

# **CITY OF BEATRICE, NEBRASKA**

## **COMPREHENSIVE**

## **ANNUAL**

## **FINANCIAL**

## **REPORT**

for the year ended

**September 30, 2008**

Prepared by  
Management & Budget  
Department

Neal Niedfeldt  
City Administrator



**CITY OF BEATRICE, NEBRASKA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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# **SECTION 1**

## **INTRODUCTORY SECTION**



March 16, 2009

# *City of Beatrice*

*www.ci.beatrice.ne.us*

*402-228-5200*

*400 Ella Street*

*Beatrice, Nebraska 68310*

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, 2008.

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.

Almquist, Maltzahn, Galloway & Luth, P.C., 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, 2008 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, 2008 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. These reports can be found immediately following the statistical section of this report.

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 12,518. 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, among other things, for passing ordinances, adopting the budget, appointing committees and heads of the various departments. 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 85.

## 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 4.6% is slightly higher than the 2007 rate of 3.6%; however, it continues to be lower than the national rate of 6.1%. City sales tax collections declined 6.5% in 2008. Sales tax collections in 2007 were higher than normal as a result of an up-turn in the local economy plus an influx of out-of-town contractors for several large construction projects. The local economy and retail sales greatly affect the City's reliance upon property taxes to support the main City governmental functions.

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 and is to provide funding to purchase and develop land, build infrastructure and buildings.

The City has been active in developing the Gage County Industrial Park which provided for 15 manufacturing and commercial industries employed approximately 1,450 people in 2008. Four other major industries are located in the City and employ an additional 700 people. 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. The City of Beatrice is fortunate to have a large hospital serving much of the area south of Lincoln that employs over 400 health care professionals and staff.

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. Construction costs for these improvements may be amortized through the increased taxation created by the future property improvements. Residential developers have taken advantage of this program, developing a blighted area close to the City's industrial park with several new homes and duplexes. 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 related 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, 2007. The City has also been awarded the Certificate of Achievement for sixteen previous consecutive years from 1991 to 2006. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report.

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. Thanks is extended to the members of our independent certified public accounting firm for their able assistance and for the professional manner in which they have performed their engagement. 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

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# 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, 2007

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 handwritten signature in black ink, appearing to read "M. L. R.", positioned above the title "President".

President

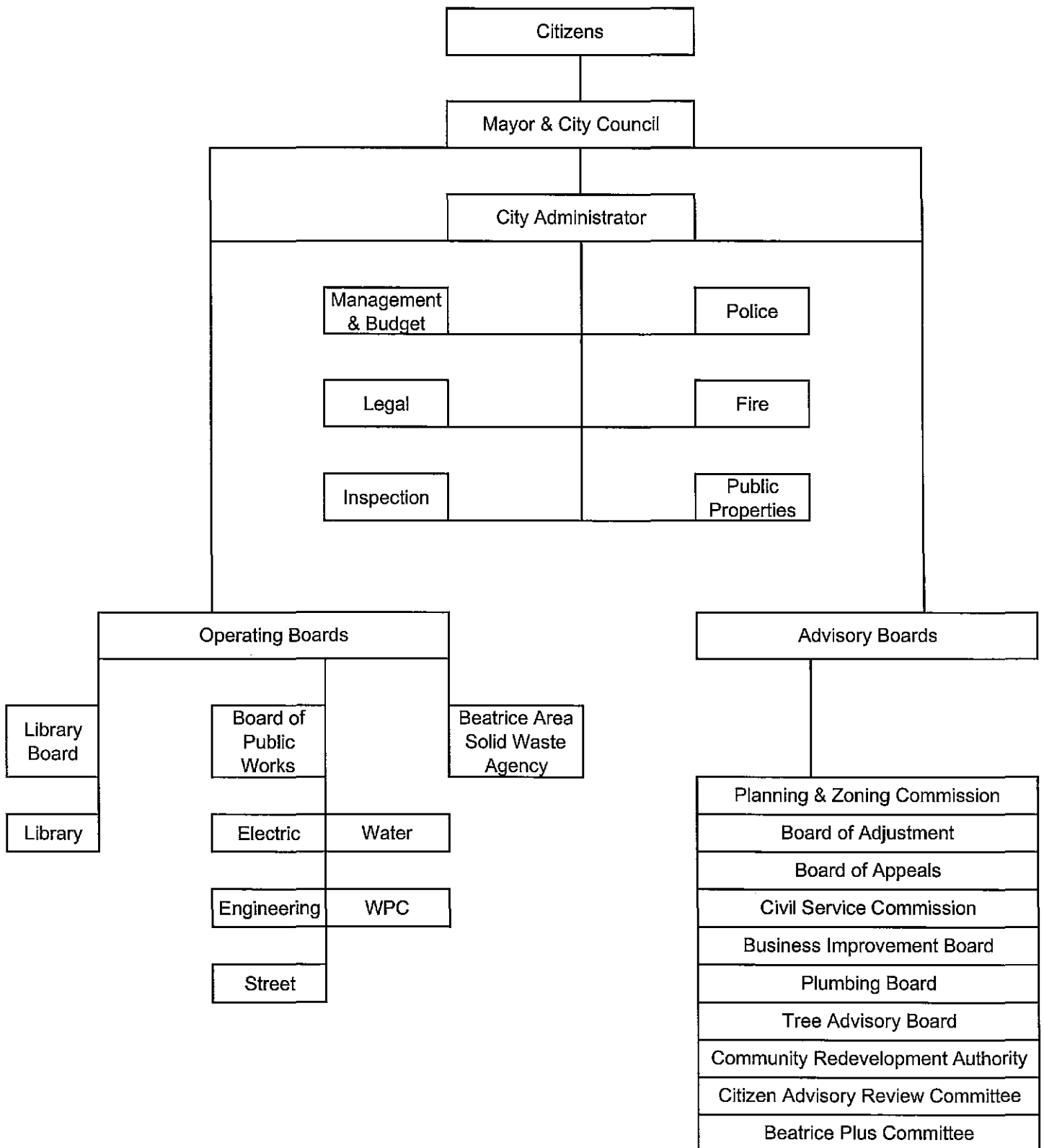
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

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# CITY OF BEATRICE, NEBRASKA ORGANIZATIONAL CHART



**CITY OF BEATRICE, NEBRASKA  
OFFICIALS  
2008**

**MAYOR**  
Dennis Schuster

**CITY COUNCILMEMBERS**

Phil Cook	Susan Witulski
Alan Fetty	Ted Fairbanks
Rich Kerr	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 Members of the City Council  
City of Beatrice, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of the City of Beatrice, Nebraska, as of and for the year ended September 30, 2008, 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 opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2007 financial statements and, in our report dated February 26, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of the City of Beatrice, Nebraska, as of September 30, 2008, 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.

Wealth Management, LLC, Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C. and offers wealth management and investment advisory services.

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PO Box 1407  
Grand Island, NE 68802  
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Fax 308-381-4824  
Email: cpa@gicpas.com

A PROFESSIONAL  
CORPORATION

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2009, 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 our 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.

The accompanying management's discussion and analysis and required supplementary information on pages 3 through 11 and 74 through 76 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 accompanying other supplementary information and the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the Table of Contents, are 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 statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Stenquist, Maltzahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
February 18, 2009

## 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, 2008. 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 \$55,989,361. Of this amount, \$2,497,109 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased slightly, \$112,801.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$5,431,923, a slight decrease of \$55,037 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,839,985, or 25.6% of total General Fund expenditures.

The City of Beatrice's total debt decreased \$286,276 (4%) during the current fiscal year. Annual debt obligations of \$1,105,605 were paid and proceeds were received in the amount of \$819,329 in the form of Public Safety Tax Anticipation Bonds and the remainder of a Beatrice Library Foundation note.

### 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, the Street Fund, the Community Development Block Grant Fund, and the Unbonded Assessment Debt Service Fund all of which are considered to be major funds. Data from the other eight 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 73 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 75 to 77 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 \$55,989,361 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (88.2%) 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 thousand's, comparison to 2007)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
<b>ASSETS</b>						
Current and other assets	6,312	7,050	6,864	5,196	13,176	12,246
Capital assets	26,654	25,999	27,943	28,198	54,597	54,197
<b>TOTAL ASSETS</b>	<u>32,966</u>	<u>33,049</u>	<u>34,807</u>	<u>33,394</u>	<u>67,773</u>	<u>66,443</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	1,795	1,433	5,016	5,064	6,811	6,497
Other liabilities	1,245	1,797	3,727	2,272	4,972	4,069
<b>TOTAL LIABILITIES</b>	<u>3,040</u>	<u>3,230</u>	<u>8,743</u>	<u>7,336</u>	<u>11,783</u>	<u>10,566</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	24,951	24,853	24,456	24,083	49,407	48,936
Restricted	3,487	3,560	598	426	4,085	3,986
Unrestricted	1,488	1,405	1,009	1,550	2,497	2,955
<b>TOTAL NET ASSETS</b>	<u>29,926</u>	<u>29,818</u>	<u>26,063</u>	<u>26,059</u>	<u>55,989</u>	<u>55,877</u>

An additional portion of the City of Beatrice's net assets (7.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$2,497,109 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 \$107,811 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 \$4,990. A breakdown of these activities is as follows:

City of Beatrice's Changes in Net Assets  
(expressed in thousand's, comparison to 2007)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>						
Program Revenues						
Charges for services	2,097	2,001	17,330	16,417	19,427	18,418
Operating grants and contributions	1,967	1,830	-	-	1,967	1,830
Capital grants and contributions	598	1,378	199	215	797	1,593
General revenues						
Taxes	5,110	4,988	-	-	5,110	4,988
Unrestricted intergovernmental	588	555	-	-	588	555
Other revenue	555	353	372	303	927	656
<b>TOTAL REVENUES</b>	<b>10,915</b>	<b>11,105</b>	<b>17,901</b>	<b>16,935</b>	<b>28,816</b>	<b>28,040</b>
<b>EXPENSES</b>						
General Government	2,280	1,525			2,280	1,525
Public Safety	4,961	4,815			4,961	4,815
Highway/Streets	1,890	1,583			1,890	1,583
Culture and Recreation	1,626	1,662			1,626	1,662
Interest on long-term debt	50	51			50	51
Electric			11,790	11,352	11,790	11,352
Water			1,681	1,685	1,681	1,685
Water Pollution Control			1,567	1,470	1,567	1,470
Sanitation			1,209	1,140	1,209	1,140
Solid Waste Management			1,649	1,076	1,649	1,076
<b>TOTAL EXPENSES</b>	<b>10,807</b>	<b>9,636</b>	<b>17,896</b>	<b>16,723</b>	<b>28,703</b>	<b>26,359</b>
<b>CHANGE IN NET ASSETS</b>	<b>108</b>	<b>1,469</b>	<b>5</b>	<b>212</b>	<b>113</b>	<b>1,681</b>
<b>NET ASSETS, beginning of year</b>	<b>29,818</b>	<b>28,349</b>	<b>26,059</b>	<b>25,847</b>	<b>55,877</b>	<b>54,196</b>
<b>NET ASSETS, end 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>

Governmental Activities

Tax revenues increased 2.4% in 2008 from the previous year. This includes property tax, sales tax and occupation tax revenues. In 2008 property tax revenues, which reflect an increase of 19%, included a new 5 cent public safety debt service levy, with the general taxes increasing less than 1%. Sales Tax revenues decreased 6.5% in 2008 from 2007 collections which in 2007 had included a boon in the local economy from an influx of out-of-town contractors working on area construction projects. Occupation tax collections increased 2.7%.

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 are a major funding source to maintain the street fund. The police department operates a victim assistance program and an area drug task force with grant funding and matching dollars coming from interlocal agreements. Interlocal agreements also provide funding for County-wide 911 services and ambulance services.

Capital Grants and contributions vary from year to year. During 2008 the City continued to receive grant funding for public safety equipment and acquisition of floodplain property, plus private contributions for renovations to the Carnegie Building and park improvements. The City was also the pass-through agency for a housing grant.

For the most part, expenses closely paralleled inflation and growth in the demand for services. FY2008 personnel expense, which accounts for the majority of operating expenses, includes the cost of a retirement buyout taken by several administrative personnel, with a reorganization plan to recover the cost within a year. 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 5.5%. The Electric fund, which distributes purchased power, increased rates effective November 1, 2007 an average of 5%, to provide for the projected 12% increase in the cost of purchased power from Nebraska Public Power District which went into effect April, 2008. The Water and Water Pollution Control funds which have not increased rates since 2006 had only a slight decrease in charges for services. Garbage Service fees, which are accounted for in the Sanitation fund, did not increase in 2008 after a 7% increase that took effect May 1, 2007, to provide for the new four-year hauler contract and for the increased Beatrice Area Solid Waste Agency landfill disposal fees. As per the contract those rates will increase again in 2009.

#### 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 \$5,431,923, a slight decrease of \$55,037 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 (\$1,654,085); 2) to pay debt service (\$450,392); 3) for the LB840 Economic Development program (\$901,586); 4) for public safety equipment (\$304,799) and 5) for other restricted fund purposes (\$219,844). The remaining balance is \$1,901,217 in unreserved fund balance which is available for spending at the government's discretion. This is an increase of \$5,897 when compared to 2007.

The General Fund is the chief operating fund of the City of Beatrice. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,839,985. 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 25.6% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund increased by \$26,047 during the current fiscal year, reflecting a balanced budget of revenues and expenditures. A more detailed analysis of operational revenues and expenditures is as follows:

General fund revenues as a total increased 3% over the previous year. Tax revenues decreased 2% due to a drop in sales tax revenue. Intergovernmental revenue available to fund general fund operations maintained at the 2007 level with a slight increase of 3%. Charges for services are up 11.3%, largely due to an increase ambulance charges due to an increase in the number of calls. Miscellaneous revenues increased \$182,316, a majority of which

was from police seizure funds and insurance dividends. Investment earnings were down due to a drop in interest rates.

General fund operating expenditures increased 4.8% from the previous year. Personnel costs increased just 4.5%, in line with cost of living but also included funding of retirement buyouts, reorganization of administrative staff and the addition of a code enforcement officer. Other operational expenditures increased 6.7% which includes increases associated with fuel costs and ambulance bad debt expense. In 2008 a decrease is shown in contingency costs from the 2007 expenditures that included a large specific on one health insurance claim and disaster costs from a parks fire and a flood. Contingencies continue to fund the cost of an EPA cleanup at a former gas plant site acquired by the City through floodplain acquisitions. There was a transfer out of \$291,273 to fund 2008 capital projects.

The Street Fund has a negative fund balance of \$3,304 at the end of the fiscal year. The fund balance decreased \$7,981 from the previous year. In 2008 operating revenues increased just 3.7%, however operational expenditures increased 13.8%, making it necessary to cut back on capital outlay costs for street improvements. 2008 Capital Outlay did provide for a building addition and the purchase of equipment. The City aggressively applies for grant dollars to provide for reconstruction of asphalt streets to concrete. No such grants were received in 2008.

The Community Development Block Grant fund has a fund balance of \$1,654,085 at the end of 2008 as compared to \$2,309,706 in 2007. This balance is reserved for Revolving Loans. A reuse loan in 2005 to Knowledge Marketing in the amount of \$635,000 was forgiven during 2008 as a result of a settlement agreement. During 2008 the remainder of CDBG grants funds was received for the acquisition of floodplain property, making this multi-year project to clear properties in the floodway along the Big Blue River complete.

The Unbonded Assessment Debt Service fund has a negative fund balance of (\$214,234) at the end of the fiscal year. The fund balance increased \$20,854 due to the payment of assessments. Those costs not repaid by Special Assessment revenue will be a cost of the City.

The Other governmental funds include four Special Revenue funds; the Economic Development 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 \$2,027,372. A majority of this fund balance is reserved for specific purposes; \$901,586 for Economic Development; \$450,392 for Debt Service; \$385,538 for Capital projects; and \$11,086 for Storm Water Management. The Economic Development fund received the maximum sales tax dollars of \$250,000, plus miscellaneous revenue of \$131,480 plus \$24,944 in interest earnings, which helped to fund the program expenditures. No capital outlay projects were completed in 2008 thereby increasing the reserved fund balance \$226,424. The Keno fund proceeds increased 3% from 2007, maintaining funding for community betterment projects. The Storm Water Management fund was created in 2007 to account for the costs associated with the implementation of the plan and the revenue sources, including grant specific funds. The Debt Service fund requirements were met by special levies and in 2008 included an additional 5-cent levy for public safety debt. Capital Improvement fund balances changed as there were sufficient revenue and other financing sources to meet expenditures, plus a carry-over for the park shop project. The reserve for Public Safety Equipment continues to increase in reserving funds for the planned purchase of a fire pumper.

#### 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 \$1,009,142. The total change in net assets for all funds was a decrease of \$541,135 from 2007. The unrestricted net assets for the Electric fund increased \$761,489 through higher revenues and fewer construction projects. The Water and Water Pollution Control funds unrestricted net assets decreased \$734,052, due to lower revenues from less water usage and higher construction costs associated with an unanticipated water main break. The BASWA fund decrease of \$568,572 is due to a large increase in the liability for projected cost of closure and postclosure. Invested in Capital Assets increased from \$24,082,895 in FY2007 to \$24,456,255 in FY2008. 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 \$1,167,233 and can be briefly summarized as follows: Expenditures related to grants and additional donations received in the amount of \$521,716; \$155,000 for the net cost of retirement buyout; \$105,917 in natural disaster losses; \$170,000 in expenditures related to Medicare and Medicaid mandated adjustments to ambulance service charges; \$35,000 in excess health self-funding costs; \$52,000 in special assessment district construction costs and payment of warrants; and \$127,600 in excess operational costs for various reasons including snow removal and increased ambulance calls and fuel costs.

The increase was funded with a combination of grants, donations, loans, ambulance service charges and available fund balance. During the year revenues exceeded budgetary estimates therefore the need to draw upon existing fund balance did not result in a deficiency.

## 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, 2008, amounts to \$51,932,608 (net of accumulated depreciation) plus construction in progress of \$24,515 and land of \$2,639,389. This investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, park facilities, a system of roads, highways, bridges and storm sewers. The total increase in the City of Beatrice's investment in capital assets for the current fiscal year was 0.7 percent (a 2.5% increase for governmental activities and a 1% decrease for business-type activities).

City of Beatrice's Capital Assets  
(net of depreciation, except land)  
(expressed in thousands, as compared to 2007)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	2,545	2,405	94	94	2,639	2,499
Buildings and system	5,294	5,045	1,187	1,208	6,481	6,253
Improvements other than					-	-
Buildings	3,634	3,594	56,572	55,002	60,206	58,596
Machinery & Equipment	7,252	6,280	5,650	5,512	12,902	11,792
Infrastructure	22,835	22,548	-	-	22,835	22,548
Construction in progress		-	25	22	25	22
Less accumulated depreciation	(14,907)	(13,873)	(35,585)	(33,640)	(50,492)	(47,513)
<b>TOTAL</b>	<b>26,653</b>	<b>25,999</b>	<b>27,943</b>	<b>28,198</b>	<b>54,596</b>	<b>54,197</b>

Major changes in Capital Assets in the Governmental Activities during fiscal year 2008 included infrastructure improvements for street and bridge repairs, renovations to the Carnegie Building paid through private funding, an addition to the Street shop, and park improvements paid for with the assistance of private funding. Large equipment purchases included a new aerial ladder fire truck and a street sweeper. Increase in land included acquisition of floodplain property and 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.

Major changes in Capital Assets in the Business-type Activities include: in the Electric Fund replacement of a major 34.5 KV transmission line, continuation of 12.5 KV conversions, new transformers, and SCADA and computer equipment upgrades; in the Water fund replacement of a major water main break at 4<sup>th</sup> and Grant Streets,

continuation of water main replacement projects which in 2008 included along 11<sup>th</sup> Street, and Well F-2 rehab; in the Water Pollution Control fund installation of a new sewer main serving a new commercial development, Lift Station I & I Study, manhole rehab, and the purchase of a new front-end loader.

Additional information on the City of Beatrice's capital assets can be found in Note C.4 on pages 49 to 51 of this report.

### Long-Term Debt

At the end of the current fiscal year, the City of Beatrice had total bonded debt outstanding of \$5,059,344. Of this amount, \$1,325,000 comprises debt backed by the full faith and credit of the government and \$110,000 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 thousand's)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	1,325	625	-	-	1,325	625
General notes	160	216	-	-	160	216
Special assessment debt with governmental commitment	110	165	-	-	110	165
Revenue bonds	-	-	3,464	4,081	3,464	4,081
<b>TOTAL</b>	<b>1,595</b>	<b>1,006</b>	<b>3,464</b>	<b>4,081</b>	<b>5,059</b>	<b>5,087</b>

During the current fiscal year, the City of Beatrice issued new bond anticipation notes in the amount of \$815,000, plus notes payable to the Library Foundation increased \$4,329 upon completion of the roof project, with the payment of annual bond maturities in the amount of \$847,073, the net change in debts decreased by \$27,744 (0.5%).

The Beatrice Airport Authority, a component unit of the City of Beatrice, had outstanding debt at September 30, 2008, of \$154,332, after annual bond and note maturities were paid. Of this amount \$135,000 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, 2008, of \$1,675,000, after annual bond maturities were paid. The revenue bonds are repaid through proceeds from tax increment financing.

Additional information on the City of Beatrice's long-term debt can be found in Note C.6 on pages 53 to 56 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The unemployment rate for the City of Beatrice is currently 4.6 percent, an increase from a rate of 3.6 percent a year ago. This is higher than the state's average unemployment rate of 3.5 percent but is favorably lower than the national average rate of 6.1 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. In other retail business, the loss of two major retailers has been partially absorbed by a super retailer, Wal-Mart. Two new retail stores, Ace Hardware and Hibbett Sports, opened in 2007.

The 2007 increase in sales tax revenues were as a result of an influx of out-of-town contractors in the area and in 2008 dropped back off to a level that has been maintained since 2005. Also, affecting sales tax revenues, are tax incentives offered to local businesses that have now met the criteria and are receiving tax credits that reduce the city sales tax received.

Economic Development efforts continue to try and attract more new companies. Construction of a new plant by Beatrice Biodiesel was complete in 2007, however, has presently ceased operations as the company is actively pursuing a new buyer to operate the plant. Development of the 3<sup>rd</sup> Industrial Park made possible the construction of a new facility for Precise Fabrication. Land purchased on West Highway 136 was selected as the site for the new National Regional Nebraska Guard Armory, which will start construction early 2009. A new development on the City's north edge is the proposed site of a new hospital.

During the current fiscal year, the unreserved fund balance in the General Fund was maintained and increased slightly from \$1,941,957 to \$1,968,004 at the end of fiscal year 2008. In preparing the budget for fiscal year 2009, the City of Beatrice took a conservative increase in sales tax projections and used the property valuation increase of 8.3% to increase the property tax dollars. A lower debt service levy dropped the total tax levy from .343520 to .315224. General fund dollars of \$327,634 and Keno dollars of \$100,000 will be used to fund the City's capital projects in 2009, plus General fund ambulance equipment reserve dollars will fund the purchase of a new ambulance. Two new services will be funded with general fund dollars, the storm water program and contract for animal control services. 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 6.5% rate increase in the 2009 budget to ensure sufficient revenue to fund the purchased power rate increase, capital costs, plus provide prudent reserves for cash flow and emergencies. A rate study was conducted to develop rates that are fair, reasonable and non-discriminatory. A 9% rate increase was budgeted in the Water and Water Pollution Control funds to fund operations and capital costs, plus the proposed issuance of bonds to pay for construction costs and replenish cash flow. Included in the four-year contract signed in 2007, the garbage rate increase in April of 2009 will be sufficient to fund the garbage hauler contract rate increase and 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

Exhibit 1

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

	Primary Government				2008
	Governmental Activities	Business-type Activities	2008 Total	2007 Total	Component Units
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 3,443,367	\$ 2,628,199	\$ 6,071,566	\$ 3,434,796	\$ 119,884
Investments	400,000	-	400,000	770,000	-
Cash on deposit - County Treasurer	291,636	-	291,636	235,499	45,829
Accounts receivable	549,226	1,257,619	1,806,845	2,605,478	13,919
Assessments receivable	296,686	-	296,686	329,178	-
In-lieu-of assessments receivable	10,105	-	10,105	10,105	-
Taxes receivable	65,445	-	65,445	85,375	9,025
Grants receivable	-	-	-	-	518,595
Unbilled and accrued revenues	-	581,491	581,491	567,817	-
Materials and supplies inventories	-	855,324	855,324	758,996	66,577
Prepaid expenses	-	14,057	14,057	15,045	-
Current portion of CRA bonds receivable	-	-	-	185,000	-
Current portion of notes receivable	79,000	-	79,000	170,000	318,025
Interest receivable	20,936	1,699	22,635	22,656	-
<b>Total Current Assets</b>	<b>5,156,401</b>	<b>5,338,389</b>	<b>10,494,790</b>	<b>9,189,945</b>	<b>1,091,854</b>
<b>Noncurrent Assets</b>					
<b>Restricted Cash and Cash Equivalents</b>					
Employee benefits	-	126,414	126,414	13,263	-
Grants and capital projects	432,818	112,732	545,550	310,757	-
Debt service reserve account	-	485,420	485,420	425,387	-
<b>Restricted Investments</b>					
Customer deposits	-	165,770	165,770	143,845	-
Grants and capital projects	80,739	-	80,739	96,835	-
Closure/postclosure maintenance	-	616,701	616,701	521,176	-
<b>Total Restricted Assets</b>	<b>513,557</b>	<b>1,507,037</b>	<b>2,020,594</b>	<b>1,511,263</b>	<b>-</b>
<b>Capital Assets</b>					
Land	2,545,537	93,852	2,639,389	2,498,611	488,600
Construction in progress	-	24,515	24,515	21,870	-
Capital assets, net of accumulated depreciation	24,107,760	27,824,848	51,932,608	51,676,375	1,859,124
<b>Net Capital Assets</b>	<b>26,653,297</b>	<b>27,943,215</b>	<b>54,596,512</b>	<b>54,196,856</b>	<b>2,347,724</b>
<b>Other Assets</b>					
Loans receivable, net of current portion	642,222	-	642,222	1,519,429	4,153,884
Unamortized bond issuance costs	-	18,427	18,427	25,369	2,023
<b>Total Other Assets</b>	<b>642,222</b>	<b>18,427</b>	<b>660,649</b>	<b>1,544,798</b>	<b>4,155,907</b>
<b>Total Noncurrent Assets</b>	<b>27,809,076</b>	<b>29,468,679</b>	<b>57,277,755</b>	<b>57,252,917</b>	<b>6,503,631</b>
<b>Total Assets</b>	<b>32,965,477</b>	<b>34,807,068</b>	<b>67,772,545</b>	<b>66,442,862</b>	<b>7,595,485</b>



**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS, Continued**  
**SEPTEMBER 30, 2008,**

Exhibit 1

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	Primary Government				2008
	Governmental Activities	Business-type Activities	2008 Total	2007 Total	Component Units
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	180,346	2,439,509	2,619,855	1,799,774	50,012
Accrued expenses	-	63,251	63,251	44,185	37,325
Registered warrants payable	312,960	-	312,960	374,022	361,990
Claims incurred but not reported	35,000	-	35,000	35,000	-
Accrued compensated absences	-	199,153	199,153	255,867	-
Sales tax payable	-	69,282	69,282	75,784	-
Employee insurance payable	-	93,500	93,500	68,000	-
Accrued interest payable	41,958	27,522	69,480	76,492	14,960
Unearned revenues	303,778	-	303,778	324,846	20,046
Customer deposits	-	165,745	165,745	143,845	-
Due to City (from Component Unit)	(50,000)	-	(50,000)	(50,000)	50,000
Current maturities of TIF payable	-	-	-	-	31,383
Current maturities of long-term debt	420,370	669,347	1,089,717	921,616	268,532
<b>Total Current Liabilities</b>	<b>1,244,412</b>	<b>3,727,309</b>	<b>4,971,721</b>	<b>4,069,431</b>	<b>834,248</b>
<b>Noncurrent liabilities, net of current portion</b>					
Revenue bonds	-	995,000	995,000	1,530,000	1,550,000
General obligation bonds	1,120,000	-	1,120,000	620,000	-
Notes and leases payable	161,594	1,841,040	2,002,634	2,214,925	10,800
Noncurrent deferred revenue	-	-	-	-	76,137
TIF payable	-	-	-	-	2,686,761
Compensated absences, noncurrent	513,659	310,170	823,829	861,946	-
Estimated current cost of closure and postclosure	-	1,870,000	1,870,000	1,270,000	-
<b>Total Noncurrent Liabilities</b>	<b>1,795,253</b>	<b>5,016,210</b>	<b>6,811,463</b>	<b>6,496,871</b>	<b>4,323,698</b>
<b>Total Liabilities</b>	<b>3,039,665</b>	<b>8,743,519</b>	<b>11,783,184</b>	<b>10,566,302</b>	<b>5,157,946</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	24,951,333	24,456,255	49,407,588	48,935,684	2,195,415
Restricted net assets					
Restricted for economic development	901,586	-	901,586	675,162	-
Restricted for debt service	450,392	485,420	935,812	642,490	35,764
Restricted for library capital improvements	80,739	-	80,739	96,835	-
Restricted for grant expenditures	94,911	112,732	207,643	-	-
Restricted for public safety equipment	304,799	-	304,799	266,131	-
Restricted loan fund	1,654,085	-	1,654,085	2,305,147	-
Unrestricted net assets	1,487,967	1,009,142	2,497,109	2,955,111	206,360
<b>Total Net Assets</b>	<b>\$ 29,925,812</b>	<b>\$ 26,063,549</b>	<b>\$ 55,989,361</b>	<b>\$ 55,876,560</b>	<b>\$ 2,437,539</b>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				2008 Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		2008 Total	2007 Total	
					Governmental Activities	Business-type Activities			
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
General government	\$ 2,279,782	\$ 284,335	\$ -	\$ 329,836	\$ (1,665,611)		\$ (1,665,611)	\$ (905,678)	
Public safety	4,961,626	1,586,908	726,980	7,224	(2,640,514)		(2,640,514)	(2,712,876)	
Highways and streets	1,890,095	38,457	1,215,964	42,531	(593,143)		(593,143)	21,042	
Culture and recreation	1,625,953	187,454	24,211	217,759	(1,196,529)		(1,196,529)	(778,172)	
Interest on long-term debt	49,910	-	-	-	(49,910)		(49,910)	(51,357)	
<b>Total Governmental Activities</b>	<b>10,807,366</b>	<b>2,097,154</b>	<b>1,967,155</b>	<b>597,350</b>	<b>(6,145,707)</b>	<b>\$ -</b>	<b>(6,145,707)</b>	<b>(4,427,041)</b>	
<b>Business-type Activities</b>									
Electric	11,790,452	12,400,570	-	14,300		624,418	624,418	172,010	
Water	1,680,952	1,487,231	-	7,418		(186,303)	(186,303)	69,851	
Water pollution control	1,567,092	1,158,511	-	65,200		(343,381)	(343,381)	(255,469)	
Sanitation	1,208,564	1,208,564	-	-		-	-	-	
BASWA	1,649,170	1,075,120	-	112,732		(461,318)	(461,318)	(78,182)	
<b>Total Business-type Activities</b>	<b>17,896,230</b>	<b>17,329,996</b>	<b>-</b>	<b>199,650</b>	<b>(6,145,707)</b>	<b>(366,584)</b>	<b>(366,584)</b>	<b>(91,790)</b>	
<b>Total Primary Government</b>	<b>\$ 28,703,596</b>	<b>\$ 19,427,150</b>	<b>\$ 1,967,155</b>	<b>\$ 797,000</b>			<b>(6,512,291)</b>	<b>(4,518,831)</b>	
<b>Component Units:</b>									
Airport Authority	\$ 1,223,459	\$ 465,597	\$ -	\$ 503,374					\$ (254,488)
Community Redevelopment Auth.	159,001	-	-	-					(159,001)
<b>Total Component Units</b>	<b>\$ 1,382,460</b>	<b>\$ 465,597</b>	<b>\$ -</b>	<b>\$ 503,374</b>					<b>(413,489)</b>
<b>General Revenues</b>									
<b>Taxes</b>									
Property tax					1,724,779	-	1,724,779	1,437,813	189,412
Tax Increment Financing					-	-	-	-	216,584
Sales tax					2,629,801	-	2,629,801	2,813,973	-
Occupation tax					755,796	-	755,796	735,742	-
Unrestricted intergovernmental					587,786	-	587,786	555,063	11,365
Miscellaneous revenues					447,468	277,591	725,059	473,905	15,891
Unrestricted investment earnings					114,399	98,880	213,279	267,887	4,676
Loss on sale of capital assets					(6,511)	(4,897)	(11,408)	(84,842)	-
<b>Total General Revenues</b>					<b>6,253,518</b>	<b>371,574</b>	<b>6,625,092</b>	<b>6,199,541</b>	<b>437,928</b>
<b>Change in Net Assets</b>					<b>107,811</b>	<b>4,990</b>	<b>112,801</b>	<b>1,680,710</b>	<b>24,439</b>
<b>Net Assets, Beginning of Year</b>					<b>29,818,001</b>	<b>26,058,559</b>	<b>55,876,560</b>	<b>54,195,850</b>	<b>2,413,100</b>
<b>Net Assets, End of Year</b>					<b>\$ 29,925,812</b>	<b>\$ 26,063,549</b>	<b>\$ 55,989,361</b>	<b>\$ 55,876,560</b>	<b>\$ 2,437,539</b>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008,**

**Exhibit 3**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008						2007
	General	Streets	CDBG	Unbonded Assessment Debt Service	Other Governmental Funds	Total Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 767,071	\$ 187,619	\$ 932,863	\$ 11,569	\$ 1,453,030	\$ 3,352,152	\$ 2,106,138
Investments	400,000	-	-	-	-	400,000	770,000
Cash on deposit - County Treasurer	222,003	-	-	-	69,633	291,636	235,499
Accounts receivable, net	465,760	61,961	-	-	21,505	549,226	1,246,215
Interest receivable	-	-	-	15,800	5,136	20,936	18,307
Assessments receivable	-	-	-	283,451	13,235	296,686	329,178
Restricted:							
Cash	128,019	-	-	-	304,799	432,818	310,757
Investments	-	-	-	-	80,739	80,739	96,835
In-lieu-of assessments	-	-	-	-	10,105	10,105	10,105
Due from other funds	-	-	-	53,029	123,039	176,068	266,068
Due from component unit	50,000	-	-	-	-	50,000	50,000
Loans receivable	-	-	721,222	-	-	721,222	1,689,429
Taxes receivable	65,445	-	-	-	-	65,445	85,375
<b>Total Assets</b>	<u>\$ 2,098,298</u>	<u>\$ 249,580</u>	<u>\$ 1,654,085</u>	<u>\$ 363,849</u>	<u>\$ 2,081,221</u>	<u>\$ 6,447,033</u>	<u>\$ 7,213,906</u>
<b>Liabilities</b>							
Accounts payable	\$ 81,269	\$ 76,816	\$ -	\$ -	\$ 22,261	\$ 180,346	\$ 781,791
Registered warrants payable	-	-	-	312,960	-	312,960	374,022
Accrued interest payable	-	-	-	37,760	4,198	41,958	45,219
Unearned revenues	49,025	-	-	227,363	27,390	303,778	324,846
Due to other funds	-	176,068	-	-	-	176,068	201,068
<b>Total Liabilities</b>	<u>130,294</u>	<u>252,884</u>	<u>-</u>	<u>578,083</u>	<u>53,849</u>	<u>1,015,110</u>	<u>1,726,946</u>
<b>Fund Balances</b>							
Reserved for:							
Reserved for economic development	-	-	-	-	901,586	901,586	675,162
Reserved for debt service	-	-	-	-	450,392	450,392	217,103
Reserved for library capital improvements	-	-	-	-	80,739	80,739	96,835
Reserved for public safety equipment	-	-	-	-	304,799	304,799	266,131
Reserved for storm water management	-	-	-	-	11,086	11,086	31,262
Revolving loan fund	-	-	1,654,085	-	-	1,654,085	2,305,147
Police grants and programs	128,019	-	-	-	-	128,019	-
Unreserved, Undesignated, Reported in:							
General fund	1,210,485	-	-	-	-	1,210,485	1,450,957
Special revenue funds	-	(3,304)	-	-	187,340	184,036	184,959
Debt service funds	-	-	-	(214,234)	-	(214,234)	(235,058)
Capital projects funds	-	-	-	-	91,430	91,430	3,462
Unreserved, Designated:							
General Fund subsequent years' expenditures	629,500	-	-	-	-	629,500	491,000
<b>Total Fund Balances</b>	<u>1,968,004</u>	<u>(3,304)</u>	<u>1,654,085</u>	<u>(214,234)</u>	<u>2,027,372</u>	<u>5,431,923</u>	<u>5,486,960</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,098,298</u>	<u>\$ 249,580</u>	<u>\$ 1,654,085</u>	<u>\$ 363,849</u>	<u>\$ 2,081,221</u>		

CITY OF BEATRICE, NEBRASKA  
BALANCE SHEET, Continued  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008,  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2007

Exhibit 3

	2008					2007 Total
	General	Streets	CDBG	Unbonded Assessment Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Amounts Reported For Governmental Activities in the Statement of Net Assets Are Different Because:</b>						
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.						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.						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						(1,435,000)
Notes and Leases Payable						(266,964)
Noncurrent Accrued Absences						(513,659)
<b>Net Assets of Governmental Activities</b>						<u>\$ 29,925,812</u>
						<u>\$ 29,818,001</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Exhibit 4

	2008						2007
	General	Streets	CDBG	Unbonded Assessment Debt Service	Other Governmental Funds	Total Governmental Funds	Total
<b>Revenues</b>							
Taxes							
Property tax	\$ 1,297,595	\$ -	\$ -	\$ -	\$ 427,184	\$ 1,724,779	\$ 1,437,813
Sales tax	1,853,751	526,050	-	-	250,000	2,629,801	2,813,973
Occupation tax	755,796	-	-	-	-	755,796	735,742
Licenses and permits	103,070	-	-	-	-	103,070	199,008
Intergovernmental	1,219,115	1,197,455	156,584	-	254,515	2,827,669	3,457,823
Charges for services	1,852,582	38,457	-	-	83,014	1,974,053	1,773,046
Keno proceeds	-	-	-	-	113,062	113,062	109,558
Special assessments	-	-	-	57,085	3,526	60,611	103,792
Interest	64,140	-	20,765	22,077	28,924	135,906	152,259
Donations and miscellaneous revenue	317,398	28,281	13,551	-	235,649	594,879	404,930
<b>Total Revenues</b>	<u>7,463,447</u>	<u>1,790,243</u>	<u>190,900</u>	<u>79,162</u>	<u>1,395,874</u>	<u>10,919,626</u>	<u>11,187,944</u>
<b>Expenditures</b>							
Current							
General government	1,180,937	-	726,137	-	323,667	2,230,741	1,297,993
Public safety	4,681,415	-	-	-	50,615	4,732,030	4,552,974
Highways and streets	-	1,101,521	-	-	-	1,101,521	968,064
Culture and recreation	1,314,275	-	-	-	-	1,314,275	1,321,558
Debt Service							
Principal	-	-	-	-	230,000	230,000	165,000
Interest	-	-	-	19,485	30,425	49,910	51,357
Bond issue costs	-	-	-	-	10,199	10,199	-
Capital outlay	-	568,581	120,384	38,853	1,185,349	1,913,167	2,755,667
MFO payments - other entities	-	-	-	-	124,292	124,292	122,907
<b>Total Expenditures</b>	<u>7,176,627</u>	<u>1,670,102</u>	<u>846,521</u>	<u>58,338</u>	<u>1,954,547</u>	<u>11,706,135</u>	<u>11,235,520</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>286,820</u>	<u>120,141</u>	<u>(655,621)</u>	<u>20,824</u>	<u>(558,673)</u>	<u>(786,509)</u>	<u>(47,576)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	30,500	-	-	-	443,365	473,865	313,958
Transfers out	(291,273)	(69,540)	-	-	(113,052)	(473,865)	(313,958)
Grant write-off	-	(58,582)	-	-	(29,275)	(87,857)	-
Loan proceeds	-	-	-	-	819,329	819,329	216,263
Sale of capital assets	-	-	-	-	-	-	17,854
<b>Total Other Financing Sources (Uses)</b>	<u>(260,773)</u>	<u>(128,122)</u>	<u>-</u>	<u>-</u>	<u>1,120,367</u>	<u>731,472</u>	<u>234,117</u>
<b>Net Change in Fund Balances</b>	<u>26,047</u>	<u>(7,981)</u>	<u>(655,621)</u>	<u>20,824</u>	<u>561,694</u>	<u>(55,037)</u>	<u>186,541</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,941,957</u>	<u>4,677</u>	<u>2,309,706</u>	<u>(235,058)</u>	<u>1,465,678</u>	<u>5,486,960</u>	<u>5,300,419</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,968,004</u>	<u>\$ (3,304)</u>	<u>\$ 1,654,085</u>	<u>\$ (214,234)</u>	<u>\$ 2,027,372</u>	<u>\$ 5,431,923</u>	<u>\$ 5,486,960</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, 2008 AND 2007**

Exhibit 5

	<u>2008</u>	<u>2007</u>
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Net change in fund balances - total governmental funds	\$ (55,037)	\$ 186,541
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	2,094,799	2,801,289
Depreciation Expense	(1,434,032)	(1,317,755)
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.	(555,712)	(5,513)
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.	59,785	(154,397)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(6,511)	(102,696)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>4,519</u>	<u>61,702</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 107,811</u></u>	<u><u>\$ 1,469,171</u></u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008,**

Exhibit 6

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008						Governmental Activities	2007 Enterprise Fund Totals
	Business-type Activities Enterprise Funds							
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals		
<b>Current Assets</b>								
Cash and investments	\$ 2,364,769	\$ 62,366	\$ 91,651	\$ 69,164	\$ 40,249	\$ 2,628,199	\$ 91,215	\$ 1,307,153
Accounts receivable, net	919,693	90,213	60,261	145,465	41,987	1,257,619	-	1,229,072
Unbilled and accrued revenues	432,981	83,909	64,601	-	-	581,491	-	567,817
Materials and supplies inventories	577,211	278,113	-	-	-	855,324	-	758,996
Prepaid expenses	6,188	4,383	3,486	-	-	14,057	-	15,045
Current portion of CRA bonds receivable	-	-	-	-	-	-	-	185,000
Interest receivable	1,139	232	328	-	-	1,699	-	4,349
<b>Total Current Assets</b>	<b>4,301,981</b>	<b>519,216</b>	<b>220,327</b>	<b>214,629</b>	<b>82,236</b>	<b>5,338,389</b>	<b>91,215</b>	<b>4,067,432</b>
<b>Noncurrent Assets</b>								
<b>Restricted Cash and Cash Equivalents</b>								
Employee benefits	126,414	-	-	-	-	126,414	-	13,263
Debt Service Reserve Account	177,463	52,368	87,800	167,789	-	485,420	-	425,387
Grant Reserve Account	-	-	-	112,732	-	112,732	-	-
<b>Restricted Investments</b>								
Customer deposits	165,770	-	-	-	-	165,770	-	143,845
Closure/postclosure maintenance and care	-	-	-	616,701	-	616,701	-	521,176
<b>Total Restricted Cash, Cash Equivalents, and Investments</b>	<b>469,647</b>	<b>52,368</b>	<b>87,800</b>	<b>897,222</b>	<b>-</b>	<b>1,507,037</b>	<b>-</b>	<b>1,103,671</b>
<b>Capital Assets</b>								
Land and land rights	17,432	59,832	16,588	-	-	93,852	-	93,852
Buildings and improvements	1,115,795	71,322	-	-	-	1,187,117	-	1,208,401
Improvements other than buildings	24,157,337	12,591,333	16,239,163	3,584,215	-	56,572,048	-	55,001,933
Machinery and equipment	2,618,031	787,329	1,525,227	719,815	-	5,650,402	-	5,511,718
Construction in progress	13,195	11,320	-	-	-	24,515	-	21,870
	27,921,790	13,521,136	17,780,978	4,304,030	-	63,527,934	-	61,837,774
Less accumulated depreciation	15,079,198	8,257,577	9,748,264	2,499,680	-	35,584,719	-	33,639,959
<b>Net Capital Assets</b>	<b>12,842,592</b>	<b>5,263,559</b>	<b>8,032,714</b>	<b>1,804,350</b>	<b>-</b>	<b>27,943,215</b>	<b>-</b>	<b>28,197,815</b>
<b>Other Assets</b>								
Unamortized bond issuance cost	7,191	1,669	2,364	7,203	-	18,427	-	25,369
<b>Total Noncurrent Assets</b>	<b>13,319,430</b>	<b>5,317,596</b>	<b>8,122,878</b>	<b>2,708,775</b>	<b>-</b>	<b>29,468,679</b>	<b>-</b>	<b>29,326,855</b>
<b>Total Assets</b>	<b>17,621,411</b>	<b>5,836,812</b>	<b>8,343,205</b>	<b>2,923,404</b>	<b>82,236</b>	<b>34,807,068</b>	<b>91,215</b>	<b>33,394,287</b>

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF NET ASSETS, Continued**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008,**

**Exhibit 6**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008						
	Business-type Activities Enterprise Funds					Governmental Activities	2007
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Internal Service Funds	Enterprise Funds Total
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts payable	1,977,671	157,440	192,550	29,612	82,236	-	1,017,983
Claims incurred but not reported	-	-	-	-	-	35,000	-
Accrued compensated absences	91,309	59,562	25,982	22,300	-	-	255,867
Accrued payroll	33,676	16,805	10,149	2,621	-	-	44,185
Sales tax payable	69,224	58	-	-	-	-	75,784
Employee insurance payable	93,500	-	-	-	-	-	68,000
Accrued interest	961	6,025	12,496	8,040	-	-	31,273
Customer deposits	165,745	-	-	-	-	-	143,845
Current maturities of long-term debt	207,512	85,218	147,936	228,681	-	-	634,890
<b>Total Current Liabilities</b>	<b>2,639,598</b>	<b>325,108</b>	<b>389,113</b>	<b>291,254</b>	<b>82,236</b>	<b>35,000</b>	<b>2,271,827</b>
<b>Noncurrent Liabilities</b>							
Compensated absences, noncurrent	150,151	122,098	37,921	-	-	-	288,502
Revenue bonds, net of current maturities	351,175	82,280	116,545	445,000	-	-	1,530,000
Notes payable, net of current maturities	-	587,268	1,230,818	22,954	-	-	1,975,399
Noncurrent cost of closure and postclosure	-	-	-	1,870,000	-	-	1,270,000
<b>Total Noncurrent Liabilities</b>	<b>501,326</b>	<b>791,646</b>	<b>1,385,284</b>	<b>2,337,954</b>	<b>-</b>	<b>-</b>	<b>5,063,901</b>
<b>Total Liabilities</b>	<b>3,140,924</b>	<b>1,116,754</b>	<b>1,774,397</b>	<b>2,629,208</b>	<b>82,236</b>	<b>35,000</b>	<b>7,335,728</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	12,291,096	4,510,462	6,539,779	1,114,918	-	-	24,082,895
Restricted for debt service	177,463	52,368	87,800	167,789	-	-	425,387
Restricted for grants	-	-	-	112,732	-	-	-
Unrestricted	2,011,928	157,228	(58,771)	(1,101,243)	-	56,215	1,550,277
<b>Total Net Assets</b>	<b>\$ 14,480,487</b>	<b>\$ 4,720,058</b>	<b>\$ 6,568,808</b>	<b>\$ 294,196</b>	<b>\$ -</b>	<b>\$ 56,215</b>	<b>\$ 26,058,559</b>

See Accompanying Notes to Financial Statements.



**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**

Exhibit 7

**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008						2007 Enterprise Funds Total
	Business-type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Totals	Internal Service Funds
<b>Operating Revenues</b>							
Charges for services	\$ 12,400,570	\$ 1,487,231	\$ 1,158,511	\$ 1,075,120	\$ 1,208,564	\$ 17,329,996	\$ 933,778
Reimbursements	-	-	-	-	-	-	20,587
<b>Total Operating Revenues</b>	<u>12,400,570</u>	<u>1,487,231</u>	<u>1,158,511</u>	<u>1,075,120</u>	<u>1,208,564</u>	<u>17,329,996</u>	<u>954,365</u>
<b>Operating Expenses</b>							
Electric energy purchased	8,301,361	-	-	-	-	8,301,361	-
Operating and maintenance expenses	1,052,402	732,244	519,983	-	1,208,564	3,513,193	-
Customer accounting expenses	217,666	122,745	63,368	-	-	403,779	-
Engineering services	136,935	16,000	16,000	-	-	168,935	-
Administrative and general expense	710,535	357,180	231,440	655,805	-	1,954,960	-
Municipal expenses	390,216	31,450	9,650	-	-	431,316	-
Depreciation and amortization	948,659	393,325	673,040	293,280	-	2,308,304	-
Landfill operating contracts	-	-	-	667,885	-	667,885	-
Health insurance claims paid	-	-	-	-	-	-	698,318
Health and life insurance premiums	-	-	-	-	-	-	129,350
Payflex expenditures	-	-	-	-	-	-	51,197
Workers' compensation claims paid	-	-	-	-	-	-	47,299
Other services and charges	-	-	-	-	-	-	25,744
<b>Total Operating Expenses</b>	<u>11,757,774</u>	<u>1,652,944</u>	<u>1,513,481</u>	<u>1,616,970</u>	<u>1,208,564</u>	<u>17,749,733</u>	<u>951,908</u>
<b>Operating Income (Loss)</b>	<u>642,796</u>	<u>(165,713)</u>	<u>(354,970)</u>	<u>(541,850)</u>	<u>-</u>	<u>(419,737)</u>	<u>2,457</u>
<b>Nonoperating Revenues (Expenses)</b>							
Interest income	67,070	3,144	1,630	27,036	-	98,880	2,062
Merchandising, etc.	54,205	(731)	8,999	-	-	62,473	-
Contribution in aid of construction	-	-	-	-	-	-	-
Grant income	14,300	7,418	65,200	112,732	-	199,650	-
Miscellaneous	122,555	6,802	76,400	9,361	-	215,118	-
Loss on asset disposal	(3,600)	-	(1,297)	-	-	(4,897)	-
Interest expense	(30,281)	(27,452)	(52,823)	(29,000)	-	(139,556)	-
Amortization of bond issuance cost	(2,397)	(556)	(788)	(3,200)	-	(6,941)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>221,852</u>	<u>(11,375)</u>	<u>97,321</u>	<u>116,929</u>	<u>-</u>	<u>424,727</u>	<u>2,062</u>
<b>Change in Net Assets</b>	<u>864,648</u>	<u>(177,088)</u>	<u>(257,649)</u>	<u>(424,921)</u>	<u>-</u>	<u>4,990</u>	<u>211,539</u>
<b>Net Assets, Beginning of Year</b>	<u>13,615,839</u>	<u>4,897,146</u>	<u>6,826,457</u>	<u>719,117</u>	<u>-</u>	<u>26,058,559</u>	<u>51,696</u>
<b>Net Assets, End of Year</b>	<u>\$ 14,480,487</u>	<u>\$ 4,720,058</u>	<u>\$ 6,568,808</u>	<u>\$ 294,196</u>	<u>\$ -</u>	<u>\$ 26,063,549</u>	<u>\$ 56,215</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Exhibit 8

	Business-type Activities Enterprise Funds					Governmental Activities	2007 Enterprise Funds Total
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)	Internal Service Funds	
<b>Cash Flows From Operating Activities</b>							
Cash received from customers	\$ 12,560,985	\$ 1,486,673	\$ 1,237,363	\$ 1,071,080	\$ 1,244,030	\$ 1,084,556	\$ 16,429,826
Cash paid to suppliers for goods and services	(8,706,441)	(526,302)	(264,683)	(519,445)	(1,204,757)	(951,908)	(11,312,733)
Cash paid to employees for services	(1,072,480)	(643,253)	(396,361)	(178,503)	-	-	(2,853,657)
<b>Net Cash Provided by Operating Activities</b>	<b>2,782,064</b>	<b>317,118</b>	<b>576,319</b>	<b>373,132</b>	<b>39,273</b>	<b>132,648</b>	<b>2,263,436</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Principal payments on long-term debt	(194,743)	(81,089)	(141,241)	(217,829)	-	-	(598,594)
Principal advances on long-term debt	-	-	-	-	-	-	(16,977)
Repayment to General Fund	-	-	-	-	-	(65,000)	-
Interest paid on revenue bond maturities	(30,587)	(27,854)	(53,638)	(31,228)	-	-	(166,325)
Grant proceeds	14,300	7,418	65,200	112,732	-	-	-
Capital expenditures	(856,608)	(626,510)	(470,466)	(105,016)	-	-	(2,063,171)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(1,067,638)</b>	<b>(728,035)</b>	<b>(600,145)</b>	<b>(241,341)</b>	<b>-</b>	<b>(65,000)</b>	<b>(2,845,067)</b>
<b>Cash Flows From Investing Activities</b>							
Receipt of principal payments on bond receivable	185,000	-	-	-	-	-	180,000
Interest received	56,855	3,144	1,630	27,036	-	2,062	132,504
<b>Net Cash Provided by Investing Activities</b>	<b>241,855</b>	<b>3,144</b>	<b>1,630</b>	<b>27,036</b>	<b>-</b>	<b>2,062</b>	<b>312,504</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,956,281</b>	<b>(407,773)</b>	<b>(22,196)</b>	<b>158,827</b>	<b>39,273</b>	<b>69,710</b>	<b>(269,127)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>878,135</b>	<b>522,507</b>	<b>201,647</b>	<b>807,559</b>	<b>976</b>	<b>21,505</b>	<b>2,679,951</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,834,416</b>	<b>\$ 114,734</b>	<b>\$ 179,451</b>	<b>\$ 966,386</b>	<b>\$ 40,249</b>	<b>\$ 4,135,236</b>	<b>\$ 2,410,824</b>
<b>Cash and Cash Equivalents consist of:</b>							
Cash and investments	\$ 2,364,769	\$ 62,366	\$ 91,651	\$ 69,164	\$ 40,249	\$ 2,628,199	\$ 1,307,153
Employee benefits cash	126,414	-	-	-	-	126,414	13,263
Debt service reserve account	177,463	52,368	87,800	167,789	-	485,420	425,387
Grant reserve account	-	-	-	112,732	-	112,732	-
Customer deposits investments	165,770	-	-	-	-	165,770	143,845
Closure/postclosure maintenance and care	-	-	-	616,701	-	616,701	521,176
<b>Total Cash and Cash Equivalents</b>	<b>\$ 2,834,416</b>	<b>\$ 114,734</b>	<b>\$ 179,451</b>	<b>\$ 966,386</b>	<b>\$ 40,249</b>	<b>\$ 4,135,236</b>	<b>\$ 2,410,824</b>

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF CASH FLOWS, Continued**  
**PROPRIETARY FUNDS**

**Exhibit 8**

**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Business-type Activities Enterprise Funds					2008 Totals	Governmental	2007 Enterprise Funds Total
	Electric	Water	Water Pollution Control	BASWA	Other (Sanitation)		Activities Internal Service Funds	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>								
Operating income (loss)	\$ 642,796	\$ (165,713)	\$ (354,970)	\$ (541,850)	\$ -	\$ (419,737)	\$ 2,457	\$ (252,757)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>								
Depreciation	948,659	393,325	673,040	293,280	-	2,308,304	-	2,317,522
Merchandise and miscellaneous revenue	189,625	6,071	85,399	9,361	-	290,456	-	284,908
Decrease in estimated cost of closure and postclosure	-	-	-	600,000	-	600,000	-	150,000
Increase in unbilled and accrued revenues	(50,791)	(8,847)	(4,508)	-	-	(64,146)	-	(74,462)
(Increase) decrease in accounts receivable	(319)	2,218	(2,039)	(13,401)	35,466	21,925	130,191	(127,787)
Increase in inventory	(64,580)	(31,748)	-	-	-	(96,328)	-	(87,780)
(Increase) decrease in prepaid insurance	2,666	(206)	(1,472)	-	-	988	-	(2,178)
Increase (decrease) in accounts payable	1,060,997	146,555	185,091	25,076	3,807	1,421,526	-	(63,977)
Increase (decrease) in sales tax payable	(6,464)	(38)	-	-	-	(6,502)	-	11,293
Increase in employee insurance payable	25,500	-	-	-	-	25,500	-	6,000
Increase in accrued payroll	8,868	4,119	3,458	666	-	17,111	-	-
Increase (decrease) in accrued compensated absences	3,207	(28,618)	(7,680)	-	-	(33,091)	-	69,989
Increase in customer deposits	21,900	-	-	-	-	21,900	-	32,665
<b>Total Adjustments</b>	<b>2,139,268</b>	<b>482,831</b>	<b>931,289</b>	<b>914,982</b>	<b>39,273</b>	<b>4,507,643</b>	<b>130,191</b>	<b>2,516,193</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,782,064</b>	<b>\$ 317,118</b>	<b>\$ 576,319</b>	<b>\$ 373,132</b>	<b>\$ 39,273</b>	<b>\$ 4,087,906</b>	<b>\$ 132,648</b>	<b>\$ 2,263,436</b>

**Noncash Investing, Capital, and Financing Activities:**

The Water Fund received \$129,235 of Contributions in Aid of Construction on distribution systems put in by developers or the City's governmental funds during the year ended September 30, 2007.

The Water Pollution Control Fund received \$84,988 of Contributions in Aid of Construction on distribution systems put in by developers or the City's governmental funds during the year ended September 30, 2007.

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2008 AND 2007**

Exhibit 9

	Pension Trust Fund	
	2008	2007
<b>Assets</b>		
Investments with fiscal agent:		
Demand deposits	\$ 591,363	\$ 978,300
Guaranteed interest accounts	6,509,541	7,413,410
Publicly traded equities	5,793,196	7,293,056
<b>Total Assets</b>	12,894,100	15,684,766
<b>Liabilities</b>	-	-
<b>Net Assets</b>		
Reserved for employees' retirement system	\$ 12,894,100	\$ 15,684,766

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, 2008 AND 2007**

Exhibit 10

	Pension Trust Fund	
	2008	2007
<b>Additions</b>		
<b>Contributions</b>		
Employer	\$ 384,859	\$ 430,811
Employee	406,661	418,159
<b>Total Contributions</b>	<u>791,520</u>	<u>848,970</u>
 <b>Transfer From Other Funds</b>	 40,285	 -
 <b>Investment Earnings</b>		
Net (decrease) increase in the fair value of investments	(938,450)	1,350,663
<b>Total Additions (Reductions)</b>	<u>(106,645)</u>	<u>2,199,633</u>
 <b>Deductions</b>		
Benefits	2,620,662	1,037,897
Administrative expenses	23,074	17,242
Transfer to other funds	40,285	-
<b>Total Deductions</b>	<u>2,684,021</u>	<u>1,055,139</u>
 <b>Change in Net Assets</b>	 (2,790,666)	 1,144,494
 <b>Net Assets, Beginning of Year</b>	 <u>15,684,766</u>	 <u>14,540,272</u>
 <b>Net Assets, End of Year</b>	 <u>\$ 12,894,100</u>	 <u>\$ 15,684,766</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS**

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# **CITY OF BEATRICE, NEBRASKA**

## **NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2008**

### **NOTE A – 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 Accounting 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.

#### **1. 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, 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

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**1. Financial Reporting Entity, continued**

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.

**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, the 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:



CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Discretely Presented Component Units, continued

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 Authority 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.

2. 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 units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges

# CITY OF BEATRICE, NEBRASKA

## NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### 2. Basis of Presentation, continued

##### Government-wide Financial Statements, continued

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:

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Governmental Funds, continued**

*General Fund*

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

*Special Revenue – Street Fund*

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

*Special Revenue – Community Development Block Grant Fund*

The Community Development Block Grant 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*

This fund is used to account for collection of special assessments and debt service related to paving, water, and sewer projects.

Additionally, the City reports the following nonmajor fund types:

*Special Revenue Funds*

The Special Revenue Funds account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. These nonmajor funds consist of 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 and bonded districts.

CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

**Governmental Funds, continued**

*Capital Projects Funds*

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

**Proprietary Funds**

*Enterprise Funds*

The 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*

The 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 District 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, and stores water and distributes it 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 services for the collection and treatment of wastewater for the residents of the City.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Proprietary Funds, continued**

*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 serving Beatrice, Gage County, and surrounding cities and villages that enter into service agreements with the Agency. The City of Beatrice operates and manages the facilities, as agent acting on behalf of the Agency. The City contracts with a private contractor for operation of 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.

**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 of 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.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**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, 2007, from which the summarized information was derived.

**3. 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:

- 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.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**3. Measurement Focus and Basis of Accounting, continued**

**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.

**4. Assets, Liabilities, and Equity**

**Estimates**

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

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. 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 Notes B2, C1, and D2.

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

**Receivables**

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

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

**Inventories**

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



**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**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.

*Government-wide Statements*

In the government-wide financial statements, capital assets are capitalized, whether owned by governmental activities or business-type activities, and are 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 Energy Regulatory Commission.

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 increase 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.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Capital assets, continued**

*Government-wide Statements, continued*

Property, plant, and equipment are depreciated by 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, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. 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 up to a maximum amount as stated in the employee handbook. The accumulated vacation is limited to the amount of vacation earned in the previous year. All accumulated vacation is paid upon the employee's termination. Fifty percent, but not exceeding -0- hours for firefighters, 360 hours for police, 900 hours for Board of Public Works employees, and 600 hours for all other City employees, of unused sick leave is paid at resignation. Fifty percent, but not exceeding 540 hours for firefighters and 720 hours for police, of unused sick leave is paid at retirement. Employees of the Board of Public Works and the City are paid seventy-five percent of their unused sick leave when they retire, up to 900 hours. 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 or her 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 is limited to compensated absences that are payable to terminated employees. Compensated absences for employees whose compensation is accounted for in the governmental funds 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.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Long-term Debt, continued**

*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.

**Equity Classifications**

*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.”

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements*

Governmental 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.

**5. 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 operating subsidies, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers to other funds. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management. Interfund Services provided and used 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.

**Property Taxes**

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

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses, continued**

**Property Taxes, continued**

Property tax revenues 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, 2007
	Levy date	October 15, 2007
	Tax bills mailed	December 1, 2007
	Due date	December 31, 2007
	First Installment payment delinquent	May 1, 2008
	Second installment payment delinquent	September 1, 2008

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 \$.281972 per \$100 of assessed valuation, which means the City has a tax margin of \$.217962 per \$100 of assessed valuation and could raise taxes by \$1,095,232, based on the present assessed valuation of \$502,487,631, 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 31, 2003, and 100% of the proceeds derived after March 31, 2003, was to be used for property tax relief.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures and Expenses, continued**

**Sales and Use Tax, continued**

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

**Expenditures/Expenses**

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

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 B – 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:

CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

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 \$200,000 by the Federal Deposit Insurance Corporation (FDIC) (\$100,000 for interest-bearing deposits and \$100,000 for non-interest-bearing deposits). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's Name.

3. **Revenue Restrictions**

The City has various restrictions placed over certain revenue sources by state or local requirements. The primary restricted revenue sources are described in Note A2 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, Debt Service, and Capital Projects Funds on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP). An appropriated budget is adopted each fiscal period for the 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 D5. 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.



**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**5. Budgetary Data, continued**

The City follows these procedures in establishing the budgetary data 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, 2007, and ending September 30, 2008. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing was duly published and held to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance.

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

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

The budget amounts shown in the financial statements reflect the original and final authorized amounts for the fiscal period. Revisions during the period increased the budget in the following funds:

General Fund	\$ 738,093
Street Fund	90,000
Unbonded Districts Debt Service Fund	52,000
Self-insured Health Care Fund	35,000
Storm Water Management Plan Fund	69,540
CDBG Fund	162,000
Library Capital Improvement Fund	19,000
Community Redevelopment Authority	52,500
Keno Fund	<u>1,600</u>
Total	\$ <u>1,219,733</u>
Beatrice Airport Authority	\$ <u>93,000</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

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

**1. Cash and Investments**

**Deposits**

The City's policies regarding deposits of cash are discussed in Note A4. Total bank balances were \$7,634,384 at September 30, 2008, and were fully covered by FDIC and pledged securities.

Reconciliation to Government-wide Statement of Net Assets:

Primary Government –

Unrestricted cash and cash equivalents \$ 6,071,566

Restricted cash and cash equivalents 1,157,384

Component Units –

Unrestricted cash and cash equivalents 119,884

\$ 7,348,834

**Investments**

The City's policies and applicable laws regarding investments are discussed in Notes A4 and B2. The table presented below is designed to disclose the types of investments held by the City at September 30, 2008.

<b>Type of Investment</b>	<b><u>Carrying Amount</u></b>	<b><u>Fair Value</u></b>
Demand deposits	\$ 757,872	\$ 757,872
Time deposits	1,096,701	1,096,701
Publicly traded equities	5,793,196	5,793,196
Guaranteed investment securities	<u>6,509,541</u>	<u>6,509,541</u>
	<u>\$ 14,157,310</u>	<u>\$ 14,157,310</u>

Investments are presented as follows as of September 30, 2008:

Primary Government –

Unrestricted investments \$ 400,000

Restricted investments 863,210

Employee Pension Funds 12,894,100

\$ 14,157,310

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2008, 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	\$ 432,818	\$ 724,566	\$ 1,157,384
Investments	<u>80,739</u>	<u>782,471</u>	<u>863,210</u>
	<u>\$ 513,557</u>	<u>\$ 1,507,037</u>	<u>\$ 2,020,594</u>

**3. 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, 2008, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 589,226	\$1,257,619	\$1,846,845	\$ 13,919
Allowance for doubtful accounts	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Net accounts receivable	<u>\$ 549,226</u>	<u>\$1,257,619</u>	<u>\$1,806,845</u>	<u>\$ 13,919</u>

**CITY OF BEATRICE, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**SEPTEMBER 30, 2008**

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

**3. Accounts and Notes Receivable, continued**

Assessments receivable consist of the following as of September 30:

	<u>2008</u>	<u>2007</u>
Current	\$ 46,704	\$ 51,583
Delinquent	22,619	28,499
Deferred	188,485	249,096
In-process	<u>38,878</u>	<u>-</u>
	<u>\$ 296,686</u>	<u>\$ 329,178</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, 2008.

<u>Due From</u>	<u>Balance 9/30/2008</u>	<u>Terms</u>
Precise Fabrication, Inc.	\$ 11,237	5%; due in monthly payments of \$5,654 through November 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	62,528	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.
Borgman Crate & Pallet, Inc.	-	Loan was paid in full during the year ended September 30, 2008.
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.	17,506	3.5%; due in monthly installments of \$1,341 through April 2009.
Store Kraft Manufacturing Co.	279,166	0%; due in monthly payments of \$4,167 through April 2014.
Knowledge Marketing, LLC	<u>-</u>	Loan was written off during the year ended September 30, 2008.
Total	<u>\$ 721,222</u>	

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**4. Capital Assets**

Components of the City's capital assets at September 30, 2008, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land and land rights	\$ 2,545,537	\$ 93,852	\$ 2,639,389
Construction in progress	-	24,515	24,515
Buildings and improvements	5,293,550	1,187,117	6,480,667
Improvements other than buildings	3,633,681	56,572,048	60,205,729
Machinery and equipment	7,251,843	5,650,402	12,902,245
Infrastructure	<u>22,835,210</u>	<u>-</u>	<u>22,835,210</u>
	41,559,821	63,527,934	105,087,755
Accumulated depreciation	<u>(14,906,524)</u>	<u>(35,584,719)</u>	<u>( 50,491,243)</u>
	<u>\$ 26,653,297</u>	<u>\$ 27,943,215</u>	<u>\$ 54,596,512</u>

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

	<u>Balance 10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/08</u>
Buildings and improvements	\$ 5,045,007	\$ 248,543	\$ -	\$ 5,293,550
Improvements other than buildings	3,594,326	39,355	-	3,633,681
Machinery and equipment	6,280,101	1,379,247	(407,505)	7,251,843
Infrastructure	<u>22,548,334</u>	<u>286,876</u>	<u>-</u>	<u>22,835,210</u>
	37,467,768	1,954,021	(407,505)	39,014,284
Land	<u>2,404,759</u>	<u>140,778</u>	<u>-</u>	<u>2,545,537</u>
	<u>\$ 39,872,527</u>	<u>\$ 2,094,799</u>	<u>\$ (407,505)</u>	<u>\$ 41,559,821</u>

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

	<u>Balance 10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/08</u>
Buildings and improvements	\$ 1,208,401	\$ 16,235	\$ ( 37,519)	\$ 1,187,117
Improvements other than buildings	55,001,933	1,570,115	-	56,572,048
Machinery and equipment	<u>5,511,718</u>	<u>469,608</u>	<u>(330,924)</u>	<u>5,650,402</u>
	61,722,052	2,055,958	(368,443)	63,409,567
Land and land rights	93,852	-	-	93,852
Construction in progress	<u>21,870</u>	<u>2,645</u>	<u>-</u>	<u>24,515</u>
	<u>\$ 61,837,774</u>	<u>\$ 2,058,603</u>	<u>\$ (368,443)</u>	<u>\$ 63,527,934</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**4. Capital Assets, continued**

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

	<u>Balance</u> <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/08</u>
Land and land rights	\$ 337,622	\$ 150,978	\$ -	\$ 488,600
Buildings and improvements	1,689,314	-	-	1,689,314
Improvements other than buildings	4,344,311	-	-	4,344,311
Machinery and equipment	<u>308,431</u>	<u>-</u>	<u>-</u>	<u>308,431</u>
	<u>\$ 6,679,678</u>	<u>\$ 150,978</u>	<u>\$ -</u>	<u>\$ 6,830,656</u>

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

	<u>Balance</u> <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/08</u>
Buildings and improvements	\$ 1,704,907	\$ 130,435	\$ -	\$ 1,835,342
Improvements other than buildings	1,721,714	173,123	-	1,894,837
Machinery and equipment	3,790,891	483,631	(400,994)	3,873,528
Infrastructure	<u>6,655,974</u>	<u>646,843</u>	<u>-</u>	<u>7,302,817</u>
	<u>\$ 13,873,486</u>	<u>\$ 1,434,032</u>	<u>\$ (400,994)</u>	<u>\$ 14,906,524</u>

Depreciation was charged to the following governmental functions in the government-wide statement of activities during the year ended September 30, 2008:

General government	\$ 10,409
Public safety	316,656
Highways and streets	746,732
Culture and recreation	<u>360,235</u>
Total depreciation	<u>\$ 1,434,032</u>

The following table summarizes the changes in the accumulated depreciation of the business-type activities:

	<u>Balance</u> <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/08</u>
Buildings and improvements	\$ 460,885	\$ 48,425	\$ ( 33,725)	\$ 475,585
Improvements other than buildings	29,516,246	1,903,167	-	31,419,413
Machinery and equipment	<u>3,662,828</u>	<u>356,712</u>	<u>(329,819)</u>	<u>3,689,721</u>
	<u>\$ 33,639,959</u>	<u>\$ 2,308,304</u>	<u>\$ (363,544)</u>	<u>\$ 35,584,719</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**4. Capital Assets, continued**

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

	Balance <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/08</u>
Buildings and improvements	\$ 965,691	\$ 59,647	\$ -	\$ 1,025,338
Improvements other than buildings	3,094,373	159,207	-	3,253,580
Machinery and equipment	<u>178,381</u>	<u>25,633</u>	<u>-</u>	<u>204,014</u>
	<u>\$ 4,238,445</u>	<u>\$ 244,487</u>	<u>\$ -</u>	<u>\$ 4,482,932</u>

Construction in progress at September 30, 2008, consists of an electrical project (\$13,132) at South 40 Estates with a projected cost of \$41,141, an electrical project (\$63) to convert feeders throughout the distribution system with a projected cost of \$230,000, and fencing the well field (\$11,320) with a projected cost of \$12,155. These projects are expected to be completed during the fiscal year ending September 30, 2009.

**5. Capital Leases**

Capital leases in the governmental funds consist of:

The City has entered into a lease agreement, as lessee, to finance the acquisition of a copier for the city offices. This lease qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Fund. At September 30, 2008, the amount included in the government activities in the government-wide statements is \$13,065. The gross cost of the equipment obtained through this lease was \$14,475, and is included in machinery and equipment.

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, 2008, the amount included in the governmental activities in the government-wide statements is \$93,307. 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, 2008**

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

**5. Capital Leases, 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. At September 30, 2008, the amount included in the Beatrice Area Solid Waste Agency Enterprise Fund was \$41,635. 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, 2008:

<u>Year Ending September 30,</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
2009	\$ 55,937	\$ 20,256	\$ 76,193
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	115,632	43,912	159,544
Less: amount representing interest	( 9,260)	( 2,277)	( 11,537)
Present value of future minimum lease payments	\$ <u>106,372</u>	\$ <u>41,635</u>	\$ <u>148,007</u>

The capital leases transaction summary for the year ended September 30, 2008, follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Capital Leases 10/01/07	\$ 139,989	\$ 59,464	\$ 199,453
Capital Leases Additions	14,475	-	14,475
Capital Leases Payments	( 48,092)	(17,829)	( 65,921)
Capital Leases 09/30/08	\$ <u>106,372</u>	\$ <u>41,635</u>	\$ <u>148,007</u>



**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**6. Long-term Debt**

The summary of bond and note transactions of the City for the year ended September 30, 2008, follows:

	Balance <u>9/30/07</u>	<u>Proceeds</u>	<u>Repayments</u>	Balance <u>09/30/08</u>	Amounts Due Within One Year
Governmental Activities:					
Note and bonds payable	\$ 1,006,263	\$ 819,329	\$ ( 230,000)	\$ 1,595,592	\$ 370,148
Business-type Activities:					
Note and bonds payable	4,080,825	-	( 617,073)	3,463,752	650,666
Component Units:					
Bonds and Notes payable	<u>2,087,864</u>	<u>-</u>	<u>( 258,532)</u>	<u>1,829,332</u>	<u>268,532</u>
Totals	<u>\$ 7,174,952</u>	<u>\$ 819,329</u>	<u>\$ (1,105,605)</u>	<u>\$ 6,888,676</u>	<u>\$ 1,289,346</u>

Bonds and notes payable as of September 30, 2008, comprise 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. \$ 110,000

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. 510,000

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. 815,000

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. 160,592  
\$ 1,595,592

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**6. Long-term Debt, continued**

**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. \$ 1,309,886

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. 623,866

Combined Utilities Revenue Bonds issued August 20, 2002, interest rates ranging from 2.00% 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. 875,000

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. 655,000  
\$ 3,463,752

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2008, are as follows:

Year Ending September 30,	<u>Governmental Activities</u> Note and Bonds Payable		<u>Business-type Activities</u> Note and Bonds Payable		NDEQ Fees
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 370,148	\$ 38,174	\$ 650,666	\$ 120,124	\$ 19,051
2010	360,148	32,750	674,374	94,596	17,885
2011	310,296	23,867	563,200	67,186	16,681
2012	270,000	14,918	127,149	49,098	15,440
2013	140,000	7,742	131,224	45,023	14,158
2014-2018	145,000	2,646	721,975	159,261	50,082
2019-2022	-	-	<u>595,164</u>	<u>208,537</u>	<u>12,437</u>
	\$ <u>1,595,592</u>	\$ <u>120,097</u>	\$ <u>3,463,752</u>	\$ <u>743,825</u>	\$ <u>145,734</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**6. Long-term Debt, continued**

**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. \$ 135,000

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$311, through September 2009. 3,732

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through February 2012. 7,400

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, due in monthly installments of \$200, through October 2011. 8,200

\$ 154,332

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 ranging from \$70,000 due September 15, 2009, to \$110,000 due September 15, 2018. \$ 860,000

Redevelopment Revenue Bonds issued January 11, 2005, interest rate at 4.25%. Interest due in semiannual installments due September 15 and March 15. Principal due in annual installments ranging from \$175,000 due September 15, 2006, to \$185,000 due September 15, 2008. -

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. 815,000

\$ 1,675,000

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**6. Long-term Debt, continued**

**Component Unit Bonds and Notes Payable, continued**

The outstanding balance as of September 30, 2008, is estimated to be repaid as follows:

Year Ended September 30,	Component Units			
	Airport Authority		Community	
	Notes and Bonds Payable		Redevelopment Authority	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 73,532	\$ 3,574	\$ 195,000	\$ 76,457
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
2014-2018	-	-	635,000	96,050
Total	<u>\$ 154,332</u>	<u>\$ 4,816</u>	<u>\$ 1,675,000</u>	<u>\$ 400,857</u>

**7. Registered Warrants**

Registered warrants were issued to finance various projects of the City of Beatrice, the Beatrice Community Redevelopment Authority, and the Beatrice Airport Authority. 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, 2008.

	Governmental <u>Funds</u>	Community Redevelopment <u>Authority</u>	Airport <u>Authority</u>
Warrants payable September 30, 2007	\$ 374,022	\$ 65,801	\$ -
Warrants issued	38,853	-	329,662
Warrants paid	( 99,915)	(33,473)	-
Warrants payable September 30, 2008	<u>\$ 312,960</u>	<u>\$ 32,328</u>	<u>\$ 329,662</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**8. Notes Receivable/Payable - Tax Increment Financing**

Estimated future receivables and payables under TIF agreements were as follows as of September 30, 2008:

	<u>Receivable</u>	<u>Payable</u>
Cornhusker Hospitality II, LLC	\$ 188,228	\$ 188,228
Airport Authority of Beatrice	1,450,433	1,450,433
E-6 Investments, Inc.	220,488	228,421
E-6 Investments, Inc.	46,923	49,331
Fakler Development, LLC	38,455	38,455
E-6 Investments, Inc.	86,701	89,237
Toby and Teresa Bissegger	40,681	40,681
Beatrice Biodiesel, LLC	2,210,000	2,210,000
Precise Bldg, LLC	<u>190,000</u>	<u>190,000</u>
	\$ <u>4,471,909</u>	\$ <u>4,484,786</u> *
Current Portion	\$ 318,025	\$ 318,025
Noncurrent Portion	<u>4,153,884</u>	<u>4,166,761</u>
	\$ <u>4,471,909</u>	\$ <u>4,484,786</u>

\* Equal to total CRA liabilities

**9. Interfund Payables and Receivables**

All interfund payables arise due to ongoing operations of the City. The following balances at September 30, 2008, represent individual fund interfund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds - Street Fund	\$ -	\$ 176,068
Debt Service Funds - Bonded	123,039	-
Debt Service Funds - Unbonded	<u>53,029</u>	<u>-</u>
	\$ <u>176,068</u>	\$ <u>176,068</u>
Component Unit - CRA	\$ -	\$ 50,000
General Fund	<u>50,000</u>	<u>-</u>
	\$ <u>50,000</u>	\$ <u>50,000</u>

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

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

**10. Interfund Transfers**

Interfund transfers were as follows for the year ended September 30, 2008:

<u>Transfer Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 291,273	\$ 291,273
Street Fund	-	69,540	69,540
Nonmajor Governmental Funds	<u>30,500</u>	<u>82,552</u>	<u>113,052</u>
Total	<u>\$ 30,500</u>	<u>\$ 443,365</u>	<u>\$ 473,865</u>

The General and Keno Funds transferred \$291,273 and \$82,552 to the Capital Improvements Fund during the year to fund outlay and improvements for capital assets.

**11. Deficit Fund Balances**

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$214,234 at September 30, 2008. The Special Revenue Funds had deficit fund balances for the 911 Surcharge Fund of \$4,065 and the Street Fund of \$3,304 at September 30, 2008.

**NOTE D – OTHER NOTES**

**1. Pension and Other Benefit Plans**

The City participates in the following employee pension plans:

<u>Name of Plan</u>	<u>Type of Plan</u>
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

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**1. Pension and Other Benefit Plans, continued**

**Police and Firefighters Pension Plan**

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 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% of gross with the City also contributing 6% as adopted by the City. The City's total police payroll for 2008 was \$998,524 and the City contributions were based on a payroll of \$996,592. Both the City and the covered employees made the required contributions, amounting to \$54,575 (retirement rate of 6% of covered payroll) for the City and \$59,796 (6%) 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 2008 was \$1,142,944 and the City's contributions were based on a payroll of \$935,671. Both the City and the covered employees made the required contributions, amounting to \$119,755 (retirement rate of 13% of covered payroll) for the City and \$60,819 (6.5%) for the employees.

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

The Police and Firefighters pension is administered by the City. The assets are accounted for in the Pension Trust Fund of the Fiduciary Fund.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**1. Pension and Other Benefit Plans, continued**

**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.

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

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

**Police Plan**

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



CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE D – OTHER NOTES, continued

1. Pension and Other Benefit Plans, continued

Firefighters 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 benefit 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 percent for pre-retirement and 5 percent for post-retirement per annum, and (b) projected annual salary increases of 3 percent.

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, 2008	\$ 417,537
Benefit liability at January 1, 2003, plus an inflation factor to September 30, 2008	<u>325,456</u>
Funded Status	\$ <u>92,081</u>
Prepaid (accrued) benefit cost recognized in the balance sheet	\$ <u>-</u>

The actuarially determined recommended contribution under the defined benefit plan was zero, and no contributions were made for the year ended September 30, 2008.

During the year ended September 30, 2008, two of the remaining three firefighters covered under the plan redeemed their plan assets, so there is only one remaining participant.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**1. Pension and Other Benefit Plans, continued**

**Non-Uniformed Employees (Other than Board 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, which is a component unit 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. Vesting begins after five years of participation in the plan at the rate of 2.0% per month. Participants are fully vested after nine years and two months of participation.

Contribution Requirements and Contributions Made – The contribution rate for the non-uniformed employees is 6% of base pay with the City contribution 6%, as adopted by the City. The City's total non-uniformed employee payroll for 2008 was \$1,587,666 and the City's contributions were based on a payroll of \$1,151,500. Both the City and covered employees made required contributions, totaling \$65,554 (retirement rate of 6% of covered payroll) for the City and \$69,090 (6%) for the employees, plus \$7,081 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:**

Defined Contribution Plan Description – The 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 employee may make after-tax contributions ranging from 1% to 100% of their compensation. 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 their Plan contributions, plus any earnings generated. Employer contributions to the Plan, plus any earnings generated, are vested as follows:

Vesting begins at a rate of 20% after 3 years, i.e., less than 2 years, 0%; 3 years, 20%; 4 years, 40%; 5 years, 60%; 6 years, 80%, and 7 or more years, 100%.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**1. Pension and Other Benefit Plans, continued**

**Board of Public Works, continued**

**Defined Contribution Plan, continued:**

Employees may select funds to invest in for their portion of the contribution; however, the Board of Public Works contribution is always invested in a Guaranteed Investment Account.

Contribution Requirements and Contributions Made – Contributions of \$144,975 were made by the Board of Public Works to match required contributions for the year ended September 30, 2008. Contributions were based on wages totaling \$2,416,250 for the year ending September 30, 2008. Total wages paid by the Board of Public Works were \$2,968,998 for the year ended September 30, 2008. Benefits under the plan will be based on accumulated contributions.

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

**Deferred Compensation Plan:**

The City of Beatrice Board 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, 2008, was \$899,371, which is funded by the unallocated account in the Firefighters Defined Benefit Plan.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**1. Pension and Other Benefit Plans, continued**

**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>	
9/30/06	\$ -	N/A	\$ -
9/30/07	-	N/A	-
9/30/08	-	N/A	-

**2. Risk Management**

Insurance

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

The City is exposed to various risks of loss related to medical claims of employees and dependents. The City established a Self-Insured Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured 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 \$128,500 and \$103,000 reported in the financial statements at September 30, 2008 and 2007, is based on the requirements of Governmental Accounting Standards Board Pronouncements, which require 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 as of the date of the financial statements and the amount of the loss can be reasonably estimated.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

Insurance, continued

Changes in the City's claims liability amount in fiscal 2008 and 2007 were:

	Beginning of Fiscal Period Liability	Current Period Claims and Change in Estimates	Charges and Reimbursements	Balance at Fiscal Period-End
2007-2008	\$ 103,000	\$ 1,246,055	\$ 1,271,555	\$ 128,500
2006-2007	127,000	1,216,519	1,192,519	103,000

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 deposit, money market accounts for restricted assets for customer deposits and Bond Payment account, Debt Service Reserve Account, Renewal and Replacement Account, and Retirement and Betterment account. These accounts are identified on the balance sheet as "Restricted Investments."

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

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

In lieu of the bond requirement, any bank making application to become a depository of the City may deposit security with the City Clerk as provided in State Statute 16-715. Provided, that the penal sum of said bond or 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.

CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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, 2008, 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 rising 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 2008	\$ 200,000
November 2008	300,000
January 2009	400,000
March 2009	616,701
August 2009	300,000
September 2009	<u>80,000</u>
	<u>\$ 1,896,701</u>

CITY OF BEATRICE, NEBRASKA

NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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

**Concentration of Credit Risk.** The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2008, the City's investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
First National Bank of Omaha	\$ 1,596,701
Pinnacle Bank	<u>300,000</u>
	<u>\$ 1,896,701</u>

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

The Pension Trust Fund of the City's employees (other than the Board of Public Works) is managed by Principal Financial Group. 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, 2008, was \$12,894,100.

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.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

Deposits and Investments, continued

**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, 2008.

**3. 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 \$1,870,000 reported as landfill closure and postclosure care liability at September 30, 2008, represents the cumulative amount reported to date based on 50.9% used of the estimated capacity of the landfill, and is an increase of \$600,000 over the previous fiscal year.

The City will recognize the remaining estimated cost of closure and postclosure care of \$1,782,500 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. 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.

The City is required by state and federal laws and regulations to be in compliance with the financial assurance regulations by passing the local government financial tests to demonstrate financial assurance for closure and postclosure care. The City is in compliance with these requirements, and at September 30, 2008, investments of \$616,701 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.



**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**3. Commitments and Contingencies, continued**

**Economic Development**

The City has entered into an agreement with Gage County Economic Development, Inc. (GCED) 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. Pursuant to this agreement, the City agrees to reimburse GCED for qualified expenditures during each year as follows:

September 30, 2009	\$ 180,000
September 30, 2010	180,000

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. It is payable as follows:

September 30, 2009	\$ 6,055
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**Loss Contingency**

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

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements**

The City has the following interlocal agreements in effect as of September 30, 2008:

<b>Parties to Agreement</b>	<b>Term</b>	<b>Description</b>
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, 2006, through June 30, 2007. Renewed for the term July 1, 2007, through June 30, 2008	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.
Pickrell Rural Fire Dist 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	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 Village of Odell	May 19, 2003, through May 19, 2008	To provide for satellite lottery operations in Odell.
Beatrice Area Solid Waste Agency City of Beatrice	August 1, 2000, until 90- day written notice is given to terminate	To provide for integrated solid waste management facilities and services.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements, continued**

<b>Parties to Agreement</b>	<b>Term</b>	<b>Description</b>
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, 2005, 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, NEBRASKA

## NOTES TO THE FINANCIAL STATEMENTS, Continued

SEPTEMBER 30, 2008

### NOTE D – OTHER NOTES, continued

#### 5. Reconciliation of the Legal Budgetary and GAAP Basis – Debt Service Funds

The City Council approves formal budgets for Bonded and Unbonded and Water Park 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 <u>Unbonded</u>	General <u>Obligation</u>	<u>Total</u>
Revenues			
Revenues on budgetary basis	\$ 180,923	\$ 378,582	\$ 559,505
Cash to accrual adjustments	( 46,984)	355	( 46,629)
Revenues on GAAP basis	133,939	378,937	512,876
Expenditures			
Expenditures on budgetary basis	218,787	134,792	353,579
Cash to accrual adjustments	(100,702)	5,886	( 94,816)
Expenditures on GAAP basis	118,085	140,678	258,763
Transfers			
Transfers on budgetary basis	25,000	-	25,000
Cash to accrual adjustments	( 25,000)	-	( 25,000)
Revenues on GAAP basis	-	-	-
Excess of Revenues Over			
Expenditures on a GAAP Basis	\$ <u>15,854</u>	\$ <u>238,259</u>	\$ <u>254,113</u>

#### 6. New Pronouncement

On October 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. GASB 45 requires employers to account for and report the annual cost of OPEB and the outstanding obligations and commitments related to them in the same manner as they currently do for pensions. The City's retirees can continue to receive health insurance benefits by paying COBRA premiums.

**CITY OF BEATRICE, NEBRASKA**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**

**SEPTEMBER 30, 2008**

**NOTE D – OTHER NOTES, continued**

**6. New Pronouncement, continued**

Accounting for OPEB under GASB No. 45 will result in the City reporting an actuarially-based liability for benefits. The City will be required to implement GASB No. 45 in the fiscal year beginning October 1, 2008. The estimate cost of implementation is \$114,000.

**7. Subsequent Event**

The Community Redevelopment Authority of the City of Beatrice, Nebraska, entered into a Redevelopment Contract with Southwick Enterprises, LLC, on October 3, 2008. The loan from Pinnacle Bank of \$230,000 will be used by the Redeveloper for qualified project costs and repayment will come from the future ad valorem property taxes created from the project.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

## CITY OF BEATRICE, NEBRASKA

## Schedule A-1

## GENERAL FUND

## MAJOR FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED SEPTEMBER 30, 2008,

## WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Over/ (Under)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes					
Property tax	\$ 1,281,206	\$ 1,281,206	\$ 1,297,595	\$ 16,389	\$ 1,260,966
Sales tax	1,893,200	1,893,200	1,853,751	(39,449)	2,001,191
Occupation tax	750,400	750,400	755,796	5,396	735,742
Licenses and permits	114,900	114,900	103,070	(11,830)	199,008
Intergovernmental	1,306,369	1,306,369	1,219,115	(87,254)	1,184,967
Charges for services	1,852,266	1,852,266	1,852,582	316	1,664,723
Miscellaneous	230,672	230,672	381,538	150,866	199,222
<b>Total Revenues</b>	<u>7,429,013</u>	<u>7,429,013</u>	<u>7,463,447</u>	<u>34,434</u>	<u>7,245,819</u>
<b>Expenditures</b>					
General government	862,606	1,229,060	1,180,937	(48,123)	1,022,521
Public safety	4,478,249	4,779,249	4,681,415	(97,834)	4,502,256
Culture and recreation	1,303,039	1,345,039	1,314,275	(30,764)	1,321,558
<b>Total Expenditures</b>	<u>6,643,894</u>	<u>7,353,348</u>	<u>7,176,627</u>	<u>(176,721)</u>	<u>6,846,335</u>
<b>Excess of Revenues Over Expenditures</b>	785,119	75,665	286,820	211,155	399,484
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	32,354	32,354	30,500	(1,854)	20,600
Transfers to other funds	(273,804)	(302,443)	(291,273)	11,170	(185,322)
<b>Total Other Financing     Sources (Uses)</b>	<u>(241,450)</u>	<u>(270,089)</u>	<u>(260,773)</u>	<u>9,316</u>	<u>(164,722)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 543,669</u>	<u>\$ (194,424)</u>	<u>\$ 26,047</u>	<u>\$ 220,471</u>	<u>\$ 234,762</u>

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

## CITY OF BEATRICE, NEBRASKA

Schedule A-2

## STREETS SPECIAL REVENUE FUND

## MAJOR FUND SCHEDULE OF REVENUES, EXPENSES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED SEPTEMBER 30, 2008,

## WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Over/ (Under)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
<b>Taxes</b>					
Sales tax	\$ 535,800	\$ 535,800	\$ 526,050	\$ (9,750)	\$ 562,782
<b>Intergovernmental</b>					
Local shared revenue	17,500	17,500	13,763	(3,737)	-
State shared revenue	1,649,154	1,649,154	1,183,692	(465,462)	1,470,262
<b>Total Intergovernmental</b>	1,666,654	1,666,654	1,197,455	(469,199)	1,470,262
Federal grants	-	-	28,281	28,281	-
Charges for services	32,850	32,850	38,457	5,607	34,318
Miscellaneous	-	-	-	-	65,599
	32,850	32,850	66,738	33,888	99,917
<b>Total Revenues</b>	2,235,304	2,235,304	1,790,243	(445,061)	2,132,961
<b>Expenditures</b>					
Personal services	636,339	696,339	697,970	1,631	659,057
Supplies	215,395	245,395	296,977	51,582	203,293
Other charges and services	113,030	113,030	106,574	(6,456)	105,714
Capital outlay	1,110,000	1,110,000	568,581	(541,419)	978,636
<b>Total Expenditures</b>	2,074,764	2,164,764	1,670,102	(494,662)	1,946,700
<b>Excess of Revenues Over   Expenditures</b>	160,540	70,540	120,141	49,601	186,261
<b>Other Financing Uses</b>					
Grant write-off	-	-	(58,582)	(58,582)	-
Transfer to other funds	(94,540)	(94,540)	(69,540)	25,000	(18,036)
<b>Total other Financing Uses</b>	(94,540)	(94,540)	(128,122)	(33,582)	(18,036)
<b>Net Change in Fund Balance</b>	\$ 66,000	\$ (24,000)	\$ (7,981)	\$ 16,019	\$ 168,225

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



**CITY OF BEATRICE, NEBRASKA** **Schedule A-3**  
**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**MAJOR FUND SCHEDULE OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Over/ (Under)	2007 Totals
<b>Revenues</b>					
Grants	\$ 662,000	\$ 662,000	\$ 156,584	\$ (505,416)	\$ 64,213
Interest earnings	20,000	20,000	20,765	765	20,667
Miscellaneous revenue	-	-	378	378	3,500
Loan payments - principal	159,835	159,835	-	(159,835)	-
Loan payments - interest	13,158	13,158	13,173	15	18,485
<b>Total Revenues</b>	<u>854,993</u>	<u>854,993</u>	<u>190,900</u>	<u>(664,093)</u>	<u>106,865</u>
<b>Expenditures</b>					
Administration	5,000	5,000	466	(4,534)	695
Professional services	-	9,000	8,819	(181)	4,695
Grant repayments	50,000	50,000	50,000	-	50,000
Reuse loans	1,262,949	1,262,949	-	(1,262,949)	-
Loan forgiveness	-	-	635,000	635,000	-
Demolition expense	-	33,000	31,852	(1,148)	8,458
Capital outlay	-	120,000	120,384	384	48,000
<b>Total Expenditures</b>	<u>1,317,949</u>	<u>1,479,949</u>	<u>846,521</u>	<u>(633,428)</u>	<u>111,848</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (462,956)</u>	<u>\$ (624,956)</u>	<u>\$ (655,621)</u>	<u>\$ (30,665)</u>	<u>\$ (4,983)</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, 2008**

**Schedule B-1**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,109,026	\$ 241,459	\$ 102,545	\$ 1,453,030
Cash on deposit - County Treasurer	-	69,633	-	69,633
Accounts receivable	-	21,505	-	21,505
Interest receivable	-	5,136	-	5,136
Assessments receivable	-	13,235	-	13,235
Restricted:				
Cash	-	-	304,799	304,799
Investments	-	-	80,739	80,739
In-lieu-of assessments	-	10,105	-	10,105
Due from other funds	-	123,039	-	123,039
<b>Total Assets</b>	<u>\$ 1,109,026</u>	<u>\$ 484,112</u>	<u>\$ 488,083</u>	<u>\$ 2,081,221</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,816	\$ 6,330	\$ 11,115	\$ 22,261
Accrued interest payable	4,198	-	-	4,198
Unearned revenues	-	27,390	-	27,390
<b>Total Liabilities</b>	<u>9,014</u>	<u>33,720</u>	<u>11,115</u>	<u>53,849</u>
<b>Fund Balances</b>				
Reserved for economic development	901,586	-	-	901,586
Reserved for debt service	-	450,392	-	450,392
Reserved for library capital improvements	-	-	80,739	80,739
Reserved for public safety equipment	-	-	304,799	304,799
Reserved for storm water management	11,086	-	-	11,086
Unreserved, undesignated	187,340	-	91,430	278,770
<b>Total Fund Balances</b>	<u>1,100,012</u>	<u>450,392</u>	<u>476,968</u>	<u>2,027,372</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,109,026</u>	<u>\$ 484,112</u>	<u>\$ 488,083</u>	<u>\$ 2,081,221</u>

**CITY OF BEATRICE, NEBRASKA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**Schedule B-2**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ -	\$427,184	\$ -	\$ 427,184
Sales tax	250,000	-	-	250,000
Intergovernmental	32,759	1,512	220,244	254,515
Charges for services	83,014	-	-	83,014
Keno proceeds	113,062	-	-	113,062
Special assessments	-	3,526	-	3,526
Interest	24,944	1,492	2,488	28,924
Donations and miscellaneous revenue	131,880	-	103,769	235,649
<b>Total Revenues</b>	<u>635,659</u>	<u>433,714</u>	<u>326,501</u>	<u>1,395,874</u>
<b>Expenditures</b>				
General government	323,667	-	-	323,667
Public safety	50,615	-	-	50,615
Capital outlay	-	-	1,185,349	1,185,349
Debt Service:				
Principal	-	170,000	60,000	230,000
Interest	-	30,425	-	30,425
Bond issue costs	-	-	10,199	10,199
MFO payments - other entities	-	-	124,292	124,292
<b>Total Expenditures</b>	<u>374,282</u>	<u>200,425</u>	<u>1,379,840</u>	<u>1,954,547</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	261,377	233,289	(1,053,339)	(558,673)
<b>Other Financing Sources (Uses)</b>				
Grant write-off	-	-	(29,275)	(29,275)
Bond and loan proceeds	-	-	819,329	819,329
Transfer from other funds	69,540	-	373,825	443,365
Transfer to other funds	(113,052)	-	-	(113,052)
<b>Total Other Financing Sources (Uses)</b>	<u>(43,512)</u>	<u>-</u>	<u>1,163,879</u>	<u>1,120,367</u>
<b>Net Change in Fund Balances</b>	217,865	233,289	110,540	561,694
<b>Fund Balances, Beginning of Year</b>	<u>882,147</u>	<u>217,103</u>	<u>366,428</u>	<u>1,465,678</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,100,012</u>	<u>\$ 450,392</u>	<u>\$ 476,968</u>	<u>\$ 2,027,372</u>

**CITY OF BEATRICE, NEBRASKA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2008**

Schedule C-1

	<u>Economic Development</u>	<u>Keno</u>	<u>911 Surcharge</u>	<u>Storm Water Management</u>	<u>Total</u>
<b>Assets</b>					
Cash and investments	\$ 901,586	\$191,405	\$ 133	\$ 15,902	\$1,109,026
<b>Total Assets</b>	<u>\$ 901,586</u>	<u>\$191,405</u>	<u>\$ 133</u>	<u>\$ 15,902</u>	<u>\$1,109,026</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accrued interest payable	\$ -	\$ -	\$ 4,198	\$ -	\$ 4,198
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,816</u>	<u>4,816</u>
<b>Total Liabilities</b>	-	-	4,198	4,816	9,014
<b>Fund Balance</b>					
Reserved for:					
Economic development	901,586	-	-	-	901,586
Storm Water Management	-	-	-	11,086	11,086
Unreserved:					
Undesignated	<u>-</u>	<u>191,405</u>	<u>(4,065)</u>	<u>-</u>	<u>187,340</u>
<b>Total Fund Balance</b>	<u>901,586</u>	<u>191,405</u>	<u>(4,065)</u>	<u>11,086</u>	<u>1,100,012</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 901,586</u>	<u>\$191,405</u>	<u>\$ 133</u>	<u>\$ 15,902</u>	<u>\$1,109,026</u>

CITY OF BEATRICE, NEBRASKA  
NONMAJOR SPECIAL REVENUE FUNDS

Schedule C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Economic Development</u>	<u>Keno</u>	<u>911 Surcharge</u>	<u>Storm Water Management</u>	<u>Total</u>
<b>Revenues</b>					
Sales tax	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Intergovernmental	-	-	-	32,759	32,759
Charges for services	-	-	83,014	-	83,014
Keno proceeds	-	113,062	-	-	113,062
Interest	24,944	-	-	-	24,944
Other revenue	131,480	-	-	400	131,880
<b>Total Revenues</b>	<u>406,424</u>	<u>113,062</u>	<u>83,014</u>	<u>33,159</u>	<u>635,659</u>
<b>Expenditures</b>					
General government	180,000	20,792	-	122,875	323,667
Public safety	-	-	50,615	-	50,615
<b>Total Expenditures</b>	<u>180,000</u>	<u>20,792</u>	<u>50,615</u>	<u>122,875</u>	<u>374,282</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	226,424	92,270	32,399	(89,716)	261,377
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	-	-	69,540	69,540
Transfers to other funds	-	(82,552)	(30,500)	-	(113,052)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(82,552)</u>	<u>(30,500)</u>	<u>69,540</u>	<u>(43,512)</u>
<b>Net Change in Fund Balance</b>	226,424	9,718	1,899	(20,176)	217,865
<b>Fund Balances, Beginning of Year</b>	<u>675,162</u>	<u>181,687</u>	<u>(5,964)</u>	<u>31,262</u>	<u>882,147</u>
<b>Fund Balances, End of Year</b>	<u>\$ 901,586</u>	<u>\$191,405</u>	<u>\$ (4,065)</u>	<u>\$ 11,086</u>	<u>\$1,100,012</u>

**CITY OF BEATRICE, NEBRASKA**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2008**

Schedule C-3

	<u>General Obligation</u>	<u>Bonded Districts</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 238,732	\$ 2,727	\$ 241,459
Cash on deposit - County Treasurer	69,633	-	69,633
Accounts receivable	21,505	-	21,505
Interest receivable	-	5,136	5,136
Assessments receivable	-	13,235	13,235
In-lieu-of assessments	-	10,105	10,105
Due from other funds	-	123,039	123,039
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<u><u>\$ 329,870</u></u>	<u><u>\$ 154,242</u></u>	<u><u>\$ 484,112</u></u>
 <b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accrued interest payable	\$ 5,886	\$ 444	\$ 6,330
Unearned revenue	17,285	10,105	27,390
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	23,171	10,549	33,720
 <b>Fund Balance</b>			
Reserved for:			
Debt service	<u>306,699</u>	<u>143,693</u>	<u>450,392</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 329,870</u></u>	<u><u>\$ 154,242</u></u>	<u><u>\$ 484,112</u></u>



CITY OF BEATRICE, NEBRASKA  
NONMAJOR DEBT SERVICE FUNDS

Schedule C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>General Obligation</u>	<u>Bonded Districts</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ 377,425	\$ 49,759	\$ 427,184
Intergovernmental	1,512	-	1,512
Special assessments	-	3,526	3,526
Interest on special assessments	-	1,492	1,492
<b>Total Revenues</b>	<u>378,937</u>	<u>54,777</u>	<u>433,714</u>
<b>Expenditures</b>			
Debt service:			
Interest	25,678	4,747	30,425
Principal	115,000	55,000	170,000
<b>Total Expenditures</b>	<u>140,678</u>	<u>59,747</u>	<u>200,425</u>
<b>Net Change in Fund Balance</b>	238,259	(4,970)	233,289
<b>Fund Balances, Beginning of Year</b>	<u>68,440</u>	<u>148,663</u>	<u>217,103</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 306,699</u></u>	<u><u>\$ 143,693</u></u>	<u><u>\$ 450,392</u></u>

**CITY OF BEATRICE, NEBRASKA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2008**

Schedule D-1

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Unrestricted cash	\$ 767,071	\$ 337,081
Restricted cash	128,019	44,626
Investments	400,000	770,000
Cash on deposit - County Treasurer	222,003	208,518
Accounts receivable, net	465,760	499,912
Taxes receivable	65,445	85,375
Due from other Funds	-	65,000
Due from component unit	50,000	50,000
<b>Total Assets</b>	<u><u>\$ 2,098,298</u></u>	<u><u>\$ 2,060,512</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 81,269	\$ 60,900
Unearned revenues	49,025	57,655
<b>Total Liabilities</b>	<u>130,294</u>	<u>118,555</u>
<b>Fund Balance</b>		
Reserved for police grants and programs	128,019	-
Unreserved:		
Designated for subsequent years' expenditures	629,500	491,000
Undesignated	1,210,485	1,450,957
<b>Total Fund Balance</b>	<u>1,968,004</u>	<u>1,941,957</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 2,098,298</u></u>	<u><u>\$ 2,060,512</u></u>

CITY OF BEATRICE, NEBRASKA  
GENERAL FUND

Schedule D-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes	\$ 3,924,806	\$ 3,924,806	\$ 3,907,142	\$ (17,664)	\$ 3,997,899
Licenses and permits	114,900	114,900	103,070	(11,830)	199,008
Intergovernmental	1,306,369	1,306,369	1,219,115	(87,254)	1,184,967
Charges for services	1,852,266	1,852,266	1,852,582	316	1,664,723
Miscellaneous	230,672	230,672	381,538	150,866	199,222
<b>Total Revenues</b>	<u>7,429,013</u>	<u>7,429,013</u>	<u>7,463,447</u>	<u>34,434</u>	<u>7,245,819</u>
<b>Expenditures</b>					
General government	862,606	1,229,060	1,180,937	48,123	1,022,521
Public safety	4,478,249	4,779,249	4,681,415	97,834	4,502,256
Culture and recreation	1,303,039	1,345,039	1,314,275	30,764	1,321,558
<b>Total Expenditures</b>	<u>6,643,894</u>	<u>7,353,348</u>	<u>7,176,627</u>	<u>176,721</u>	<u>6,846,335</u>
<b>Excess of Revenues Over Expenditures</b>	785,119	75,665	286,820	211,155	399,484
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	32,354	32,354	30,500	(1,854)	20,600
Transfers to other funds	(273,804)	(302,443)	(291,273)	11,170	(185,322)
<b>Total Other Financing Sources (Uses)</b>	<u>(241,450)</u>	<u>(270,089)</u>	<u>(260,773)</u>	<u>9,316</u>	<u>(164,722)</u>
<b>Net change in fund balance</b>	<u>\$ 543,669</u>	<u>\$ (194,424)</u>	26,047	<u>\$ 220,471</u>	234,762
<b>Fund Balance, Beginning of Year</b>			<u>1,941,957</u>		<u>1,707,195</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,968,004</u>		<u>\$ 1,941,957</u>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>General Government</b>					
<b>Management and Budget:</b>					
Personal services	\$ 270,863	\$ 308,863	\$ 304,997	\$ 3,866	\$ 259,191
Supplies	5,663	5,663	5,034	629	2,895
Other services and charges	76,540	76,540	73,856	2,684	64,608
Capital outlay	30,000	79,285	82,438	(3,153)	26,093
Contingency	129,053	198,213	143,073	55,140	263,707
Contractual services	86,595	296,604	296,604	-	198,144
<b>Total Management and Budget</b>	598,714	965,168	906,002	59,166	814,638
<b>Legal:</b>					
Personal services	115	115	29,539	(29,424)	112
Other services and charges	91,300	91,300	74,787	16,513	93,885
<b>Total Legal</b>	91,415	91,415	104,326	(12,911)	93,997
<b>Inspection:</b>					
Personal services	158,527	158,527	148,731	9,796	99,556
Supplies	4,750	4,750	4,760	(10)	1,899
Other services and charges	9,200	9,200	8,118	1,082	12,431
Capital outlay	-	-	9,000	(9,000)	-
<b>Total Inspection</b>	172,477	172,477	170,609	1,868	113,886
<b>Total General Government</b>	862,606	1,229,060	1,180,937	48,123	1,022,521
<b>Public Safety</b>					
<b>Police:</b>					
Personal services	1,980,295	2,019,295	1,970,889	48,406	1,917,693
Supplies	80,915	90,915	85,691	5,224	66,275
Other services and charges	150,608	160,608	134,932	25,676	155,137
Capital outlay	20,630	20,630	20,687	(57)	58,902
Contingencies	11,624	11,624	21,984	(10,360)	-
<b>Total Police</b>	2,244,072	2,303,072	2,234,183	68,889	2,198,007
<b>Fire and Ambulance:</b>					
Personal services	1,621,092	1,667,092	1,669,562	(2,470)	1,633,355
Supplies	80,715	103,715	100,483	3,232	79,476
Other services and charges	507,863	680,863	650,327	30,536	576,241
Capital outlay	18,600	18,600	20,953	(2,353)	9,414
Contractual services	5,907	5,907	5,907	-	5,763
<b>Total Fire and Ambulance</b>	2,234,177	2,476,177	2,447,232	28,945	2,304,249
<b>Total Public Safety</b>	4,478,249	4,779,249	4,681,415	97,834	4,502,256

## GENERAL FUND

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP), Continued

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Culture and Recreation</b>					
<b>Public Properties:</b>					
Personal services	566,024	588,024	551,913	36,111	562,107
Supplies	112,165	112,165	117,558	(5,393)	107,527
Other services and charges	105,615	105,615	99,253	6,362	94,507
Capital outlay	23,300	23,300	27,670	(4,370)	14,583
Contingency	-	-	25	(25)	71,416
Contractual services	22,600	22,600	38,276	(15,676)	21,550
<b>Total Public Properties</b>	<u>829,704</u>	<u>851,704</u>	<u>834,695</u>	<u>17,009</u>	<u>871,690</u>
<b>Library:</b>					
Personal services	301,254	301,254	304,918	(3,664)	294,975
Supplies	8,595	8,595	8,653	(58)	7,703
Other services and charges	69,509	69,509	53,523	15,986	65,035
Capital outlay	93,977	113,977	112,486	1,491	82,155
<b>Total Library</b>	<u>473,335</u>	<u>493,335</u>	<u>479,580</u>	<u>13,755</u>	<u>449,868</u>
<b>Total Culture and Recreation</b>	<u>1,303,039</u>	<u>1,345,039</u>	<u>1,314,275</u>	<u>30,764</u>	<u>1,321,558</u>
<b>Total Expenditures</b>	<u>\$6,643,894</u>	<u>\$7,353,348</u>	<u>\$7,176,627</u>	<u>\$ 176,721</u>	<u>\$6,846,335</u>

**CITY OF BEATRICE, NEBRASKA**  
**SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Taxes:</b>					
Property taxes	\$ 1,206,206	\$ 1,206,206	\$ 1,159,763	\$ (46,443)	\$ 1,182,143
Homestead exemption allocation	70,000	70,000	84,024	14,024	73,955
Property tax credit	-	-	47,616	47,616	-
Interest on delinquent taxes	5,000	5,000	6,192	1,192	4,868
City sales tax	1,893,200	1,893,200	1,853,751	(39,449)	2,001,191
Utilities occupation tax	730,000	730,000	736,406	6,406	715,056
Beer and liquor occupation tax	17,500	17,500	17,060	(440)	17,916
Insurance company occupation tax	100	100	60	(40)	60
Miscellaneous occupation tax	2,800	2,800	2,270	(530)	2,710
	<u>3,924,806</u>	<u>3,924,806</u>	<u>3,907,142</u>	<u>(17,664)</u>	<u>3,997,899</u>
<b>Licenses and Permits:</b>					
Bicycle licenses	200	200	175	(25)	145
Dog licenses	4,500	4,500	3,714	(786)	4,201
Plumbers' licenses	1,200	1,200	1,347	147	685
Building permits	95,000	95,000	87,264	(7,736)	181,602
Plumbing permits	6,500	6,500	4,987	(1,513)	5,433
Mechanical permits	2,000	2,000	1,353	(647)	1,791
Miscellaneous permits	5,500	5,500	4,230	(1,270)	5,151
	<u>114,900</u>	<u>114,900</u>	<u>103,070</u>	<u>(11,830)</u>	<u>199,008</u>
<b>Intergovernmental:</b>					
County library aid	20,893	20,893	20,893	-	20,893
Motor vehicle tax	205,000	205,000	214,816	9,816	215,719
County ambulance aid	148,586	148,586	148,586	-	144,962
Interlocal 911 dispatch aid	60,598	60,598	60,598	-	60,090
Governmental sub/state aid	110,628	110,628	110,275	(353)	110,628
Victim assist. coordinator/OJT	38,462	38,462	38,462	-	39,964
Local match - SEADE	37,143	37,143	37,242	99	37,053
Library grants	11,328	11,328	11,328	-	1,000
Prorate motor vehicle tax	5,000	5,000	5,535	535	5,878
State library aid	2,461	2,461	3,318	857	3,318
Municipal equilization funds	264,095	264,095	255,648	(8,447)	222,035
Federal Crime Commission	104,087	104,087	50,000	(54,087)	97,130
Federal grant - FEMA	55,917	55,917	32,847	(23,070)	56,313
Housing grant	173,252	173,252	173,252	-	76,748
Other intergovernmental	68,919	68,919	56,315	(12,604)	66,363
Federal law enforcement grant	-	-	-	-	26,873
	<u>1,306,369</u>	<u>1,306,369</u>	<u>1,219,115</u>	<u>(87,254)</u>	<u>1,184,967</u>
<b>Charges for Services:</b>					
Publication cost income	1,000	1,000	402	(598)	425
Management and budget miscellaneous charges	2,000	2,000	937	(1,063)	1,355
Accounting Services	11,713	11,713	11,713	-	11,426
BASWA management services	16,000	16,000	16,000	-	16,000
Legal services	37,950	37,950	37,185	(765)	35,183
Legal miscellaneous charges	100	100	-	(100)	52
Restitution - fees and damages	2,000	2,000	583	(1,417)	1,030
Inspection miscellaneous charges	2,100	2,100	1,700	(400)	676

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

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Charges for Services, continued:</b>					
Recover demolition charges	-	-	11,261	11,261	-
Police charges	2,500	2,500	1,710	(790)	2,327
Fire charges	21,500	21,500	17,079	(4,421)	21,431
Hazardous materials cleanup	1,000	1,000	-	(1,000)	176
Fire inspections	2,500	2,500	1,343	(1,157)	2,343
Ambulance charges	1,458,000	1,458,000	1,453,281	(4,719)	1,277,349
Public safety miscellaneous charges	21,900	21,900	21,816	(84)	20,415
Stop program fees	-	-	2,920	2,920	-
Auditorium use fee	7,000	7,000	3,796	(3,204)	5,853
Water Park admissions	88,000	88,000	86,083	(1,917)	90,059
Camping receipts	35,000	35,000	39,111	4,111	43,029
Water Park concessions and sales	33,500	33,500	36,202	2,702	31,970
Public properties miscellaneous charges	8,000	8,000	8,929	929	7,663
Park building use fees	1,000	1,000	957	(43)	1,251
BASWA administration charges	75,658	75,658	75,658	-	72,055
BASWA facility maintenance	5,795	5,795	5,795	-	5,653
Library use fees	10,000	10,000	8,624	(1,376)	9,157
Library copying fees	3,200	3,200	2,754	(446)	3,038
Library miscellaneous charges	500	500	696	196	451
Interlibrary loan revenue	350	350	302	(48)	376
Parking fines and rents	4,000	4,000	2,490	(1,510)	3,980
School fines and fees	-	-	3,255	3,255	-
	<u>1,852,266</u>	<u>1,852,266</u>	<u>1,852,582</u>	<u>316</u>	<u>1,664,723</u>
<b>Miscellaneous:</b>					
Interest earnings	70,000	70,000	64,140	(5,860)	75,268
Reimbursements	52,000	52,000	90,826	38,826	36,740
Drug money seizure	-	-	115,533	115,533	-
Donations - Beatrice Program Plus	6,000	6,000	4,911	(1,089)	5,260
Police donations	10,000	10,000	1,199	(8,801)	7,173
Fire donations	1,500	1,500	6,025	4,525	1,432
Public properties donations - Water Park	2,500	2,500	3,500	1,000	1,000
Parks donations	4,000	4,000	16,440	12,440	2,900
Library donations	10,569	10,569	9,861	(708)	8,873
Library donations/foundation	35,103	35,103	35,103	-	23,527
Lease Income - BASWA	34,000	34,000	34,000	-	34,000
Sales of capital assets	5,000	5,000	-	(5,000)	3,049
	<u>230,672</u>	<u>230,672</u>	<u>381,538</u>	<u>150,866</u>	<u>199,222</u>
<b>Total Revenues</b>	<u>\$ 7,429,013</u>	<u>\$ 7,429,013</u>	<u>\$ 7,463,447</u>	<u>\$ 34,434</u>	<u>\$ 7,245,819</u>

**CITY OF BEATRICE, NEBRASKA  
STREETS SPECIAL REVENUE FUND**

**Schedule E-1**

**BALANCE SHEET  
SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 187,619	\$ 337,970
Accounts receivable	<u>61,961</u>	<u>414,334</u>
<b>Total Assets</b>	<u><u>\$ 249,580</u></u>	<u><u>\$ 752,304</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 76,816	\$ 546,559
Due to Other Funds	<u>176,068</u>	<u>201,068</u>
<b>Total Liabilities</b>	<u>252,884</u>	<u>747,627</u>
<b>Fund Balance</b>		
Unreserved		
Undesignated	<u>(3,304)</u>	<u>4,677</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 249,580</u></u>	<u><u>\$ 752,304</u></u>



**CITY OF BEATRICE, NEBRASKA  
STREETS SPECIAL REVENUE FUND**

**Schedule E-2**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
<b>Taxes:</b>					
Sales tax	\$ 535,800	\$ 535,800	\$ 526,050	\$ (9,750)	\$ 562,782
<b>Intergovernmental:</b>					
Local shared revenue	17,500	17,500	13,763	(3,737)	-
State shared revenue	1,649,154	1,649,154	1,183,692	(465,462)	1,470,262
<b>Total Intergovernmental</b>	1,666,654	1,666,654	1,197,455	(469,199)	1,470,262
Federal grants	-	-	28,281	28,281	-
Charges for services	32,850	32,850	38,457	5,607	34,318
In-kind contributions	-	-	-	-	65,599
	32,850	32,850	66,738	33,888	99,917
<b>Total Revenues</b>	2,235,304	2,235,304	1,790,243	(445,061)	2,132,961
<b>Expenditures</b>					
<b>Personal Services:</b>					
Salaries	421,540	481,540	474,484	7,056	451,582
Social security	30,000	30,000	31,530	(1,530)	29,365
Retirement	24,000	24,000	19,881	4,119	18,112
Health and life insurance	130,000	130,000	141,276	(11,276)	122,498
Workmen's compensation	30,799	30,799	30,799	-	37,500
<b>Total Personal Services</b>	636,339	696,339	697,970	(1,631)	659,057
<b>Supplies:</b>					
Operating supplies	85,150	115,150	123,872	(8,722)	56,050
Repairs and maintenance supplies	130,245	130,245	173,105	(42,860)	147,243
<b>Total Supplies</b>	215,395	245,395	296,977	(51,582)	203,293
<b>Other Services and Charges:</b>					
Insurance	22,000	22,000	19,969	2,031	24,182
Outside professional services	13,500	13,500	1,849	11,651	1,906
Storm water grant match	5,460	5,460	5,460	-	-
Utilities	1,700	1,700	1,700	-	1,715
Maintenance and repairs	23,550	23,550	35,411	(11,861)	33,554
Rentals	36,900	36,900	33,564	3,336	38,849
Data processing costs	2,400	2,400	2,400	-	-
Training and transportation	2,500	2,500	2,208	292	1,953
Communications	2,400	2,400	3,643	(1,243)	3,029
Miscellaneous	2,620	2,620	370	2,250	526
<b>Total Other Services and Charges</b>	113,030	113,030	106,574	6,456	105,714

CITY OF BEATRICE, NEBRASKA  
STREETS SPECIAL REVENUE FUND

Schedule E-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL, Continued  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
Buildings	120,000	120,000	117,938	2,062	-
Improvements other than buildings	813,000	813,000	276,545	536,455	867,195
Machinery and equipment	177,000	177,000	174,098	2,902	111,441
<b>Total Capital Outlay</b>	<u>1,110,000</u>	<u>1,110,000</u>	<u>568,581</u>	<u>541,419</u>	<u>978,636</u>
<b>Total Expenditures</b>	<u>2,074,764</u>	<u>2,164,764</u>	<u>1,670,102</u>	<u>494,662</u>	<u>1,946,700</u>
<b>Excess of Revenues Over Expenditures</b>	160,540	70,540	120,141	49,601	186,261
<b>Other Financing Uses</b>					
Grant write-off	-	-	(58,582)	(58,582)	-
Transfers to other funds	<u>(94,540)</u>	<u>(94,540)</u>	<u>(69,540)</u>	<u>25,000</u>	<u>(18,036)</u>
<b>Total Other Financing Uses</b>	<u>(94,540)</u>	<u>(94,540)</u>	<u>(128,122)</u>	<u>(33,582)</u>	<u>(18,036)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 66,000</u>	<u>\$ (24,000)</u>	(7,981)	<u>\$ 16,019</u>	168,225
<b>Fund Balance, Beginning of Year</b>			<u>4,677</u>		<u>(163,548)</u>
<b>Fund Balance, End of Year</b>			<u>\$ (3,304)</u>		<u>\$ 4,677</u>

**CITY OF BEATRICE, NEBRASKA  
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and investments	<u>\$ 901,586</u>	<u>\$ 675,162</u>
<b>Total Assets</b>	<u><u>\$ 901,586</u></u>	<u><u>\$ 675,162</u></u>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balance</b>		
Reserved for economic development	<u>901,586</u>	<u>675,162</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 901,586</u></u>	<u><u>\$ 675,162</u></u>

## CITY OF BEATRICE, NEBRASKA

Schedule E-4

**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			2007 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Sales tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Interest earnings	35,000	35,000	24,944	(10,056)
Loans/rents revenue	6,000	6,000	6,480	480
Other revenue	-	-	125,000	125,000
<b>Total Revenues</b>	<u>291,000</u>	<u>291,000</u>	<u>406,424</u>	<u>115,424</u>
<b>Expenditures</b>				
Economic development	530,000	530,000	180,000	350,000
Capital outlay	2,086,367	2,086,367	-	2,086,367
Other expenditures	-	-	-	-
<b>Total Expenditures</b>	<u>2,616,367</u>	<u>2,616,367</u>	<u>180,000</u>	<u>2,436,367</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,325,367)	(2,325,367)	226,424	2,551,791
<b>Other Financing Sources</b>				
Sale of capital assets	150,000	150,000	-	(150,000)
Bond Proceeds	1,500,000	1,500,000	-	(1,500,000)
<b>Total Other Financing Sources</b>	<u>1,650,000</u>	<u>1,650,000</u>	<u>-</u>	<u>(1,650,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (675,367)</u>	<u>\$ (675,367)</u>	<u>226,424</u>	<u>\$ 901,791</u>
<b>Fund Balance, Beginning of Year</b>			<u>675,162</u>	<u>861,742</u>
<b>Fund Balance, End of Year</b>			<u>\$ 901,586</u>	<u>\$ 675,162</u>

CITY OF BEATRICE, NEBRASKA Schedule E-5  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 932,863	\$ 620,277
Loans receivable	<u>721,222</u>	<u>1,689,429</u>
<b>Total Assets</b>	<u><u>\$ 1,654,085</u></u>	<u><u>\$ 2,309,706</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balance</b>		
Restricted for Revolving Loan Fund	1,654,085	2,305,147
Unreserved	<u>-</u>	<u>4,559</u>
<b>Total Fund Balance</b>	<u><u>1,654,085</u></u>	<u><u>2,309,706</u></u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 1,654,085</u></u>	<u><u>\$ 2,309,706</u></u>

**CITY OF BEATRICE, NEBRASKA**  
**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR**  
**THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				2007 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>					
Grants	\$ 662,000	\$ 662,000	\$ 156,584	\$ (505,416)	\$ 64,213
Interest earnings	20,000	20,000	20,765	765	20,667
Miscellaneous revenue	-	-	378	378	3,500
Loan payments - principal	159,835	159,835	-	(159,835)	-
Loan payments - interest	13,158	13,158	13,173	15	18,485
<b>Total Revenues</b>	<u>854,993</u>	<u>854,993</u>	<u>190,900</u>	<u>(664,093)</u>	<u>106,865</u>
<b>Expenditures</b>					
Administration	5,000	5,000	466	4,534	695
Professional services	-	9,000	8,819	181	4,695
Grant repayments	50,000	50,000	50,000	-	50,000
Reuse loans	1,262,949	1,262,949	-	1,262,949	-
Loan forgiveness	-	-	635,000	(635,000)	-
Demolition expense	-	33,000	31,852	1,148	8,458
Capital outlay	-	120,000	120,384	(384)	48,000
<b>Total Expenditures</b>	<u>1,317,949</u>	<u>1,479,949</u>	<u>846,521</u>	<u>633,428</u>	<u>111,848</u>
<b>Net Change in Fund Balance</b>	<u>\$ (462,956)</u>	<u>\$ (624,956)</u>	<u>(655,621)</u>	<u>\$ (30,665)</u>	<u>(4,983)</u>
<b>Fund Balance, Beginning of Year</b>			<u>2,309,706</u>		<u>2,314,689</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,654,085</u>		<u>\$ 2,309,706</u>

CITY OF BEATRICE, NEBRASKA  
 KENO/LOTTERY SPECIAL REVENUE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and investments	<u>\$ 191,405</u>	<u>\$ 181,687</u>
<b>Total Assets</b>	<u><u>\$ 191,405</u></u>	<u><u>\$ 181,687</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balance</b>		
Unreserved	<u>191,405</u>	<u>181,687</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 191,405</u></u>	<u><u>\$ 181,687</u></u>

**CITY OF BEATRICE, NEBRASKA**  
**KENO/LOTTERY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Revenues</b>					
Keno/lottery proceeds	\$109,600	\$109,600	\$113,062	\$ 3,462	\$109,558
<b>Expenditures</b>					
Other services and charges	19,200	20,800	20,792	8	19,676
<b>Excess of Revenues Over Expenditures</b>	90,400	88,800	92,270	3,470	89,882
<b>Other Financing Uses</b>					
Transfers to other funds	(82,552)	(82,552)	(82,552)	-	(90,000)
<b>Total Other Financing Uses</b>	(82,552)	(82,552)	(82,552)	-	(90,000)
<b>Net Change in Fund Balance</b>	<u>\$ 7,848</u>	<u>\$ 6,248</u>	9,718	<u>\$ 3,470</u>	(118)
<b>Fund Balance, Beginning of Year</b>			<u>181,687</u>		<u>181,805</u>
<b>Fund Balance, End of Year</b>			<u>\$191,405</u>		<u>\$181,687</u>



CITY OF BEATRICE, NEBRASKA  
 911 SURCHARGE SPECIAL REVENUE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2008,  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

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	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 133	\$ 264
<b>Total Assets</b>	<u>\$ 133</u>	<u>\$ 264</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accrued interest payable	\$ 4,198	\$ 6,228
<b>Fund Balance</b>		
Unreserved	<u>(4,065)</u>	<u>(5,964)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 133</u>	<u>\$ 264</u>

**CITY OF BEATRICE, NEBRASKA**  
**911 SURCHARGE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR**  
**THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
911 Service surcharge	\$85,000	\$85,000	\$ 83,014	\$ (1,986)	\$ 74,005
<b>Expenditures</b>					
Lease payments	52,646	52,646	50,615	2,031	50,718
<b>Excess of Revenues Over Expenditures</b>	32,354	32,354	32,399	45	23,287
<b>Other Financing Uses</b>					
Transfers to other funds	(32,354)	(32,354)	(30,500)	1,854	(20,600)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	1,899	<u>\$ 1,899</u>	2,687
<b>Fund Balance, Beginning of Year</b>			(5,964)		(8,651)
<b>Fund Balance, End of Year</b>			<u>\$ (4,065)</u>		<u>\$ (5,964)</u>

**CITY OF BEATRICE, NEBRASKA  
STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND  
BALANCE SHEET**

**SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 15,902	\$ 31,262
<b>Total Assets</b>	<u>\$ 15,902</u>	<u>\$ 31,262</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,816	\$ -
<b>Fund Balance</b>		
Reserved for storm water management plan	<u>11,086</u>	<u>31,262</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 15,902</u>	<u>\$ 31,262</u>

**CITY OF BEATRICE, NEBRASKA**  
**STORM WATER MANAGEMENT PLAN SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				2007 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>					
Intergovernmental	\$ 36,250	\$ 36,250	\$ 32,759	\$ (3,491)	\$ 34,124
Interest earnings	1,200	1,200	-	(1,200)	-
Miscellaneous revenues	-	-	400	400	-
<b>Total Revenues</b>	<u>37,450</u>	<u>37,450</u>	<u>33,159</u>	<u>(4,291)</u>	<u>34,124</u>
<b>Expenditures</b>					
Personal services	-	53,280	52,683	597	-
Other services and charges	20,000	20,560	9,867	10,693	2,862
Supplies	-	12,700	12,135	565	-
Capital outlay	51,401	54,401	48,190	6,211	-
<b>Total Expenditures</b>	<u>71,401</u>	<u>140,941</u>	<u>122,875</u>	<u>18,066</u>	<u>2,862</u>
<b>Deficiency of Revenues over Expenditures</b>	(33,951)	(103,491)	(89,716)	13,775	31,262
<b>Other Financing Sources</b>					
Transfers from other funds	<u>69,540</u>	<u>69,540</u>	<u>69,540</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 35,589</u>	<u>\$ (33,951)</u>	<u>(20,176)</u>	<u>\$ 13,775</u>	<u>31,262</u>
<b>Fund Balance, Beginning of Year</b>			<u>31,262</u>		<u>-</u>
<b>Fund Balance, End of Year</b>			<u>\$ 11,086</u>		<u>\$ 31,262</u>

**CITY OF BEATRICE, NEBRASKA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008				2007
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
<b>Assets</b>					
Cash	\$238,732	\$ 2,727	\$ 11,569	\$253,028	\$ 64,755
Cash on deposit - County Treasurer	69,633	-	-	69,633	26,981
Taxes receivable	21,505	-	-	21,505	11,855
Assessments receivable:					
Current	-	3,526	43,178	46,704	51,583
Delinquent	-	9,709	12,910	22,619	28,499
Deferred	-	-	188,485	188,485	249,096
In process	-	-	38,878	38,878	-
Accrued interest receivable	-	5,136	15,800	20,936	18,307
In-lieu-of assessments	-	10,105	-	10,105	10,105
Due from Street Fund	-	123,039	53,029	176,068	201,068
<b>Total Assets</b>	<u>\$329,870</u>	<u>\$154,242</u>	<u>\$ 363,849</u>	<u>\$847,961</u>	<u>\$662,249</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accrued interest payable	\$ 5,886	\$ 444	\$ 37,760	\$ 44,090	\$ 38,991
Registered warrants payable	-	-	312,960	312,960	374,022
Deferred revenues	17,285	10,105	227,363	254,753	267,191
<b>Total Liabilities</b>	<u>23,171</u>	<u>10,549</u>	<u>578,083</u>	<u>611,803</u>	<u>680,204</u>
<b>Fund Balance</b>					
Reserved for debt service	306,699	143,693	-	450,392	217,103
Unreserved	-	-	(214,234)	(214,234)	(235,058)
<b>Total Fund Balance (Deficit)</b>	<u>306,699</u>	<u>143,693</u>	<u>(214,234)</u>	<u>236,158</u>	<u>(17,955)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$329,870</u>	<u>\$154,242</u>	<u>\$ 363,849</u>	<u>\$847,961</u>	<u>\$662,249</u>

**CITY OF BEATRICE, NEBRASKA  
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				2007
	General Obligation	Bonded Districts	Unbonded Assessments	Total	Totals
<b>Revenues</b>					
Property taxes	\$ 377,425	\$ 49,759	\$ -	\$ 427,184	\$ 176,847
Intergovernmental revenues	1,512	-	-	1,512	803
Special assessments	-	3,526	57,085	60,611	103,792
Interest on assessments	-	1,492	22,077	23,569	18,279
<b>Total Revenues</b>	<u>378,937</u>	<u>54,777</u>	<u>79,162</u>	<u>512,876</u>	<u>299,721</u>
<b>Expenditures</b>					
Capital projects:					
Improvements	-	-	38,853	38,853	159,271
Interest on registered warrants	-	-	19,485	19,485	22,412
Debt service:					
Interest	25,678	4,747	-	30,425	28,945
Principal	115,000	55,000	-	170,000	165,000
<b>Total Expenditures</b>	<u>140,678</u>	<u>59,747</u>	<u>58,338</u>	<u>258,763</u>	<u>375,628</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	238,259	(4,970)	20,824	254,113	(75,907)
<b>Other Financing Sources</b>					
Transfers from other funds	-	-	-	-	18,036
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Financing Sources</b>	238,259	(4,970)	20,824	254,113	(57,871)
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>68,440</u>	<u>148,663</u>	<u>(235,058)</u>	<u>(17,955)</u>	<u>39,916</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 306,699</u>	<u>\$ 143,693</u>	<u>\$ (214,234)</u>	<u>\$ 236,158</u>	<u>\$ (17,955)</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, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Revenues</b>					
Property taxes	\$382,849	\$382,849	\$377,070	\$ (5,779)	\$134,343
Intergovernmental revenue	700	700	1,512	812	803
<b>Total Revenues</b>	<u>383,549</u>	<u>383,549</u>	<u>378,582</u>	<u>(4,967)</u>	<u>135,146</u>
<b>Expenditures</b>					
Debt Service:					
Principal	325,000	325,000	115,000	210,000	110,000
Interest	58,549	58,549	19,792	38,757	23,115
<b>Total Expenditures</b>	<u>383,549</u>	<u>383,549</u>	<u>134,792</u>	<u>248,757</u>	<u>133,115</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$243,790</u>	<u>\$243,790</u>	<u>\$ 2,031</u>

CITY OF BEATRICE, NEBRASKA  
 BONDED DISTRICTS DEBT SERVICE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Property taxes	\$ 50,000	\$ 50,000	\$ 49,759	\$ (241)	\$ 41,359
Special assessments	12,034	12,034	2,576	(9,458)	7,689
Interest on assessments	3,000	3,000	245	(2,755)	1,289
<b>Total Revenues</b>	<u>65,034</u>	<u>65,034</u>	<u>52,580</u>	<u>(12,454)</u>	<u>50,337</u>
<b>Expenditures</b>					
Bond principal payments	55,000	55,000	55,000	-	55,000
Interest on registered warrants	4,304	4,304	4,303	(1)	5,830
<b>Total Expenditures</b>	<u>59,304</u>	<u>59,304</u>	<u>59,303</u>	<u>(1)</u>	<u>60,830</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 5,730</u>	<u>\$ 5,730</u>	<u>\$ (6,723)</u>	<u>\$ (12,453)</u>	<u>\$ (10,493)</u>



**CITY OF BEATRICE, NEBRASKA**  
**UNBONDED DISTRICTS DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

Schedule F-5

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Revenues</b>					
Special assessments	\$ 58,679	\$ 58,679	\$ 68,794	\$ 10,115	\$ 63,737
Interest on assessments	25,701	25,701	20,696	(5,005)	10,906
Proceeds from registered warrants	-	-	38,853	38,853	159,271
<b>Total Revenues</b>	<u>84,380</u>	<u>84,380</u>	<u>128,343</u>	<u>43,963</u>	<u>233,914</u>
<b>Expenditures</b>					
Capital projects					
Interest on registered warrants	13,180	13,180	20,716	(7,536)	17,935
Principal on registered warrants	96,200	108,200	99,915	8,285	113,376
Improvements	-	40,000	38,853	1,147	159,271
<b>Total Expenditures</b>	<u>109,380</u>	<u>161,380</u>	<u>159,484</u>	<u>1,896</u>	<u>290,582</u>
<b>Deficiency of Revenues Over Expenditures</b>	(25,000)	(77,000)	(31,141)	45,859	(56,668)
<b>Other Financing Sources</b>					
Transfers from other funds	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ (52,000)</u>	<u>\$ (6,141)</u>	<u>\$ 45,859</u>	<u>\$ (31,668)</u>

**CITY OF BEATRICE, NEBRASKA  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2008,**

Schedule G-1

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008			2007
	Library Capital Improvements	Capital Improvements	Total	Totals
<b>Assets</b>				
Cash	\$ -	\$ 102,545	\$ 102,545	\$ (142,320)
Restricted:				
Cash	-	304,799	304,799	266,131
Investments	80,739	-	80,739	96,835
Accounts receivable	-	-	-	320,114
<b>Total Assets</b>	<u>\$ 80,739</u>	<u>\$ 407,344</u>	<u>\$ 488,083</u>	<u>\$ 540,760</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 11,115	\$ 11,115	174,332
<b>Fund Balances</b>				
Reserved for Library capital improvement	80,739	-	80,739	96,835
Reserved for public safety equipment	-	304,799	304,799	266,131
Undesignated	-	91,430	91,430	3,462
<b>Total Fund Balances</b>	<u>80,739</u>	<u>396,229</u>	<u>476,968</u>	<u>366,428</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 80,739</u>	<u>\$ 407,344</u>	<u>\$ 488,083</u>	<u>\$ 540,760</u>

**CITY OF BEATRICE, NEBRASKA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			2007
	Library Capital Improvements	Capital Improvements	Total	Totals
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 220,244	\$ 220,244	\$ 703,454
Donations and miscellaneous revenue	250	103,519	103,769	82,615
Interest	2,488	-	2,488	3,509
<b>Total Revenues</b>	<u>2,738</u>	<u>323,763</u>	<u>326,501</u>	<u>789,578</u>
<b>Expenditures</b>				
Capital projects	18,834	1,166,515	1,185,349	1,159,099
MFO payments - other entities	-	124,292	124,292	122,907
Debt service: principal payments	-	60,000	60,000	-
Debt service: bond issue costs	-	10,199	10,199	-
<b>Total Expenditures</b>	<u>18,834</u>	<u>1,361,006</u>	<u>1,379,840</u>	<u>1,282,006</u>
<b>Deficiency of Revenues Over Expenditures</b>	(16,096)	(1,037,243)	(1,053,339)	(492,428)
<b>Other Financing Sources (Uses)</b>				
Grant write-off	-	(29,275)	(29,275)	-
Transfers from other funds	-	373,825	373,825	275,322
Bond and loan proceeds	-	819,329	819,329	216,263
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>1,163,879</u>	<u>1,163,879</u>	<u>491,585</u>
<b>Net Change in Fund Balance</b>	(16,096)	126,636	110,540	(843)
<b>Fund Balances, Beginning of Year</b>	<u>96,835</u>	<u>269,593</u>	<u>366,428</u>	<u>367,271</u>
<b>Fund Balances, End of Year</b>	<u>\$ 80,739</u>	<u>\$ 396,229</u>	<u>\$ 476,968</u>	<u>\$ 366,428</u>

CITY OF BEATRICE, NEBRASKA  
 LIBRARY CAPITAL IMPROVEMENTS FUND  
 CAPITAL PROJECTS FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Restricted investments	<u>\$80,739</u>	<u>\$96,835</u>
<b>Total Assets</b>	<u><u>\$80,739</u></u>	<u><u>\$96,835</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balance</b>		
Reserved for Library capital improvement	<u>80,739</u>	<u>96,835</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$80,739</u></u>	<u><u>\$96,835</u></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, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Revenues</b>					
Interest	\$ 3,200	\$ 3,200	\$ 2,488	\$ (712)	\$ 3,509
Miscellaneous	-	-	250	250	-
<b>Total Revenues</b>	<u>3,200</u>	<u>3,200</u>	<u>2,738</u>	<u>(462)</u>	<u>3,509</u>
<b>Expenditures</b>					
Repairs and maintenance	-	-	-	-	2,088
Capital outlay	<u>525</u>	<u>19,525</u>	<u>18,834</u>	<u>691</u>	<u>1,692</u>
<b>Total Expenditures</b>	<u>525</u>	<u>19,525</u>	<u>18,834</u>	<u>691</u>	<u>3,780</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 2,675</u>	<u>\$(16,325)</u>	(16,096)	<u>\$ 229</u>	(271)
<b>Fund Balance, Beginning of Year</b>			<u>96,835</u>		<u>97,106</u>
<b>Fund Balance, End of Year</b>			<u>\$80,739</u>		<u>\$96,835</u>

CITY OF BEATRICE, NEBRASKA  
CAPITAL IMPROVEMENTS FUND  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 102,545	\$ (142,320)
Restricted cash	304,799	266,131
Accounts receivable	<u>-</u>	<u>320,114</u>
<b>Total Assets</b>	<u>\$ 407,344</u>	<u>\$ 443,925</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 11,115	\$ 174,332
<b>Fund Balance</b>		
Reserved for public safety equipment	304,799	266,131
Unreserved	<u>91,430</u>	<u>3,462</u>
<b>Total Fund Balance</b>	<u>396,229</u>	<u>269,593</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 407,344</u>	<u>\$ 443,925</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, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Donations and miscellaneous revenue	\$ -	\$ -	\$ 103,519	\$ 103,519	\$ 82,615
Intergovernmental	718,900	718,900	220,244	(498,656)	703,454
<b>Total Revenues</b>	<u>718,900</u>	<u>718,900</u>	<u>323,763</u>	<u>(395,137)</u>	<u>786,069</u>
<b>Expenditures</b>					
<b>Capital Projects</b>					
Park equipment and improvements	51,400	51,400	32,577	18,823	137,917
Beatrice Plus	14,304	14,304	8,000	6,304	-
Building improvements	105,000	105,000	142,148	(37,148)	340,149
Police equipment and facilities	45,669	45,669	39,260	6,409	29,680
Fire and Rescue equipment	1,345,291	1,345,291	913,718	431,573	95,326
Trails	500,000	500,000	2,949	497,051	488,133
Senior Center parking lot	-	-	-	-	14,036
Library equipment and facilities	-	-	-	-	20,492
Computer equipment	29,650	29,650	27,863	1,787	29,586
MFO payments - other entities	122,900	122,900	124,292	(1,392)	122,907
<b>Debt Service</b>					
Principal payments	60,000	60,000	60,000	-	-
Bond issue costs	10,000	10,000	10,199	(199)	-
<b>Total Expenditures</b>	<u>2,284,214</u>	<u>2,284,214</u>	<u>1,361,006</u>	<u>923,208</u>	<u>1,278,226</u>
<b>Deficiency of Revenues Over Expenditures</b>	(1,565,314)	(1,565,314)	(1,037,243)	528,071	(492,157)
<b>Other Financing Sources (Uses)</b>					
Grant write-off	-	-	(29,275)	(29,275)	-
Transfers from other funds	356,356	356,356	373,825	17,469	275,322
Bond and loan proceeds	900,000	900,000	819,329	(80,671)	216,263
<b>Total Other Financing Sources (Uses)</b>	<u>1,256,356</u>	<u>1,256,356</u>	<u>1,163,879</u>	<u>(92,477)</u>	<u>491,585</u>
<b>Net Change in Fund Balance</b>	<u>\$ (308,958)</u>	<u>\$ (308,958)</u>	<u>126,636</u>	<u>\$ 435,594</u>	<u>(572)</u>
<b>Fund Balance, Beginning of Year</b>			<u>269,593</u>		<u>270,165</u>
<b>Fund Balance, End of Year</b>			<u>\$ 396,229</u>		<u>\$ 269,593</u>

**CITY OF BEATRICE, NEBRASKA**  
**ELECTRIC ENTERPRISE FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2008,**

Schedule H-1

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,364,769	\$ 550,028
Accounts receivable, net	919,693	868,902
Unbilled and accrued revenues	432,981	432,662
Materials and supplies inventories	577,211	512,631
Prepaid expenses	6,188	8,854
Current portion of CRA bonds receivable	-	185,000
Interest receivable	1,139	3,789
<b>Total Current Assets</b>	<u>4,301,981</u>	<u>2,561,866</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Employee benefits	126,414	13,263
Debt service reserve account	177,463	170,999
<b>Restricted Investments</b>		
Customer deposits	165,770	143,845
<b>Total Restricted Cash and Investments</b>	<u>469,647</u>	<u>328,107</u>
<b>Property, Plant, and Equipment</b>		
Land and land rights	17,432	17,432
Buildings and improvements	1,115,795	1,144,846
Improvements other than building	24,157,337	23,370,413
Machinery and equipment	2,618,031	2,727,704
	<u>27,908,595</u>	<u>27,260,395</u>
Less: accumulated depreciation	15,079,198	14,335,284
	<u>12,829,397</u>	<u>12,925,111</u>
Construction in progress	13,195	13,132
<b>Net Property, Plant, and Equipment</b>	<u>12,842,592</u>	<u>12,938,243</u>
<b>Other Assets</b>		
Unamortized bond issuance cost, net of amortization of \$14,382 and \$11,985 for 2008 and 2007	7,191	9,588
<b>Total Noncurrent Assets</b>	<u>13,319,430</u>	<u>13,275,938</u>
<b>Total Assets</b>	<u><u>\$ 17,621,411</u></u>	<u><u>\$ 15,837,804</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,977,671	\$ 916,674
Compensated absences	91,309	100,831
Accrued payroll	33,676	24,808
Sales tax payable	69,224	75,688
Employee insurance payable	93,500	68,000
Accrued interest	961	1,267
Customer deposits	165,745	143,845
Current portion of revenue bonds	207,512	194,742
<b>Total Current Liabilities</b>	<u>2,639,598</u>	<u>1,525,855</u>
<b>Long-term Liabilities</b>		
Compensated absences, noncurrent	150,151	137,422
Revenue bonds, net of current portions	351,175	558,688
<b>Total Long-term Liabilities</b>	<u>501,326</u>	<u>696,110</u>
<b>Total Liabilities</b>	<u>3,140,924</u>	<u>2,221,965</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	12,291,096	12,194,401
Restricted for debt service	177,463	170,999
Unrestricted	2,011,928	1,250,439
<b>Total Net Assets</b>	<u>14,480,487</u>	<u>13,615,839</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 17,621,411</u></u>	<u><u>\$ 15,837,804</u></u>



**CITY OF BEATRICE, NEBRASKA  
ELECTRIC ENTERPRISE FUND**

Schedule H-2

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
BUDGET (GAAP) AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Operating Revenues</b>					
Charges for services	\$10,585,000	\$10,585,000	\$12,400,570	\$ 1,815,570	\$11,512,137
<b>Operating Expenses</b>					
Electric energy purchased	6,700,000	6,700,000	8,301,361	(1,601,361)	7,973,033
Operating and maintenance expense	947,290	947,290	1,052,402	(105,112)	875,675
Customer accounting expenses	240,800	240,800	217,666	23,134	230,571
Engineering services	172,450	172,450	136,935	35,515	122,776
Administrative and general expense	822,700	822,700	710,535	112,165	803,350
Depreciation	950,000	950,000	948,659	1,341	941,593
Municipal services	430,450	430,450	390,216	40,234	365,924
<b>Total Operating Expenses</b>	<u>10,263,690</u>	<u>10,263,690</u>	<u>11,757,774</u>	<u>(1,494,084)</u>	<u>11,312,922</u>
<b>Operating Income</b>	321,310	321,310	642,796	321,486	199,215
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	20,000	20,000	54,205	34,205	12,099
Interest income	40,100	40,100	67,070	26,970	82,657
Grant income	-	-	14,300	14,300	-
Miscellaneous	218,500	218,500	122,555	(95,945)	146,603
Loss on asset disposal	-	-	(3,600)	(3,600)	-
Interest expense	(33,136)	(33,136)	(30,281)	2,855	(36,907)
Amortization of bond issuance cost	-	-	(2,397)	(2,397)	(2,397)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>245,464</u>	<u>245,464</u>	<u>221,852</u>	<u>(23,612)</u>	<u>202,055</u>
<b>Net Income</b>	<u>\$ 566,774</u>	<u>\$ 566,774</u>	<u>864,648</u>	<u>\$ 297,874</u>	<u>401,270</u>
<b>Net Assets, Beginning of Year</b>			<u>13,615,839</u>		<u>13,214,569</u>
<b>Net Assets, End of Year</b>			<u>\$14,480,487</u>		<u>\$13,615,839</u>

**CITY OF BEATRICE, NEBRASKA  
ELECTRIC ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION FOR  
THE YEAR ENDED SEPTEMBER 30, 2007**

Schedule H-3

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 12,560,985	\$ 11,538,187
Cash paid to suppliers for goods and services	(8,706,441)	(9,028,359)
Cash paid to employees for services	(1,072,480)	(1,385,978)
<b>Net Cash Provided by Operating Activities</b>	<u>2,782,064</u>	<u>1,123,850</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(194,743)	(188,358)
Transfers to other funds	-	-
Interest paid on long-term debt	(30,587)	(37,181)
Grant proceeds	14,300	-
Capital expenditures	(856,608)	(1,105,748)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(1,067,638)</u>	<u>(1,331,287)</u>
<b>Cash Flows from Investing Activities</b>		
Receipt of principal payments on bond receivable	185,000	180,000
Interest received	56,855	83,368
<b>Net Cash Provided by Investing Activities</b>	<u>241,855</u>	<u>263,368</u>
<b>Net Increase in Cash and Restricted Cash</b>	1,956,281	55,931
<b>Cash and Restricted Cash, Beginning of Year</b>	878,135	822,204
<b>Cash and Restricted Cash, End of Year</b>	<u><u>\$ 2,834,416</u></u>	<u><u>\$ 878,135</u></u>
<b>Cash and Cash Equivalents consist of:</b>		
Cash and investments	\$ 2,364,769	\$ 550,028
Employee benefits cash	126,414	13,263
Debt service reserve account	177,463	170,999
Customer deposits investments	165,770	143,845
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 2,834,416</u></u>	<u><u>\$ 878,135</u></u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Operating income	\$ 642,796	\$ 199,215
<b>Adjustments to Reconcile Operating Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Depreciation	948,659	941,593
Merchandise and miscellaneous revenue	189,625	158,702
Increase in unbilled and accrued revenues	(50,791)	(60,491)
Increase in accounts receivable	(319)	(116,023)
Increase in inventory	(64,580)	(78,113)
(Increase) decrease in prepaid expenses	2,666	(1,604)
Increase (decrease) in accounts payable	1,060,997	(9,461)
Increase in customer deposits	21,900	32,665
Increase (decrease) in sales tax payable	(6,464)	11,197
Increase in employee insurance payable	25,500	6,000
Increase in accrued payroll	8,868	24,808
Increase in compensated absences	3,207	15,362
<b>Total Adjustments</b>	<u>2,139,268</u>	<u>924,635</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 2,782,064</u></u>	<u><u>\$ 1,123,850</u></u>
<b>Summary of Noncash Transactions: None</b>		

**CITY OF BEATRICE, NEBRASKA  
WATER ENTERPRISE FUND**

Schedule H-4

**BALANCE SHEET  
SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 62,366	\$ 485,785
Accounts receivable, net	90,213	92,431
Unbilled and accrued revenues	83,909	75,062
Materials and supplies inventories	278,113	246,365
Prepaid expenses	4,383	4,177
Interest receivable	232	232
<b>Total Current Assets</b>	<u>519,216</u>	<u>904,052</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt service reserve account	52,368	36,722
<b>Property, Plant, and Equipment</b>		
Land and land rights	59,832	59,832
Buildings and improvements	71,322	63,555
Improvements other than buildings	12,591,333	12,041,235
Machinery and equipment	787,329	776,984
	<u>13,509,816</u>	<u>12,941,606</u>
Less accumulated depreciation	8,257,577	7,919,971
	<u>5,252,239</u>	<u>5,021,635</u>
Construction in progress	11,320	8,738
<b>Net Property, Plant, and Equipment</b>	<u>5,263,559</u>	<u>5,030,373</u>
<b>Deferred Charges</b>		
Unamortized bond issuance costs, net of amortization of \$3,338 and \$2,782 for 2008 and 2007	1,669	2,226
<b>Total Noncurrent Assets</b>	<u>5,317,596</u>	<u>5,069,321</u>
<b>Total Assets</b>	<u><u>\$ 5,836,812</u></u>	<u><u>\$ 5,973,373</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 157,440	\$ 10,885
Accrued compensated absences	59,562	92,201
Accrued payroll	16,805	12,686
Sales tax payable	58	96
Accrued interest	6,025	6,427
Current portion of long-term debt	85,218	81,089
<b>Total Current Liabilities</b>	<u>325,108</u>	<u>203,384</u>
<b>Long-term Liabilities</b>		
Compensated absences, noncurrent	122,098	118,077
Revenue bonds, net of current portion	82,280	130,900
Notes payable, net of current portion	587,268	623,866
<b>Total Long-term Liabilities</b>	<u>791,646</u>	<u>872,843</u>
<b>Total Liabilities</b>	1,116,754	1,076,227
<b>Net Assets</b>		
Invested in capital assets, net of related debt	4,510,462	4,196,744
Restricted for debt service	52,368	36,722
Unrestricted	157,228	663,680
<b>Total Net Assets</b>	<u>4,720,058</u>	<u>4,897,146</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 5,836,812</u></u>	<u><u>\$ 5,973,373</u></u>

## CITY OF BEATRICE, NEBRASKA

Schedule H-5

## WATER ENTERPRISE FUND

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

## BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Operating Revenues</b>					
Charges for services	\$ 1,490,000	\$1,490,000	\$1,487,231	\$ (2,769)	\$1,537,399
<b>Operating Expenses</b>					
Operating and maintenance expenses	668,569	668,569	732,244	(63,675)	723,181
Customer accounting expenses	101,115	101,115	122,745	(21,630)	122,139
Engineering services	16,000	16,000	16,000	-	16,000
Administrative and general expenses	383,941	383,941	357,180	26,761	357,755
Depreciation	420,000	420,000	393,325	26,675	397,943
Municipal services	27,050	27,050	31,450	(4,400)	37,650
<b>Total Operating Expenses</b>	<u>1,616,675</u>	<u>1,616,675</u>	<u>1,652,944</u>	<u>(36,269)</u>	<u>1,654,668</u>
<b>Operating Loss</b>	(126,675)	(126,675)	(165,713)	(39,038)	(117,269)
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	120,000	120,000	(731)	(120,731)	88,557
Contributions in aid of construction	-	-	-	-	129,235
Interest income	7,600	7,600	3,144	(4,456)	8,445
Grant income	-	-	7,418	7,418	-
Miscellaneous	125,000	125,000	6,802	(118,198)	15,718
Interest expense	(28,451)	(28,451)	(27,452)	999	(30,116)
Amortization of bond issuance costs	-	-	(556)	(556)	(556)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>224,149</u>	<u>224,149</u>	<u>(11,375)</u>	<u>(235,524)</u>	<u>211,283</u>
<b>Net Income (Loss)</b>	<u>\$ 97,474</u>	<u>\$ 97,474</u>	(177,088)	<u>\$ (274,562)</u>	94,014
<b>Net Assets, Beginning of Year</b>			<u>4,897,146</u>		<u>4,803,132</u>
<b>Net Assets, End of Year</b>			<u>\$4,720,058</u>		<u>\$4,897,146</u>

## CITY OF BEATRICE, NEBRASKA

Schedule H-6

## WATER ENTERPRISE FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

THE YEAR ENDED SEPTEMBER 30, 2007

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,486,673	\$ 1,630,961
Cash paid to suppliers for goods and services	(526,302)	(490,575)
Cash paid to employees for services	(643,253)	(784,231)
<b>Net Cash Provided by Operating Activities</b>	<b>317,118</b>	<b>356,155</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(81,089)	(78,492)
Transfers from other funds	-	-
Interest paid on long-term debt	(27,854)	(30,499)
Grant proceeds	7,418	-
Capital expenditures	(626,510)	(473,587)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(728,035)</b>	<b>(582,578)</b>
<b>Cash Flows from Investing Activities</b>		
Interest received	3,144	8,445
<b>Net Decrease in Cash and Restricted Cash</b>	<b>(407,773)</b>	<b>(217,978)</b>
<b>Cash and Restricted Cash, Beginning of Year</b>	<b>522,507</b>	<b>740,485</b>
<b>Cash and Restricted Cash, End of Year</b>	<b>\$ 114,734</b>	<b>\$ 522,507</b>
<b>Cash and Cash Equivalents consist of:</b>		
Cash and investments	\$ 62,366	\$ 485,785
Debt service reserve account	52,368	36,722
<b>Total Cash and Cash Equivalents</b>	<b>\$ 114,734</b>	<b>\$ 522,507</b>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (165,713)	\$ (117,269)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation	393,325	397,943
Merchandise and miscellaneous revenue	6,071	104,275
(Increase) decrease in accounts receivable	2,218	(4,189)
Increase in unbilled and accrued revenues	(8,847)	(6,620)
Increase in inventory	(31,748)	(9,667)
Increase in prepaid expenses	(206)	(725)
Increase (decrease) in accounts payable	146,555	(33,678)
Increase in sales tax payable	(38)	96
Increase in accrued payroll	4,119	12,686
Increase (decrease) in compensated absences	(28,618)	13,303
<b>Total Adjustments</b>	<b>482,831</b>	<b>473,424</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 317,118</b>	<b>\$ 356,155</b>

**Summary of Noncash Transactions:**

The Water Fund received \$129,235 of Contributions in Aid of Construction on distribution systems put in by developers or the City's governmental funds during the year ended September 30, 2007.

**CITY OF BEATRICE, NEBRASKA**  
**WATER POLLUTION CONTROL ENTERPRISE FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2008,**

Schedule H-7

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 91,651	\$ 147,216
Accounts receivable, net	60,261	58,222
Unbilled and accrued revenues	64,601	60,093
Prepaid expenses	3,486	2,014
Interest receivable	328	328
<b>Total Current Assets</b>	<u>220,327</u>	<u>267,873</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt service reserve account	87,800	54,431
<b>Property, Plant, and Equipment</b>		
Land and land rights	16,588	16,588
Improvements other than buildings	16,239,163	16,006,070
Machinery and equipment	1,525,227	1,383,851
	<u>17,780,978</u>	<u>17,406,509</u>
Less: accumulated depreciation	9,748,264	9,169,924
<b>Net Property, Plant, and Equipment</b>	<u>8,032,714</u>	<u>8,236,585</u>
<b>Deferred Charges</b>		
Unamortized debt expense, net of amortization of \$4,729 and \$3,941 for 2008 and 2007	2,364	3,152
<b>Total Noncurrent Assets</b>	<u>8,122,878</u>	<u>8,294,168</u>
<b>Total Assets</b>	<u>\$ 8,343,205</u>	<u>\$ 8,562,041</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 192,550	\$ 7,459
Compensated absences	25,982	38,580
Accrued payroll	10,149	6,691
Accrued interest	12,496	13,311
Current portion of long-term debt	147,936	141,243
<b>Total Current Liabilities</b>	<u>389,113</u>	<u>207,284</u>
<b>Long-term Liabilities</b>		
Compensated absences, noncurrent	37,921	33,003
Revenue bonds, net of current portion	116,545	185,412
Notes payable, net of current portion	1,230,818	1,309,885
<b>Total Long-term Liabilities</b>	<u>1,385,284</u>	<u>1,528,300</u>
<b>Total Liabilities</b>	1,774,397	1,735,584
<b>Fund Equity</b>		
Invested in capital assets, net of related debt	6,539,779	6,603,197
Restricted for debt service	87,800	54,431
Unrestricted	(58,771)	168,829
<b>Total Net Assets</b>	<u>6,568,808</u>	<u>6,826,457</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 8,343,205</u>	<u>\$ 8,562,041</u>

**WATER POLLUTION CONTROL ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**BUDGET (GAAP) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION OR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008			Variance	2007
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Totals
<b>Operating Revenues</b>					
Charges for services	\$1,122,680	\$1,122,680	\$1,158,511	\$ 35,831	\$1,116,545
<b>Operating Expenses</b>					
Operating and maintenance expenses	453,120	453,120	519,983	(66,863)	433,942
Customer accounting expenses	54,000	54,000	63,368	(9,368)	61,964
Engineering expenses	16,000	16,000	16,000	-	16,000
Administrative and general expenses	231,656	231,656	231,440	216	206,044
Depreciation	650,000	650,000	673,040	(23,040)	683,730
Municipal services	6,100	6,100	9,650	(3,550)	9,826
Transfer to other fund	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>1,410,876</u>	<u>1,410,876</u>	<u>1,513,481</u>	<u>(102,605)</u>	<u>1,411,506</u>
<b>Operating Loss</b>	(288,196)	(288,196)	(354,970)	(66,774)	(294,961)
<b>Nonoperating Revenues (Expenses)</b>					
Merchandising, etc.	13,300	13,300	8,999	(4,301)	12,716
Contributions in aid of construction	-	-	-	-	84,988
Grant income	-	-	65,200	65,200	-
Interest income	5,000	5,000	1,630	(3,370)	5,205
Miscellaneous	100,000	100,000	76,400	(23,600)	9,154
Loss on asset disposal	-	-	(1,297)	(1,297)	-
Interest expense	(54,483)	(54,483)	(52,823)	1,660	(57,424)
Amortization of bond issuance costs	-	-	(788)	(788)	(788)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>63,817</u>	<u>63,817</u>	<u>97,321</u>	<u>33,504</u>	<u>53,851</u>
<b>Net Loss</b>	<u>\$ (224,379)</u>	<u>\$ (224,379)</u>	(257,649)	<u>\$ (33,270)</u>	(241,110)
<b>Net Assets, Beginning of Year</b>			<u>6,826,457</u>		<u>7,067,567</u>
<b>Net Assets, End of Year</b>			<u>\$6,568,808</u>		<u>\$6,826,457</u>

**CITY OF BEATRICE, NEBRASKA  
WATER POLLUTION CONTROL ENTERPRISE FUND  
STATEMENT OF CASH FLOWS**

Schedule H-9

**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,237,363	\$ 1,132,701
Cash paid to suppliers for goods and services	(264,683)	(288,599)
Cash paid to employees for services	(396,361)	(471,765)
<b>Net Cash Provided by Operating Activities</b>	<u>576,319</u>	<u>372,337</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal payments on long-term debt	(141,241)	(136,744)
Transfers from other funds	-	-
Interest paid on long-term debt	(53,638)	(58,204)
Capital expenditures	(470,466)	(483,836)
Grant proceeds	65,200	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(600,145)</u>	<u>(678,784)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	<u>1,630</u>	<u>5,205</u>
<b>Net Decrease in Cash</b>	(22,196)	(301,242)
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>201,647</u>	<u>502,889</u>
<b>Cash and Restricted Cash, End of Year</b>	<u><u>\$ 179,451</u></u>	<u><u>\$ 201,647</u></u>
<b>Cash and Cash Equivalents consist of:</b>		
Cash and investments	\$ 91,651	\$ 147,216
Debt service reserve account	87,800	54,431
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 179,451</u></u>	<u><u>\$ 201,647</u></u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating Loss	\$ (354,970)	\$ (294,961)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation	673,040	683,730
Merchandise and miscellaneous revenue	85,399	21,870
(Increase) Decrease in accounts receivable	(2,039)	1,637
Increase in unbilled and accrued revenues	(4,508)	(7,351)
Increase (Decrease) in prepaid expenses	(1,472)	151
Increase (Decrease) in accounts payable	185,091	(27,695)
Increase in accrued payroll	3,458	6,691
Decrease in accrued compensated absences	(7,680)	(11,735)
<b>Total Adjustments</b>	<u>931,289</u>	<u>667,298</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 576,319</u></u>	<u><u>\$ 372,337</u></u>

**Summary of Noncash transactions:**

The Water Pollution Control Fund received \$84,988 of Contributions in Aid of Construction on distribution systems put in by developers or the City's governmental funds during the year ended September 30, 2007.



**CITY OF BEATRICE, NEBRASKA  
SANITATION ENTERPRISE FUND  
BALANCE SHEET  
SEPTEMBER 30, 2008,**

Schedule H-10

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 40,249	\$ 976
Accounts receivable, net	<u>41,987</u>	<u>77,453</u>
<b>Total Assets</b>	<u><u>\$ 82,236</u></u>	<u><u>\$ 78,429</u></u>
<b>Liabilities and Fund Equity</b>		
<b>Liabilities</b>		
Accounts payable	\$ 82,236	\$ 78,429
<b>Net Assets</b>		
Unrestricted	<u>-</u>	<u>-</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 82,236</u></u>	<u><u>\$ 78,429</u></u>

## SANITATION ENTERPRISE FUND

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

## BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION OR THE YEAR ENDED SEPTEMBER 30, 2007

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Operating Revenues</b>					
Garbage service fees	\$ 1,258,700	\$ 1,258,700	\$ 1,208,564	\$ (50,136)	\$ 1,139,633
<b>Operating Expenses</b>					
Bad debt expense	2,500	2,500	2,191	309	3,706
Garbage disposal contract	720,200	720,200	677,340	42,860	620,563
Garbage hauler contract	536,000	536,000	529,033	6,967	515,364
<b>Total Operating Expenses</b>	<u>1,258,700</u>	<u>1,258,700</u>	<u>1,208,564</u>	<u>50,136</u>	<u>1,139,633</u>
<b>Net Income</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
<b>Net Assets, Beginning of Year</b>			-		-
<b>Net Assets, End of Year</b>			<u>\$ -</u>		<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA  
SANITATION ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

Schedule H-12

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,244,030	\$ 1,135,124
Cash paid to suppliers for goods and services	<u>(1,204,757)</u>	<u>(1,134,176)</u>
<b>Net Cash Used in Operating Activities</b>	<u>39,273</u>	<u>948</u>
<b>Net Decrease in Cash</b>	39,273	948
<b>Cash, Beginning of Year</b>	<u>976</u>	<u>28</u>
<b>Cash, End of Year</b>	<u><u>\$ 40,249</u></u>	<u><u>\$ 976</u></u>
<b>Reconciliation of Net Income to Net Cash     Provided by Operating Activities</b>		
Operating income	\$ -	\$ -
<b>Adjustments to Reconcile Operating Income to     Net Cash Provided (Used) by Operating Activities:</b>		
(Increase) decrease in accounts receivable	35,466	(2,348)
Increase in accounts payable	<u>3,807</u>	<u>2,023</u>
<b>Total Adjustments</b>	<u>39,273</u>	<u>(325)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 39,273</u></u>	<u><u>\$ (325)</u></u>
<b>Summary of Non-Cash Transactions: None</b>		

**CITY OF BEATRICE, NEBRASKA**  
**BASWA ENTERPRISE FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2008,**

Schedule H-13

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 69,164	\$ 123,148
Accounts receivable, net	145,465	132,064
<b>Total Current Assets</b>	<u>214,629</u>	<u>255,212</u>
<b>Noncurrent Assets</b>		
<b>Restricted Cash</b>		
Debt service reserve account	167,789	163,235
Grant account	112,732	-
<b>Restricted Investments</b>		
Closure/postclosure maintenance account	616,701	521,176
<b>Property, Plant, and Equipment</b>		
Improvements other than buildings	3,584,215	3,584,215
Machinery and equipment	719,815	623,179
	<u>4,304,030</u>	<u>4,207,394</u>
Less: accumulated depreciation	2,499,680	2,214,780
<b>Net Property, Plant, and Equipment</b>	<u>1,804,350</u>	<u>1,992,614</u>
<b>Deferred Charges</b>		
Bond issue costs, net of amortization of \$14,247 and \$11,047 for 2008 and 2007	7,203	10,403
<b>Total Noncurrent Assets</b>	<u>2,708,775</u>	<u>2,687,428</u>
<b>Total Assets</b>	<u><u>\$2,923,404</u></u>	<u><u>\$2,942,640</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 29,612	\$ 4,536
Compensated absences	22,300	23,421
Accrued compensation	2,621	834
Accrued interest payable	8,040	10,268
Current maturities of bonds payable	210,000	200,000
Current maturities of notes payable	18,681	17,816
<b>Total Current Liabilities</b>	<u>291,254</u>	<u>256,875</u>
<b>Long-term Liabilities</b>		
Revenue bonds payable, net of current portion	445,000	655,000
Notes payable, net of current portion	22,954	41,648
Estimated current cost of closure and postclosure	1,870,000	1,270,000
<b>Total Long-term Liabilities</b>	<u>2,337,954</u>	<u>1,966,648</u>
<b>Total Liabilities</b>	2,629,208	2,223,523
<b>Net Assets</b>		
Invested in capital assets, net of related debt	1,114,918	1,088,553
Restricted for debt service	167,789	163,235
Restricted for grants	112,732	-
Unrestricted	(1,101,243)	(532,671)
<b>Net Assets</b>	<u>294,196</u>	<u>719,117</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$2,923,404</u></u>	<u><u>\$2,942,640</u></u>

CITY OF BEATRICE, NEBRASKA  
BASWA ENTERPRISE FUND

Schedule H-14

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
BUDGET (GAAP) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION OR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Totals
<b>Operating Revenues</b>					
Other government user fees	\$ 97,659	\$ 97,659	\$ 97,659	\$ -	\$ 97,659
Gate fees	255,000	255,000	279,051	24,051	261,273
Garbage service fees	733,700	733,700	694,798	(38,902)	634,647
Recycling income	3,000	3,000	3,612	612	3,916
<b>Total Operating Revenues</b>	<u>1,089,359</u>	<u>1,089,359</u>	<u>1,075,120</u>	<u>(14,239)</u>	<u>997,495</u>
<b>Operating Expenses</b>					
Personal services	224,116	224,116	245,101	(20,985)	220,557
Supplies	98,500	98,500	98,753	(253)	95,518
Other services and charges	540,308	540,308	311,951	228,357	207,925
Contractual services	82,595	82,595	67,885	14,710	68,981
Depreciation and amortization	116,256	116,256	293,280	(177,024)	291,056
Landfill closure and postclosure care	125,000	125,000	600,000	(475,000)	150,000
<b>Total Operating Expenses</b>	<u>1,186,775</u>	<u>1,186,775</u>	<u>1,616,970</u>	<u>(430,195)</u>	<u>1,034,037</u>
<b>Operating Loss</b>	(97,416)	(97,416)	(541,850)	(444,434)	(36,542)
<b>Nonoperating Revenues (Expenses)</b>					
Miscellaneous revenue	125,000	125,000	9,361	(115,639)	61
Interest earnings	36,000	36,000	27,036	(8,964)	35,486
Grant revenue	-	-	112,732	112,732	-
Interest expense	(236,828)	(236,828)	(29,000)	207,828	(38,440)
Amortization of bond issue costs	-	-	(3,200)	(3,200)	(3,200)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(75,828)</u>	<u>(75,828)</u>	<u>116,929</u>	<u>192,757</u>	<u>(6,093)</u>
<b>Net Loss</b>	<u>\$ (173,244)</u>	<u>\$ (173,244)</u>	<u>(424,921)</u>	<u>\$ (251,677)</u>	<u>(42,635)</u>
<b>Net Assets, Beginning of Year</b>			<u>719,117</u>		<u>761,752</u>
<b>Net Assets, End of Year</b>			<u>\$ 294,196</u>		<u>\$ 719,117</u>

## BASWA ENTERPRISE FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,071,080	\$ 992,853
Cash paid to suppliers for goods and services	(519,445)	(371,024)
Cash paid to employees for services	(178,503)	(211,683)
<b>Net Cash Provided by Operating Activities</b>	<u>373,132</u>	<u>410,146</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Bond principal repayments	(200,000)	(195,000)
Note payable repayments	(17,829)	(16,977)
Interest expenditures	(31,228)	(40,441)
Grant revenues	112,732	-
Capital expenditures	(105,016)	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(241,341)</u>	<u>(252,418)</u>
<b>Cash Flows from Investing Activities</b>		
Interest Received	<u>27,036</u>	<u>35,486</u>
<b>Net Increase in Cash and Cash Equivalents</b>	158,827	193,214
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>807,559</u>	<u>614,345</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 966,386</u></u>	<u><u>\$ 807,559</u></u>
<b>Cash and Cash Equivalents consist of:</b>		
Cash and investments	\$ 69,164	\$ 123,148
Debt service reserve account	167,789	163,235
Grant account	112,732	-
Closure/postclosure maintenance account	616,701	521,176
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 966,386</u></u>	<u><u>\$ 807,559</u></u>
<b>Reconciliation of Net Loss to Net Cash Provided by Operating Activities</b>		
Operating Loss	\$ (541,850)	\$ (39,742)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	293,280	294,256
Other revenue	9,361	61
Increase in estimated current cost of closure and postclosure	600,000	150,000
Increase in accounts receivable	(13,401)	(4,703)
Increase in accounts payable	25,076	1,400
Increase in accrued expenses	666	8,874
<b>Total Adjustments</b>	<u>914,982</u>	<u>449,888</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 373,132</u></u>	<u><u>\$ 410,146</u></u>

Summary of Noncash Transactions: None

**CITY OF BEATRICE  
INTERNAL SERVICE FUND  
SELF-INSURED GROUP INSURANCE FUND  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008,**

Schedule I-1

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 91,215	\$ 21,505
Accounts receivable, net	<u>-</u>	<u>130,191</u>
<b>Total Current Assets</b>	<u>91,215</u>	<u>151,696</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Claims incurred but not reported	35,000	35,000
Due to General Fund	<u>-</u>	<u>65,000</u>
<b>Total Current Liabilities</b>	<u>35,000</u>	<u>100,000</u>
<b>Net Assets</b>		
Unrestricted	<u><u>\$ 56,215</u></u>	<u><u>\$ 51,696</u></u>

**CITY OF BEATRICE**  
**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, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE**  
**YEAR ENDED SEPTEMBER 30, 2007**

Schedule I-2

	2008			Variance Favorable (Unfavorable)	2007 Totals
	Original Budget	Final Budget	Actual		
<b>Operating Revenues</b>					
Charges for services	\$ 949,584	\$ 949,584	\$ 933,778	\$ (15,806)	\$1,000,706
Reimbursements	30,000	30,000	20,587	(9,413)	371,583
<b>Total Operating Revenues</b>	<u>979,584</u>	<u>979,584</u>	<u>954,365</u>	<u>(25,219)</u>	<u>1,372,289</u>
<b>Operating Expenses</b>					
Health insurance claims paid	700,000	700,000	698,318	1,682	1,029,796
Health and life insurance premiums	83,000	118,000	129,350	(11,350)	130,768
Payflex expenditures	70,000	70,000	51,197	18,803	55,955
Workers' compensation claims paid	150,000	150,000	47,299	102,701	68,102
Other services and charges	27,800	27,800	25,744	2,056	28,080
<b>Total Operating Expenses</b>	<u>1,030,800</u>	<u>1,065,800</u>	<u>951,908</u>	<u>113,892</u>	<u>1,312,701</u>
<b>Operating Income</b>	(51,216)	(86,216)	2,457	88,673	59,588
<b>Nonoperating Revenues</b>					
Interest	<u>1,000</u>	<u>1,000</u>	<u>2,062</u>	<u>1,062</u>	<u>2,114</u>
<b>Change in Net Assets</b>	<u>\$ (50,216)</u>	<u>\$ (85,216)</u>	<u>4,519</u>	<u>\$ 89,735</u>	<u>61,702</u>
<b>Total Net Assets, Beginning of Year</b>			<u>51,696</u>		<u>(10,006)</u>
<b>Total Net Assets, End of Year</b>			<u>\$ 56,215</u>		<u>\$ 51,696</u>



## CITY OF BEATRICE, NEBRASKA

## Schedule I-3

## INTERNAL SERVICE FUND

## SELF-INSURED GROUP INSURANCE FUND

## COMBINING STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED SEPTEMBER 30, 2008,

## WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 1,084,556	\$ 1,589,902
Payments to suppliers	(951,908)	(1,342,701)
<b>Net Cash Provided by Operating Activities</b>	<u>132,648</u>	<u>247,201</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Repayment to General Fund	(65,000)	(250,000)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(65,000)</u>	<u>(250,000)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	2,062	2,114
<b>Net Cash Provided by Investing Activities</b>	<u>2,062</u>	<u>2,114</u>
<b>Net Increase (Decrease) in Cash</b>	69,710	(685)
<b>Cash, Beginning of Year</b>	<u>21,505</u>	<u>22,190</u>
<b>Cash, End of Year</b>	<u>\$ 91,215</u>	<u>\$ 21,505</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ 2,457	\$ 59,588
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>		
Decrease in accounts receivable	130,191	217,613
Decrease in claims incurred but not reported	-	(30,000)
<b>Total Adjustments</b>	<u>130,191</u>	<u>187,613</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 132,648</u>	<u>\$ 247,201</u>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

Schedule J-1

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Investments with fiscal agent:		
Demand deposits	\$ 591,363	\$ 978,300
Guaranteed interest accounts	6,509,541	7,413,410
Publicly traded equities	<u>5,793,196</u>	<u>7,293,056</u>
<b>Total Assets</b>	12,894,100	15,684,766
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		
Reserved for Employees' Retirement System	<u><u>\$ 12,894,100</u></u>	<u><u>\$ 15,684,766</u></u>

**CITY OF BEATRICE, NEBRASKA**  
**PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM**  
**COMBINING STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

	2008					
	Firefighters	Police	General Government	Board of Public Works	Total	2007 Totals
<b>Assets</b>						
Investments with fiscal agent:						
Demand deposits	\$ 151,517	\$ 123,305	\$ 223,531	\$ 93,010	\$ 591,363	\$ 978,300
Guaranteed interest accounts	581,464	433,745	670,920	4,823,412	6,509,541	7,413,410
Publicly traded equities	<u>3,000,765</u>	<u>1,086,905</u>	<u>906,301</u>	<u>799,225</u>	<u>5,793,196</u>	<u>7,293,056</u>
<b>Total Assets</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>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>						
Reserved for Employees'						
Retirement System	<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>

CITY OF BEATRICE, NEBRASKA  
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008,  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE  
YEAR ENDED SEPTEMBER 30, 2007

Schedule J-3

	<u>2008</u>	<u>2007</u>
<b>Additions:</b>		
<b>Contributions:</b>		
Employer	\$ 384,859	\$ 430,811
Employee	406,661	418,159
<b>Total Contributions</b>	<u>791,520</u>	<u>848,970</u>
 <b>Transfer from other funds</b>	 40,285	 -
 <b>Investment Income:</b>		
Net (Depreciation) Appreciation in fair value of investments	 <u>(938,450)</u>	 <u>1,350,663</u>
 <b>Total (Reductions) Additions</b>	 (106,645)	 2,199,633
 <b>Deductions:</b>		
Benefit payments	2,620,662	1,037,897
Administrative costs	23,074	17,242
Transfer to other funds	40,285	-
<b>Total Deductions</b>	<u>2,684,021</u>	<u>1,055,139</u>
 <b>Net (Decrease) Increase</b>	 (2,790,666)	 1,144,494
 <b>Net Assets Held in Trust for Pension Benefits,   Beginning of Year</b>	 <u>15,684,766</u>	 <u>14,540,272</u>
 <b>Net Assets Held in Trust for Pension Benefits,   End of Year</b>	 <u>\$ 12,894,100</u>	 <u>\$ 15,684,766</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, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008				2007
	Firefighters	Police	General Government	Board of Public Works	Totals
<b>Additions:</b>					
<b>Contributions:</b>					
Employer	\$ 119,755	\$ 54,575	\$ 65,554	\$ 144,975	\$ 430,811
Employee	60,818	59,795	76,171	209,877	418,159
<b>Total Contributions</b>	<u>180,573</u>	<u>114,370</u>	<u>141,725</u>	<u>354,852</u>	<u>848,970</u>
<b>Transfer from other fund</b>	-	40,285	-	-	-
<b>Investment Income:</b>					
Net appreciation (depreciation) in fair value of investments	(561,219)	(248,019)	(135,392)	6,180	1,350,663
<b>Total Additions (Reductions)</b>	<u>(380,646)</u>	<u>(93,364)</u>	<u>6,333</u>	<u>361,032</u>	<u>2,199,633</u>
<b>Deductions:</b>					
Benefit payments	1,012,764	386,687	538,390	682,821	1,037,897
Administrative costs	4,528	3,940	4,976	9,630	17,242
Transfer to other fund	40,285	-	-	-	-
<b>Total Deductions</b>	<u>1,057,577</u>	<u>390,627</u>	<u>543,366</u>	<u>692,451</u>	<u>1,055,139</u>
<b>Net (Decrease) Increase</b>	<u>(1,438,223)</u>	<u>(483,991)</u>	<u>(537,033)</u>	<u>(331,419)</u>	<u>1,144,494</u>
<b>Net Assets Held in Trust for Pension Benefits, Beginning of Year</b>	<u>5,171,969</u>	<u>2,127,946</u>	<u>2,337,785</u>	<u>6,047,066</u>	<u>14,540,272</u>
<b>Net Assets Held in Trust for Pension Benefits, End of Year</b>	<u>\$ 3,733,746</u>	<u>\$ 1,643,955</u>	<u>\$ 1,800,752</u>	<u>\$ 5,715,647</u>	<u>\$ 15,684,766</u>

**CITY OF BEATRICE, NEBRASKA**  
**PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF CASH FLOWS**

Schedule J-5

**FOR THE YEAR ENDED SEPTEMBER 30, 2008,**

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash contributions received	\$ 791,520	\$ 848,970
Cash terminations/retirements paid	(2,620,662)	(1,037,897)
Transfer to/from other funds	-	-
Other operating charges paid	(23,074)	(17,242)
<b>Net Cash Used in Operating Activities</b>	<u>(1,852,216)</u>	<u>(206,169)</u>
<b>Cash Flows from Investing Activities</b>		
Interest and dividends on investments	(938,450)	1,350,663
Purchase of investments	2,790,666	(1,144,494)
<b>Net Cash Provided by Investing Activities</b>	<u>1,852,216</u>	<u>206,169</u>
<b>Net Increase in Cash</b>	-	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>		
Operating income (loss)	\$ (2,790,666)	\$ 1,144,494
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:</b>		
Interest and Dividends on Investments	<u>938,450</u>	<u>(1,350,663)</u>
<b>Net Cash Used in Operating Activities</b>	<u><u>\$ (1,852,216)</u></u>	<u><u>\$ (206,169)</u></u>

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

Schedule J-6

**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	2008					
	Firefighters	Police	General Government	Board of Public Works	Total	2007 Totals
<b>Cash Flows from Operating Activities</b>						
Cash contributions received	\$ 180,573	\$ 114,370	\$ 141,725	\$ 354,852	\$ 791,520	\$ 848,970
Cash terminations/retirements paid	(1,012,764)	(386,687)	(538,390)	(682,821)	(2,620,662)	(1,037,897)
Transfers to/from other funds	(40,285)	40,285	-	-	-	-
Other operating charges paid	(4,528)	(3,940)	(4,976)	(9,630)	(23,074)	(17,242)
<b>Net Cash Used in Operating Activities</b>	<b>(877,004)</b>	<b>(235,972)</b>	<b>(401,641)</b>	<b>(337,599)</b>	<b>(1,852,216)</b>	<b>(206,169)</b>
<b>Cash Flows from Investing Activities</b>						
Interest and dividends on investments	(561,219)	(248,019)	(135,392)	6,180	(938,450)	1,350,663
Sale (purchase) of investments	1,438,223	483,991	537,033	331,419	2,790,666	(1,144,494)
<b>Net Cash Provided by Investing Activities</b>	<b>877,004</b>	<b>235,972</b>	<b>401,641</b>	<b>337,599</b>	<b>1,852,216</b>	<b>206,169</b>
<b>Net Increase in Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>						
Operating Income (Loss)	\$(1,438,223)	\$(483,991)	\$(537,033)	\$(331,419)	\$(2,790,666)	\$ 1,144,494
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>						
Interest and Dividends on Investments	561,219	248,019	135,392	(6,180)	938,450	(1,350,663)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (877,004)</b>	<b>\$ (235,972)</b>	<b>\$ (401,641)</b>	<b>\$ (337,599)</b>	<b>\$ (1,852,216)</b>	<b>\$ (206,169)</b>

**CITY OF BEATRICE, NEBRASKA  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008**

Schedule K-1

	Beatrice Airport Authority	Beatrice Community Redevelopment Authority	Total Component Units
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 72,673	\$ 47,211	\$ 119,884
Cash on deposit - County Treasurer	32,952	12,877	45,829
Accounts receivable	13,919	-	13,919
Grants receivable	518,595	-	518,595
Taxes receivable	9,025	-	9,025
Inventories	66,577	-	66,577
Current portion of TIF notes receivable	-	318,025	318,025
<b>Total Current Assets</b>	<u>713,741</u>	<u>378,113</u>	<u>1,091,854</u>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	488,600	-	488,600
Capital assets, net of accumulated depreciation	1,859,124	-	1,859,124
<b>Net Capital Assets</b>	<u>2,347,724</u>	<u>-</u>	<u>2,347,724</u>
<b>Other Assets</b>			
TIF notes receivable, net of current portion	-	4,153,884	4,153,884
Unamortized bond issuance costs	2,023	-	2,023
<b>Total Other Assets</b>	<u>2,023</u>	<u>4,153,884</u>	<u>4,155,907</u>
<b>Total Noncurrent Assets</b>	<u>2,349,747</u>	<u>4,153,884</u>	<u>6,503,631</u>
<b>Total Assets</b>	<u>3,063,488</u>	<u>4,531,997</u>	<u>7,595,485</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	50,012	-	50,012
Accrued expenses	37,325	-	37,325
Accrued interest payable	5,646	9,314	14,960
Deferred revenues	20,046	-	20,046
Due to City of Beatrice	-	50,000	50,000
Warrants payable	329,662	32,328	361,990
Current maturities of TIF payable	-	31,383	31,383
Current maturities of long-term debt	73,532	195,000	268,532
<b>Total Current Liabilities</b>	<u>516,223</u>	<u>318,025</u>	<u>834,248</u>
<b>Noncurrent liabilities, net of current portion</b>			
Noncurrent portion of deferred rent	76,137	-	76,137
Bonds payable	70,000	1,480,000	1,550,000
TIF payable	-	2,686,761	2,686,761
Notes and leases payable	10,800	-	10,800
<b>Total Noncurrent Liabilities</b>	<u>156,937</u>	<u>4,166,761</u>	<u>4,323,698</u>
<b>Total Liabilities</b>	<u>673,160</u>	<u>4,484,786</u>	<u>5,157,946</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	2,195,415	-	2,195,415
Restricted for debt service	35,764	-	35,764
Unrestricted net assets	159,149	47,211	206,360
<b>Total Net Assets</b>	<u>\$ 2,390,328</u>	<u>\$ 47,211</u>	<u>\$2,437,539</u>



**CITY OF BEATRICE, NEBRASKA  
COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Schedule K-2

		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	2008 Total
<b>Functions/Programs</b>	<b>Expenses</b>						
<b>Airport Authority:</b>							
Airport operations	\$ 969,984	\$ 465,597	\$ -	\$ 503,374	\$ (1,013)		\$ (1,013)
Depreciation	244,487	-	-	-	(244,487)		(244,487)
Amortization	1,011	-	-	-	(1,011)		(1,011)
Interest on long-term debt	7,977	-	-	-	(7,977)		(7,977)
Total Beatrice Airport Authority	1,223,459	465,597	-	503,374	(254,488)		(254,488)
<b>Community Redevelopment Authority:</b>							
Community development	77,081	-	-	-		\$ (77,081)	(77,081)
Interest on long-term debt	81,920	-	-	-		(81,920)	(81,920)
Total Community Redevelopment Authority	159,001	-	-	-		(159,001)	(159,001)
<b>Total Component Units</b>	<b>\$ 1,382,460</b>	<b>\$ 465,597</b>	<b>\$ -</b>	<b>\$ 503,374</b>	<b>(254,488)</b>	<b>(159,001)</b>	<b>(413,489)</b>
<b>General Revenues</b>							
Property tax					189,412	-	189,412
Tax Increment Financing					-	216,584	216,584
Unrestricted intergovernmental					11,365	-	11,365
Miscellaneous revenues					15,891	-	15,891
Unrestricted investment earnings					4,676	-	4,676
<b>Total General Revenues</b>					<b>221,344</b>	<b>216,584</b>	<b>437,928</b>
<b>Change in Net Assets</b>					<b>(33,144)</b>	<b>57,583</b>	<b>24,439</b>
<b>Net Assets, Beginning of Year</b>					<b>2,423,472</b>	<b>(10,372)</b>	<b>2,413,100</b>
<b>Net Assets, End of Year</b>					<b>\$ 2,390,328</b>	<b>\$ 47,211</b>	<b>\$ 2,437,539</b>

CITY OF BEATRICE, NEBRASKA Schedule L-1  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2008,**  
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007**

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	<u>2008</u>	<u>2007</u>
<b>Governmental Funds Capital Assets</b>		
Land	\$ 2,545,537	\$ 2,404,759
Buildings	5,293,550	5,045,007
Improvements other than buildings	3,633,681	3,594,326
Machinery and equipment	7,251,843	6,280,101
Infrastructure	22,835,210	22,548,334
<b>Total</b>	<u>\$ 41,559,821</u>	<u>\$ 39,872,527</u>
 <b>Investments in Governmental Funds Capital Assets by Source</b>		
General Obligation bonds	\$ 4,811,020	\$ 4,004,607
Federal and State grants	7,294,043	7,134,185
General Fund revenues	27,280,854	26,700,889
Donations	2,173,904	2,032,846
<b>Total Investments in Governmental Funds Capital Assets</b>	<u>\$ 41,559,821</u>	<u>\$ 39,872,527</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**

Schedule L-2

SEPTEMBER 30, 2008,

WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2007

Function and Activity	2008						2007 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
<b>General Government</b>							
Management and budget	\$ 5,025	\$ -	\$ -	\$ 99,196	\$ -	\$ 104,221	\$ 90,180
Legal	-	-	-	4,794	-	4,794	4,788
Inspection	-	-	-	41,297	-	41,297	30,897
<b>Total General Government</b>	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>145,287</u>	<u>-</u>	<u>150,312</u>	<u>125,865</u>
<b>Public Safety</b>							
Police	76,500	62,748	147,480	1,685,116	-	1,971,844	1,903,641
Fire	-	-	-	2,648,234	-	2,648,234	1,908,691
<b>Total Public Safety</b>	<u>76,500</u>	<u>62,748</u>	<u>147,480</u>	<u>4,333,350</u>	<u>-</u>	<u>4,620,078</u>	<u>3,812,332</u>
<b>Culture and Recreation</b>							
Public properties	2,363,435	2,441,832	3,403,997	764,804	-	8,974,068	8,669,359
Library	100,577	2,434,807	82,204	664,854	-	3,282,442	3,268,839
<b>Total Culture and Recreation</b>	<u>2,464,012</u>	<u>4,876,639</u>	<u>3,486,201</u>	<u>1,429,658</u>	<u>-</u>	<u>12,256,510</u>	<u>11,938,198</u>
<b>Streets</b>	<u>-</u>	<u>354,163</u>	<u>-</u>	<u>1,322,543</u>	<u>21,912,134</u>	<u>23,588,840</u>	<u>23,073,056</u>
<b>Storm Water Management</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,005</u>	<u>923,076</u>	<u>944,081</u>	<u>923,076</u>
<b>Total Governmental Funds Capital Assets</b>	<u>\$2,545,537</u>	<u>\$5,293,550</u>	<u>\$3,633,681</u>	<u>\$ 7,251,843</u>	<u>\$22,835,210</u>	<u>\$41,559,821</u>	<u>\$39,872,527</u>

**CITY OF BEATRICE, NEBRASKA** **Schedule L-3**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<b>Function and Activity</b>	<b>Governmental Funds Capital Assets 10/1/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Funds Capital Assets 09/30/08</b>
<b>General Government</b>				
Management and budget	\$ 90,180	\$ 15,533	\$ 1,492	\$ 104,221
Legal	4,788	1,492	1,486	4,794
Inspection	30,897	10,400	-	41,297
<b>Total General Government</b>	<u>125,865</u>	<u>27,425</u>	<u>2,978</u>	<u>150,312</u>
<b>Public Safety</b>				
Police	1,903,641	116,683	48,480	1,971,844
Fire	1,908,691	944,570	205,027	2,648,234
<b>Total Public Safety</b>	<u>3,812,332</u>	<u>1,061,253</u>	<u>253,507</u>	<u>4,620,078</u>
<b>Culture and Recreation</b>				
Public properties	8,669,359	320,316	15,607	8,974,068
Library	3,268,839	47,587	33,984	3,282,442
<b>Total Culture and Recreation</b>	<u>11,938,198</u>	<u>367,903</u>	<u>49,591</u>	<u>12,256,510</u>
<b>Streets</b>	<u>23,073,056</u>	<u>617,213</u>	<u>101,429</u>	<u>23,588,840</u>
<b>Storm Water Management</b>	<u>923,076</u>	<u>21,005</u>	<u>-</u>	<u>944,081</u>
<b>Total Governmental Funds Capital Assets</b>	<u>\$39,872,527</u>	<u>\$2,094,799</u>	<u>\$ 407,505</u>	<u>\$41,559,821</u>

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

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**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<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
Restricted					1,574,517	1,876,590	1,718,362	3,733,809	3,560,378	3,486,512
Unrestricted					1,243,908	(339,060)	1,401,146	1,018,752	1,404,834	1,487,967
<b>Total Governmental Activities Net Assets</b>	<b>\$ -</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>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
Restricted					-	-	-	732,489	425,387	598,152
Unrestricted					5,300,332	3,398,774	3,674,447	1,445,042	1,550,277	1,009,142
<b>Total Business-type Activities Net Assets</b>	<b>\$ -</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>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
Restricted	-	-	-	-	1,574,517	1,876,590	1,718,362	4,466,298	3,985,765	4,084,664
Unrestricted	-	-	-	-	6,544,240	3,059,714	5,075,593	2,463,794	2,955,111	2,497,109
<b>Total Primary Government Net Assets</b>	<b>\$ -</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>

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**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<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
Public Safety					3,954,312	3,976,443	4,199,255	4,221,570	4,814,618	4,961,626
Highways and Streets					3,000,884	2,234,234	2,068,107	1,322,483	1,583,261	1,890,095
Culture and Recreation					1,536,976	1,382,277	1,164,624	1,337,021	1,661,496	1,625,953
Interest on Long-Term Debt					81,337	58,176	141,854	156,582	51,357	49,910
Total Governmental Activities Expenses	-	-	-	-	12,429,878	10,032,964	10,108,789	8,572,557	9,636,045	10,807,366
Business-type Activities										
Electric					10,011,509	9,992,361	10,459,639	10,754,605	11,352,226	11,790,452
Water					1,558,393	1,662,178	1,631,342	1,716,187	1,685,340	1,680,952
Water Pollution Control					1,242,411	1,294,085	1,350,663	1,434,806	1,469,718	1,567,092
Off-Street Parking					28,182	-	-	-	-	-
Sanitation					1,023,608	1,047,352	1,066,056	1,072,664	1,139,633	1,208,564
Beatrice Area Solid Waste Agency					859,694	815,750	882,331	1,048,967	1,075,677	1,649,170
Total Business-type Activities Expenses	-	-	-	-	14,723,797	14,811,726	15,390,031	16,027,229	16,722,594	17,896,230
Total Primary Government Expenses	\$ -	\$ -	\$ -	\$ -	\$ 27,153,675	\$ 24,844,690	\$ 25,498,820	\$ 24,599,786	\$ 26,358,639	\$ 28,703,596
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government					\$ 1,293,248	\$ 959,092	\$ 979,857	\$ 345,007	\$ 371,674	\$ 284,335
Public Safety					631,460	618,717	770,979	1,306,089	1,402,026	1,586,908
Culture and Recreation					375,281	356,773	246,427	250,418	192,847	187,454
Other Governmental Activities					950	6,390	26,757	37,492	34,318	38,457
Operating Grants and Contributions					1,500,639	1,641,935	2,140,648	1,525,902	1,829,626	1,967,155
Capital Grants and Contributions					1,830,176	458,219	307,453	461,506	1,378,513	597,350
Total Governmental Activities Program Revenues	-	-	-	-	5,631,754	4,041,126	4,472,121	3,926,414	5,209,004	4,661,659
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
Water					1,402,693	1,387,434	1,545,380	1,643,628	1,625,956	1,487,231
Water Pollution Control					1,077,881	1,049,083	1,062,860	1,156,364	1,129,261	1,158,511
Sanitation					1,023,608	1,047,352	1,066,056	1,072,664	1,139,633	1,208,564
Beatrice Area Solid Waste Agency					957,043	903,927	930,981	923,420	997,495	1,075,120
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
Total Primary Government Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ 20,532,645	\$ 18,495,811	\$ 19,905,931	\$ 20,142,432	\$ 21,839,808	\$ 22,191,305

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

**Table 2**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<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)
Business-type Activities	-	-	-	-	177,094	(357,041)	43,779	188,789	(91,790)	(366,584)
Total Primary Government Net (Expense)	\$ -	\$ -	\$ -	\$ -	\$ (6,621,030)	\$ (6,348,879)	\$ (5,592,889)	\$ (4,457,354)	\$ (4,518,831)	\$ (6,512,291)
<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
Unrestricted Intergovernmental					388,778	418,468	383,844	453,478	555,063	587,786
Miscellaneous Revenues					484,498	839,042	538,916	414,510	302,369	447,468
Unrestricted Investment Earnings					44,477	33,266	69,412	142,609	136,094	114,399
Lease Proceeds					299,990	-	-	-	-	-
Transfers					60,000	356,829	-	-	-	-
Gain (loss) on Sale of Capital Assets					40,000	4,071	(6,684)	4,451	(84,842)	(6,511)
Total Governmental Activities	-	-	-	-	5,420,315	6,283,177	5,473,030	5,683,831	5,896,212	6,253,518
Business-type Activities:										
Miscellaneous Revenues					252,942	116,105	335,657	121,725	171,536	277,591
Investment Earnings					53,154	38,857	59,192	110,699	131,793	98,880
Transfers					-	(356,829)	-	-	-	-
Gain on Sale of Capital Assets					-	-	(60,692)	-	-	(4,897)
Total Business-type Activities	-	-	-	-	306,096	(201,867)	334,157	232,424	303,329	371,574
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ 5,726,411	\$ 6,081,310	\$ 5,807,187	\$ 5,916,255	\$ 6,199,541	\$ 6,625,092
<b>Change in Net Assets</b>										
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ (1,377,809)	\$ 291,339	\$ (163,638)	\$ 1,037,688	\$ 1,469,171	\$ 107,811
Business-type Activities	-	-	-	-	483,190	(558,908)	377,936	421,213	211,539	4,990
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ (894,619)	\$ (267,569)	\$ 214,298	\$ 1,458,901	\$ 1,680,710	\$ 112,801

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>
1999		\$ 1,050,881	\$ 2,082,510	\$ 461,075	\$ 16,043	3,610,509
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

**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

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

**Table 4**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved										128,019
Unreserved, undesignated	\$ 1,028,426	\$ 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
Unreserved, designated for subsequent years' expenditures	250,000	250,000	550,000	470,000	570,000	570,000	570,000	445,000	491,000	629,500
Total General Fund	<u>\$ 1,278,426</u>	<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>
All other governmental funds										
Reserved for:										
Reserved for Economic Development	\$ 31,689	\$ 167,604	\$ 313,171	\$ 431,340	\$ 532,318	\$ 664,788	\$ 845,281	\$ 861,742	\$ 675,162	\$ 901,586
Reserved for Debt Service	235,089	247,669	229,581	223,638	492,957	370,480	233,006	223,587	217,103	450,392
Reserved for Library Capital	87,421	91,816	90,079	90,263	91,583	92,120	94,083	97,106	96,835	80,739
Reserved for Public Safety	0	266,232	172,661	70,590	47,106	109,613	184,598	235,366	266,131	304,799
Reserved for Storm Water Management	0	0	0	0	0	0	0	0	31,262	11,086
Reserved for Keno Progressive	161,092	165,833	0	0	0	0	0	0	0	0
Reserved for CDBG Revolving Loans	470,877	681,689	770,074	304,619	410,553	639,589	361,394	2,316,008	2,305,147	1,654,085
Unreserved, reported in:										
Special Revenue funds	1,232,807	1,185,944	909,598	467,156	70,277	(1,908,825)	71,699	8,287	184,959	184,036
Debt Service Funds	(613,551)	(185,553)	167,179	0	(199,997)	(84,177)	(159,872)	(183,671)	(235,058)	(214,234)
Capital Projects funds	54,582	32,467	1,944	42,278	63,863	30,075	22,766	34,799	3,462	91,430
Total all other governmental funds	<u>\$ 1,660,006</u>	<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>

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

2001 - New Keno Operator discontinued progressive game

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

2005 - Restatement in 2006 Financials

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

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

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

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

Table 5

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 3,610,509	\$ 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
Licenses & Permits	95,069	124,690	89,054	86,120	75,169	98,084	106,454	94,817	199,008	103,070
Intergovernmental and Grants	1,927,638	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
Charges for Services*	806,826	792,720	729,622	927,667	916,447	1,073,036	1,167,068	1,461,191	1,773,046	1,974,053
Keno Proceeds	156,903	125,889	251,975	167,404	179,889	172,674	135,253	93,706	109,558	113,062
Special Assessments	105,393	374,611	325,257	156,549	575,503	146,619	93,984	159,761	103,792	60,611
Interest	164,978	208,365	220,132	83,257	44,157	33,055	68,976	141,297	152,259	135,906
Donations and Misc Revenue	613,013	1,047,505	446,967	680,385	498,554	839,042	538,916	532,419	404,930	594,879
Lease Income	107,067	108,413	109,363	109,945	110,145	0	0	0	0	0
<b>Total revenues</b>	<b>7,587,396</b>	<b>8,852,780</b>	<b>9,787,722</b>	<b>9,643,921</b>	<b>10,222,029</b>	<b>9,339,959</b>	<b>9,200,901</b>	<b>9,604,482</b>	<b>11,187,944</b>	<b>10,919,626</b>
<b>Expenditures</b>										
General Government	1,580,628	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
Public Safety	2,705,550	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
Highways and Streets	1,220,927	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
Culture and Recreation	891,612	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
Lease Payments	107,067	108,413	109,363	109,945	110,145	0	0	0	0	0
Debt Service:										
Principal	471,600	734,149	492,082	508,210	394,372	354,803	535,000	325,000	165,000	230,000
Interest	159,275	115,986	172,229	123,328	81,337	58,176	141,854	156,582	51,357	49,910
Bond Insurance Costs	0	0	0	0	0	0	0	0	0	10,199
Capital Outlay	774,316	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
MFO Payments to Other Entities	0	0	111,165	116,522	121,332	118,336	120,880	122,576	122,907	124,292
<b>Total Expenditures</b>	<b>7,910,975</b>	<b>8,875,790</b>	<b>9,500,282</b>	<b>10,720,768</b>	<b>11,099,431</b>	<b>11,153,891</b>	<b>10,029,024</b>	<b>10,164,691</b>	<b>11,235,520</b>	<b>11,706,135</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(323,579)</b>	<b>(23,010)</b>	<b>287,440</b>	<b>(1,076,847)</b>	<b>(877,402)</b>	<b>(1,813,932)</b>	<b>(828,123)</b>	<b>(560,209)</b>	<b>(47,576)</b>	<b>(786,509)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	1,032,733	1,644,465	1,412,267	880,832	527,577	142,251	341,370	387,000	313,958	473,865
Transfers Out	(1,032,733)	(1,644,465)	(1,412,267)	(880,832)	(527,577)	(142,251)	(341,370)	(387,000)	(313,958)	(473,865)
Bond Issuance Costs	0	0	0	0	0	0	(33,834)	0	0	0
Grant write-off	0	0	0	0	0	0	0	0	0	(87,857)
Bond and Lease Proceeds	0	1,334,595			299,990	0	2,480,000	0	216,263	819,329
Sale of Capital Assets	101,199	129,700	0	15,000	40,000	540,043	359	39,100	17,854	0
<b>Total Other Financing Sources (Uses)</b>	<b>101,199</b>	<b>1,464,295</b>	<b>0</b>	<b>15,000</b>	<b>339,990</b>	<b>540,043</b>	<b>2,446,525</b>	<b>39,100</b>	<b>234,117</b>	<b>731,472</b>
<b>Net Change in Fund Balances</b>	<b>\$ (222,380)</b>	<b>\$ 1,441,285</b>	<b>\$ 287,440</b>	<b>\$ (1,061,847)</b>	<b>\$ (537,412)</b>	<b>\$ (1,273,889)</b>	<b>\$ 1,618,402</b>	<b>\$ (521,109)</b>	<b>\$ 186,541</b>	<b>\$ (55,037)</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>9.0%</b>	<b>11.4%</b>	<b>7.8%</b>	<b>6.1%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>7.4%</b>	<b>6.0%</b>	<b>2.6%</b>	<b>2.9%</b>

**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>
1999	\$ 345,805,905	n/a	\$ 345,805,905	2.71%	1
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

(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>
1999	0.303103	1.288162	0.358842	0.128575	0.038208	2.116890
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

### Table 8

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**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>
1999	\$ 1,048,149	\$ 996,783	95.10%	\$ 51,785	\$ 1,048,568	100.0%
2000	1,090,295	1,031,878	94.64%	60,609	1,092,487	100.2%
2001	1,107,296	1,040,483	93.97%	51,355	1,091,838	98.6%
2002	1,105,767	1,034,788	93.58%	62,630	1,097,418	99.2%
2003	1,138,409	1,072,347	94.20%	64,465	1,136,812	99.9%
2004	1,197,846	1,155,652	96.48%	45,671	1,201,323	100.3%
2005	1,250,949	1,197,780	95.75%	51,920	1,249,700	99.9%
2006	1,360,231	1,302,036	95.72%	57,441	1,359,477	99.9%
2007	1,459,640	1,393,092	95.44%	62,844	1,455,936	99.7%
2008	1,726,146	1,665,902	96.51%	0	1,665,902	96.5%

**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			
1999	\$ 1,870,000	-	\$ 654,000	-	\$ 3,335,000	-	\$ 2,330,000	\$ 120,225	\$ 8,309,225	2.77%	\$671.18
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

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

**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>
1999	\$345,805,905	\$ 1,870,000	\$ 102,189	\$ 1,767,811	0.51%	142.80
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

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	\$ 154,332	100.00%	\$ 154,332
<b>OVERLAPPING:</b>			
School District #15	\$ 5,700,000	64.80%	\$ 3,693,600
Lower Big Blue Natural Resources District	\$ 227,633	16.90%	\$ 38,470
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

FISCAL YEAR	OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
				PRINCIPAL	INTEREST	TOTAL	
1999	\$10,020,070	\$8,277,081	\$ 1,742,989	\$ 205,000	\$179,981	\$384,981	4.53
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

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>
1999	12,380	299,571,240	24,198	39	2,322	2.10%
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%

**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**

**Table 15**

Employer	Type of Activity	2008			2007		
		Employees	Rank	% of County Employment	Employees	Rank	% of County Employment
Beatrice State Developmental Center	Home for mentally handicapped	715	1	5.76%	888	1	7.08%
Beatrice Community Hospital	Medical	441	2	3.55%	441	3	3.52%
Exmark Manufacturing	Manufacturing	400	3	3.22%	704	2	5.61%
Beatrice Public Schools	Education	360	4	2.90%	318	5	2.54%
Mosaic	Home for mentally handicapped	264	5	2.13%	310	6	2.47%
Store Kraft Manufacturing	Manufacturing	213	6	1.72%	290	7	2.31%
Good Samaritan Center	Elderly Care Facility	203	7	1.64%			
Husqvarna Turf Care	Manufacturing	201	8	1.62%	356	4	2.84%
NEAPCO	Manufacturing	175	9	1.41%	240	8	1.91%
City of Beatrice	Government	139	10	1.12%	141	10	1.12%
Sheridan Industries	Manufacturing				211	9	1.68%
		<u>3,111</u>		<u>25.06%</u>	<u>3,899</u>		<u>31.08%</u>

Source: Nebraska Public Power District Community Facts Book

Note: 10 year historical data for comparison in this table will not be available until 2016.

**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>									
	<b><u>1999</u></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>
General Government	8	7	8	8	8	7	5	5	5	8
Public Safety										
Police										
Commissioned	21	22	22	22	22	22	22	22	22	22
Civilians	10	10	11	11	12	12	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	1	0
Culture and Recreation	11	13	13	13	13	13	14	14	13	9
Highways and Streets	11	9	9	9	9	10	10	9	10	10
Solid Waste Agency	4	4	4	4	4	4	4	4	4	4
Water	14	12	12	12	11	13	13	14	14	12
Sewer	7	7	7	7	7	7	7	7	7	7
Electric	37	34	34	36	33	35	34	33	33	30
<b>Total</b>	<b>147</b>	<b>142</b>	<b>144</b>	<b>146</b>	<b>143</b>	<b>147</b>	<b>144</b>	<b>143</b>	<b>143</b>	<b>136</b>
<b>FUNCTION</b>	<b>Part-time* employees as of fiscal year end</b>									
	<b><u>1999</u></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>
Public Safety										
Police										
Civilians	4	4	3	3	3	3	3	3	3	2
Fire										
Reserves	10	10	8	6	8	9	8	8	9	6
Culture and Recreation	25	22	20	22	17	17	20	20	20	16
Solid Waste Agency	5	5	5	5	5	5	5	5	5	6
Electric	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>46</b>	<b>43</b>	<b>38</b>	<b>38</b>	<b>35</b>	<b>36</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>32</b>
*Part-time employment is 1020 hours/yr or less										
C & R Summer Seasonal	43	55	58	50	50	54	40	40	40	45



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

Table 17

FUNCTION	FISCAL YEAR									
	<u>1999</u>	<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>
General Government										
Building Permits Issued	263	251	230	234	232	264	267	208	253	227
Commercial Construction Value	\$ 6,711,582	\$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
Residential Construction Value	\$ 6,628,111	\$ 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
Public Safety										
Police										
Physical Arrests	1,008	984	NA	1,082	1,179	746	1,382	1,191	988	1,048
Patrol Citations	1,864	1,861	NA	2,685	2,284	1,216	3,509	2,815	2,437	3,078
Calls for Service	20,618	20,982	NA	12,633	13,998	22,819	22,059	21,736	21,571	23,947
Fire										
Ambulance Calls	1,315	1,605	1,418	1,501	1,590	1,687	1,803	1,960	1,928	2,288
Fire & Rescue Calls	577	624	587	649	634	554	795	776	886	902
Culture and recreation										
Water Park Admissions	\$ 90,620	\$ 80,452	\$ 73,027	\$ 78,916	\$ 82,235	\$ 62,908	\$ 73,494	\$ 85,892	\$ 90,059	\$ 86,083
Electric										
Average Daily Usage Commercial (MWH)	256.6	280.5	305.1	288.1	285.7	272.1	281.8	286.6	283.5	283.2
Average Daily Usage Residential (MWH)	162.1	162.5	178.9	174.6	177.6	173.7	180.9	186.3	189.9	191.1
Water										
Average Daily Consumption (gal)	4.27m	4.59m	4.44m	3.98m	4.41m	4.06m	4.03m	4.25m	3.95m	3.40m
Water Pollution Control										
Average Daily Treatment (gal)	1.63m	1.53m	1.69m	1.46m	1.6m	1.45m	1.44m	1.5m	1.4m	1.3m

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>1999</u></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>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
<b>Highway &amp; Streets</b>										
Street Lane Miles, Paved	258.4	259	259	259	259	259	264.7	270	270	270.9
Street Lane Miles, Unpaved	34.2	34	34	34	34	34	32.4	31.7	31.7	31.5
Storm Sewer Miles	25	25	25	25	25	25	25	25	25	25
Bridges	11	11	11	11	11	11	11	11	11	11
Street Lights	1451	1471	1479	1492	1505	1520	1520	1535	1551	1566
<b>Culture and recreation</b>										
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
<b>Water</b>										
Water Main Miles	111	111	111	113	118	119	120	123	123	123
Fire Hydrants	557	587	587	602	617	627	632	652	652	659
<b>Sewer</b>										
Sanitary Sewer Miles	127	127	127	127	127	127	127	127	128	128
Treatment Plants	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Substations	12	12	12	12	12	12	12	10	10	10
Miles 12.5KV Service	76.7	76.7	78.6	86	91	93	93	94	94	94
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	115.1	113.2	110.2	104.2	102.2	102.2	101	92	92

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

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## **SINGLE AUDIT REPORTS**



**CITY OF BEATRICE, NEBRASKA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended September 30, 2008**

<u>Federal Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b><u>Department of Homeland Security</u></b>		
Passed through Nebraska Emergency Management Agency:		
Disaster Grants - Public Assistance	97.036	\$ 81,393
Hazard Mitigation Grant	97.039	106,833
Total Department of Homeland Security		<u>188,226</u>
<b><u>Department of Transportation</u></b>		
Passed through Nebraska Department of Aeronautics:		
Airport Improvement Program	20.106	487,967 *
<b><u>Department of Justice</u></b>		
Direct Programs:		
Edward Byrne Memorial Justice Assistance Grant	16.738	50,000
Passed through Nebraska Crime Commission:		
Crime Victim Assistance	16.575	38,462
Total Department of Justice		<u>88,462</u>
<b><u>Environmental Protection Agency</u></b>		
Passed through Nebraska Department of Environmental Quality		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	7,418
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 772,073</u></u>

\* Major Program

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Beatrice, Nebraska, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reporting entity for the Schedule of Expenditures of Federal Awards is the same as that defined in Note A to the financial statements.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of the City of Beatrice, Nebraska, as of and for the year ended September 30, 2008, which collectively comprise the City of Beatrice, Nebraska's basic financial statements and have issued our report thereon dated February 18, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Beatrice's internal control over financial reporting 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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 City'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 City's financial statements that is more than inconsequential will not be prevented or detected by the City'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 City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section 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 over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Beatrice, Nebraska, in a separate letter dated February 18, 2009.

This report is intended solely for the information and use of management, the Mayor and City Council, the State of 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.

*Amquist, Maltzman,  
Calloway & Luth, P.C.*

Grand Island, Nebraska  
February 18, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of the City of Beatrice, Nebraska, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Beatrice, Nebraska, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

## Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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 over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the State of 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.

*Amquist, Maltzahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
February 18, 2009

**CITY OF BEATRICE, NEBRASKA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended September 30, 2008**

1. A summary of auditor's results:

- (i) An unqualified opinion was issued on the financial statements of the City of Beatrice, Nebraska, as of September 30, 2008.
- (ii) The audit did not disclose any significant deficiencies in the internal control of the City of Beatrice, Nebraska.
- (iii) The audit did not disclose any noncompliance which is material to the financial statements of the City of Beatrice, Nebraska.
- (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Beatrice, Nebraska.
- (v) An unqualified opinion was issued on compliance for major programs.
- (vi) The audit did not disclose any audit findings which we are required to report under §\_\_\_\_.510(a).
- (vii) Major Program: CFDA #20.106 – Airport Improvement Program.
- (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (ix) The City of Beatrice, Nebraska, did not qualify as a low-risk auditee under §\_\_\_\_.530.

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

None

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in §\_\_\_\_.510(a).

None

**CITY OF BEATRICE, NEBRASKA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year ended September 30, 2008**

Program

Findings for the year ended September 30, 2007

None.

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