fund Balance</b>						
Reserved for:						
Economic development	1,066,772	-	-	-	-	1,066,772
Revolving Loan Fund	-	1,593,105	-	-	-	1,593,105
Storm water management	-	-	-	-	31,680	31,680
Unreserved:						
Undesignated	-	-	204,863	(2,095)	-	202,768
<b>Total Fund Balance</b>	<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>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,066,772</u>	<u>\$ 1,593,105</u>	<u>\$ 204,863</u>	<u>\$ 47</u>	<u>\$ 31,680</u>	<u>\$ 2,896,467</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, 2009**

	Economic Development	Community Development Block Grant	Keno	911 Surcharge	Storm Water Management	Total
<b>Revenues</b>						
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Intergovernmental	-	-	-	-	27,602	27,602
Charges for services	-	-	-	81,235	-	81,235
Keno proceeds	-	-	89,668	-	-	89,668
Interest	20,722	22,548	-	-	-	43,270
Other revenue	6,210	-	-	-	60	6,270
<b>Total Revenues</b>	<u>276,932</u>	<u>22,548</u>	<u>89,668</u>	<u>81,235</u>	<u>27,662</u>	<u>498,045</u>
<b>Expenditures</b>						
General government	111,746	83,528	16,600	-	77,068	288,942
Public safety	-	-	-	50,590	-	50,590
<b>Total Expenditures</b>	<u>111,746</u>	<u>83,528</u>	<u>16,600</u>	<u>50,590</u>	<u>77,068</u>	<u>339,532</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>165,186</u>	<u>(60,980)</u>	<u>73,068</u>	<u>30,645</u>	<u>(49,406)</u>	<u>158,513</u>
<b>Other Financing Sources (Uses)</b>						
Transfers from other funds	-	-	-	-	70,000	70,000
Transfers to other funds	-	-	(59,610)	(28,675)	-	(88,285)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(59,610)</u>	<u>(28,675)</u>	<u>70,000</u>	<u>(18,285)</u>
<b>Net Change in Fund Balances</b>	165,186	(60,980)	13,458	1,970	20,594	140,228
<b>Fund Balances, Beginning of Year</b>	<u>901,586</u>	<u>1,654,085</u>	<u>191,405</u>	<u>(4,065)</u>	<u>11,086</u>	<u>2,754,097</u>
<b>Fund Balances, End of Year</b>	<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>

CITY OF BEATRICE, NEBRASKA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Assets</b>		
Unrestricted cash	\$ 763,515	\$ 767,071
Restricted cash	48,584	128,019
Investments	400,296	400,000
Cash on deposit - County Treasurer	182,030	222,003
Accounts receivable	375,439	465,760
Taxes receivable	105,491	65,445
Due from Component Unit	50,000	50,000
<b>Total Assets</b>	<u>\$ 1,925,355</u>	<u>\$ 2,098,298</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 67,995	\$ 81,269
Unearned revenues	87,339	49,025
<b>Total Liabilities</b>	<u>155,334</u>	<u>130,294</u>
<b>Fund Balance</b>		
Reserved for police grants and programs	48,584	128,019
Unreserved:		
Designated for subsequent years' expenditures	592,106	629,500
Undesignated	1,129,331	1,210,485
<b>Total Fund Balance</b>	<u>1,770,021</u>	<u>1,968,004</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,925,355</u>	<u>\$ 2,098,298</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2008 Totals
<b>Revenues</b>					
Taxes	\$ 4,242,130	\$ 4,242,130	\$ 3,955,506	\$ (286,624)	\$ 3,907,142
Licenses and permits	98,150	98,150	80,819	(17,331)	103,070
Intergovernmental	957,577	957,577	979,493	21,916	1,219,115
Charges for services	1,913,224	1,913,224	1,882,025	(31,199)	1,852,582
Interest	50,000	50,000	47,864	(2,136)	64,140
Miscellaneous	90,500	90,500	173,546	83,046	317,398
<b>Total Revenues</b>	<u>7,351,581</u>	<u>7,351,581</u>	<u>7,119,253</u>	<u>(232,328)</u>	<u>7,463,447</u>
<b>Expenditures</b>					
General government	1,010,598	1,121,180	1,070,220	50,960	1,180,937
Public safety	4,803,537	4,830,526	4,733,133	97,393	4,681,415
Culture and recreation	1,195,466	1,221,736	1,181,987	39,749	1,314,275
<b>Total Expenditures</b>	<u>7,009,601</u>	<u>7,173,442</u>	<u>6,985,340</u>	<u>188,102</u>	<u>7,176,627</u>
<b>Excess of Revenues Over Expenditures</b>	<u>341,980</u>	<u>178,139</u>	<u>133,913</u>	<u>(44,226)</u>	<u>286,820</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	30,654	30,654	28,675	(1,979)	30,500
Operating transfers out	(552,634)	(552,634)	(360,571)	192,063	(291,273)
<b>Total Other Financing Sources (Uses)</b>	<u>(521,980)</u>	<u>(521,980)</u>	<u>(331,896)</u>	<u>190,084</u>	<u>(260,773)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (180,000)</u>	<u>\$ (343,841)</u>	<u>(197,983)</u>	<u>\$ 145,858</u>	<u>26,047</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,968,004</u>		<u>1,941,957</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,770,021</u>		<u>\$ 1,968,004</u>

**CITY OF BEATRICE, NEBRASKA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009				2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>General Government</b>					
<b>Management and Budget:</b>					
Personal services	\$ 339,033	\$ 339,033	\$ 335,531	\$ 3,502	\$ 304,997
Supplies	7,650	7,650	6,346	1,304	5,034
Other services and charges	81,410	81,410	75,781	5,629	73,856
Capital outlay	-	-	2,250	(2,250)	82,438
Contingency	81,800	169,800	162,574	7,226	143,073
Contractual services	86,595	109,177	109,177	-	296,604
<b>Total Management and Budget</b>	<u>596,488</u>	<u>707,070</u>	<u>691,659</u>	<u>15,411</u>	<u>906,002</u>
<b>Legal:</b>					
Personal services	105,765	105,765	105,529	236	29,539
Supplies	1,000	1,000	103	897	-
Other services and charges	7,450	7,450	6,231	1,219	74,787
<b>Total Legal</b>	<u>114,215</u>	<u>114,215</u>	<u>111,863</u>	<u>2,352</u>	<u>104,326</u>
<b>Inspection:</b>					
Personal services	174,089	174,089	172,294	1,795	148,731
Supplies	5,050	5,050	3,711	1,339	4,760
Other services and charges	61,350	61,350	52,026	9,324	8,118
Capital outlay	-	-	-	-	9,000
Contractual services	59,406	59,406	38,667	20,739	-
<b>Total Inspection</b>	<u>299,895</u>	<u>299,895</u>	<u>266,698</u>	<u>33,197</u>	<u>170,609</u>
<b>Total General Government</b>	<u>1,010,598</u>	<u>1,121,180</u>	<u>1,070,220</u>	<u>50,960</u>	<u>1,180,937</u>
<b>Public Safety</b>					
<b>Police:</b>					
Personal services	2,040,519	2,040,519	2,036,595	3,924	1,970,889
Supplies	94,681	94,681	60,113	34,568	85,691
Other services and charges	148,593	148,593	156,022	(7,429)	134,932
Capital outlay	34,480	51,469	67,510	(16,041)	20,687
Contingencies	57,863	57,863	24,038	33,825	21,984
<b>Total Police</b>	<u>2,376,136</u>	<u>2,393,125</u>	<u>2,344,278</u>	<u>48,847</u>	<u>2,234,183</u>
<b>Fire and Ambulance:</b>					
Personal services	1,640,082	1,640,082	1,646,424	(6,342)	1,669,562
Supplies	115,019	115,019	103,689	11,330	100,483
Other services and charges	644,222	654,222	614,135	40,087	650,327
Capital outlay	22,026	22,026	18,552	3,474	20,953
Contractual services	6,052	6,052	6,055	(3)	5,907
<b>Total Fire</b>	<u>2,427,401</u>	<u>2,437,401</u>	<u>2,388,855</u>	<u>48,546</u>	<u>2,447,232</u>
<b>Total Public Safety</b>	<u>4,803,537</u>	<u>4,830,526</u>	<u>4,733,133</u>	<u>97,393</u>	<u>4,681,415</u>

CITY OF BEATRICE, NEBRASKA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP) (Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Culture and Recreation</b>					
<b>Public Properties:</b>					
Personal services	380,974	380,974	360,210	20,764	551,913
Supplies	124,600	124,600	125,146	(546)	117,558
Other services and charges	115,240	115,240	108,113	7,127	99,253
Capital outlay	33,270	55,040	50,590	4,450	27,670
Contingency	-	-	-	-	25
Contractual services	53,000	53,000	48,549	4,451	38,276
<b>Total Public Properties</b>	<u>707,084</u>	<u>728,854</u>	<u>692,608</u>	<u>36,246</u>	<u>834,695</u>
<b>Library:</b>					
Personal services	315,978	315,978	320,528	(4,550)	304,918
Supplies	8,795	8,795	9,391	(596)	8,653
Other services and charges	58,711	63,211	58,700	4,511	53,523
Capital outlay	104,898	104,898	100,760	4,138	112,486
<b>Total Library</b>	<u>488,382</u>	<u>492,882</u>	<u>489,379</u>	<u>3,503</u>	<u>479,580</u>
<b>Total Culture and Recreation</b>	<u>1,195,466</u>	<u>1,221,736</u>	<u>1,181,987</u>	<u>39,749</u>	<u>1,314,275</u>
<b>Total Expenditures</b>	<u>\$ 7,009,601</u>	<u>\$ 7,173,442</u>	<u>\$ 6,985,340</u>	<u>\$ 188,102</u>	<u>\$ 7,176,627</u>

**CITY OF BEATRICE, NEBRASKA**  
**SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2008 Totals
<b>Taxes:</b>					
Property taxes	\$ 1,357,070	\$ 1,357,070	\$ 1,286,581	\$ (70,489)	\$ 1,159,763
Homestead exemption allocation	90,000	90,000	91,117	1,117	84,024
Property tax credit	-	-	56,453	56,453	47,616
Interest on delinquent taxes	5,000	5,000	5,534	534	6,192
City sales tax	1,950,000	1,950,000	1,732,701	(217,299)	1,853,751
Utilities occupation tax	760,000	760,000	713,816	(46,184)	736,406
Beer and liquor occupation tax	17,500	17,500	16,555	(945)	17,060
Insurance company occupation tax	60	60	75	15	60
Motel rental occupation tax	60,000	60,000	50,319	(9,681)	-
Miscellaneous occupation tax	2,500	2,500	2,355	(145)	2,270
	<u>4,242,130</u>	<u>4,242,130</u>	<u>3,955,506</u>	<u>(286,624)</u>	<u>3,907,142</u>
<b>Licenses and Permits:</b>					
Bicycle licenses	150	150	80	(70)	175
Dog licenses	4,500	4,500	3,813	(687)	3,714
Plumbers' licenses	1,000	1,000	375	(625)	1,347
Building permits	80,000	80,000	70,863	(9,137)	87,264
Plumbing permits	5,500	5,500	2,406	(3,094)	4,987
Mechanical permits	2,000	2,000	761	(1,239)	1,353
Miscellaneous permits	5,000	5,000	2,521	(2,479)	4,230
	<u>98,150</u>	<u>98,150</u>	<u>80,819</u>	<u>(17,331)</u>	<u>103,070</u>
<b>Intergovernmental:</b>					
County library aid	21,155	21,155	21,155	-	20,893
Motor vehicle tax	205,000	205,000	206,393	1,393	214,816
County ambulance aid	152,300	152,300	152,300	-	148,586
Interlocal 911 dispatch aid	60,984	60,984	61,116	132	60,598
Governmental sub/state aid	110,275	110,275	109,190	(1,085)	110,275
Victim assist. coordinator/OJT	40,722	40,722	33,872	(6,850)	38,462
Local match - SEADE	37,143	37,143	37,142	(1)	37,242
Library grants	-	-	4,500	4,500	11,328
Prorate motor vehicle tax	5,500	5,500	5,744	244	5,535
State library aid	3,318	3,318	3,214	(104)	3,318
Municipal equalization funds	234,997	234,997	243,593	8,596	255,648
Federal Crime Commission	20,000	20,000	25,310	5,310	50,000
Federal grant FEMA	-	-	13,281	13,281	32,847
Housing grant	-	-	-	-	173,252
Other intergovernmental	66,183	66,183	62,683	(3,500)	56,315
	<u>957,577</u>	<u>957,577</u>	<u>979,493</u>	<u>21,916</u>	<u>1,219,115</u>
<b>Charges for Services:</b>					
Publication cost income	1,000	1,000	697	(303)	402
Management and budget miscellaneous charges	2,000	2,000	362	(1,638)	937
Accounting services	28,800	28,800	28,800	-	11,713
BASWA management services	16,000	16,000	16,000	-	16,000
Legal services	38,584	38,584	38,584	-	37,185
Legal miscellaneous charges	100	100	24	(76)	-
Restitution - fees and damages	2,000	2,000	2,821	821	583
Inspection miscellaneous charges	1,100	1,100	1,047	(53)	1,700
Recover demolition charges	10,000	10,000	14,635	4,635	11,261

**CITY OF BEATRICE, NEBRASKA**  
**SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Charges for Services: (Continued)</b>				
Police charges	2,500	2,500	2,528	28
Fire charges	20,000	20,000	18,301	(1,699)
Fire inspections	2,000	2,000	1,400	(600)
Ambulance charges	1,551,500	1,551,500	1,504,375	(47,125)
Public safety miscellaneous charges	17,500	17,500	24,140	6,640
Stop program charges	3,500	3,500	2,080	(1,420)
Tuition reimbursement	5,400	5,400	2,360	(3,040)
Land use agreements	4,850	4,850	6,050	1,200
Auditorium use fee	24,000	24,000	27,080	3,080
Water Park admissions	88,000	88,000	81,453	(6,547)
Camping receipts	30,000	30,000	44,710	14,710
Water Park concessions and sales	31,500	31,500	30,253	(1,247)
Public properties miscellaneous charges	8,000	8,000	9,794	1,794
Park building use fees	-	-	-	-
BASWA administration charges	-	-	-	-
BASWA facility maintenance	5,940	5,940	5,940	-
Library use fees	9,000	9,000	8,348	(652)
Library copying fees	3,000	3,000	2,685	(315)
Library miscellaneous charges	500	500	1,463	963
Interlibrary loan revenue	350	350	300	(50)
Parking fines and rents	2,500	2,500	2,564	64
School fines and fees	3,600	3,600	3,231	(369)
	<u>1,913,224</u>	<u>1,913,224</u>	<u>1,882,025</u>	<u>(31,199)</u>
<b>Miscellaneous:</b>				
Interest earnings	50,000	50,000	47,864	(2,136)
Reimbursements	2,000	2,000	45,230	43,230
Drug money seizure	-	-	200	200
Donations - Beatrice Program Plus	6,000	6,000	5,877	(123)
Police donations	1,000	1,000	15,245	14,245
Fire donations	2,000	2,000	1,240	(760)
Public properties donations - Water Park	2,500	2,500	2,500	-
Parks donations	4,000	4,000	31,952	27,952
Library donations	5,000	5,000	7,038	2,038
Library donations/Foundation	32,000	32,000	26,515	(5,485)
Lease income - BASWA	34,000	34,000	34,000	-
Sales of capital assets	2,000	2,000	3,749	1,749
	<u>140,500</u>	<u>140,500</u>	<u>221,410</u>	<u>80,910</u>
<b>Total Revenues</b>	<u>\$ 7,351,581</u>	<u>\$ 7,351,581</u>	<u>\$ 7,119,253</u>	<u>\$ (232,328)</u>
				<u>\$ 7,463,447</u>

CITY OF BEATRICE, NEBRASKA  
STREETS SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$ 462,580	\$ 187,619
Accounts receivable	<u>59,761</u>	<u>61,961</u>
<b>Total Assets</b>	<u><u>\$ 522,341</u></u>	<u><u>\$ 249,580</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 332,534	\$ 76,816
Due to Debt Service Fund	<u>29,715</u>	<u>176,068</u>
<b>Total Liabilities</b>	<u><u>362,249</u></u>	<u><u>252,884</u></u>
<b>Fund Balance</b>		
Unreserved		
Undesignated	<u>160,092</u>	<u>(3,304)</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 522,341</u></u>	<u><u>\$ 249,580</u></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, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
<b>Taxes</b>					
Sales tax	\$ 550,000	\$ 550,000	\$ 495,664	\$ (54,336)	\$ 526,050
<b>Intergovernmental:</b>					
Local shared revenue	17,500	17,500	7,300	(10,200)	13,763
State shared revenue	2,117,914	2,117,914	1,171,018	(946,896)	1,183,692
Federal grants	-	-	1,992	-	28,281
<b>Total Intergovernmental</b>	<u>2,135,414</u>	<u>2,135,414</u>	<u>1,180,310</u>	<u>(957,096)</u>	<u>1,225,736</u>
Charges for services	25,000	25,000	26,790	1,790	38,457
	<u>25,000</u>	<u>25,000</u>	<u>26,790</u>	<u>1,790</u>	<u>38,457</u>
<b>Total Revenues</b>	<u>2,710,414</u>	<u>2,710,414</u>	<u>1,702,764</u>	<u>(1,009,642)</u>	<u>1,790,243</u>
<b>Expenditures</b>					
<b>Personal Services:</b>					
Salaries	453,825	453,825	483,991	(30,166)	474,484
Social security	27,883	27,883	33,677	(5,794)	31,530
Retirement	20,486	20,486	22,240	(1,754)	19,881
Health and life insurance	109,008	109,008	126,358	(17,350)	141,276
Workmen's compensation	34,000	34,000	34,000	-	30,799
<b>Total Personal Services</b>	<u>645,202</u>	<u>645,202</u>	<u>700,266</u>	<u>(55,064)</u>	<u>697,970</u>
<b>Supplies:</b>					
Operating supplies	85,000	85,000	69,092	15,908	123,872
Repairs and maintenance supplies	168,000	168,000	205,357	(37,357)	173,105
<b>Total Supplies</b>	<u>253,000</u>	<u>253,000</u>	<u>274,449</u>	<u>(21,449)</u>	<u>296,977</u>
<b>Other Services and Charges:</b>					
Insurance	22,000	22,000	22,993	(993)	19,969
Outside professional services	14,550	14,550	1,447	13,103	1,849
Storm water grant match	-	-	-	-	5,460
Utilities	750	750	750	-	1,700
Maintenance and repairs	34,000	34,000	25,659	8,341	35,411
Rentals	39,000	39,000	33,051	5,949	33,564
Data processing costs	2,520	2,520	2,520	-	2,400
Training and transportation	3,500	3,500	2,203	1,297	2,208
Communications	3,500	3,500	5,574	(2,074)	3,643
Miscellaneous	1,670	1,670	810	860	370
<b>Total Other Services and Charges</b>	<u>121,490</u>	<u>121,490</u>	<u>95,007</u>	<u>26,483</u>	<u>106,574</u>
<b>Capital Outlay:</b>					
Buildings	-	-	-	-	117,938
Improvements other than buildings	1,661,000	1,661,000	495,498	1,165,502	276,545
Machinery and equipment	99,000	99,000	97,187	1,813	174,098
<b>Total Capital Outlay</b>	<u>1,760,000</u>	<u>1,760,000</u>	<u>592,685</u>	<u>1,167,315</u>	<u>568,581</u>
<b>Total Expenditures</b>	<u>2,779,692</u>	<u>2,779,692</u>	<u>1,662,407</u>	<u>1,117,285</u>	<u>1,670,102</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,278)	(69,278)	40,357	109,635
Other Financing Sources (Uses)				
Grant write-off			-	(58,582)
Transfers from other funds	(25,000)	(25,000)	123,039	148,039
Total Other Financing Sources (Uses)	(25,000)	(25,000)	123,039	148,039
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (94,278)</u>	<u>\$ (94,278)</u>	163,396	<u>\$ 257,674</u>
Fund Balance, Beginning of Year			(3,304)	4,677
Fund Balance, End of Year			<u>\$ 160,092</u>	<u>\$ (3,304)</u>

CITY OF BEATRICE, NEBRASKA  
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and investments	\$ 1,066,772	\$ 901,586
<b>Total Assets</b>	<u>\$ 1,066,772</u>	<u>\$ 901,586</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance</b>		
Reserved for economic development	<u>1,066,772</u>	<u>901,586</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,066,772</u>	<u>\$ 901,586</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
<b>Taxes</b>				
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Interest earnings	25,000	25,000	20,722	(4,278)
Loans/rents revenue	6,500	6,500	6,210	(290)
Other revenue	-	-	-	-
	<u>31,500</u>	<u>31,500</u>	<u>26,932</u>	<u>(4,568)</u>
<b>Total Revenues</b>	<u>281,500</u>	<u>281,500</u>	<u>276,932</u>	<u>(4,568)</u>
<b>Expenditures</b>				
Economic development	280,000	280,000	90,000	190,000
Capital outlay	2,553,142	2,553,142	21,746	2,531,396
Other expenditures	-	-	-	-
<b>Total Expenditures</b>	<u>2,833,142</u>	<u>2,833,142</u>	<u>111,746</u>	<u>2,721,396</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,551,642)</u>	<u>(2,551,642)</u>	<u>165,186</u>	<u>2,716,828</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	150,000	150,000	-	(150,000)
Bond proceeds	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,650,000</u>	<u>1,650,000</u>	<u>-</u>	<u>(1,650,000)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (901,642)</u>	<u>\$ (901,642)</u>	<u>165,186</u>	<u>\$ 1,066,828</u>
<b>Fund Balance, Beginning of Year</b>			<u>901,586</u>	<u>675,162</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,066,772</u>	<u>\$ 901,586</u>

CITY OF BEATRICE, NEBRASKA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$ 667,460	\$ 932,863
Loans receivable	<u>925,645</u>	<u>721,222</u>
<b>Total Assets</b>	<u>\$ 1,593,105</u>	<u>\$ 1,654,085</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance</b>		
Reserved for Revolving Loan Fund	<u>1,593,105</u>	<u>1,654,085</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,593,105</u>	<u>\$ 1,654,085</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
<b>Revenues</b>					
Grants	\$ 505,000	\$ 505,000	\$ -	\$ (505,000)	\$ 156,584
Interest earnings	15,000	15,000	13,110	(1,890)	20,765
Miscellaneous revenue	-	-	-	-	378
Loan payments - principal	108,591	108,591	-	(108,591)	-
Loan payments - interest	9,043	9,043	9,438	395	13,173
<b>Total Revenues</b>	<u>637,634</u>	<u>637,634</u>	<u>22,548</u>	<u>(615,086)</u>	<u>190,900</u>
<b>Expenditures</b>					
Administration	5,000	5,000	-	5,000	466
Professional services	-	-	-	-	8,819
Grant repayments	50,000	50,000	50,000	-	50,000
Reuse loans	1,333,039	1,333,039	1,000	1,332,039	-
Loan forgiveness	-	-	32,528	(32,528)	635,000
Demolition expense	-	-	-	-	31,852
Capital outlay	-	-	-	-	120,384
<b>Total Expenditures</b>	<u>1,388,039</u>	<u>1,388,039</u>	<u>83,528</u>	<u>1,304,511</u>	<u>846,521</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(750,405)</u>	<u>(750,405)</u>	<u>(60,980)</u>	<u>689,425</u>	<u>(655,621)</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,654,085</u>		<u>2,309,706</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,593,105</u>		<u>\$ 1,654,085</u>

CITY OF BEATRICE, NEBRASKA  
 KENO/LOTTERY SPECIAL REVENUE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and investments	\$ 204,863	\$ 191,405
<b>Total Assets</b>	<u>\$ 204,863</u>	<u>\$ 191,405</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balance</b>		
Unreserved	<u>204,863</u>	<u>191,405</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 204,863</u>	<u>\$ 191,405</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, 2009  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Keno/lottery proceeds	\$ 110,000	\$ 110,000	\$ 89,668	\$ (20,332)	\$ 113,062
<b>Expenditures</b>					
Other services and charges	19,555	19,555	16,600	2,955	20,792
<b>Excess of Revenues Over Expenditures</b>	90,445	90,445	73,068	(17,377)	92,270
<b>Other Financing Sources (Uses)</b>					
Transfers to other funds	(100,000)	(100,000)	(59,610)	40,390	(82,552)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(9,555)	(9,555)	13,458	23,013	9,718
<b>Fund Balance, Beginning of Year</b>			191,405		181,687
<b>Fund Balance, End of Year</b>			\$ 204,863		\$ 191,405

CITY OF BEATRICE, NEBRASKA  
 911 SURCHARGE SPECIAL REVENUE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$ 47	\$ 133
<b>Total Assets</b>	<u>\$ 47</u>	<u>\$ 133</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accrued interest payable	\$ 2,142	\$ 4,198
<b>Fund Balance</b>		
Unreserved	<u>(2,095)</u>	<u>(4,065)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 47</u>	<u>\$ 133</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, 2009  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
911 service surcharge	\$ 83,300	\$ 83,300	\$ 81,235	\$ (2,065)	\$ 83,014
<b>Expenditures</b>					
Lease payments	52,646	52,646	50,590	2,056	50,615
<b>Excess of Revenues Over Expenditures</b>	30,654	30,654	30,645	(9)	32,399
<b>Other Financing Sources (Uses)</b>					
Operating transfers out	(30,654)	(30,654)	(28,675)	1,979	(30,500)
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	\$ -	\$ -	1,970	\$ 1,970	1,899
<b>Fund Balance, Beginning of Year</b>			(4,065)		(5,964)
<b>Fund Balance, End of Year</b>			\$ (2,095)		\$ (4,065)

CITY OF BEATRICE, NEBRASKA  
 STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	<u>\$31,680</u>	<u>\$ 15,902</u>
<b>Total Assets</b>	<u><u>\$31,680</u></u>	<u><u>\$ 15,902</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$ -</u>	<u>\$ 4,816</u>
<b>Fund Balance</b>		
Reserved for storm water management plan	<u>31,680</u>	<u>11,086</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$31,680</u></u>	<u><u>\$ 15,902</u></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, 2009  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 32,200	\$ 32,200	\$ 27,602	\$ (4,598)
Miscellaneous revenue	-	-	60	60
<b>Total Revenues</b>	<u>32,200</u>	<u>32,200</u>	<u>27,662</u>	<u>(4,538)</u>
<b>Expenditures</b>				
Personal services	78,393	78,393	62,452	15,941
Other services and charges	10,960	10,960	5,466	5,494
Supplies	5,000	5,000	5,669	(669)
Capital outlay	27,200	27,200	3,481	23,719
<b>Total Expenditures</b>	<u>121,553</u>	<u>121,553</u>	<u>77,068</u>	<u>44,485</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(89,353)</u>	<u>(89,353)</u>	<u>(49,406)</u>	<u>39,947</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (19,353)</u>	<u>\$ (19,353)</u>	<u>20,594</u>	<u>\$ 39,947</u>
<b>Fund Balance, Beginning of Year</b>			<u>11,086</u>	<u>31,262</u>
<b>Fund Balance, End of Year</b>			<u>\$ 31,680</u>	<u>\$ 11,086</u>

CITY OF BEATRICE, NEBRASKA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009				
	General Obligation	Bonded Districts	Unbonded Assessments	Total	2008 Totals
<b>Assets</b>					
Cash	\$ 186,313	\$ 8,362	\$ 5,625	\$ 200,300	\$ 253,028
Cash on deposit - County Treasurer	22,199	6,619	-	28,818	69,633
Taxes receivable	34,904	-	-	34,904	21,505
Assessments receivable:					
Current	-	-	54,537	54,537	46,704
Delinquent	-	10,436	46,506	56,942	22,619
Deferred	-	-	163,561	163,561	188,485
In process	-	-	-	-	38,878
Accrued interest receivable	-	5,178	26,194	31,372	20,936
In-lieu-of assessments	-	10,105	-	10,105	10,105
Due from Street Fund	-	-	29,715	29,715	176,068
<b>Total Assets</b>	<u>\$ 243,416</u>	<u>\$ 40,700</u>	<u>\$ 326,138</u>	<u>\$ 610,254</u>	<u>\$ 847,961</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accrued interest payable	\$ 6,245	\$ 228	\$ 45,175	\$ 51,648	\$ 44,090
Registered warrants payable	-	-	247,235	247,235	312,960
Deferred revenues	31,739	10,104	163,561	205,404	254,753
<b>Total Liabilities</b>	<u>37,984</u>	<u>10,332</u>	<u>455,971</u>	<u>504,287</u>	<u>611,803</u>
<b>Fund Balance</b>					
Reserved for debt service	205,432	30,368	-	235,800	450,392
Unreserved	-	-	(129,833)	(129,833)	(214,234)
<b>Total Fund Balance (Deficit)</b>	<u>205,432</u>	<u>30,368</u>	<u>(129,833)</u>	<u>105,967</u>	<u>236,158</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 243,416</u>	<u>\$ 40,700</u>	<u>\$ 326,138</u>	<u>\$ 610,254</u>	<u>\$ 847,961</u>

**CITY OF BEATRICE, NEBRASKA**  
**DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009				2008
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
<b>Revenues</b>					
Property taxes	\$ 193,346	\$ 65,709	\$ -	\$ 259,055	\$ 427,184
Intergovernmental revenues	1,252	-	-	1,252	1,512
Special assessments	-	-	85,724	85,724	60,611
Interest on assessments	-	1,458	18,567	20,025	23,569
<b>Total Revenues</b>	<u>194,598</u>	<u>67,167</u>	<u>104,291</u>	<u>366,056</u>	<u>512,876</u>
<b>Expenditures</b>					
Capital projects:					
Improvements	-	-	3,915	3,915	38,853
Interest on registered warrants	-	-	15,975	15,975	19,485
Debt service:					
Interest	35,865	2,453	-	38,318	30,425
Principal	<u>260,000</u>	<u>55,000</u>	<u>-</u>	<u>315,000</u>	<u>170,000</u>
<b>Total Expenditures</b>	<u>295,865</u>	<u>57,453</u>	<u>19,890</u>	<u>373,208</u>	<u>258,763</u>
<b>Deficiency of Revenues Over (Under) Expenditures</b>	<u>(101,267)</u>	<u>9,714</u>	<u>84,401</u>	<u>(7,152)</u>	<u>254,113</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>(123,039)</u>	<u>-</u>	<u>(123,039)</u>	<u>-</u>
<b>Deficiency of Revenues and Other Sources Under Expenditures and Other Uses</b>	<u>(101,267)</u>	<u>(113,325)</u>	<u>84,401</u>	<u>(130,191)</u>	<u>254,113</u>
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>306,699</u>	<u>143,693</u>	<u>(214,234)</u>	<u>236,158</u>	<u>(17,955)</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 205,432</u>	<u>\$ 30,368</u>	<u>\$ (129,833)</u>	<u>\$ 105,967</u>	<u>\$ 236,158</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, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Property taxes	\$ 193,557	\$ 193,557	\$194,402	\$ 845	\$377,070
Intergovernmental revenues	700	700	1,252	552	1,512
<b>Total Revenues</b>	<u>194,257</u>	<u>194,257</u>	<u>195,654</u>	<u>1,397</u>	<u>378,582</u>
<b>Expenditures</b>					
Debt Service:					
Interest	35,506	35,506	35,506	-	115,000
Principal	260,000	260,000	260,000	-	19,792
<b>Total Expenditures</b>	<u>295,506</u>	<u>295,506</u>	<u>295,506</u>	<u>-</u>	<u>134,792</u>
<b>Deficiency of Revenues Over (Under) Expenditures</b>	<u>\$ (101,249)</u>	<u>\$ (101,249)</u>	<u>\$ (99,852)</u>	<u>\$1,397</u>	<u>\$243,790</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, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			2008 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 57,668	\$ 57,668	\$ 65,709	\$ 8,041
Special assessments	12,428	12,428	2,798	(9,630)
Interest on assessments	4,464	4,464	1,415	(3,049)
<b>Total Revenues</b>	<u>74,560</u>	<u>74,560</u>	<u>69,922</u>	<u>(4,638)</u>
<b>Expenditures</b>				
Bond principal payments	55,000	55,000	55,000	-
Interest on registered warrants	2,668	2,668	2,668	-
<b>Total Expenditures</b>	<u>57,668</u>	<u>57,668</u>	<u>57,668</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 16,892</u>	<u>\$ 16,892</u>	<u>\$ 12,254</u>	<u>\$ (4,638)</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, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Special assessments	\$ 59,694	\$ 59,694	\$ 40,769	\$ (18,925)	\$ 68,794
Interest on assessments	25,191	25,191	8,173	(17,018)	20,696
Proceeds from registered warrants	-	-	-	-	38,853
<b>Total Revenues</b>	<u>84,885</u>	<u>84,885</u>	<u>48,942</u>	<u>(35,943)</u>	<u>128,343</u>
<b>Expenditures</b>					
Capital projects					
Interest on registered warrants	13,454	13,454	11,932	1,522	20,716
Principal on registered warrants	97,747	97,747	67,954	29,793	99,915
Improvements	-	-	2,229	(2,229)	38,853
<b>Total Expenditures</b>	<u>111,201</u>	<u>111,201</u>	<u>82,115</u>	<u>29,086</u>	<u>159,484</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(26,316)</u>	<u>(26,316)</u>	<u>(33,173)</u>	<u>(6,857)</u>	<u>(31,141)</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (1,316)</u>	<u>\$ (1,316)</u>	<u>\$ (8,173)</u>	<u>\$ (6,857)</u>	<u>\$ (6,141)</u>

CITY OF BEATRICE, NEBRASKA  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009			2008
	Library Capital Improvements	Capital Improvements	Total	Totals
<b>Assets</b>				
Cash	\$ -	\$ 247,862	\$ 247,862	\$ 102,545
Restricted:				
Cash	-	158,668	158,668	304,799
Investments	81,705	-	81,705	80,739
Accounts receivable	-	85,266	85,266	-
<b>Total Assets</b>	<u>\$ 81,705</u>	<u>\$ 491,796</u>	<u>\$ 573,501</u>	<u>\$ 488,083</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 333,128	\$ 333,128	11,115
<b>Fund Balances</b>				
Reserved for Library capital improvement	81,705	-	81,705	80,739
Reserved for public safety equipment	-	158,668	158,668	304,799
Undesignated	-	-	-	91,430
<b>Total Fund Balances</b>	<u>81,705</u>	<u>158,668</u>	<u>240,373</u>	<u>476,968</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 81,705</u>	<u>\$ 491,796</u>	<u>\$ 573,501</u>	<u>\$ 488,083</u>

CITY OF BEATRICE, NEBRASKA  
CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009			2008
	Library Capital Improvements	Capital Improvements	Total	Totals
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 305,986	\$ 305,986	\$ 220,244
Donations and miscellaneous revenue	-	57,056	57,056	103,769
Interest	966	-	966	2,488
<b>Total Revenues</b>	<u>966</u>	<u>363,042</u>	<u>364,008</u>	<u>326,501</u>
<b>Expenditures</b>				
Capital projects	-	763,907	763,907	1,185,349
MFO payments - other entities	-	126,877	126,877	124,292
Debt service: principal payments	-	60,000	60,000	60,000
Debt service: bond issue costs	-	-	-	10,199
<b>Total Expenditures</b>	<u>-</u>	<u>950,784</u>	<u>950,784</u>	<u>1,379,840</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>966</u>	<u>(587,742)</u>	<u>(586,776)</u>	<u>(1,053,339)</u>
<b>Other Financing Sources (Uses)</b>				
Grant write-off	-	-	-	(29,275)
Transfers from other funds	-	350,181	350,181	373,825
Bond and loan proceeds	-	-	-	819,329
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>350,181</u>	<u>350,181</u>	<u>1,163,879</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>966</u>	<u>(237,561)</u>	<u>(236,595)</u>	<u>110,540</u>
<b>Fund Balances, Beginning of Year</b>	<u>80,739</u>	<u>396,229</u>	<u>476,968</u>	<u>366,428</u>
<b>Fund Balances, End of Year</b>	<u>\$ 81,705</u>	<u>\$ 158,668</u>	<u>\$ 240,373</u>	<u>\$ 476,968</u>

**CITY OF BEATRICE, NEBRASKA**  
**LIBRARY CAPITAL IMPROVEMENTS FUND**  
**CAPITAL PROJECTS FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

---

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Restricted investments	\$ 81,705	\$ 80,739
<b>Total Assets</b>	<u>\$ 81,705</u>	<u>\$ 80,739</u>
<b>Liabilities and Fund Balance</b>		
Liabilities	\$ -	\$ -
<b>Fund Balance</b>		
Reserved for Library capital improvement	<u>81,705</u>	<u>80,739</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 81,705</u>	<u>\$ 80,739</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Interest	\$ 2,000	\$ 2,000	\$ 966	\$ (1,034)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>966</u>	<u>(1,034)</u>
<b>Expenditures</b>				
Capital outlay	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>966</u>	<u>\$ (1,034)</u>
<b>Fund Balance, Beginning of Year</b>			<u>80,739</u>	<u>96,835</u>
<b>Fund Balance, End of Year</b>			<u>\$ 81,705</u>	<u>\$ 80,739</u>

CITY OF BEATRICE, NEBRASKA  
CAPITAL IMPROVEMENTS FUND  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$247,862	\$102,545
Restricted:		
Cash	158,668	304,799
Accounts receivable	<u>85,266</u>	<u>-</u>
<b>Total Assets</b>	<u>\$491,796</u>	<u>\$407,344</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$333,128</u>	<u>\$ 11,115</u>
<b>Fund Balance</b>		
Reserved for public safety equipment	158,668	304,799
Unreserved	<u>-</u>	<u>91,430</u>
<b>Total Fund Balance</b>	<u>158,668</u>	<u>396,229</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$491,796</u>	<u>\$407,344</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Donations and miscellaneous revenue	\$ 555,000	\$ 555,000	\$ 57,056	\$(497,944)	\$ 103,519
Intergovernmental	223,830	223,830	305,986	82,156	220,244
<b>Total Revenues</b>	<u>778,830</u>	<u>778,830</u>	<u>363,042</u>	<u>(415,788)</u>	<u>323,763</u>
<b>Expenditures</b>					
<b>Capital Projects</b>					
Park equipment and improvements	157,000	157,000	29,055	127,945	32,577
Beatrice Plus	11,064	11,064	7,818	3,246	8,000
Building improvements	251,000	251,000	241,055	9,945	142,148
Public safety equipment	-	-	103,714	(103,714)	39,260
Fire equipment and facilities improvements	531,319	531,319	338,962	192,357	913,718
Trails	500,000	500,000	-	500,000	2,949
Computer equipment	33,950	33,950	32,389	1,561	27,863
Telephone equipment	35,000	35,000	10,914	24,086	-
MFO payments - other entities	128,594	128,594	126,877	1,717	124,292
<b>Debt Service</b>					
Principal payments	60,000	60,000	60,000	-	60,000
Bond issue costs	-	-	-	-	10,199
<b>Total Expenditures</b>	<u>1,707,927</u>	<u>1,707,927</u>	<u>950,784</u>	<u>757,143</u>	<u>1,361,006</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(929,097)</u>	<u>(929,097)</u>	<u>(587,742)</u>	<u>341,355</u>	<u>(1,037,243)</u>
<b>Other Financing Sources (Uses)</b>					
Grant write-off	-	-	-	-	(29,275)
Transfers from other funds	582,634	582,634	350,181	(232,453)	373,825
Bond and loan proceeds	-	-	-	-	819,329
<b>Total Other Financing Sources (Uses)</b>	<u>582,634</u>	<u>582,634</u>	<u>350,181</u>	<u>(232,453)</u>	<u>1,163,879</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$(346,463)</u>	<u>\$(346,463)</u>	<u>(237,561)</u>	<u>\$ 108,902</u>	<u>126,636</u>
<b>Fund Balance, Beginning of Year</b>			<u>396,229</u>		<u>269,593</u>
<b>Fund Balance, End of Year</b>			<u>\$158,668</u>		<u>\$ 396,229</u>

CITY OF BEATRICE, NEBRASKA  
ELECTRIC ENTERPRISE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,928,934	\$ 2,364,769
Accounts receivable, net	905,051	919,693
Unbilled and accrued revenues	499,906	432,981
Materials and supplies inventories	563,095	577,211
Prepaid expenses	8,669	6,188
Interest receivable	3,841	1,139
<b>Total Current Assets</b>	<u>4,909,496</u>	<u>4,301,981</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Employee Benefits	121,723	126,414
Debt Service Reserve Account	236,346	177,463
<b>Total Restricted Cash</b>	<u>358,069</u>	<u>303,877</u>
<b>Restricted Investments</b>		
Customer deposits	174,920	165,770
<b>Total Restricted Assets</b>	<u>532,989</u>	<u>469,647</u>
<b>Property, Plant and Equipment</b>		
Land and land rights	17,432	17,432
Buildings and improvements	1,115,795	1,115,795
Improvements other than building	24,723,188	24,157,337
Machinery and equipment	2,380,142	2,618,031
	<u>28,236,557</u>	<u>27,908,595</u>
Less: accumulated depreciation	15,695,681	15,079,198
	<u>12,540,876</u>	<u>12,829,397</u>
Construction in progress	-	13,195
<b>Net Property, Plant and Equipment</b>	<u>12,540,876</u>	<u>12,842,592</u>
<b>Other Assets</b>		
Unamortized bond issuance cost, net of amortization of \$10,843 and \$14,382 for 2009 and 2008	16,809	7,191
<b>Total Noncurrent Assets</b>	<u>16,809</u>	<u>17,621,411</u>
<b>Total Assets</b>	<u>\$ 18,000,170</u>	<u>\$ 17,621,411</u>

CITY OF BEATRICE, NEBRASKA  
ELECTRIC ENTERPRISE FUND  
BALANCE SHEET (Continued)  
SEPTEMBER 30, 2009

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 893,815	\$ 1,977,671
Compensated absences	104,247	91,309
Accrued payroll	40,621	33,676
Sales tax payable	71,969	69,224
Employee insurance payable	88,809	93,500
Accrued interest	10,438	961
Customer deposits	174,895	165,745
Current portion of revenue bonds	213,897	207,512
<b>Total Current Liabilities</b>	<u>1,598,691</u>	<u>2,639,598</u>
<b>Long-Term Liabilities</b>		
Compensated absences, noncurrent	180,189	150,151
Revenue bonds, net of current portion	930,028	351,175
<b>Total Long-term Liabilities</b>	<u>1,110,217</u>	<u>501,326</u>
<b>Total Liabilities</b>	<u>2,708,908</u>	<u>3,140,924</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	11,396,951	12,291,096
Restricted for debt service	236,346	177,463
Unrestricted	3,657,965	2,011,928
<b>Total Net Assets</b>	<u>15,291,262</u>	<u>14,480,487</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 18,000,170</u>	<u>\$ 17,621,411</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
<b>Operating Revenues</b>					
Charges for services	\$ 14,260,000	\$ 14,260,000	\$ 12,642,133	\$ (1,617,867)	\$ 12,400,570
<b>Operating Expenses</b>					
Electric energy purchased	9,904,000	9,904,000	8,573,360	1,330,640	8,301,361
Operating and maintenance expense	979,000	979,000	950,838	28,162	1,052,402
Customer accounting expenses	238,000	238,000	241,711	(3,711)	217,666
Engineering services	195,000	195,000	146,467	48,533	136,935
Administrative and general expense	683,000	683,000	685,286	(2,286)	710,535
Depreciation and amortization	960,000	960,000	957,729	2,271	948,659
Municipal expenses	385,000	385,000	398,919	(13,919)	390,216
<b>Total Operating Expenses</b>	<u>13,344,000</u>	<u>13,344,000</u>	<u>11,954,310</u>	<u>1,389,690</u>	<u>11,757,774</u>
<b>Operating Income</b>	<u>916,000</u>	<u>916,000</u>	<u>687,823</u>	<u>(228,177)</u>	<u>642,796</u>
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	-	-	(6,787)	(6,787)	54,205
Interest income	-	-	21,821	21,821	67,070
Grant income	-	-	-	-	14,300
Miscellaneous	-	-	144,247	144,247	122,555
Loss on asset disposal	-	-	(995)	(995)	(3,600)
Interest expense	(63,000)	(63,000)	(32,664)	30,336	(30,281)
Amortization of bond issuance cost	(2,100)	(2,100)	(2,670)	(570)	(2,397)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(65,100)</u>	<u>(65,100)</u>	<u>122,952</u>	<u>188,052</u>	<u>221,852</u>
<b>Net Income (Loss)</b>	<u>\$ 850,900</u>	<u>\$ 850,900</u>	<u>810,775</u>	<u>\$ (40,125)</u>	<u>864,648</u>
<b>Retained Earnings, Beginning of Year</b>			<u>14,480,487</u>		<u>13,615,839</u>
<b>Retained Earnings, End of Year</b>			<u>\$ 15,291,262</u>		<u>\$ 14,480,487</u>

CITY OF BEATRICE, NEBRASKA  
ELECTRIC ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 12,727,310	\$ 12,560,985
Cash paid to suppliers for goods and services	(10,662,148)	(8,423,084)
Cash paid to employees for services	(1,349,529)	(1,355,837)
<b>Net Cash Provided by Operating Activities</b>	<u>715,633</u>	<u>2,782,064</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(207,512)	(194,743)
Proceeds from long-term debt	792,750	-
Interest paid on revenue bond maturities	(24,983)	(30,587)
Grant proceeds	-	14,300
Capital expenditures	(670,202)	(856,608)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(109,947)</u>	<u>(1,067,638)</u>
<b>Cash Flows From Investing Activities</b>		
Receipt of principal payments on bond receivable	-	185,000
Interest received	21,821	56,855
<b>Net Cash Provided by Investing Activities</b>	<u>21,821</u>	<u>241,855</u>
<b>Net Increase in Cash and Restricted Cash</b>	627,507	1,956,281
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>2,834,416</u>	<u>878,135</u>
<b>Cash and Restricted Cash, End of Year</b>	<u>\$ 3,461,923</u>	<u>\$ 2,834,416</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash and investments	\$ 2,928,934	\$ 2,364,769
Employee benefits cash	121,723	126,414
Debt Service Reserve Account	236,346	177,463
Customer deposits investments	174,920	165,770
<b>Total Cash and Cash Equivalents</b>	<u>\$ 3,461,923</u>	<u>\$ 2,834,416</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Operating income	\$ 687,823	\$ 642,796
<b>Adjustments to Reconcile Net Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Depreciation and amortization	957,729	948,659
Merchandise and miscellaneous revenue	137,460	189,625
(Increase) decrease in unbilled and accrued revenues	(66,925)	(50,791)
(Increase) decrease in accounts receivable	14,642	(319)
(Increase) decrease in inventory	14,116	(64,580)
(Increase) decrease in prepaid expenses	(2,481)	2,666
Increase (decrease) in accounts payable	(1,083,856)	1,060,997
Increase (decrease) in customer deposits	9,150	21,900
Increase (decrease) in sales tax payable	2,745	(6,464)
Increase (decrease) in employee insurance payable	(4,691)	25,500
Increase (decrease) in accrued payroll	6,945	8,868
Increase (decrease) in compensated absences	42,976	3,207
<b>Total Adjustments</b>	<u>27,810</u>	<u>2,139,268</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 715,633</u>	<u>\$ 2,782,064</u>
<b>Summary of Noncash Transactions: None</b>		

CITY OF BEATRICE, NEBRASKA  
WATER ENTERPRISE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 581,695	\$ 62,366
Accounts receivable, net	88,871	90,213
Unbilled and accrued revenues	88,408	83,909
Materials and supplies inventories	263,112	278,113
Prepaid expenses	3,131	4,383
Interest receivable	3,089	232
<b>Total Current Assets</b>	<u>1,028,306</u>	<u>519,216</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt Service Reserve Account	<u>116,077</u>	<u>52,368</u>
<b>Property, Plant and Equipment</b>		
Land and land rights	55,458	59,832
Buildings and improvements	64,049	71,322
Improvements other than buildings	12,901,994	12,591,333
Machinery and equipment	<u>789,716</u>	<u>787,329</u>
	13,811,217	13,509,816
Less: accumulated depreciation	<u>8,623,882</u>	<u>8,257,577</u>
	5,187,335	5,252,239
Construction in Progress	<u>-</u>	<u>11,320</u>
<b>Net Property, Plant and Equipment</b>	<u>5,187,335</u>	<u>5,263,559</u>
<b>Deferred Charges</b>		
Unamortized Bond Issuance Costs, Net of Amortization of \$8,469 and \$3,338 for 2009 and 2008	<u>13,127</u>	<u>1,669</u>
<b>Total Noncurrent Assets</b>	<u>5,316,539</u>	<u>5,317,596</u>
<b>Total Assets</b>	<u><u>\$ 6,344,845</u></u>	<u><u>\$ 5,836,812</u></u>

CITY OF BEATRICE, NEBRASKA  
WATER ENTERPRISE FUND  
BALANCE SHEET (Continued)  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 12,170	\$ 157,440
Accrued compensated absences	65,109	59,562
Accrued payroll	19,372	16,805
Sales tax payable	53	58
Accrued interest	15,425	6,025
Current portion of long-term debt	87,887	85,218
<b>Total Current Liabilities</b>	<u>200,016</u>	<u>325,108</u>
<b>Long-Term Liabilities</b>		
Compensated absences, noncurrent	141,570	122,098
Revenue bonds, net of current portion	824,914	82,280
Notes payable, net of current portion	549,497	587,268
<b>Total Long-Term Liabilities</b>	<u>1,515,981</u>	<u>791,646</u>
<b>Total Liabilities</b>	<u>1,715,997</u>	<u>1,116,754</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	3,725,037	4,510,462
Restricted for debt service	116,077	52,368
Unrestricted	787,734	157,228
<b>Total Net Assets</b>	<u>4,628,848</u>	<u>4,720,058</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,344,845</u>	<u>\$ 5,836,812</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Operating Revenues</b>					
Charges for services	1,875,000	1,875,000	1,577,016	(297,984)	1,487,231
<b>Operating Expenses</b>					
Operating and maintenance expenses	737,000	737,000	794,948	(57,948)	732,244
Customer accounting expenses	118,000	118,000	126,436	(8,436)	122,745
Engineering services	-	-	16,000	(16,000)	16,000
Administrative and general expenses	417,000	417,000	345,463	71,537	357,180
Depreciation and amortization	410,000	410,000	399,428	10,572	393,325
Municipal expenses	30,000	30,000	32,466	(2,466)	31,450
<b>Total Operating Expenses</b>	<u>1,712,000</u>	<u>1,712,000</u>	<u>1,714,741</u>	<u>(2,741)</u>	<u>1,652,944</u>
<b>Operating Income (Loss)</b>	<u>163,000</u>	<u>163,000</u>	<u>(137,725)</u>	<u>(300,725)</u>	<u>(165,713)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	-	-	26,396	26,396	(731)
Interest income	-	-	6,943	6,943	3,144
Grant income	-	-	15,700	15,700	7,418
Miscellaneous	-	-	34,513	34,513	6,802
Loss on asset disposal	-	-	(3,782)	(3,782)	-
Interest expense	(60,500)	(60,500)	(32,426)	28,074	(27,452)
Amortization of bond issuance costs	(500)	(500)	(829)	(329)	(556)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(61,000)</u>	<u>(61,000)</u>	<u>46,515</u>	<u>107,515</u>	<u>(11,375)</u>
<b>Net Income (Loss)</b>	<u>102,000</u>	<u>102,000</u>	<u>(91,210)</u>	<u>(193,210)</u>	<u>(177,088)</u>
<b>Retained Earnings, Beginning of Year</b>			4,720,058		4,897,146
<b>Retained Earnings, End of Year</b>			<u>4,628,848</u>		<u>4,720,058</u>

CITY OF BEATRICE, NEBRASKA  
WATER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 1,634,768	\$ 1,486,673
Cash paid to suppliers for goods and services	(526,807)	(256,190)
Cash paid to employees for services	(889,942)	(913,365)
<b>Net Cash Provided by Operating Activities</b>	<u>218,019</u>	<u>317,118</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(85,218)	(81,089)
Proceeds from long-term debt	792,750	-
Interest paid on long-term debt	(22,477)	(27,854)
Grant proceeds	15,700	7,418
Capital expenditures	(342,679)	(626,510)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>358,076</u>	<u>(728,035)</u>
<b>Cash Flows From Investing Activities</b>		
Interest received	6,943	3,144
<b>Net Cash Provided by Investing Activities</b>	<u>6,943</u>	<u>3,144</u>
<b>Net Increase (Decrease) in Cash and Restricted Cash</b>	583,038	(407,773)
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>114,734</u>	<u>522,507</u>
<b>Cash and Restricted Cash, End of Year</b>	<u>\$ 697,772</u>	<u>\$ 114,734</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash and investments	\$ 581,695	\$ 62,366
Debt Service Reserve Account	116,077	52,368
<b>Total Cash and Cash Equivalents</b>	<u>\$ 697,772</u>	<u>\$ 114,734</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (137,725)	\$ (165,713)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	399,428	393,325
Merchandise and miscellaneous revenue	60,909	6,071
(Increase) decrease in accounts receivable	1,342	2,218
(Increase) decrease in unbilled and accrued expenses	(4,499)	(8,847)
(Increase) decrease in inventory	15,001	(31,748)
(Increase) decrease in prepaid expenses	1,252	(206)
Increase (decrease) in accounts payable	(145,270)	146,555
Increase (decrease) in sales tax payable	(5)	(38)
Increase (decrease) in accrued payroll	2,567	4,119
Increase (decrease) in compensated absences	25,019	(28,618)
<b>Total Adjustments</b>	<u>355,744</u>	<u>482,831</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 218,019</u>	<u>\$ 317,118</u>
<b>Summary of Noncash Transactions: None</b>		

CITY OF BEATRICE, NEBRASKA  
WATER POLLUTION CONTROL ENTERPRISE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 602,088	\$ 91,651
Accounts receivable, net	59,021	60,261
Unbilled and accrued revenues	71,807	64,601
Prepaid expenses	2,196	3,486
Interest receivable	2,777	328
<b>Total Current Assets</b>	<u>737,889</u>	<u>220,327</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt Service Reserve Account	120,077	87,800
<b>Property, Plant and Equipment</b>		
Land and land rights	16,588	16,588
Improvements other than buildings	16,273,334	16,239,163
Machinery and equipment	1,554,283	1,525,227
	<u>17,844,205</u>	<u>17,780,978</u>
Less: accumulated depreciation	10,354,591	9,748,264
	<u>7,489,614</u>	<u>8,032,714</u>
Construction in progress	-	-
<b>Net Property, Plant and Equipment</b>	<u>7,489,614</u>	<u>8,032,714</u>
<b>Deferred Charges</b>		
Unamortized Debt Expense, Net of Amortization of \$7,660 and \$4,729 for 2009 and 2008	11,875	2,364
<b>Total Noncurrent Assets</b>	<u>7,621,566</u>	<u>8,122,878</u>
<b>Total Assets</b>	<u>\$ 8,359,455</u>	<u>\$ 8,343,205</u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 9,861	\$ 192,550
Compensated absences	25,540	25,982
Accrued payroll	12,104	10,149
Accrued interest	20,065	12,496
Current portion of long-term debt	152,590	147,936
<b>Total Current Liabilities</b>	<u>220,160</u>	<u>389,113</u>
<b>Long-Term Liabilities</b>		
Compensated absences, noncurrent	39,572	37,921
Revenue bonds, net of current portion	725,058	116,545
Notes payable, net of current portion	1,149,214	1,230,818
<b>Total Long-Term Liabilities</b>	<u>1,913,844</u>	<u>1,385,284</u>
<b>Total Liabilities</b>	<u>2,134,004</u>	<u>1,774,397</u>
<b>Fund Equity</b>		
Invested in capital assets, net of related debt	5,462,752	6,539,779
Restricted for debt service	120,077	87,800
Unrestricted	642,622	(58,771)
<b>Total Fund Equity</b>	<u>6,225,451</u>	<u>6,568,808</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 8,359,455</u>	<u>\$ 8,343,205</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2008 Totals
<b>Operating Revenues</b>					
Charges for services	\$ 1,400,000	\$ 1,400,000	\$ 1,198,716	\$ (201,284)	\$ 1,158,511
<b>Operating Expenses</b>					
Operating and maintenance expenses	525,000	525,000	540,657	(15,657)	519,983
Customer accounting expenses	62,000	62,000	61,697	303	63,368
Engineering expenses	-	-	16,000	(16,000)	16,000
Administrative and general expenses	257,200	257,200	240,134	17,066	231,440
Depreciation and amortization	680,000	680,000	695,602	(15,602)	673,040
Municipal expenses	6,000	6,000	10,602	(4,602)	9,650
<b>Total Operating Expenses</b>	<u>1,530,200</u>	<u>1,530,200</u>	<u>1,564,692</u>	<u>(34,492)</u>	<u>1,513,481</u>
<b>Operating Income (Loss)</b>	<u>(130,200)</u>	<u>(130,200)</u>	<u>(365,976)</u>	<u>(235,776)</u>	<u>(354,970)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	-	-	20,025	20,025	8,999
Grant income	-	-	-	-	65,200
Interest income	-	-	6,541	6,541	1,630
Miscellaneous	-	-	57,780	57,780	76,400
Income (loss) on disposal of assets	-	-	(6,396)	(6,396)	(1,297)
Interest expense	(74,000)	(74,000)	(54,309)	19,691	(52,823)
Amortization of bond issuance costs	(800)	(800)	(1,022)	(222)	(788)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(74,800)</u>	<u>(74,800)</u>	<u>22,619</u>	<u>97,419</u>	<u>97,321</u>
<b>Net Income (Loss)</b>	<u>\$ (205,000)</u>	<u>\$ (205,000)</u>	<u>(343,357)</u>	<u>\$ (138,357)</u>	<u>(257,649)</u>
<b>Retained Earnings, Beginning of Year</b>			<u>6,568,808</u>		<u>6,826,457</u>
<b>Retained Earnings, End of Year</b>			<u>\$ 6,225,451</u>		<u>\$ 6,568,808</u>

**CITY OF BEATRICE, NEBRASKA**  
**WATER POLLUTION CONTROL ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 1,270,555	\$ 1,237,363
Cash paid to suppliers for goods and services	(489,300)	(111,456)
Cash paid to employees for services	(558,025)	(549,588)
<b>Net Cash Provided by Operating Activities</b>	<u>223,230</u>	<u>576,319</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(158,222)	(141,241)
Proceeds from long-term debt	679,500	-
Interest paid on long-term debt	(49,437)	(53,638)
Capital expenditures	(158,898)	(470,466)
Grant proceeds	-	65,200
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>312,943</u>	<u>(600,145)</u>
<b>Cash Flows From Investing Activities</b>		
Interest received	6,541	1,630
<b>Net Cash Provided by Investing Activities</b>	<u>6,541</u>	<u>1,630</u>
<b>Net Increase (Decrease) in Cash</b>	542,714	(22,196)
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>179,451</u>	<u>201,647</u>
<b>Cash and Restricted Cash, End of Year</b>	<u>\$ 722,165</u>	<u>\$ 179,451</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash and investments	\$ 602,088	\$ 91,651
Debt Service Reserve Account	120,077	87,800
<b>Total Cash and Cash Equivalents</b>	<u>\$ 722,165</u>	<u>\$ 179,451</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (365,976)	\$ (354,970)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	695,602	673,040
Merchandise and miscellaneous revenue	77,805	85,399
(Increase) decrease in accounts receivable	1,240	(2,039)
(Increase) decrease in unbilled and accrued revenues	(7,206)	(4,508)
Increase (decrease) in prepaid expenses	1,290	(1,472)
Increase (decrease) in accounts payable	(182,689)	185,091
Increase (decrease) in accrued payroll	1,955	3,458
Increase (decrease) in accrued compensated absences	1,209	(7,680)
<b>Total Adjustments</b>	<u>589,206</u>	<u>931,289</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 223,230</u>	<u>\$ 576,319</u>
<b>Summary of Noncash Transactions: None</b>		

CITY OF BEATRICE, NEBRASKA  
 BEATRICE SANITATION ENTERPRISE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 176	\$ 40,249
Accounts receivable, net	<u>29,787</u>	<u>41,987</u>
<b>Total Assets</b>	<u>\$ 29,963</u>	<u>\$ 82,236</u>
<b>Liabilities and Fund Equity</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$ 29,963</u>	<u>\$ 82,236</u>
<b>Fund Equity</b>		
Retained earnings	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 29,963</u>	<u>\$ 82,236</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, 2009  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Totals
<b>Operating Revenues</b>					
Garbage service fees	\$ 1,224,700	\$ 1,224,700	\$ 1,174,531	\$ (50,169)	\$ 1,208,564
<b>Operating Expenses</b>					
Bad debt expense	2,500	2,500	2,426	74	2,191
Garbage disposal contract	685,200	685,200	640,404	44,796	677,340
Garbage hauler contract	537,000	537,000	531,701	5,299	529,033
<b>Total Operating Expenses</b>	<u>1,224,700</u>	<u>1,224,700</u>	<u>1,174,531</u>	<u>50,169</u>	<u>1,208,564</u>
<b>Net Income</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
<b>Retained Earnings, Beginning of Year</b>			-		-
<b>Retained Earnings (Deficit), End of Year</b>			<u>\$ -</u>		<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA  
 BEATRICE SANITATION  
 ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 1,186,731	\$ 1,244,030
Cash paid to supplies for goods and services	<u>(1,226,804)</u>	<u>(1,204,757)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(40,073)</u>	<u>39,273</u>
<b>Net Increase (Decrease) in Cash</b>	(40,073)	39,273
<b>Cash, Beginning of Year</b>	<u>40,249</u>	<u>976</u>
<b>Cash, End of Year</b>	<u>\$ 176</u>	<u>\$ 40,249</u>
<b>Reconciliation of Net Income to Net Cash</b>		
<b>Provided by (Used in) Operating Activities</b>		
Operating income	\$ -	\$ -
<b>Adjustments to Reconcile Operating Income to</b>		
<b>Net Cash Provided (Used) by Operating Activities:</b>		
(Increase) decrease in accounts receivable	12,200	35,466
Increase (decrease) in accounts payable	<u>(52,273)</u>	<u>3,807</u>
<b>Total Adjustments</b>	<u>(40,073)</u>	<u>39,273</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (40,073)</u>	<u>\$ 39,273</u>
<b>Summary of Noncash Transactions: None</b>		

CITY OF BEATRICE, NEBRASKA  
 BASWA ENTERPRISE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 185,384	\$ 69,164
Accounts receivable, net	<u>88,949</u>	<u>145,465</u>
<b>Total Current Assets</b>	<u>274,333</u>	<u>214,629</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt Service Reserve Account	170,808	167,789
Grant account	<u>109,302</u>	<u>112,732</u>
<b>Restricted Investments</b>		
Closure/postclosure maintenance account	<u>756,974</u>	<u>616,701</u>
<b>Total Restricted Assets</b>	<u>1,037,084</u>	<u>897,222</u>
<b>Property, Plant and Equipment</b>		
Improvements other than buildings	3,598,130	3,584,215
Machinery and equipment	<u>726,265</u>	<u>719,815</u>
	4,324,395	4,304,030
Less: accumulated depreciation	<u>2,795,985</u>	<u>2,499,680</u>
<b>Net Property, Plant and Equipment</b>	<u>1,528,410</u>	<u>1,804,350</u>
<b>Deferred Charges</b>		
Bond issue costs, net of amortization of \$16,647 and \$14,247 for 2009 and 2008	<u>4,803</u>	<u>7,203</u>
<b>Total Noncurrent Assets</b>	<u>2,570,297</u>	<u>2,708,775</u>
<b>Total Assets</b>	<u>\$ 2,844,630</u>	<u>\$ 2,923,404</u>

CITY OF BEATRICE, NEBRASKA  
 BASWA ENTERPRISE FUND  
 BALANCE SHEET (Continued)  
 SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,066	\$ 29,612
Compensated absences	10,081	22,300
Accrued compensation	2,704	2,621
Accrued interest payable	5,578	8,040
Current maturities of bonds payable	220,000	210,000
Current maturities of notes payable	19,590	18,681
<b>Total Current Liabilities</b>	<u>263,019</u>	<u>291,254</u>
<b>Long-Term Liabilities</b>		
Revenue bonds payable, net of current portion	225,000	445,000
Notes payable, net of current portion	3,357	22,954
Estimated current cost of closure and postclosure	1,904,000	1,870,000
<b>Total Long-Term Liabilities</b>	<u>2,132,357</u>	<u>2,337,954</u>
<b>Total Liabilities</b>	<u>2,395,376</u>	<u>2,629,208</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	1,060,463	1,114,918
Restricted for debt service	170,808	167,789
Restricted for grants	109,302	112,732
Unrestricted	(891,319)	(1,101,243)
<b>Net Assets</b>	<u>449,254</u>	<u>294,196</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,844,630</u>	<u>\$ 2,923,404</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, 2009**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	2009			Variance Favorable (Unfavorable)	2008 Totals
	Original Budget	Final Budget	Actual		
<b>Operating Revenues</b>					
Other government user fees	\$ 97,659	\$ 97,659	\$ 97,659	\$ -	\$ 97,659
Gate fees	265,000	265,000	292,244	27,244	279,051
Garbage service fees	701,200	701,200	657,735	(43,465)	694,798
Recycling income	3,000	3,000	2,511	(489)	3,612
<b>Total Operating Revenues</b>	<u>1,066,859</u>	<u>1,066,859</u>	<u>1,050,149</u>	<u>(16,710)</u>	<u>1,075,120</u>
<b>Operating Expenses</b>					
Personal services	250,163	250,163	237,101	13,062	245,101
Supplies	130,900	130,900	102,812	28,088	98,753
Other services and charges	436,300	436,300	177,086	259,214	311,951
Contractual services	82,740	82,740	70,436	12,304	67,885
Depreciation and amortization	300,000	300,000	296,305	3,695	293,280
Landfill closure and postclosure care	-	-	34,000	(34,000)	600,000
<b>Total Operating Expenses</b>	<u>1,200,103</u>	<u>1,200,103</u>	<u>917,740</u>	<u>282,363</u>	<u>1,616,970</u>
<b>Operating Income (Loss)</b>	(133,244)	(133,244)	132,409	265,653	(541,850)
<b>Nonoperating Revenues (Expenses)</b>					
Miscellaneous income	-	-	29,438	29,438	9,361
Interest earnings	30,000	30,000	18,079	(11,921)	27,036
Grant revenue	112,732	112,732	-	(112,732)	112,732
Interest expense	(233,227)	(233,227)	(22,468)	210,759	(29,000)
Amortization of bond issue costs	-	-	(2,400)	(2,400)	(3,200)
<b>Total Nonoperating Revenues (Expenses)</b>	(90,495)	(90,495)	22,649	113,144	116,929
<b>Net Income (Loss)</b>	<u>\$ (223,739)</u>	<u>\$ (223,739)</u>	155,058	<u>\$ 378,797</u>	(424,921)
<b>Retained Earnings, Beginning of Year</b>			294,196		719,117
<b>Retained Earnings, End of Year</b>			<u>\$ 449,254</u>		<u>\$ 294,196</u>

CITY OF BEATRICE, NEBRASKA  
 BASWA ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,136,103	\$ 1,071,080
Cash paid to suppliers for goods and services	(374,880)	(519,445)
Cash paid to employees for services	(249,237)	(178,503)
<b>Net Cash Provided by Operating Activities</b>	<u>511,986</u>	<u>373,132</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Bond principal repayments	(210,000)	(200,000)
Note payable advances (repayments)	(18,688)	(17,829)
Interest expenditures	(24,930)	(31,228)
Grant revenues	-	112,732
Capital expenditures	(20,365)	(105,016)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(273,983)</u>	<u>(241,341)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	18,079	27,036
<b>Net Cash Provided by Investing Activities</b>	<u>18,079</u>	<u>27,036</u>
<b>Net Increase in Cash and Cash Equivalents</b>	256,082	158,827
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>966,386</u>	<u>807,559</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,222,468</u>	<u>\$ 966,386</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash and investments	\$ 185,384	\$ 69,164
Debt Service Reserve Account	170,808	167,789
Grant account	109,302	112,732
Closure/postclosure maintenance account	756,974	616,701
<b>Total Cash and Cash Equivalents</b>	<u>\$ 1,222,468</u>	<u>966,386</u>
<b>Reconciliation of Net Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ 132,409	\$ (541,850)
<b>Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	296,305	293,280
Other revenue	29,438	9,361
Increase in estimated current cost of closure and postclosure	34,000	600,000
(Increase) decrease in accounts receivable	56,516	(13,401)
Increase (decrease) in accounts payable	(24,546)	25,076
Increase (decrease) in accrued expenses	(12,136)	666
<b>Total Adjustments</b>	<u>379,577</u>	<u>914,982</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 511,986</u>	<u>\$ 373,132</u>
<b>Summary of Noncash Transactions: None</b>		

CITY OF BEATRICE, NEBRASKA  
INTERNAL SERVICE FUND  
SELF-INSURED GROUP INSURANCE FUND  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 30,769	\$ 91,215
Accounts receivable, net	<u>1,101</u>	<u>-</u>
<b>Total Assets</b>	<u>31,870</u>	<u>91,215</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Claims incurred but not reported	<u>34,449</u>	<u>35,000</u>
<b>Total Liabilities</b>	<u>34,449</u>	<u>35,000</u>
<b>Net Assets</b>		
Unrestricted	<u>(2,579)</u>	<u>56,215</u>
<b>Total Net Assets</b>	<u>\$ (2,579)</u>	<u>\$ 56,215</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, 2009  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2009				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2008 Totals
<b>Operating Revenues</b>					
Charges for services	\$ 1,005,080	\$ 1,005,080	\$ 1,128,639	\$ 123,559	\$ 933,778
Reimbursements	20,000	20,000	34,696	14,696	20,587
<b>Total Operating Revenues</b>	<u>1,025,080</u>	<u>1,025,080</u>	<u>1,163,335</u>	<u>138,255</u>	<u>954,365</u>
<b>Operating Expenses</b>					
Health insurance claims paid	725,000	835,000	854,868	(19,868)	698,318
Insurance premiums	124,500	124,500	117,374	7,126	129,350
Payflex expenditures	70,000	70,000	78,077	(8,077)	51,197
Workers' compensation claims paid	127,740	147,740	147,437		47,299
Other services and charges	27,900	27,900	25,455	2,445	25,744
<b>Total Operating Expenses</b>	<u>1,075,140</u>	<u>1,205,140</u>	<u>1,223,211</u>	<u>(18,374)</u>	<u>951,908</u>
<b>Operating Income (Loss)</b>	(50,060)	(180,060)	(59,876)	156,629	2,457
<b>Nonoperating Revenues</b>					
Interest	1,000	1,000	1,082	82	2,062
<b>CHANGE IN NET ASSETS</b>	<u>\$ (49,060)</u>	<u>\$ (179,060)</u>	<u>(58,794)</u>	<u>\$ 156,711</u>	<u>4,519</u>
<b>TOTAL NET ASSETS, Beginning of Year</b>			56,215		51,696
<b>TOTAL NET ASSETS, End of Year</b>			<u>\$ (2,579)</u>		<u>\$ 56,215</u>

CITY OF BEATRICE, NEBRASKA  
INTERNAL SERVICE FUND  
SELF-INSURED GROUP INSURANCE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 1,162,234	\$ 1,084,556
Payments to suppliers	(1,223,762)	(951,908)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(61,528)</u>	<u>132,648</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Repayment to General Fund	<u>                    </u>	(65,000)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>                    </u>	<u>(65,000)</u>
<b>Cash Flows From Investing Activities</b>		
Interest received	<u>1,082</u>	<u>2,062</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,082</u>	<u>2,062</u>
<b>Net Increase (Decrease) in Cash</b>	(60,446)	69,710
<b>Cash, Beginning of Year</b>	<u>91,215</u>	<u>21,505</u>
<b>Cash, End of Year</b>	<u>\$ 30,769</u>	<u>\$ 91,215</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income (loss)	\$ (59,876)	\$ 2,457
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
(Increase) decrease in accounts receivable	(1,101)	130,191
Increase (decrease) in claims incurred but not reported	(551)	<u>                    </u>
<b>Total Adjustments</b>	<u>(1,652)</u>	<u>130,191</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (61,528)</u>	<u>\$ 132,648</u>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Investments with fiscal agent:		
Demand deposits	\$ 591,023	\$ 591,363
Guaranteed interest accounts	6,454,424	6,509,541
Publicly traded equities	<u>5,859,928</u>	<u>5,793,196</u>
<b>Total Assets</b>	<u>12,905,375</u>	<u>12,894,100</u>
<b>Net Assets</b>		
Reserved for employees' retirement system	<u>12,905,375</u>	<u>12,894,100</u>
<b>Total Net Assets</b>	<u>\$ 12,905,375</u>	<u>\$ 12,894,100</u>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM  
COMBINING STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009					2008
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
<b>Assets</b>						
Investments with fiscal agent:						
Demand deposits	\$ 67,230	\$ 150,613	\$ 267,028	\$ 106,152	\$ 591,023	\$ 591,363
Guaranteed interest accounts	653,370	484,391	759,059	4,557,604	6,454,424	6,509,541
Publicly traded equities	<u>2,890,052</u>	<u>1,031,708</u>	<u>870,352</u>	<u>1,067,816</u>	<u>5,859,928</u>	<u>5,793,196</u>
<b>Total Assets</b>	<u>3,610,652</u>	<u>1,666,712</u>	<u>1,896,439</u>	<u>5,731,572</u>	<u>12,905,375</u>	<u>12,894,100</u>
<b>Net Assets</b>						
Reserved for employees' retirement system	<u>3,610,652</u>	<u>1,666,712</u>	<u>1,896,439</u>	<u>5,731,572</u>	<u>12,905,375</u>	<u>12,894,100</u>
<b>Total Net Assets</b>	<u>\$ 3,610,652</u>	<u>\$ 1,666,712</u>	<u>\$ 1,896,439</u>	<u>\$ 5,731,572</u>	<u>\$ 12,905,375</u>	<u>\$ 12,894,100</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, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Additions:</b>		
<b>Contributions:</b>		
Employer	\$ 413,937	\$ 384,859
Employee	426,997	406,661
<b>Total Contributions</b>	<u>840,934</u>	<u>791,520</u>
 <b>Transfer From Other Funds</b>	 <u>-</u>	 <u>40,285</u>
<b>Investment Income:</b>		
Net appreciation (depreciation) in fair value of investments	 <u>(61,901)</u>	 <u>(938,450)</u>
 <b>Total Additions</b>	 <u>779,033</u>	 <u>(106,645)</u>
 <b>Deductions:</b>		
Benefit payments	757,028	2,620,662
Administrative costs	10,730	23,074
Transfer to other funds	<u>-</u>	<u>40,285</u>
 <b>Total Deductions</b>	 <u>767,758</u>	 <u>2,684,021</u>
 <b>Net Increase (Decrease)</b>	 11,275	 (2,790,666)
 <b>Net Assets Held in Trust for Pension Benefits,   Beginning of Year</b>	 <u>12,894,100</u>	 <u>15,684,766</u>
 <b>Net Assets Held in Trust for Pension Benefits,   End of Year</b>	 <u>\$ 12,905,375</u>	 <u>\$ 12,894,100</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, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009					2008
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
<b>Additions:</b>						
<b>Contributions:</b>						
Employer	\$ 126,913	\$ 57,325	\$ 74,558	\$ 155,141	\$ 413,937	\$ 384,859
Employee	63,456	64,452	78,834	220,255	426,997	406,661
<b>Total Contributions</b>	<u>190,369</u>	<u>121,777</u>	<u>153,392</u>	<u>375,396</u>	<u>840,934</u>	<u>791,520</u>
 <b>Transfer From Other Fund</b>						40,285
 <b>Investment Income:</b>						
Net appreciation (depreciation) in fair value of investments	<u>(195,953)</u>	<u>(88,645)</u>	<u>(53,466)</u>	<u>276,163</u>	<u>(61,901)</u>	<u>(938,450)</u>
 <b>Total Additions (Reductions)</b>	<u>(5,584)</u>	<u>33,132</u>	<u>99,926</u>	<u>651,559</u>	<u>779,033</u>	<u>(106,645)</u>
 <b>Deductions:</b>						
Benefit payments	114,021	7,373		635,634	757,028	2,620,662
Administrative costs	3,489	3,002	4,239		10,730	23,074
Transfer to other fund	-	-	-	-	-	40,285
 <b>Total Deductions</b>	<u>117,510</u>	<u>10,375</u>	<u>4,239</u>	<u>635,634</u>	<u>767,758</u>	<u>2,684,021</u>
 <b>Net Increase (Decrease)</b>	<u>(123,094)</u>	<u>22,757</u>	<u>95,687</u>	<u>15,925</u>	<u>11,275</u>	<u>(2,790,666)</u>
 <b>Net Assets Held in Trust for Pension Benefits, Beginning of Year</b>	<u>3,733,746</u>	<u>1,643,955</u>	<u>1,800,752</u>	<u>5,715,647</u>	<u>12,894,100</u>	<u>15,684,766</u>
 <b>Net Assets Held in Trust for Pension Benefits, End of Year</b>	<u>\$ 3,610,652</u>	<u>\$ 1,666,712</u>	<u>\$ 1,896,439</u>	<u>\$ 5,731,572</u>	<u>\$ 12,905,375</u>	<u>\$ 12,894,100</u>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Cash contributions received	\$ 840,934	\$ 791,520
Cash terminations/retirements paid	(757,028)	(2,620,662)
Other operating charges paid	(10,730)	(23,074)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>73,176</u>	<u>(1,852,216)</u>
<b>Cash Flows From Investing Activities</b>		
Interest and dividends on investments	61,901	(938,450)
Purchase of investments	(135,077)	2,790,666
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(73,176)</u>	<u>1,852,216</u>
<b>Net Increase in Cash</b>	-	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	-	-
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net</b>		
<b>Cash Provided by (Used in) Operating Activities</b>		
Operating income (loss)	\$ 11,275	\$ (2,790,666)
<b>Adjustments to Reconcile Net Income (Loss) to Net</b>		
<b>Cash Provided by (Used in) Operating Activities:</b>		
Interest and dividends on investments	<u>61,901</u>	<u>938,450</u>
<b>Net Cash Provided by (Used In) Operating Activities</b>	<u>\$ 73,176</u>	<u>\$ (1,852,216)</u>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008

	2009					2008
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
<b>Cash Flows From Operating Activities</b>						
Cash contributions received	\$ 190,369	\$ 121,777	\$ 153,392	\$ 375,396	\$ 840,934	\$ 791,520
Cash terminations/retirements paid	(114,021)	(7,373)	-	(635,634)	(757,028)	(2,620,662)
Other operating charges paid	(3,489)	(3,002)	(4,239)	-	(10,730)	(23,074)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>72,859</u>	<u>111,402</u>	<u>149,153</u>	<u>(260,238)</u>	<u>73,176</u>	<u>(1,852,216)</u>
<b>Cash Flows From Investing Activities</b>						
Interest and dividends on investments	195,953	88,645	53,466	(276,163)	61,901	(938,450)
Sale (purchase) of investments	(268,812)	(200,047)	(202,619)	536,401	(135,077)	2,790,666
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(72,859)</u>	<u>(111,402)</u>	<u>(149,153)</u>	<u>260,238</u>	<u>(73,176)</u>	<u>1,852,216</u>
<b>Net Increase in Cash</b>	-	-	-	-	-	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	-	-	-	-	-	-
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>						
Operating income (loss)	\$ (123,094)	\$ 22,757	\$ 95,687	\$ 15,925	\$ 11,275	\$ (2,790,666)
<b>Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>						
Interest and dividends on investments	<u>195,953</u>	<u>88,645</u>	<u>53,466</u>	<u>(276,163)</u>	<u>61,901</u>	<u>938,450</u>
<b>Net Cash Provided by (Used In) Operating Activities</b>	<u>\$ 72,859</u>	<u>\$ 111,402</u>	<u>\$ 149,153</u>	<u>\$ (260,238)</u>	<u>\$ 73,176</u>	<u>\$ (1,852,216)</u>

**CITY OF BEATRICE, NEBRASKA  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Total Component Units
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 265,945	\$ 49,200	\$ 315,145
Cash on deposit - County Treasurer	24,582	38,777	63,359
Accounts receivable	9,731	-	9,731
Grants receivable	-	-	-
Taxes receivable	14,749	-	14,749
Inventories	48,380	-	48,380
Current portion of TIF notes receivable	-	349,987	349,987
<b>Total Current Assets</b>	<u>363,387</u>	<u>437,964</u>	<u>801,351</u>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	488,600		488,600
Capital assets, net of accumulated depreciation	<u>1,629,514</u>	-	<u>1,629,514</u>
<b>Net Capital Assets</b>	<u>2,118,114</u>	-	<u>2,118,114</u>
<b>Other Assets</b>			
TIF notes receivable, net of current portion	-	4,062,917	4,062,917
Unamortized bond issuance costs	<u>1,011</u>	-	<u>1,011</u>
<b>Total Other Assets</b>	<u>1,011</u>	<u>4,062,917</u>	<u>4,063,928</u>
<b>Total Noncurrent Assets</b>	<u>2,119,125</u>	<u>4,062,917</u>	<u>6,182,042</u>
<b>Total Assets</b>	<u>2,482,512</u>	<u>4,500,881</u>	<u>6,983,393</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	7,331	-	7,331
Accrued expenses	38,111	-	38,111
Accrued interest payable	-	8,684	8,684
Deferred revenues	25,755	-	25,755
Due to City of Beatrice	-	50,000	50,000
Warrants payable	-	22,327	22,327
Current maturities of long-term debt	<u>74,800</u>	<u>200,000</u>	<u>274,800</u>
<b>Total Current Liabilities</b>	<u>145,997</u>	<u>281,011</u>	<u>427,008</u>
<b>Noncurrent Liabilities, Net of Current Portion</b>			
Noncurrent portion of deferred rent	62,501		62,501
Bonds payable	-	1,280,000	1,280,000
TIF payable	-	2,866,641	2,866,641
Notes and leases payable	<u>6,000</u>	-	<u>6,000</u>
<b>Total Noncurrent Liabilities</b>	<u>68,501</u>	<u>4,146,641</u>	<u>4,215,142</u>
<b>Total Liabilities</b>	<u>214,498</u>	<u>4,427,652</u>	<u>4,642,150</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	2,037,314		2,037,314
Restricted for debt service	40,636		40,636
Unrestricted net assets	<u>190,064</u>	<u>73,229</u>	<u>263,293</u>
<b>Total Net Assets</b>	<u>\$2,268,014</u>	<u>\$ 73,229</u>	<u>\$2,341,243</u>

**CITY OF BEATRICE, NEBRASKA  
COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	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	2009 Totals
<u>Functions/Programs</u>	<u>Expenses</u>					
<b>Airport Authority:</b>						
Airport operations	\$ 551,955	\$383,319	\$ -	\$64,764	\$ (103,872)	\$ (103,872)
Depreciation	239,661	-	-	-	(239,661)	(239,661)
Amortization	1,011	-	-	-	(1,011)	(1,011)
Interest on long-term debt	4,202	-	-	-	(4,202)	(4,202)
Total Beatrice Airport Authority	<u>796,829</u>	<u>383,319</u>	<u>-</u>	<u>64,764</u>	<u>-</u>	<u>(348,746)</u>
<b>Community Redevelopment Authority:</b>						
Community development	382,010	-	-	-	\$(382,010)	
Interest on long-term debt	78,225	-	-	-	(78,225)	-
Total Community Redevelopment Authority	<u>460,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(460,235)</u>	<u>-</u>
<b>Total Component Units</b>	<u>\$1,257,064</u>	<u>\$383,319</u>	<u>\$ -</u>	<u>\$64,764</u>	<u>(348,746)</u>	<u>(348,746)</u>
<b>General Revenues</b>						
Property tax				192,207	-	192,207
Tax Increment Financing					486,253	486,253
Unrestricted intergovernmental					-	-
Miscellaneous revenues				33,393	-	33,393
Unrestricted investment earnings				832	-	832
Total General Revenues				<u>226,432</u>	<u>486,253</u>	<u>712,685</u>
<b>Change in Net Assets</b>				(122,314)	26,018	(96,296)
<b>Net Assets, Beginning of Year</b>				<u>2,390,328</u>	<u>47,211</u>	<u>2,437,539</u>
<b>Newt Assets, End of Year</b>				<u>\$2,268,014</u>	<u>\$ 73,229</u>	<u>\$2,341,243</u>

**CITY OF BEATRICE**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULES BY SOURCE**  
**SEPTEMBER 30, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	2009	2008
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 2,580,574	\$ 2,545,537
Buildings	5,503,516	5,293,550
Improvements other than buildings	3,660,397	3,633,681
Machinery and equipment	8,003,040	7,251,843
Infrastructure	23,306,140	22,835,210
<b>Total</b>	<u>43,053,667</u>	<u>41,559,821</u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
General Obligation Bonds	4,811,020	4,811,020
Federal and State Grants	7,333,265	7,294,043
General Fund Revenues	28,540,624	27,280,854
Donations	2,368,758	2,173,904
<b>Total Investments in Governmental Funds Capital Assets</b>	<u>\$ 43,053,667</u>	<u>\$ 41,559,821</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, 2009**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

Function and Activity	2009						2008 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
<b>GENERAL GOVERNMENT</b>							
Management and budget	\$ 5,025	\$ -	\$ -	\$ 102,278	\$ -	\$ 107,303	\$ 104,221
Legal	-	-	-	4,794	-	4,794	4,794
Inspection	-	-	-	42,975	-	42,975	41,297
<b>Total General Government</b>	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>150,047</u>	<u>-</u>	<u>155,072</u>	<u>150,312</u>
<b>PUBLIC SAFETY</b>							
Police	76,500	62,748	147,480	1,933,463	-	2,220,191	1,971,844
Fire	-	-	-	2,953,220	-	2,953,220	2,648,234
<b>Total Public Safety</b>	<u>76,500</u>	<u>62,748</u>	<u>147,480</u>	<u>4,886,683</u>	<u>-</u>	<u>5,173,411</u>	<u>4,620,078</u>
<b>CULTURE AND RECREATION</b>							
Public properties	2,398,472	2,643,745	3,430,713	797,769	-	9,270,699	8,974,068
Library	100,577	2,442,860	82,204	683,996	-	3,309,637	3,282,442
<b>Total Culture and Recreation</b>	<u>2,499,049</u>	<u>5,086,605</u>	<u>3,512,917</u>	<u>1,481,765</u>	<u>-</u>	<u>12,580,336</u>	<u>12,256,510</u>
<b>STREETS</b>	<u>-</u>	<u>354,163</u>	<u>-</u>	<u>1,461,204</u>	<u>22,368,464</u>	<u>24,183,831</u>	<u>23,588,840</u>
<b>STORM WATER MANAGEMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,341</u>	<u>937,676</u>	<u>961,017</u>	<u>944,081</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 2,580,574</u>	<u>\$ 5,503,516</u>	<u>\$ 3,660,397</u>	<u>\$ 8,003,040</u>	<u>\$ 23,306,140</u>	<u>\$ 43,053,667</u>	<u>\$ 41,559,821</u>

**CITY OF BEATRICE, NEBRASKA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**SEPTEMBER 30, 2009**

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 10/1/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets 09/30/09</u>
<b>GENERAL GOVERNMENT</b>				
Management and budget	\$ 104,221	\$ 14,800	\$ 11,718	\$ 107,303
Legal	4,794	-	-	4,794
Inspection	41,297	1,678	-	42,975
<b>Total General Government</b>	<u>150,312</u>	<u>16,478</u>	<u>11,718</u>	<u>155,072</u>
<b>PUBLIC SAFETY</b>				
Police	1,971,844	323,537	75,190	2,220,191
Fire	2,648,234	343,329	38,343	2,953,220
<b>Total Public Safety</b>	<u>4,620,078</u>	<u>666,866</u>	<u>113,533</u>	<u>5,173,411</u>
<b>CULTURE AND RECREATION</b>				
Public properties	8,974,068	333,321	36,690	9,270,699
Library	3,282,442	27,789	594	3,309,637
<b>Total Culture and Recreation</b>	<u>12,256,510</u>	<u>361,110</u>	<u>37,284</u>	<u>12,580,336</u>
<b>STREETS</b>	<u>23,588,840</u>	<u>654,220</u>	<u>59,229</u>	<u>24,183,831</u>
<b>STORM WATER MANAGEMENT</b>	<u>944,081</u>	<u>16,936</u>	<u>-</u>	<u>961,017</u>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$41,559,821</u>	<u>\$ 1,715,610</u>	<u>\$ 221,764</u>	<u>\$43,053,667</u>

(This page has been left blank intentionally.)

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.

CONTENTS	TABLES
Financial Trends <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>	1-5
Revenue Capacity <i>These tables contain information to help the reader assess the City's most significant local revenue source, property taxes.</i>	6-9
Debt Capacity <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>	10-13
Demographic and Economic Information <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>	14-15
Operating Information <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>	16-18

# SECTION 3

## STATISTICAL SECTION



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

Table 1

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>										
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
Restricted				1,574,517	1,876,590	1,718,362	3,733,809	3,560,378	3,486,512	3,184,634
Unrestricted				1,243,908	(339,060)	1,401,146	1,018,752	1,404,834	1,487,967	1,468,328
<b>Total Governmental Activities Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,894,092</b>	<b>\$ 23,191,623</b>	<b>\$ 23,027,985</b>	<b>\$ 26,190,025</b>	<b>\$ 29,818,001</b>	<b>\$ 29,925,812</b>	<b>\$ 30,298,842</b>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt				\$ 21,503,986	\$ 22,840,444	\$ 22,943,802	\$ 23,669,489	\$ 24,082,895	\$ 24,456,255	\$ 21,645,203
Restricted				-	-	-	732,489	425,387	598,152	643,308
Unrestricted				5,300,332	3,398,774	3,674,447	1,445,042	1,550,277	1,009,142	4,306,304
<b>Total Business-type Activities Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,804,318</b>	<b>\$ 26,239,218</b>	<b>\$ 26,618,249</b>	<b>\$ 25,847,020</b>	<b>\$ 26,058,559</b>	<b>\$ 26,063,549</b>	<b>\$ 26,594,815</b>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 41,579,653	\$ 44,494,537	\$ 42,852,279	\$ 45,106,953	\$ 48,935,684	\$ 49,407,588	\$ 47,291,083
Restricted	-	-	-	1,574,517	1,876,590	1,718,362	4,466,298	3,985,765	4,084,664	3,827,942
Unrestricted	-	-	-	6,544,240	3,059,714	5,075,593	2,463,794	2,955,111	2,497,109	5,774,632
<b>Total Primary Government Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,698,410</b>	<b>\$ 49,430,841</b>	<b>\$ 49,646,234</b>	<b>\$ 52,037,045</b>	<b>\$ 55,876,560</b>	<b>\$ 55,989,361</b>	<b>\$ 56,893,657</b>

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**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>										
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
Public Safety				3,954,312	3,976,443	4,199,255	4,221,570	4,814,618	4,961,626	4,986,635
Highways and Streets				3,000,884	2,234,234	2,068,107	1,322,483	1,583,261	1,890,095	1,800,884
Culture and Recreation				1,536,976	1,382,277	1,164,624	1,337,021	1,661,496	1,625,953	1,423,702
Interest on Long-Term Debt				81,337	58,176	141,854	156,582	51,357	49,910	38,318
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
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
Water				1,558,393	1,662,178	1,631,342	1,716,187	1,685,340	1,680,952	1,751,778
Water Pollution Control				1,242,411	1,294,085	1,350,663	1,434,806	1,469,718	1,567,092	1,626,419
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
Beatrice Area Solid Waste Agency				859,694	815,750	882,331	1,048,967	1,075,677	1,649,170	942,608
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
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
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government				\$ 1,293,248	\$ 959,092	\$ 979,857	\$ 345,007	\$ 371,674	\$ 284,335	\$ 205,377
Public Safety				631,460	618,717	770,979	1,306,089	1,402,026	1,586,908	1,642,214
Culture and Recreation				375,281	356,773	246,427	250,418	192,847	187,454	212,136
Other Governmental Activities				950	6,390	26,757	37,492	34,318	38,457	26,790
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
Capital Grants and Contributions				1,830,176	458,219	307,453	461,506	1,378,513	597,350	290,637
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
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
Water				1,402,693	1,387,434	1,545,380	1,643,628	1,625,956	1,487,231	1,577,016
Water Pollution Control				1,077,881	1,049,083	1,062,860	1,156,364	1,129,261	1,158,511	1,198,716
Sanitation				1,023,608	1,047,352	1,066,056	1,072,664	1,139,633	1,208,564	1,174,531
Beatrice Area Solid Waste Agency				957,043	903,927	930,981	923,420	997,495	1,075,120	1,050,149
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
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

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

**Table 2**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Net (Expense) Revenue</b>										
Governmental Activities:	\$ -	\$ -	\$ -	\$ (6,798,124)	\$ (5,991,838)	\$ (5,636,668)	\$ (4,646,143)	\$ (4,427,041)	\$ (6,145,707)	\$ (5,514,484)
Business-type Activities	-	-	-	177,094	(357,041)	43,779	188,789	(91,790)	(366,584)	156,570
<b>Total Primary Government Net (Expense)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,621,030)</b>	<b>\$ (6,348,879)</b>	<b>\$ (5,592,889)</b>	<b>\$ (4,457,354)</b>	<b>\$ (4,518,831)</b>	<b>\$ (6,512,291)</b>	<b>\$ (5,357,914)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes				\$ 4,102,572	\$ 4,631,501	\$ 4,487,542	\$ 4,668,783	\$ 4,987,528	\$ 5,110,376	\$ 4,960,225
Unrestricted Intergovernmental				388,778	418,468	383,844	453,478	555,063	587,786	566,172
Miscellaneous Revenues				484,498	839,042	538,916	414,510	302,369	447,468	278,455
Unrestricted Investment Earnings				44,477	33,266	69,412	142,609	136,094	114,399	82,662
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)	-
<b>Total Governmental Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,420,315</b>	<b>6,283,177</b>	<b>5,473,030</b>	<b>5,683,831</b>	<b>5,896,212</b>	<b>6,253,518</b>	<b>5,887,514</b>
Business-type Activities:										
Miscellaneous Revenues				252,942	116,105	335,657	121,725	171,536	277,591	321,312
Investment Earnings				53,154	38,857	59,192	110,699	131,793	98,880	53,384
Transfers				-	(356,829)	-	-	-	-	-
(Loss) Gain on Sale of Capital Assets				-	-	(60,692)	-	-	(4,897)	-
<b>Total Business-type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,096</b>	<b>(201,867)</b>	<b>334,157</b>	<b>232,424</b>	<b>303,329</b>	<b>371,574</b>	<b>374,696</b>
<b>Total Primary Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,726,411</b>	<b>\$ 6,081,310</b>	<b>\$ 5,807,187</b>	<b>\$ 5,916,255</b>	<b>\$ 6,199,541</b>	<b>\$ 6,625,092</b>	<b>\$ 6,262,210</b>
<b>Change in Net Assets</b>										
Governmental Activities	\$ -	\$ -	\$ -	\$ (1,377,809)	\$ 291,339	\$ (163,638)	\$ 1,037,688	\$ 1,469,171	\$ 107,811	\$ 373,030
Business-type Activities	-	-	-	483,190	(558,908)	377,936	421,213	211,539	4,990	531,266
<b>Total Primary Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (894,619)</b>	<b>\$ (267,569)</b>	<b>\$ 214,298</b>	<b>\$ 1,458,901</b>	<b>\$ 1,680,710</b>	<b>\$ 112,801</b>	<b>\$ 904,296</b>

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

<b>FISCAL YEAR</b>		<b>PROPERTY TAX</b>	<b>SALES TAX</b>	<b>UTILITY OCC. TAX</b>	<b>OTHER OCC. TAX</b>	<b>TOTAL</b>
2000	(1)	\$ 1,126,925	\$ 2,328,519	\$ 462,345	\$ 16,245	\$ 3,934,034
2001	(2)	1,140,204	2,458,680	630,511	15,980	4,245,375
2002	(3)	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	(4)	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	(5)	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	(6)	1,724,779	2,629,801	736,406	19,390	5,110,376
2009	(7)	1,698,740	2,478,365	713,816	69,304	4,960,225

**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) Increase in sales tax revenue due to the opening of a retail giant in February 2000.

(2) Utility Occupation Tax increase due to exceptionally cold winter and high natural gas prices

(3) 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.

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

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

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

(7) 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**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved									128,019	48,584
Unreserved, undesignated	\$ 1,474,484	\$ 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
Unreserved, designated for subsequent years' expenditures	250,000	550,000	470,000	570,000	570,000	570,000	445,000	491,000	629,500	592,106
Total General Fund	<u>\$ 1,724,484</u>	<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>
All other governmental funds										
Reserved for:										
Reserved for Economic Development	\$ 167,604	\$ 313,171	\$ 431,340	\$ 532,318	\$ 664,788	\$ 845,281	\$ 861,742	\$ 675,162	\$ 901,586	\$ 1,066,772
Reserved for Debt Service	247,669	229,581	223,638	492,957	370,480	233,006	223,587	217,103	450,392	235,800
Reserved for Library Capital	91,816	90,079	90,263	91,583	92,120	94,083	97,106	96,835	80,739	81,705
Reserved for Public Safety	266,232	172,661	70,590	47,106	109,613	184,598	235,366	266,131	304,799	158,668
Reserved for Storm Water Management	0	0	0	0	0	0	0	31,262	11,086	31,680
Reserved for Keno Progressive	165,833	0	0	0	0	0	0	0	0	0
Reserved for CDBG Revolving Loans	681,689	770,074	304,619	410,553	639,589	361,394	2,316,008	2,305,147	1,654,085	1,593,105
Unreserved, reported in:										
Special Revenue funds	1,185,944	909,598	467,156	70,277	(1,908,825)	71,699	8,287	184,959	184,036	362,860
Debt Service Funds	(185,553)	167,179	0	(199,997)	(84,177)	(159,872)	(183,671)	(235,058)	(214,234)	(129,833)
Capital Projects funds	32,467	1,944	42,278	63,863	30,075	22,766	34,799	3,462	91,430	0
Total all other governmental funds	<u>\$ 2,653,701</u>	<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>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 3,934,034	\$ 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
Licenses & Permits	124,690	89,054	86,120	75,169	98,084	106,454	94,817	199,008	103,070	80,819
Intergovernmental and Grants	2,136,553	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
Charges for Services*	792,720	729,622	927,667	916,447	1,073,036	1,167,068	1,461,191	1,773,046	1,974,053	1,990,050
Keno Proceeds	125,889	251,975	167,404	179,889	172,674	135,253	93,706	109,558	113,062	89,668
Special Assessments	374,611	325,257	156,549	575,503	146,619	93,984	159,761	103,792	60,611	85,724
Interest	208,365	220,132	83,257	44,157	33,055	68,976	141,297	152,259	135,906	112,125
Donations and Misc Revenue	1,047,505	446,967	680,385	498,554	839,042	538,916	532,419	404,930	594,879	236,872
Lease Income	108,413	109,363	109,945	110,145	0	0	0	0	0	0
Total revenues	8,852,780	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
<b>Expenditures</b>										
General Government	1,423,747	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
Public Safety	2,852,268	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
Highways and Streets	1,393,513	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
Culture and Recreation	946,926	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
Lease Payments	108,413	109,363	109,945	110,145	0	0	0	0	0	0
Debt Service:										
Principal	734,149	492,082	508,210	394,372	354,803	535,000	325,000	165,000	230,000	375,000
Interest	115,986	172,229	123,328	81,337	58,176	141,854	156,582	51,357	49,910	38,318
Bond Insurance Costs	0	0	0	0	0	0	0	0	10,199	0
Capital Outlay	1,300,788	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
MFO Payments to Other Entities	0	111,165	116,522	121,332	118,336	120,880	122,576	122,907	124,292	126,877
Total Expenditures	8,875,790	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
<b>Excess of Revenues over (under) Expenditures</b>	(23,010)	287,440	(1,076,847)	(877,402)	(1,813,932)	(828,123)	(560,209)	(47,576)	(786,509)	(261,145)
<b>Other Financing Sources (Uses)</b>										
Transfers In	1,644,465	1,412,267	880,832	527,577	142,251	341,370	387,000	313,958	473,865	448,856
Transfers Out	(1,644,465)	(1,412,267)	(880,832)	(527,577)	(142,251)	(341,370)	(387,000)	(313,958)	(473,865)	(448,856)
Bond Issuance Costs	0	0	0	0	0	(33,834)	0	0	0	0
Grant write-off	0	0	0	0	0	0	0	0	(87,857)	0
Bond and Lease Proceeds	1,334,595			299,990	0	2,480,000	0	216,263	819,329	0
Sale of Capital Assets	129,700	0	15,000	40,000	540,043	359	39,100	17,854	0	0
Total Other Financing Sources (Uses)	1,464,295	0	15,000	339,990	540,043	2,446,525	39,100	234,117	731,472	0
<b>Net Change in Fund Balances</b>	\$ 1,441,285	\$ 287,440	\$ (1,061,847)	\$ (537,412)	\$ (1,273,889)	\$ 1,618,402	\$ (521,109)	\$ 186,541	\$ (55,037)	\$ (261,145)
Debt Service as a percentage of noncapital expenditures	11.4%	7.8%	6.9%	4.9%	4.9%	7.4%	6.0%	2.6%	2.9%	4.8%

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

Table 6

<b>FISCAL YEAR</b>	<b>ASSESSED VALUE (1)</b>	<b>Personal Property ASSESSED VALUE (1)</b>	<b>TOTAL ASSESSED VALUATION</b>	<b>PERCENT OF GROWTH</b>	<b>RATIO OF ASSESSED TO EST. ACTUAL</b>
2000	\$ 352,946,080	n/a	\$ 352,946,080	2.06%	1
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

(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**

<b><u>FISCAL YEAR</u></b>	<b><u>CITY OF BEATRICE</u></b>	<b><u>SCHOOL DIST. #15</u></b>	<b><u>GAGE COUNTY</u></b>	<b><u>SPECIAL TAX DIST.</u></b>	<b><u>AIRPORT</u></b>	<b><u>TOTAL TAX RATE</u></b>
2000	0.308912	1.279411	0.355436	0.093486	0.042524	2.079769
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

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

Table 7a

<b>FISCAL YEAR</b>	<b>CITY OF BEATRICE</b>	<b>STATE OF NEBRASKA</b>	<b>TOTAL TAX RATE</b>
2000	1.50%	5.00%	6.50%
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%

## Table 8

138

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

Table 8a

Business Classification	Calendar Year 2008			Calendar Year 2006		
	Net Taxable Sales	Rank	% of Total Net Taxable Sales	Net Taxable Sales	Rank	% of Total Net Taxable Sales
Retail Trade	\$ 76,573,682	1	46.5%	\$ 77,274,305	1	46.9%
Utilities	23,078,803	2	14.0%	21,921,957	2	13.3%
Accommodation & Food Services	18,075,472	3	11.0%	18,424,681	3	11.2%
Wholesale Trade	11,345,344	4	6.9%	9,760,468	4	5.9%
Information	10,425,885	5	6.3%	9,725,642	5	5.9%
Construction	4,084,029	6	2.5%	6,225,564	6	3.8%
Other	20,949,501		12.7%	21,593,931		13.1%
Total	<u>164,532,716</u>		<u>100.0%</u>	<u>164,926,548</u>		<u>100.0%</u>

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 three 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

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>FISCAL YEARS TAX COLL.</b>	<b>% OF LEVY COLL.</b>	<b>SUBSE- QUENT YEARS TAX COLL.</b>	<b>TOTAL TAX COLL. TO DATE</b>	<b>% TOTAL TAX COLL. OF LEVY</b>
2000	\$ 1,090,295	\$ 1,031,878	94.64%	\$ 60,614	\$ 1,092,492	100.2%
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%	64,945	1,137,292	99.9%
2004	1,197,846	1,155,652	96.48%	45,694	1,201,346	100.3%
2005	1,250,949	1,197,780	95.75%	52,812	1,250,592	100.0%
2006	1,360,231	1,302,036	95.72%	57,859	1,359,895	100.0%
2007	1,459,640	1,393,092	95.44%	64,079	1,457,171	99.8%
2008	1,726,146	1,665,902	96.51%	68,770	1,734,672	100.5%
2009	1,715,278	1,635,184	95.33%	0	1,635,184	95.3%

**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			
2000	\$ 2,720,000	-	\$ 225,000	\$ 82,548	\$ 3,125,000	-	\$ 2,215,000	\$ 282,000	\$ 8,649,548	2.82%	698.67
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	2.11%	634.01
2007(a)	790,000	216,263	-	139,989	1,180,000	2,045,825	855,000	59,464	5,286,541	1.37%	422.32
2008(b)	1,435,000	160,592	-	106,372	875,000	1,933,752	655,000	41,635	5,207,351	1.34%	415.99
2009(c)	1,120,000	100,592	-	56,146	2,815,000	1,818,086	445,000	22,946	6,377,770	1.54%	509.49

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

<b>FISCAL YEAR</b>		<b>ESTIMATED ACTUAL VALUE</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LESS DEBT SERVICE FUNDS AVAILABLE</b>	<b>NET BONDED DEBT</b>	<b>% OF ASSESSED TAXABLE VALUE</b>	<b>NET BONDED PER CAPITA</b>
2000	(a)	352,946,080	2,720,000	124,209	2,595,791	0.74%	209.68
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%	70.63

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, 2008**

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>
<b>DIRECT:</b>			
City of Beatrice	\$ 984,608	100.00%	\$ 984,608
Airport Authority	\$ 80,800	100.00%	\$ 80,800
<b>OVERLAPPING:</b>			
School District #15	\$ 5,180,000	61.00%	\$ 3,159,800
Lower Big Blue Natural Resources District	\$ 158,639	18.33%	\$ 29,079
Gage County (1)	\$ 2,850,000	32.30%	\$ 920,550

(1) County new issuance of GO Bonds on 7/30/2008

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

Table 13

<b>FISCAL YEAR</b>	<b>OPERATING REVENUES</b>	<b>TOTAL OPERATING EXPENSES(1)</b>	<b>TOTAL REVENUE AVAILABLE FOR DEBT SERVICE</b>	<b>DEBT SERVICE REQUIREMENTS</b>			<b>COV- ERAGE</b>
				<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2000	\$11,623,557	\$9,001,102	\$ 2,622,455	\$ 210,000	\$175,183	\$385,183	6.81
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

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

<b>FISCAL YEAR</b>	<b>POPULATION(1)</b>	<b>TOTAL PERSONAL INCOME</b>	<b>PER CAPITA PERSONAL INCOME(4)</b>	<b>MEDIAN AGE (3)</b>	<b>SCHOOL ENROLLMENT(2)</b>	<b>UNEMPLOYMENT RATE(3)</b>
2000	12,380	306,330,720	24,744	37.2	2,323	2.30%
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	376,578,994	30,083	40.1	2,221	3.30%
2007	12,518	385,266,486	30,777	40.1	2,181	3.60%
2008	12,518	388,058,000	31,000	41.6	2,146	4.60%
2009	12,520	414,111,520	33,076	42	2,189	5.90%

**SOURCES:**

(1) U.S. Census 2000 plus annexations filed

(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

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**

<b>FUNCTION</b>	<b>Full-time employees as of fiscal year end</b>									
	<u>2000</u>	<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>
General Government	7	8	8	8	7	5	5	5	8	8
Public Safety										
Police										
Commissioned	22	22	22	22	22	22	22	22	22	22
Civilians	10	11	11	12	12	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	1	0	0
Culture and Recreation	13	13	13	13	13	14	14	13	9	9
Highways and Streets	9	9	9	9	10	10	9	10	10	10
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	12	12	12	11	13	13	14	14	12	11
Sewer	7	7	7	7	7	7	7	7	7	7
Electric	34	34	36	33	35	34	33	33	30	30
Total	142	144	146	143	147	144	143	143	136	135

<b>FUNCTION</b>	<b>Part-time* employees as of fiscal year end</b>									
	<u>2000</u>	<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>
Public Safety										
Police										
Civilians	4	3	3	3	3	3	3	3	2	2
Fire										
Reserves	10	8	6	8	9	8	8	9	6	6
Culture and Recreation	22	20	22	17	17	20	20	20	16	18
Solid Waste Agency/WPC	5	5	5	5	5	5	5	5	6	6
Electric	2	2	2	2	2	2	2	2	2	0
Total	43	38	38	35	36	38	38	39	32	32

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

C & R Summer Seasonal	55	58	50	50	54	40	40	40	45	48
-----------------------	----	----	----	----	----	----	----	----	----	----

**CITY OF BEATRICE, NEBRASKA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Table 17

FUNCTION	FISCAL YEAR									
	<u>2000</u>	<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>
General Government										
Building Permits Issued	251	230	234	232	264	267	208	253	227	471
Commercial Construction Value	\$12,531,778	\$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
Residential Construction Value	\$ 3,860,052	\$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
Public Safety										
Police										
Physical Arrests	984	NA	1,082	1,179	746	1,382	1,191	988	1,048	808
Patrol Citations	1,861	NA	2,685	2,284	1,216	3,509	2,815	2,437	3,078	2,507
Calls for Service	20,982	NA	12,633	13,998	22,819	22,059	21,736	21,571	23,947	22,230
Fire										
Ambulance Calls	1,605	1,418	1,501	1,590	1,687	1,803	1,960	1,928	2,288	2,349
Fire & Rescue Calls	624	587	649	634	554	795	776	942	886	939
Culture and recreation										
Water Park Admissions	\$ 80,452	\$ 73,027	\$ 78,916	\$ 82,235	\$ 62,908	\$ 73,494	\$ 85,892	\$ 90,059	\$ 86,083	\$ 81,453
Electric										
Average Daily Usage Commercial (MWH)	280.5	305.1	288.1	285.7	272.1	281.8	286.6	283.5	283.2	262.7
Average Daily Usage Residential (MWH)	162.5	178.9	174.6	177.6	173.7	180.9	186.3	189.9	191.1	185.3
Water										
Average Daily Consumption (gal)	4.59m	4.44m	3.98m	4.41m	4.06m	4.03m	4.25m	3.95m	3.40m	3.60m
Water Pollution Control										
Average Daily Treatment (gal)	1.53m	1.69m	1.46m	1.6m	1.45m	1.44m	1.5m	1.4m	1.3m	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**

<b>FUNCTION</b>	<b>FISCAL YEAR</b>									
	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
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	259	264.7	270	270	270.9	274.4
Street Lane Miles, Unpaved	34	34	34	34	34	32.4	31.7	31.7	31.5	31.5
Storm Sewer Miles	25	25	25	25	25	25	25	25	25	32
Bridges	11	11	11	11	11	11	11	11	11	9
Street Lights	1471	1479	1492	1505	1520	1520	1535	1551	1566	1656
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	111	113	118	119	120	123	123	123	123
Fire Hydrants	587	587	602	617	627	632	652	652	659	668
Sewer										
Sanitary Sewer Miles	127	127	127	127	127	127	127	128	128	128
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Electric										
Substations	12	12	12	12	12	12	10	10	10	10
Miles 12.5KV Service	76.7	78.6	86	91	93	93	94	94	94	98
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	115.1	113.2	110.2	104.2	102.2	102.2	101	92	92	88

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

(This page has been left blank intentionally.)

**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, each major fund and the aggregate remaining fund information of City of Beatrice, Nebraska, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 18, 2010. 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 the City of Beatrice, Nebraska's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

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

## Compliance

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of Management, the Mayor and City Council, the Nebraska Auditor of Public Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dana J Cole + Company, LLP

Lincoln, Nebraska  
February 18, 2010