

CITY OF BEATRICE NEBRASKA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended
September 30, 2005

CITY OF BEATRICE, NEBRASKA

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

for the year ended

September 30, 2005

Prepared by
Management & Budget
Department

James W. Bauer
City Administrator

CITY OF BEATRICE, NEBRASKA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
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March 14, 2006

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, 2005.

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

Dana F. Cole & Company, LLP, a firm of licensed certified public accountants, has audited the City of Beatrice's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Beatrice for the fiscal year ended September 30, 2005 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, 2005 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 are available in the City of Beatrice's separately issued Single Audit 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 the Southeast Nebraska, just 37 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 12,510. 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 City Administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operation of the City. 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.

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; off-street parking facilities; 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 annual budget serves as the foundation for the City of Beatrice's financial planning and control. All departments of the City of Beatrice are required to submit requests for appropriation to the City Administrator by June 1st of each year. Management uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the Mayor and City Council for review prior to August 31st. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget by September 20th. The appropriated budget is adopted on a per fund basis and budgetary control for internal purposes is exercised at the department level. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. This information can be found in the attached schedules for each fund starting on page 59.

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 37 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. Our unemployment rate at 4.1 was slightly higher than the 2004 rate of 3.4, but was still lower than the nation rate of 5.1. City sales tax collections decreased 5% during 2005 after realizing a 16% increase in 2004 due to an expanded tax base implemented by the state legislature. 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 and Gage County Board of Supervisors continue 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 an increase in the City's sales and use tax of an additional half-cent with one-half of those proceeds, up to a maximum of \$250,000 for

economic development, 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.

In 2003 the City in cooperation with Gage County Economic Development, contracted with an outside company, Angelou Economics, to conduct a community assessment of Beatrice and Gage County in order to establish an economic development strategic plan. The community assessment is used to identify conditions in Beatrice and Gage County and to learn the issues that need to be addressed and the strengths that can be promoted to enhance economic growth.

The Gage County Industrial Park provides for nine manufacturing industries and two other businesses, employing 1,400 people. Also located in the City are four other long-time major industries employing an additional 650 people, plus several smaller companies. A new area was developed in 2004 adjacent to the Municipal Airport for the construction of a large manufacturing facility to handle the expansion of Husqvarna, a current local company, and also a new retail facility for Tractor Supply. Planning has expanded beyond industry to include the Beatrice Business Campus at a site adjacent to the Southeast Community College to attract higher technology businesses. During 2004 the Business Campus obtained its' first tenant, Knowledge Management, a software development company that will employ up to 30 in 3 years. 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. Another major presence within the area is a state mental health care facility that employs a staff of 850.

The City continually works with several different prospects which come through the Nebraska Department of Economic Development and from Nebraska Public Power District's economic development program. The most current proposal is to build a Bio-Diesel Plant in the City's Industrial Park. Plans are being completed to develop this property to meet the needs of the company, with construction to begin in 2006. Upon completion of this project, the City will then be required to start development of Industrial Park Area #3.

Construction was recently completed on Nebraska Public Power's new Beatrice Power Station, a combined cycle gas-fired power plant located on 250 acres just to the northwest of Beatrice at an estimated construction cost of \$200 million. Gage County best met the selection criteria, including access to major natural gas pipelines, existing electric transmission infrastructure and water supply. This newly designed high efficient plant will protect NPPD's wholesale customers, which includes the City of Beatrice, against extremely high replacement power during high-energy times. The plant employs 12-17 people.

The Super Wal-Mart store located on the north edge of the City draws people from much of southeast Nebraska from south of Lincoln to northeast Kansas, however, the recent opening of Wal-Mart stores in south Lincoln and Marysville, Kansas has affected the Beatrice store's sales. The City's central business district maintains an eighty percent (80%) occupancy rate with a variety of stores, specialty shops and commercial businesses. The downtown area has benefited from the development of Main Street Beatrice, an organization devoted to the organization, economic revitalization, design and promotion of the "heart" of the City.

The Building Permit Summary for the calendar year 2004 shows a total of \$18.5 million in commercial and residential construction and remodeling which is a large increase from \$8.4 million in 2003. The increase is largely due to construction of the new manufacturing facility for Husqvarna. Residential construction made up \$4.8 million of the total, which is slightly higher than 2003. A new development Flowing Springs Estates, consisting of town houses, apartments, and an assisted living facility surrounding a series of lakes, spurred residential growth in previous years and this development continues to grow as they added a new subdivision, Covered Bridge Heights", in 2004.

The City has endorsed the use of Tax Increment Financing, which allows for the basic infrastructure improvements to be made in designated areas for development of both residential and commercial property. TIF financing appears at this point to have a great benefit for the developer in which construction costs may be amortized through the increased taxation created by the future property improvements. Residential developers have taken advantage of this program, with two areas developed during 2004 and 2005 and an

additional two to three on the drawing board for 2006. The commercial development of the area adjacent to the Airport mentioned above was also developed with TIF financing.

Financial Planning and Initiatives

City and community supporters have planned and designed for a hike/bike trail to run through the City's park system and along the Big Blue River, making a loop through the community and eventually connecting with the Homestead National Monument to the west. Federal grant funding provided 75% to 80% of the cost for the first three phases. Phase I and II of the trail connect the City's two major parks and provide a quiet scenic trail along the Big Blue River. Phase III was completed in 2003 and runs to the East towards the YMCA and the City's Water Park. Private donors providing beautification, benches, and markers have enhanced development along the trail. The City of Beatrice purchased the abandoned UPRR right-of-way, some of which will be used to interconnect the City's hike/bike trail development. During 2003, the area of the old depot location close to downtown Beatrice was transformed into the Trailhead Park. Grants along with public and private funds were used to beautify this area. In the absence of grant funding in 2005, the City funded a portion of the development of the abandoned UPRR right-of-way within the City limits to keep this project moving along. Grant funding has been approved to extend this project in fiscal year 2006 with the development of the abandoned UPRR right-of-way north to Pickrell. With the help of private funding a beautiful memorial to the Veterans was completed along the trail in 2005.

Several different federal and state grants have benefited the area of Public Safety in the City of Beatrice. The City receives grants from the Crime Commission to allow for the continuation of the Victim Assistance program and the Southeast Area Drug Enforcement task force. The Cops-in School program 3-year federal funding has ended but the program continues though 50/50 combined funding from the City and the Beatrice Public Schools. Homeland Security grants have provided equipment to enhance both police and fire services. The City of Beatrice Fire and Rescue has been designated as one of nine Regional Hazardous Materials Response Teams so they receive funding for additional specialized equipment.

Every year 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 government to maintain an excellent infrastructure of streets, bridges and storm sewers. The City of Beatrice aggressively applies for and is successful in receiving grant funding to improve targeted arterial streets. Thirty percent (30%) of the City's 1% sales tax is allocated each year to the Street fund and that along with state highway allocation dollars helps to pay for these improvements.

The Beatrice Area Solid Waste Agency is responsible for the operation and maintenance of the solid waste disposal facility. The landfill serves the City of Beatrice and surrounding communities through interlocal agreements. Construction of the Phase 3 cell was completed in 2004 with the cost of this \$1 million project paid from current reserves. A rate increase may be necessary in 2006 to again build up reserves for the next cell construction and alleviate the need to issue bonds for capital expansion.

Debt Administration

At September 30, 2005, the City of Beatrice had eight individual bond issues and notes outstanding totaling \$8,579,639. Debt as of September 30, 2005 consisted of \$840,000 in Water Park General Obligation Refunding Bonds issued November, 2002, payable from a property tax levy; \$265,000 in Various Purpose Refunding Bonds issued February, 2005, payable from special assessments levied and if necessary a general tax levy; \$815,000 in Highway Allocation Pledge Bonds issued November, 2004, payable from tax increment financing and, if necessary, Highway Allocation funds; \$860,000 in Community Redevelopment Authority Revenue Bonds issued December, 2004, payable from tax increment financing revenues and if necessary a special 2.6 cent levy; \$540,000 in Community Redevelopment Revenue bonds issued January 2005; \$1,765,000 in Combined Utilities Revenue Refunding bonds issued August, 2002; \$2,259,639 in Bonds in the form of a Promissory Note issuing indebtedness to the Nebraska Department of Environmental Quality issued June 2002; and \$1,235,000 in Solid Waste Disposal Facilities Revenue Refunding bonds issued May, 2002.

Cash Management Policies and Practices

Cash from all general governmental funds, excluding the Community Development Block Grant funds, are pooled and invested in various investment instruments. During FY2005 these funds maintained an average daily balance of \$3 million. The average cash balance invested was 99.7% with an average interest rate earned of 1.98% an increase when compared to 1.3% earned in FY2004. Investments were made in either certificates of deposit, for 30 to 180 days, U.S. Treasury Notes, or interest-bearing deposit accounts, based upon competitive bids received from local institutions. An increase in interest rates mid-year resulted in more competitive bidding between institutions and an average return of 2.5% during the last 6 months. Cash is deposited daily into an interest-bearing account, with transfers made to checking at the time checks are written. Deposits in these banks are covered by federal depository insurance and also are insured and collateralized by securities pledged by the owning bank. Cash from the enterprise funds are invested in the same way, however, are not pooled with the general governmental. Principal Mutual Life Insurance or Ameritas, depending on the plan, manages the pension trust fund. The plans provide flexible investment options for the employees and retirement committees' use, and recognized average earnings rate of 9.1%.

Risk Management

The City of Beatrice hired a consultant to review the government's insurance policies and to prepare the specifications for the three-year period beginning November 1998, which was extended through 2002. When the City renewed the policies in November 2002 and again in 2003, increased premium costs forced the City to assume higher deductibles for some policies. Safety committees have been established as in accordance with Nebraska Statutes and safety programs are conducted on a department-by-department basis with each department being responsible for conducting safety programs that pertain to their job risks. During 2005 the City reviewed the City's insurance policies and to what level the City could safely assume the risk of even higher deductibles, especially in the area of workers compensation. Effective with the November 2005 renewal, the workers compensation deductible option of \$100,000 per claim has a projected cost savings of \$89,000.

Pension Benefits

The City of Beatrice sponsors four pension plans for the benefit of its firefighters, police officers, general government employees and Board of Public Works employees. The firefighters and police officers plans are as required by Nebraska State Statutes. The City of Beatrice has set up retirement committees with representatives from the police, fire, general government, and administration.

The police, fire, and general government pension plans, not including the Board of Public Works, are contracted with Principal Mutual Life Insurance. Investment options available include guaranteed interest accounts, money markets, bond and mortgage, stock accounts, and real estate. Each pension plan has an investment policy, which outlines how participants may direct their money. The general government is a defined contribution plan and allows participants to direct contributions to all investment accounts with the matching employer share directed the same as the employees so long as no more than 50% is in stock accounts. In formulating the police and fire policies, consideration was given to the liabilities imposed on the taxpayers due to the minimum benefit requirements under the Nebraska Statutes and the absence of the minimum benefit requirements for those participants employed after January 1, 1984. Participants are allowed to direct contributions to all investment accounts with the exception that the total contributions in stock and real estate accounts be only 50% and that employer contributions will be invested the same as employee contributions. The unallocated funds contributed by the City of Beatrice are maintained in a separate account and invested as set forth in the investment policy by the retirement committee.

The actuarial valuation made as of January 1, 2000, for both police and fire plans continues to reflect the City's efforts to maintain plan funding to provide a minimum level of benefits according to Nebraska law. Both police and fire plans are currently funded and required no deposits into the unallocated pension assets.

The Board of Public Works employees' pension plan is contracted with Ameritas Financial Services. It is a defined contribution plan and employees are allowed to self-direct the investment of their contributions into various investment options however the employer contributions are invested into guaranteed interest accounts.

Additional information on the City of Beatrice's pension plans can be found in Note 12 in the Notes to the Financial Statements.

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, 2004. The City has also been awarded the Certificate of Achievement for thirteen previous consecutive years from 1991 to 2003, and also for the period from 1984 to 1987. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation and completion of this report on a timely basis could not have been accomplished without the dedication and efficiency of the entire staff of the Management and Budget Department. 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 interest and support in planning and conducting the financial operations of the City of Beatrice in a responsible and progressive manner.

Respectfully submitted,

James W. Bauer
City Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Beatrice,
Nebraska**

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

September 30, 2004

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.



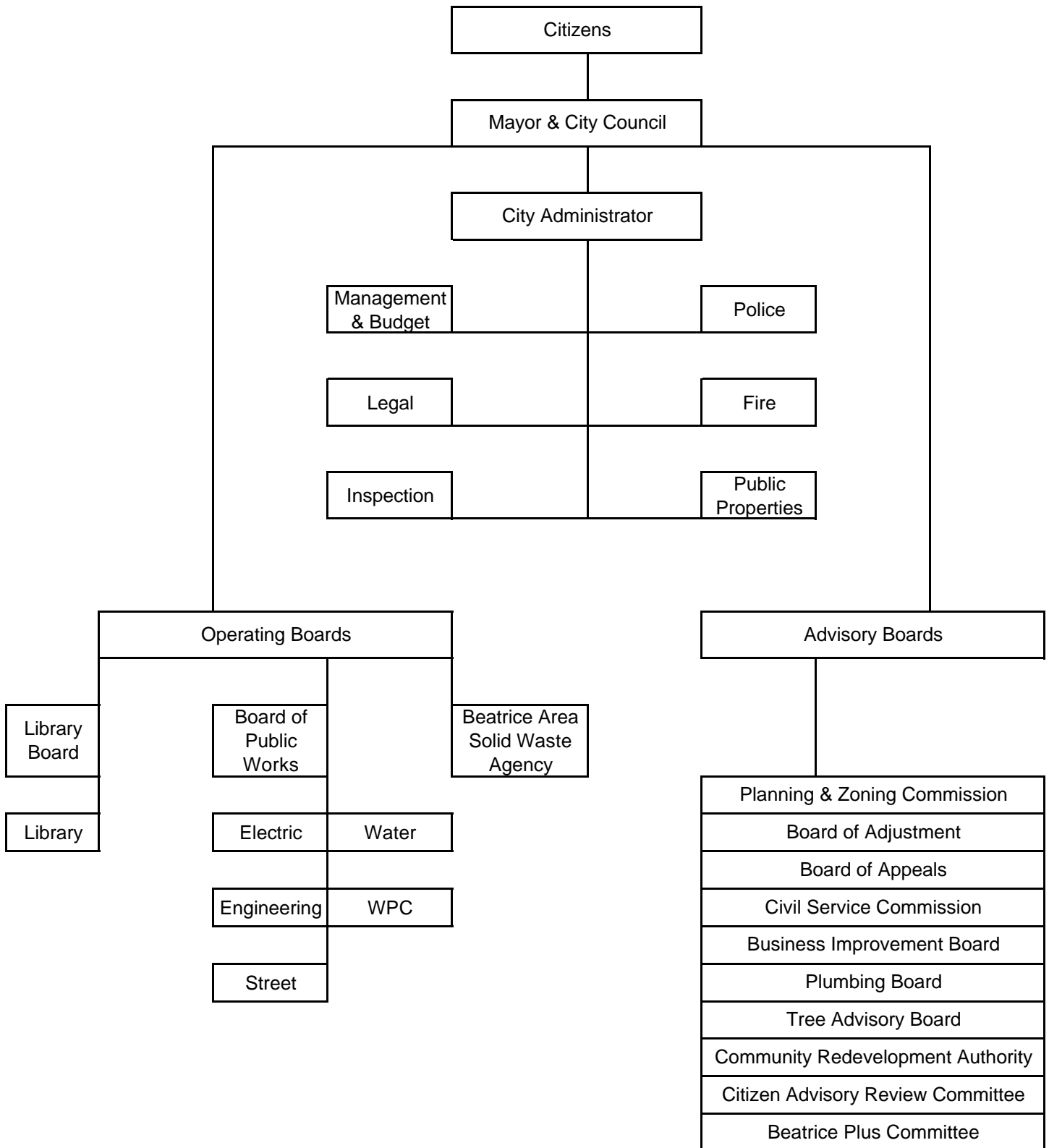
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

CITY OF BEATRICE, NEBRASKA ORGANIZATIONAL CHART



**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2005**

MAYOR
Dennis Schuster

CITY COUNCILMEMBERS

Phil Cook	Susan Witulski
Alan Fetty	Ted Fairbanks
Rich Kerr	Dwight Parde
David "Pede" Catlin	Larry White

CITY ADMINISTRATOR
James W. Bauer

CITY OFFICIALS

Gwen Grabouski	City Clerk
Linda Koch	Deputy City Clerk/Treasurer
Bruce Lang	Police Chief
Terrill Burger	Fire Chief
Mark Hyberger	Public Properties Director
Laureen Riedesel	Library Director
Robert Schafer	City Attorney
Tim Overgaauw	Chief Building Inspector
Rex Behrends	City Engineer
Robert Feit	BPW Administrative Services Director
Pat Feist	Electric Superintendent
Steve Kelley	Water Superintendent
Jack Robbins	Water Pollution Control Supt.
Michael Ramsey	Street Superintendent

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Beatrice, Nebraska**, as of and for the year ended September 30, 2005, which collectively comprise the **City of Beatrice, Nebraska's** basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Beatrice, Nebraska**, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 10, 2005, on our consideration of the **City of Beatrice, Nebraska's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of your testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 3 through 11 and 46 through 51 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the **City of Beatrice, Nebraska's** basic financial statements. The other supplementary information on pages 52 through 167 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lincoln, Nebraska
November 10, 2005


Dana F. Cole & Company, LLP

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, 2005. 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 ix to xiv of this report.

FINANCIAL HIGHLIGHTS

The assets of the City of Beatrice exceeded its liabilities at the close of the most recent year by \$49,646,234. Of this amount, \$5,075,593 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased \$215,393.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$3,413,393, an increase of \$1,618,402 in comparison with the prior year. The increase is due to a large Community Redevelopment project that was still in progress at the end of 2004 for which bonds were issued in 2005.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,760,438, or 30.8% of total General Fund expenditures.

The City of Beatrice's total debt increased \$1,388,047 (20%) during the current fiscal year. The key factor in this increase was the issuance of the Community Redevelopment Authority bonds in the amount of \$2,215,000. The City also issued general obligations refunding bonds for the Bonded Districts fund, an estimated cost savings of \$30,476.

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 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, 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 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 thirteen 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 Community Redevelopment Authority all of which are considered to be major funds. Data from the other nine 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 16 to 19 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, sanitation and off-street parking 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 two 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 20 to 25 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 26 to 27 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 28 to 45 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Beatrice's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 46 to 50 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 51 to 57 of this report.

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 \$49,646,234 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (86%) 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 2004)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
ASSETS						
Current and other assets	5,953	6,744	6,031	6,269	11,984	13,013
Capital assets	23,461	23,029	28,256	28,580	51,717	51,609
TOTAL ASSETS	<u>29,414</u>	<u>29,773</u>	<u>34,287</u>	<u>34,849</u>	<u>63,701</u>	<u>64,622</u>
LIABILITIES						
Long-term liabilities outstanding	3,789	1,611	5,666	6,274	9,455	7,885
Other liabilities	2,597	4,971	2,003	2,336	4,600	7,307
TOTAL LIABILITIES	<u>6,386</u>	<u>6,582</u>	<u>7,669</u>	<u>8,610</u>	<u>14,055</u>	<u>15,192</u>
NET ASSETS						
Invested in capital assets, net of related debt	19,908	21,654	22,944	22,840	42,852	44,494
Restricted	1,718	1,877	-0-	-0-	1,718	1,877
Unrestricted	1,402	(339)	3,674	3,399	5,076	3,060
TOTAL NET ASSETS	<u>23,028</u>	<u>23,192</u>	<u>26,618</u>	<u>26,239</u>	<u>49,646</u>	<u>49,431</u>

An additional portion of the City of Beatrice's net assets (3.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$5,075,593 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, both for the government as a whole, as well as for its separate governmental and business-type activities. In the prior fiscal year the unrestricted net assets in the governmental activities was a negative balance due to the community redevelopment project in progress.

There was an increase of \$379,031 in net assets reported in connection with the City of Beatrice's business-type activities. Governmental activities decreased the City of Beatrice's net assets by \$163,638. A breakdown of these activities is as follows:

City of Beatrice's Changes in Net Assets
(expressed in thousand's, comparison to 2004)

	Governmental activities		Business-type activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUES						
Program revenues						
Charges for services	2,024	1,941	15,434	14,455	17,458	16,396
Operating grants and contributions	2,141	1,642	-0-	-0-	2,141	1,642
Capital grants and contributions	307	458	-0-	-0-	307	458
General revenues						
Taxes	4,488	4,632	-0-	-0-	4,488	4,632
Unrestricted Intergovernmental	384	418	-0-	-0-	384	418
Other revenue	601	876	335	155	936	1,031
Total revenues	<u>9,945</u>	<u>9,967</u>	<u>15,769</u>	<u>14,610</u>	<u>25,714</u>	<u>24,577</u>
	Governmental activities		Business-type activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
EXPENSES						
General Government	2,535	2,382			2,535	2,382
Public Safety	4,199	3,977			4,199	3,977
Highways/Streets	2,068	2,234			2,068	2,234
Culture and Recreation	1,165	1,382			1,165	1,382
Interest on long-term debt	142	58			142	58
Electric			10,460	9,993	10,460	9,993
Water			1,631	1,662	1,631	1,662
Water Pollution Control			1,351	1,294	1,351	1,294
Off-Street Parking			-0-	-0-	-0-	-0-
Sanitation			1,066	1,047	1,066	1,047
Solid Waste Management			882	816	882	816
Total expenses	<u>10,109</u>	<u>10,033</u>	<u>15,390</u>	<u>14,812</u>	<u>25,499</u>	<u>24,845</u>
INCREASE IN NET ASSETS BEFORE TRANSFERS	(164)	(66)	379	(202)	215	(268)
Transfers	-0-	357	-0-	(357)	-0-	-0-
INCREASE IN NET ASSETS	<u>(164)</u>	<u>291</u>	<u>379</u>	<u>(559)</u>	<u>215</u>	<u>(268)</u>
NET ASSETS, beginning of year	23,192	22,901	26,239	26,798	49,431	49,699
NET ASSETS, end of year	<u>23,028</u>	<u>23,192</u>	<u>26,618</u>	<u>26,239</u>	<u>49,646</u>	<u>49,431</u>
	=====	=====	=====	=====	=====	=====

Governmental Activities

After recognizing a 13% increase in 2004, tax revenues decreased 3% in 2005 from the previous year. In 2005 property tax revenues increased just slightly, but sales tax revenues decreased 5% from 2004. An expanded tax base and favorable conditions in the economy were responsible for the increase in 2004, but a stagnant economy in 2005 was resulted in a decrease. Occupation tax collections also decreased slightly due to a warmer winter.

Operating grants continued to fund important public safety programs, culture and recreation programs, and provide for street maintenance. State highway allocation dollars are a major funding source to maintain the street fund, and transportation funds for concrete street reconstruction projects. 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 2005 the City continued to receive grant funding for public safety equipment, plus capital contributions for trail development and infrastructure related to economic development.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services, or are a direct result of capital grants received.

Business-Type Activities

Charges for services for business-type activities increased 6.8% due to rate increases in the Electric and Water funds. The Electric rate increase is passed through from an increase in purchased power and the water rate increase is necessary to begin funding a schedule for water main replacements. Revenues were sufficient to meet expenses overall. Discontinuance of the Off-Street Parking activity in 2004 resulted in a transfer of net assets to the governmental activities, which owns the property and equipment.

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 balance 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 \$3,413,393, an increase of \$1,618,402 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 (\$361,394); 2) to pay debt service (\$233,006); 3) for the LB840 Economic Development program (\$845,281) and 4) for other restricted fund purposes (\$278,681). The remaining balance is \$1,695,031 in unreserved fund balance which is available for spending at the government's discretion. This is a decrease of \$245,850 when compared to 2004 after adjusted for the CRA fund. Note: 2004 financials showed a negative balance of \$81,699 due to an obligation in the CRA fund which was bonded in 2005. If you reverse out the negative balance in the CRA fund, the 2004 remaining governmental funds would have been \$1,940,881.

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 \$1,760,438. 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 30.8% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund decreased by \$120,890 during the current fiscal year. The key factor in this decrease is the transfer out to fund capital projects resulting in a deficit. A more detailed analysis of operational revenues and expenditures is as follows:

General fund revenues as a total increased just 1.6% over the previous year, not keeping up with inflation costs. Tax revenues decreased slightly, while intergovernmental revenue available to fund general fund operations increased slightly. Charges for services are up 12% due to an increase in ambulance rates combined with increased use of the ambulance services. Donations increased slightly.

General fund operating expenditures, however, increased 7.3% from the previous year. Personnel costs increased 3.2%. There was a change in personnel with the elimination of two full-time positions in the Legal department instead contracting with an outside firm for legal services. This factor along with increased fuel and insurance costs resulted in a 25% increase in operational expenditures. General fund capital outlay expenditures were maintained at the 2004 level. There was a transfer out of \$175,600 was to fund 2005 capital projects.

The Street Fund has a negative fund balance of \$70,922 at the end of the fiscal year. The fund balance increased \$82,412 from the previous year as budgeting efforts were made to restore fund balance. In previous years the City of Beatrice had made an aggressive move to maintain and improve the street system, and to convert arterial asphalt streets to concrete. The City of Beatrice has been successful in obtaining grant dollars to fund a significant portion of these improvements, but these costs have significantly reduced the available fund balance to where it is today.

The Community Development Block Grant fund has a fund balance of \$361,596 at the end of the fiscal year, of this \$361,394 is reserved for Revolving Loans. The decrease in the Reserve for Revolving Loan fund balance of \$281,625 is a result of current reuse loan repayments, minus any current year loans expended. During 2005 the fund expended \$500,000 in reuse loans to Knowledge Marketing, LLC a computer software/internet marketing firm.

The Community Redevelopment Authority fund balance at the end fiscal year 2005 is a negative \$66,769. This fund accounts for infrastructure improvements authorized and funded through tax increment financing to develop areas designated as blighted and substandard. During 2004 \$2 million dollars in improvements were in the process resulting in a negative fund balance of \$2,022,480. An additional \$241,774 in improvements were made in 2005. In 2005 bonds were issued to finance these improvements over the period of repayment from taxes received as a result of the valuation increase on the improved properties.

The Other governmental funds include three Special Revenue funds; the Economic Development fund, the Keno fund, the 911 Surcharge 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 \$1,429,050, a decrease of \$17,206 (1.2%). A majority of this fund balance is reserved for specific purposes; \$845,281 for Economic Development; \$233,006 for Debt Service; and \$278,681 for Capital projects. The Economic Development fund received the maximum sales tax dollars of \$250,000, plus miscellaneous revenue of \$24,727 which helped to fund the program expenditures plus increase the fund balance. The Debt Service fund requirements were met by special levies. Special Assessment collections funded the retirement of bonded debt. Capital Improvement fund balances changed slightly as there were sufficient revenue and other financing sources to meet expenditures. The reserve for Public Safety Equipment continues to increase in reserving funds for the planned purchase of a fire truck.

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 \$3,674,447. The total change in net assets for all funds was an increase of \$275,673. Invested in Capital Assets increased from \$22,840,444 in FY2004 to \$22,943,802 in FY2005. Extension and replacement of capital assets is discussed later in this report. A review of the Water and Water Pollution Control funds may result in future rate increases to meeting operating expenses. 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 were relatively minor (\$173,417 increase in appropriations) and can be briefly summarized as follows: Expenditures related to grants and additional donations received in the amount of \$51,917; \$45,000 in expenditures related to Medicare and Medicaid mandated adjustments to ambulance service charges; \$40,000 for increased insurance costs; \$21,000 for a special study on blighted areas; and \$15,500 for increased operating costs.

The increase was funded with a combination of grants, donations, 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, 2005, amounts to \$49,377,672 (net of accumulated depreciation) plus land of \$2,339,916. 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 less than one percent (a 1.9% increase for governmental activities and a 1.2% decrease for business-type activities).

City of Beatrice's Capital Assets
(net of depreciation, except land)
(expressed in thousands, as compared to 2004)

	Governmental activities		Business-type activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	2,246	2,192	94	94	2,340	2,286
Buildings and system Improvements other than Buildings	4,411	4,383	1,208	1,207	5,619	5,590
Machinery and equipment	3,497	3,421	51,036	50,459	54,533	53,880
Infrastructure	5,651	5,486	4,626	5,099	10,277	10,585
Construction in progress	19,831	18,507	-0-	-0-	19,831	18,507
Less accumulated depreciation	-0-	-0-	445	138	445	138
	(12,175)	(10,960)	(29,153)	(28,417)	(41,328)	(39,377)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	23,461	23,029	28,256	28,580	51,717	51,609
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Major changes in Capital Assets in the Governmental Activities during fiscal year 2005 included concrete street reconstruction, residential infrastructure improvements to develop blighted areas, continued trail development, park improvements, and continued renovation of the City Auditorium. Increase in land was a part of the trail development. 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 installation of electric service in the Airpark Addition, street lighting in the Industrial Park, new residential developments along Granville and in Whispering Pines, and other overhead projects; in the Water fund installation of water main service to the Southeast Community College Business Park and Granville plus replacement of water main along Market Street; in the Water Pollution Control fund installation of Insituform pipe liner in sewer mains, the Lift Station SCADA project and generator, and a grit removal system.

Additional information on the City of Beatrice's capital assets can be found in Note 4 on page 34 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Beatrice had total bonded debt outstanding of \$8,579,639. Of this amount, \$840,000 comprises debt backed by the full faith and credit of the government and \$265,000 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	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds	840	945	-0-	-0-	840	945
Special assessment debt with governmental commitment	265	430	-0-	-0-	265	430
Revenue bonds	2,215	-0-	5,260	5,817	7,475	5,817
Total	<u>1,375</u>	<u>1,375</u>	<u>5,817</u>	<u>5,817</u>	<u>8,580</u>	<u>7,192</u>
	=====	=====	=====	=====	=====	=====

During the current fiscal year, the City of Beatrice's total debt increased by \$1,388,047 (19.3%). This was due to the issuance of Community Redevelopment Revenue bonds financing a large TIF project. Also, refunding bonds, at a lower rate of interest, were issued on Special Assessment debt plus using cash on hand thereby reducing the amount of debt.

Additional information on the City of Beatrice's long-term debt can be found in Note 6 on pages 36 to 37 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the City of Beatrice is currently 4.1 percent, an increase from a rate of 3.4 percent a year ago. This is slightly higher than the state's average unemployment rate of 3.9 percent but is favorably lower than the national average rate of 5.1 percent.

The occupancy rate of the government's central business district maintained an average of 91%. In other retail business, the loss of two major retailers has been partially absorbed by a super retailer, Wal-Mart. The decrease in sales tax revenue does reflect a slight down-turn in the economy that will hopefully bounce back in 2006.

Economic Development efforts continue. The development of the Airpark Addition in 2004 provided both a retail and industrial business to expand and grow. Plans are in the process for improvements to the Industrial Park to bring in a new industry, a bio-diesel plant in 2006.

During the current fiscal year, the unreserved fund balance in the General Fund decreased from \$1,881,328 to \$1,760,438 at the end of fiscal year 2005 due to expending excess reserve funds to help fund capital projects. In preparing the budget for fiscal year 2006, it became necessary for the City of Beatrice to increase the property tax levy 6.4%, the first levy increase in 6 years, to make up for a zero projected increase in sales tax revenues. Revenue projections will be sufficient to maintain the City's operating expenditures and personnel staffing at the 2005 level. For the second year, the City has budgeted to expend another \$180,000 in excess reserve funds to fund capital projects.

Electric fund revenue projections and expenses do not require a rate increase in the 2006 budget. The Water fund 2006 budget includes a base rate increase of \$1.00 per month plus 5 cents/1m on usage to fund acceleration of the water main reconstruction projects. The Water Pollution Control fund budget also includes a base rate increase of \$1.00 per month plus 5 cents/1m to fund capital projects including sewer main liner installations and treatment plant system replacements.

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
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Exhibit 1

	Primary Government			
	Governmental Activities	Business-Type Activities	2005 Total	2004 Total
Assets				
Cash and Cash Equivalents	\$ 1,551,162	\$ 1,356,924	\$ 2,908,086	\$ 4,919,079
Investments	1,200,000	-	1,200,000	600,000
Cash on Deposit - County Treasurer	201,159	-	201,159	226,203
Accounts Receivable	750,035	1,531,975	2,282,010	2,470,969
Assessments Receivable	221,075	-	221,075	187,700
Unbilled and Accrued Revenues	-	626,818	626,818	535,174
Materials and Supplies Inventories	-	741,931	741,931	536,220
Prepaid Expenses	-	7,103	7,103	7,103
Interest Receivable	9,794	2,156	11,950	28,764
Restricted:				
Cash	184,598	-	184,598	124,840
Investments	94,083	1,184,522	1,278,605	1,270,942
In-Lieu-of Assessments	11,668	-	11,668	41,301
Loans Receivable	1,677,773	-	1,677,773	1,979,860
Taxes Receivable	51,225	-	51,225	41,242
Bonds Receivable	-	540,000	540,000	-
Land	2,246,064	93,852	2,339,916	2,285,417
Capital Assets (Net of Accumulated Depreciation)	21,215,277	28,162,395	49,377,672	49,323,202
Unamortized Bond Issuance Costs	-	39,254	39,254	44,468
Total Assets	\$ 29,413,913	\$ 34,286,930	\$ 63,700,843	\$ 64,622,484

CITY OF BEATRICE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Exhibit 1

	Primary Government			
	Governmental Activities	Business-Type Activities	2005 Total	2004 Total
Liabilities				
Accounts Payable	\$ 321,516	\$ 1,464,931	\$ 1,786,447	\$ 3,248,767
Registered Warrants Payable	273,492	-	273,492	1,274,391
Claims Incurred But Not Reported	62,111	-	62,111	28,353
Accrued Interest Payable	25,401	-	25,401	39,731
Deferred Revenues	236,580	-	236,580	195,832
Revolving Loan Fund Payable	1,677,773	-	1,677,773	1,979,860
Accrued Expenses	-	537,821	537,821	539,660
Noncurrent Liabilities				
Compensated Absences	236,191	41,081	277,272	448,889
Due Within One Year	325,000	580,221	905,221	546,953
Customer Deposits	-	106,830	106,830	116,505
Revenue Bonds	2,040,000	2,419,779	4,459,779	2,898,047
General Obligation Bonds	955,000	-	955,000	1,205,000
Notes Payable	232,864	2,312,445	2,545,309	2,464,082
Estimated Current Cost of Closure and Postclosure	-	205,573	205,573	205,573
Total Liabilities	6,385,928	7,668,681	14,054,609	15,191,643
Net Assets				
Invested in Capital Assets, Net of Related Debt	19,908,477	22,943,802	42,852,279	44,494,537
Restricted Net Assets				
Restricted for Economic Development	845,281	-	845,281	664,788
Restricted for Debt Service	233,006	-	233,006	370,480
Restricted for Library Capital Improvements	94,083	-	94,083	92,120
Restricted for Public Safety Equipment	184,598	-	184,598	109,613
Restricted Loan Fund	361,394	-	361,394	639,589
Unrestricted Net Assets	1,401,146	3,674,447	5,075,593	3,059,714
Total Net Assets	\$ 23,027,985	\$ 26,618,249	\$ 49,646,234	\$ 49,430,841

CITY OF BEATRICE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			2004 Total
					Governmental Activities	Business-Type Activities	2005 Total	
Primary Government								
Governmental Activities								
General Government	\$ 2,534,949	\$ 979,857	\$ 453,818	\$ 151,332	\$ (949,942)	\$ -	\$ (949,942)	\$ (1,172,619)
Public Safety	4,199,255	770,979	192,820	156,121	(3,079,335)	-	(3,079,335)	(2,663,025)
Highways and Streets	2,068,107	26,757	1,494,010	-	(547,340)	-	(547,340)	(1,128,583)
Culture and Recreation	1,164,624	246,427	-	-	(918,197)	-	(918,197)	(969,435)
Interest on Long-Term Debt	141,854	-	-	-	(141,854)	-	(141,854)	(58,176)
Total Governmental Activities	10,108,789	2,024,020	2,140,648	307,453	(5,636,668)	-	(5,636,668)	(5,991,838)
Business-Type Activities								
Electric	10,459,639	10,828,533	-	-	-	368,894	368,894	74,528
Water	1,631,342	1,545,380	-	-	-	(85,962)	(85,962)	(274,744)
Water Pollution Control	1,350,663	1,062,860	-	-	-	(287,803)	(287,803)	(245,002)
Off-Street Parking	-	-	-	-	-	-	-	-
Sanitation	1,066,056	1,066,056	-	-	-	-	-	-
BASWA	882,331	930,981	-	-	-	48,650	48,650	88,177
Total Business-Type Activities	15,390,031	15,433,810	-	-	-	43,779	43,779	(357,041)
Total Primary Government	\$ 25,498,820	\$ 17,457,830	\$ 2,140,648	\$ 307,453	(5,636,668)	43,779	(5,592,889)	(6,348,879)
General Revenues								
Taxes					4,487,542	-	4,487,542	4,631,501
Unrestricted Intergovernmental					383,844	-	383,844	418,468
Miscellaneous Revenues					538,916	335,657	874,573	955,147
Unrestricted Investment Earnings					69,412	59,192	128,604	72,123
Lease proceeds					-	-	-	-
Gain on Sale of Capital Assets					(6,684)	(60,692)	(67,376)	4,071
Total General Revenues					5,473,030	334,157	5,807,187	6,081,310
Change in Net Assets					(163,638)	377,936	214,298	(267,569)
Net Assets, Beginning of Year					23,191,623	26,239,218	49,430,841	49,698,410
Contributions					-	1,095	1,095	-
Net Assets, End of Year					\$ 23,027,985	\$ 26,618,249	\$ 49,646,234	\$ 49,430,841

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Exhibit 3

	2005						2004
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	Total
Assets							
Cash and Cash Equivalents	\$ 74,093	\$ (126,086)	\$ 361,596	\$ (158)	\$ 1,237,300	1,546,745	\$ 2,696,930
Investments	1,200,000	-	-	-	-	1,200,000	600,000
Cash on Deposit - County Treasurer	181,077	-	-	549	19,533	201,159	226,203
Accounts Receivable	332,268	417,131	-	-	636	750,035	724,282
Interest Receivable	-	-	-	-	9,794	9,794	22,971
Assessments Receivable	-	-	-	-	221,075	221,075	187,700
Restricted:							
Cash	-	-	-	-	184,598	184,598	124,840
Investments	-	-	-	-	94,083	94,083	92,120
In-Lieu-of Assessments	-	-	-	-	11,668	11,668	41,301
Due From Other Funds	-	-	-	-	144,648	144,648	144,648
Loans Receivable	-	-	1,677,773	-	-	1,677,773	1,979,860
Taxes Receivable	51,225	-	-	-	-	51,225	41,242
Total Assets	\$ 1,838,663	\$ 291,045	\$ 2,039,369	\$ 391	\$ 1,923,335	\$ 6,092,803	\$ 6,882,097

**CITY OF BEATRICE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Exhibit 3

	2005						2004
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	Total
Liabilities							
Accounts Payable	\$ 43,847	\$ 217,319	\$ -	\$ -	\$ 60,350	\$ 321,516	\$ 1,452,644
Registered Warrants Payable	-	-	-	65,801	207,691	273,492	1,274,391
Accrued Interest Payable	-	-	-	1,359	24,042	25,401	39,731
Deferred Revenues	34,378	-	-	-	202,202	236,580	195,832
Due to Other Funds	-	144,648	-	-	-	144,648	144,648
Revolving Loan Fund Payable	-	-	1,677,773	-	-	1,677,773	1,979,860
Total Liabilities	<u>78,225</u>	<u>361,967</u>	<u>1,677,773</u>	<u>67,160</u>	<u>494,285</u>	<u>2,679,410</u>	<u>5,087,106</u>
Fund Balances							
Reserved for:							
Reserved for Economic Development	-	-	-	-	845,281	845,281	664,788
Reserved for Debt Service	-	-	-	-	233,006	233,006	370,480
Reserved for Library Capital Improvements	-	-	-	-	94,083	94,083	92,120
Reserved for Public Safety Equipment	-	-	-	-	184,598	184,598	109,613
Revolving Loan Fund	-	-	361,394	-	-	361,394	639,589
Unreserved, Undesignated, Reported in:							
General Fund	1,190,438	-	-	-	-	1,190,438	1,311,328
Special Revenue Funds	-	(70,922)	202	(66,769)	209,188	71,699	(1,908,825)
Debt Service Funds	-	-	-	-	(159,872)	(159,872)	(84,177)
Capital Projects Funds	-	-	-	-	22,766	22,766	30,075
Unreserved, Designated for:							
Subsequent Years' Expenditures	570,000	-	-	-	-	570,000	570,000
Total Fund Balances	<u>1,760,438</u>	<u>(70,922)</u>	<u>361,596</u>	<u>(66,769)</u>	<u>1,429,050</u>	<u>3,413,393</u>	<u>1,794,991</u>
Total Liabilities and Fund Balances	<u>\$ 1,838,663</u>	<u>\$ 291,045</u>	<u>\$ 2,039,369</u>	<u>\$ 391</u>	<u>\$ 1,923,335</u>		
Amounts Reported For Governmental Activities in the Statement of Net Assets Are Different Because:							
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.						23,461,341	23,029,093
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.						(57,694)	(21,483)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						(3,789,055)	(1,610,978)
Net Assets of Governmental Activities						<u>\$ 23,027,985</u>	<u>\$ 23,191,623</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Exhibit 4

	2005						2004
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	Total
Revenues							
Taxes	\$ 3,569,120	\$ 533,228	\$ -	\$ -	\$ 385,194	\$ 4,487,542	\$ 4,631,501
Licenses and Permits	106,454	-	-	-	-	106,454	98,084
Intergovernmental	821,858	1,494,010	900	57,348	228,592	2,602,708	2,345,948
Charges for Services	1,071,781	23,302	-	-	71,985	1,167,068	1,073,036
Keno Proceeds	-	-	-	-	135,253	135,253	172,674
Special Assessments	-	-	-	-	93,984	93,984	146,619
Interest	-	-	40,634	-	28,342	68,976	33,055
Donations and Miscellaneous Revenue	159,864	-	302,392	51,180	25,480	538,916	839,042
Lease Income	-	-	-	-	-	-	-
Total Revenues	<u>5,729,077</u>	<u>2,050,540</u>	<u>343,926</u>	<u>108,528</u>	<u>968,830</u>	<u>9,200,901</u>	<u>9,339,959</u>
Expenditures							
Current							
General Government	715,266	-	624,398	-	117,225	1,456,889	1,632,846
Public Safety	3,828,236	-	-	-	72,646	3,900,882	3,660,010
Highways and Streets	-	1,968,128	-	-	-	1,968,128	1,677,969
Culture and Recreation	1,164,624	-	-	-	-	1,164,624	1,055,237
Debt Service							
Principal	-	-	-	-	535,000	535,000	354,803
Interest	-	-	-	96,876	44,978	141,854	58,176
Capital Outlay	-	-	1,153	241,774	497,840	740,767	2,596,514
MFO Payments - Other Entities	-	-	-	-	120,880	120,880	118,336
Total Expenditures	<u>5,708,126</u>	<u>1,968,128</u>	<u>625,551</u>	<u>338,650</u>	<u>1,388,569</u>	<u>10,029,024</u>	<u>11,153,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,951</u>	<u>82,412</u>	<u>(281,625)</u>	<u>(230,122)</u>	<u>(419,739)</u>	<u>(828,123)</u>	<u>(1,813,932)</u>
Other Financing Sources (Uses)							
Transfers In	33,400	-	-	-	307,970	341,370	142,251
Transfers Out	(175,600)	-	-	-	(165,770)	(341,370)	(142,251)
Bond Issuance Costs	-	-	-	(29,167)	(4,667)	(33,834)	-
Bond Proceeds	-	-	-	2,215,000	265,000	2,480,000	-
Sale of Capital Assets	359	-	-	-	-	359	540,043
Total Other Financing Sources and Uses	<u>(141,841)</u>	<u>-</u>	<u>-</u>	<u>2,185,833</u>	<u>402,533</u>	<u>2,446,525</u>	<u>540,043</u>
Net Change in Fund Balances	<u>(120,890)</u>	<u>82,412</u>	<u>(281,625)</u>	<u>1,955,711</u>	<u>(17,206)</u>	<u>1,618,402</u>	<u>(1,273,889)</u>
Fund Balances, Beginning of Year	<u>1,881,328</u>	<u>(153,334)</u>	<u>643,221</u>	<u>(2,022,480)</u>	<u>1,446,256</u>	<u>1,794,991</u>	<u>3,068,880</u>
Fund Balances, End of Year	<u>\$ 1,760,438</u>	<u>\$ (70,922)</u>	<u>\$ 361,596</u>	<u>\$ (66,769)</u>	<u>\$ 1,429,050</u>	<u>\$ 3,413,393</u>	<u>\$ 1,794,991</u>

**CITY OF BEATRICE
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, 2005 AND 2004**

Exhibit 5

	<u>2005</u>	<u>2004</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net change in fund balances - total governmental funds	\$ 1,618,402	\$ (1,273,889)
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.	206,427	1,721,507
Some revenues expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as income or expenditures in governmental funds.	(1,945,213)	354,803
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(7,043)	(535,972)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(36,211)</u>	<u>24,890</u>
Change in Net Assets of Governmental Activities	<u>\$ (163,638)</u>	<u>\$ 291,339</u>

CITY OF BEATRICE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Exhibit 6

	2005						
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	Totals	Internal Service Funds
							2004 Total
Current Assets							
Cash and Investments	\$ 425,881	\$ 579,228	\$ 233,741	\$ 117,721	\$ 353	\$ 1,356,924	\$ 4,417
Accounts Receivable (Net)	1,022,449	161,466	143,695	133,769	70,596	1,531,975	-
Unbilled and Accrued Revenues	476,907	92,353	57,558	-	-	626,818	-
Materials and Supplies Inventories	575,082	166,849	-	-	-	741,931	-
Prepaid Expenses	3,959	2,045	1,099	-	-	7,103	-
Interest Receivable	1,638	214	304	-	-	2,156	-
Total Current Assets	<u>2,505,916</u>	<u>1,002,155</u>	<u>436,397</u>	<u>251,490</u>	<u>70,949</u>	<u>4,266,907</u>	<u>4,417</u>
Noncurrent Assets							
Restricted Cash and Cash Equivalents							
Employee Benefits	41,081	-	-	-	-	41,081	-
Debt Service Reserve Account	132,593	149,513	296,937	152,433	-	731,476	-
Restricted Investments							
Customer Deposits	106,830	-	-	-	-	106,830	-
Current Portion Bonds Receivable	175,000	-	-	-	-	175,000	-
Closure/Postclosure Maintenance and Care	-	-	-	305,135	-	305,135	-
Total Restricted Cash, Cash Equivalents and Investments	<u>455,504</u>	<u>149,513</u>	<u>296,937</u>	<u>457,568</u>	<u>-</u>	<u>1,359,522</u>	<u>-</u>
Capital Assets							
Land and Land Rights	17,432	59,832	16,588	-	-	93,852	-
Buildings and Improvements	1,144,846	63,555	-	-	-	1,208,401	-
Improvements Other Than Buildings	20,976,009	11,147,223	15,328,478	3,584,215	-	51,035,925	-
Machinery and Equipment	2,550,918	709,006	766,632	599,245	-	4,625,801	-
Construction in Progress	445,564	-	-	-	-	445,564	-
	25,134,769	11,979,616	16,111,698	4,183,460	-	57,409,543	-
Less Accumulated Depreciation	12,451,148	7,090,376	7,885,272	1,726,500	-	29,153,296	-
Net Capital Assets	<u>12,683,621</u>	<u>4,889,240</u>	<u>8,226,426</u>	<u>2,456,960</u>	<u>-</u>	<u>28,256,247</u>	<u>-</u>
Other Assets							
Bonds Receivable (less current portion)	365,000	-	-	-	-	365,000	-
Unamortized Bond Issuance Cost	14,383	3,339	4,729	16,803	-	39,254	-
Total Other Assets	<u>379,383</u>	<u>3,339</u>	<u>4,729</u>	<u>16,803</u>	<u>-</u>	<u>404,254</u>	<u>-</u>
Total Assets	<u>\$ 16,024,424</u>	<u>\$ 6,044,247</u>	<u>\$ 8,964,489</u>	<u>\$ 3,182,821</u>	<u>\$ 70,949</u>	<u>\$ 34,286,930</u>	<u>\$ 4,417</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Exhibit 6

	2005						2004 Total
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	Totals	Internal Service Funds
Liabilities							
Current Liabilities							
Accounts Payable	\$ 1,256,963	\$ 38,502	\$ 97,378	\$ 1,139	\$ 70,949	\$ 1,464,931	\$ -
Claims Incurred But Not Reported	-	-	-	-	-	-	62,111
Accrued Expenses	270,268	182,835	78,467	6,251	-	537,821	-
Compensated Absences	41,081	-	-	-	-	41,081	-
Total Current Liabilities	<u>1,568,312</u>	<u>221,337</u>	<u>175,845</u>	<u>7,390</u>	<u>70,949</u>	<u>2,043,833</u>	<u>62,111</u>
Non-Current Liabilities Payable From Restricted Assets							
Customer Deposits	106,830	-	-	-	-	106,830	-
Current Portion of Long-Term Debt	185,165	76,677	133,379	185,000	-	580,221	-
Total Non-Current Liabilities Payable From Restricted Assets	<u>291,995</u>	<u>76,677</u>	<u>133,379</u>	<u>185,000</u>	<u>-</u>	<u>687,051</u>	<u>-</u>
Noncurrent Liabilities							
Revenue Bonds (Net)	941,787	187,367	240,625	1,050,000	-	2,419,779	-
Notes Payable	-	726,980	1,532,659	52,806	-	2,312,445	-
Estimated Current Cost of Closure and Postclosure	-	-	-	205,573	-	205,573	-
Total Noncurrent Liabilities	<u>941,787</u>	<u>914,347</u>	<u>1,773,284</u>	<u>1,308,379</u>	<u>-</u>	<u>4,937,797</u>	<u>-</u>
Total Liabilities	<u>2,802,094</u>	<u>1,212,361</u>	<u>2,082,508</u>	<u>1,500,769</u>	<u>70,949</u>	<u>7,668,681</u>	<u>62,111</u>
Net Assets							
Invested in Capital Assets, Net of Related Debt	11,556,669	3,898,216	6,319,763	1,169,154	-	22,943,802	-
Unrestricted	1,665,661	933,670	562,218	512,898	-	3,674,447	(57,694)
Total Net Assets	<u>\$ 13,222,330</u>	<u>\$ 4,831,886</u>	<u>\$ 6,881,981</u>	<u>\$ 1,682,052</u>	<u>\$ -</u>	<u>\$ 26,618,249</u>	<u>\$ (57,694)</u>

CITY OF BEATRICE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Exhibit 7

	2005						
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	Totals	Internal Service Funds
							2004 Total
Operating Revenues							
Charges for Services	\$ 10,828,533	\$ 1,545,380	\$ 1,062,860	\$ 930,981	\$ 1,066,056	\$ 15,433,810	\$ 720,832
Reimbursements	-	-	-	-	-	-	29,666
Total Operating Revenues	<u>10,828,533</u>	<u>1,545,380</u>	<u>1,062,860</u>	<u>930,981</u>	<u>1,066,056</u>	<u>15,433,810</u>	<u>750,498</u>
Operating Expenses							
Electric Energy Purchased	7,287,319	-	-	-	-	7,287,319	-
Operating and Maintenance Expenses	810,296	703,225	417,173	-	1,066,056	2,996,750	-
Customer Accounting Expenses	178,357	104,281	53,566	-	-	336,204	-
Administrative and General Expense	872,156	317,288	180,907	459,143	-	1,829,494	-
Municipal Expenses	324,355	21,867	9,722	-	-	355,944	-
Depreciation and Amortization	936,605	441,451	606,285	296,359	-	2,280,700	-
Landfill Operating Contracts	-	-	-	70,020	-	70,020	-
Health Insurance Claims Paid	-	-	-	-	-	-	649,515
Health and Life Insurance Premiums	-	-	-	-	-	-	77,722
Payflex Expenditures	-	-	-	-	-	-	35,013
Other Services and Charges	-	-	-	-	-	-	24,895
Total Operating Expenses	<u>10,409,088</u>	<u>1,588,112</u>	<u>1,267,653</u>	<u>825,522</u>	<u>1,066,056</u>	<u>15,156,431</u>	<u>787,145</u>
Operating Income	<u>419,445</u>	<u>(42,732)</u>	<u>(204,793)</u>	<u>105,459</u>	<u>-</u>	<u>277,379</u>	<u>(36,647)</u>
Nonoperating Revenues (Expenses)							
Interest Income	45,138	4,726	3,718	5,610	-	59,192	436
Merchandising, Etc.	30,397	59,438	8,488	-	-	98,323	-
Income (Loss) on Disposal of Capital Assets	(35,437)	(20,305)	(4,950)	-	-	(60,692)	-
Miscellaneous	164,335	51,462	21,502	35	-	237,334	-
Interest Expense	(48,110)	(42,674)	(82,222)	(56,809)	-	(229,815)	-
Amortization of Bond Issuance Cost	(2,441)	(556)	(788)	-	-	(3,785)	-
Transfer to Other Fund	18,489	(5,897)	(12,592)	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>172,371</u>	<u>46,194</u>	<u>(66,844)</u>	<u>(51,164)</u>	<u>-</u>	<u>100,557</u>	<u>436</u>
Change in Net Assets	<u>591,816</u>	<u>3,462</u>	<u>(271,637)</u>	<u>54,295</u>	<u>-</u>	<u>377,936</u>	<u>(36,211)</u>
Net Assets, Beginning of Year	<u>12,630,514</u>	<u>4,827,329</u>	<u>7,153,618</u>	<u>1,627,757</u>	<u>-</u>	<u>26,239,218</u>	<u>(21,483)</u>
Contributions	-	1,095	-	-	-	1,095	-
Net Assets, End of Year	<u>\$ 13,222,330</u>	<u>\$ 4,831,886</u>	<u>\$ 6,881,981</u>	<u>\$ 1,682,052</u>	<u>\$ -</u>	<u>\$ 26,618,249</u>	<u>\$ (57,694)</u>

See Accompanying Notes to Financial Statements.

**CITY OF BEATRICE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Exhibit 8

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	2005 Totals	Internal Service Funds	2004 Totals
Cash Flows From Operating Activities								
Cash Received From Customers	\$ 11,198,331	\$ 1,620,895	\$ 1,088,017	\$ 919,707	\$ 1,065,585	\$ 15,892,535	\$ 750,498	\$ 14,272,536
Cash Paid to Suppliers for Goods and Services	(9,124,945)	(726,983)	(270,080)	(329,415)	(1,065,662)	(11,517,085)	(753,387)	(9,873,175)
Cash Paid to Employees for Services	(867,705)	(496,672)	(332,876)	(201,640)	-	(1,898,893)	-	(1,799,720)
Net Cash Provided by (Used in) Operating Activities	<u>1,205,681</u>	<u>397,240</u>	<u>485,061</u>	<u>388,652</u>	<u>(77)</u>	<u>2,476,557</u>	<u>(2,889)</u>	<u>2,599,641</u>
Cash Flows from Capital and Related Financing Activities								
Principal Payments on Long-Term Debt	(175,588)	(73,399)	(127,966)	(180,000)	-	(556,953)	-	(557,747)
Principal Advances on Long-Term Debt	-	-	-	(49,684)	-	(49,684)	-	(46,778)
Transfer (to) From Other Funds	18,489	(5,897)	(12,592)	-	-	-	-	-
Interest Paid on Revenue Bond Maturities	(48,110)	(42,674)	(82,222)	(56,809)	-	(229,815)	-	(246,139)
Contribution in Aid to Construction	-	1,095	-	-	-	1,095	-	5,193
Capital Expenditures	(927,891)	(521,822)	(497,646)	(69,325)	-	(2,016,684)	-	(3,077,641)
Net Cash Used in Capital and Related Financing Activities	<u>(1,133,100)</u>	<u>(642,697)</u>	<u>(720,426)</u>	<u>(355,818)</u>	<u>-</u>	<u>(2,852,041)</u>	<u>-</u>	<u>(3,923,112)</u>
Cash Flows From Investing Activities								
Purchase of Bond	(540,000)	-	-	-	-	(540,000)	-	-
Interest Received	47,739	5,155	4,325	5,610	-	62,829	436	39,940
Net Cash Provided by (Used in) Investing Activities	<u>(492,261)</u>	<u>5,155</u>	<u>4,325</u>	<u>5,610</u>	<u>-</u>	<u>(477,171)</u>	<u>436</u>	<u>39,940</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(419,680)</u>	<u>(240,302)</u>	<u>(231,040)</u>	<u>38,444</u>	<u>(77)</u>	<u>(852,655)</u>	<u>(2,453)</u>	<u>(1,283,531)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,126,065</u>	<u>969,043</u>	<u>761,718</u>	<u>536,845</u>	<u>430</u>	<u>3,394,101</u>	<u>6,870</u>	<u>4,677,632</u>
Cash and Cash Equivalents, End of Year	<u>\$ 706,385</u>	<u>\$ 728,741</u>	<u>\$ 530,678</u>	<u>\$ 575,289</u>	<u>\$ 353</u>	<u>\$ 2,541,446</u>	<u>\$ 4,417</u>	<u>\$ 3,394,101</u>

**CITY OF BEATRICE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	2005 Totals	Internal Service Funds	2004 Totals
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income	\$ 419,445	\$ (42,732)	\$ (204,793)	\$ 105,459	\$ -	\$ 277,379	\$ (36,647)	\$ (107,182)

See Accompanying Notes to Financial Statements.

**Adjustments to Reconcile Operating Income to Net Cash
Provided by (Used in) Operating Activities**

Exhibit 8

Depreciation and Amortization	936,605	441,451	606,285	296,359	-	2,280,700	-	2,158,685
Merchandise and Miscellaneous Revenue	(76,908)	110,900	29,990	35	-	64,017	-	113,142
(Increase) Decrease in Unbilled and Accrued Revenues	194,732	(24,287)	(3,638)	-	-	166,807	-	(3,338)
(Increase) Decrease in Accounts Receivable	251,974	(11,098)	(1,195)	(11,309)	(471)	227,901	-	(291,953)
(Increase) Decrease in Inventory	(179,788)	(25,923)	-	-	-	(205,711)	-	(37,547)
Increase (Decrease) in Bank Overdraft	-	-	65,374	1,139	-	66,513	-	(6,209)
Increase (Decrease) in Accounts Payable	(343,825)	(54,274)	(6,962)	(3,031)	394	(407,698)	-	735,642
Increase (Decrease) in Accrued Expenses	13,121	3,203	-	-	-	16,324	-	35,001
Increase (Decrease) in Customer Deposits	(9,675)	-	-	-	-	(9,675)	-	3,400
Increase (Decrease) in Claims Incurred But Not Reported	-	-	-	-	-	-	33,758	-
Total Adjustments	<u>786,236</u>	<u>439,972</u>	<u>689,854</u>	<u>283,193</u>	<u>(77)</u>	<u>2,199,178</u>	<u>33,758</u>	<u>2,706,823</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,205,681</u>	<u>\$ 397,240</u>	<u>\$ 485,061</u>	<u>\$ 388,652</u>	<u>\$ (77)</u>	<u>\$ 2,476,557</u>	<u>\$ (2,889)</u>	<u>\$ 2,599,641</u>

Noncash Investing, Capital and Financing Activities: None

**CITY OF BEATRICE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2005 AND 2004**

Exhibit 9

	Pension Trust Fund	
	<u>2005</u>	<u>2004</u>
Assets		
Investments with Fiscal Agent	<u>\$ 14,411,427</u>	<u>\$ 13,452,558</u>
Total Assets	<u>14,411,427</u>	<u>13,452,558</u>
Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Reserved for Employees' Retirement System	<u>14,411,427</u>	<u>13,452,558</u>
Total Net Assets	<u>\$ 14,411,427</u>	<u>\$ 13,452,558</u>

**CITY OF BEATRICE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004**

Exhibit 10

	Pension Trust Fund	
	2005	2004
Additions		
Contributions		
Employer	\$ 366,210	\$ 356,872
Employee	387,007	377,291
Total Contributions	<u>753,217</u>	<u>734,163</u>
Investment Earnings		
Net Increase in the Fair Value of Investments	1,072,494	815,171
Net Investment Earnings	<u>1,072,494</u>	<u>815,171</u>
Total Additions	<u>1,825,711</u>	<u>1,549,334</u>
Deductions		
Benefits	850,912	907,564
Administrative Expenses	15,930	20,385
Total Deductions	<u>866,842</u>	<u>927,949</u>
Change in Net Assets	958,869	621,385
Net Assets, Beginning of Year	<u>13,452,558</u>	<u>12,831,173</u>
Net Assets, End of Year	<u><u>\$ 14,411,427</u></u>	<u><u>\$ 13,452,558</u></u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

**NOTE 1:
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Exhibit 11

The City of Beatrice was founded in 1854, incorporated as a first-class city in 1893 and since 1954 has operated under the Mayor-Council form of government to provide the following services as authorized by its charter; Public Safety (Police and Fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

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 following is a summary of the more significant policies:

A. SCOPE OF REPORTING ENTITY

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

Blended Component Unit:

Beatrice Area Solid Waste Agency:

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

Complete financial statements for the individual component unit may be obtained at the entity's administrative offices located at Beatrice Area Solid Waste Agency, 205 N. 4th Street, Beatrice, Nebraska 68310.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental or enterprise funds are aggregated and reported as other governmental or enterprise funds.

C. BASIS OF PRESENTATION

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

The City uses the following fund categories, fund types, and major funds:

(1) GOVERNMENTAL FUNDS

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Street Fund* is used to account for operation of the street department. Financing is provided by the City's share of state gasoline taxes. State law requires these taxes to be used to maintain streets.

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

The *Community Redevelopment Authority Fund* is used to account for revenues and expenditures authorized by this authority and the receipt and distribution of tax increment financing funds.

Additionally, the City reports the following non-major fund types:

The *Special Revenue Funds* account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

The *Capital Projects Funds* account for acquisition of fixed assets or construction of major capital facilities not being financed by proprietary or non-expendable trust funds.

(2) PROPRIETARY FUNDS

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

Internal Service Funds 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:

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

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

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

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

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

(3) FIDUCIARY FUNDS

The *Trust Funds* are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Pension Trust Funds.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as a eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

1. Prior to September 10, the City Administrator submitted to the Mayor and City Council a proposed operating budget for the fiscal period commencing October 1, 2004 and ending September 30, 2005. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
3. Prior to September 10, the budget is legally enacted through passage of an ordinance.

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

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

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

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

General All-Purpose Fund	\$ 173,417
Sanitation Fund	3,000
Community Redevelopment Authority Fund	2,019,444
Bonded Districts Debt Service Fund	361,136
Unbonded Districts Debt Service Fund	151,000
Self-Insured Health Care Fund	135,000

F. INVESTMENTS

Investments are carried at fair value. Short-term investments (U.S. Government Securities) are reported at amortized cost, which approximates fair value.

G. CONCENTRATION OF CREDIT RISK

The City has receivables from business and individuals living in the City for property taxes, special assessments and charges for service provided by enterprise funds. Real or personal property is collateral for the property taxes and special assessments, charges for service are uncollateralized.

H. INVENTORIES

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

I. CAPITAL ASSETS

The current reporting model requires that all capital assets, whether owned by governmental activities or business-type activities be recorded and depreciated in the government-wide financial statements.

Capital assets, including infrastructure are defined as assets with an initial cost of \$500 or more and an estimated useful life of more than one year.

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

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

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

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

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

J. COMPENSATED ABSENCES

City employees earn sick leave at the rate of one day per month. They earn various hours of vacation per pay period based on years of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. There is no limitation on accumulated vacation but accumulated sick leave cannot exceed 2,160 hours for firefighters and 1,440 hours for all other employees. All accumulated vacation is paid upon the employee's termination. Fifty percent, but not exceeding 540 hours for firefighters, 360 hours for police and 600 hours for all other employees, of unused sick leave is paid at retirement or death. Employees of the Board of Public Works and the Street Department are paid fifty percent of their unused sick leave when their employment is terminated. When an employee of the Board of Public Works or the Street Department retires, they are paid 75% of their accumulated sick leave. Compensatory time rather than overtime compensation may be given for all hours actually worked in excess of forty hours in a week. No employee shall accrue more than 80 hours of compensatory time for hours worked, with the exception of employees covered by the Fraternal Order of Police Union Contract who may accrue up to 120 hours. All accumulated compensatory time is paid to the employee upon his termination.

The amounts of unpaid vacation and compensatory time accumulated by City employees are accrued as expenses when incurred in proprietary funds, and reported as a fund liability. In the governmental funds the amount expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported as long-term liabilities in the Statement of Net Assets in Exhibit 1. The expenditure is reported as an expense in the Statement of Activities in Exhibit 2 for these amounts.

K. LONG-TERM OBLIGATIONS

The City reports long-term debt of governmental funds at face value in the government-wide financial statements only. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

L. RESERVES AND DESIGNATIONS

Portions of fund equity are segregated for future use, and are not available for future appropriation or expenditure. "Reserved for Endowments" and "Reserved for Employees" Retirement System: represents the entire equity of those funds and are reserved for those specific purposes. "Reserved for Interfund Loans and Advances to Other Funds" represents the amount of the fund equity which is not to be considered available expendable resources. "Reserved for Library Capital Improvement", "Reserved for Public Safety Equipment", "Reserved for Debt Service" and "Reserved for Economic Development" represents revenues reserved for specific purposes. "Reserved for Revolving Loan Fund" represents revenues reserved for a loan program in connection with a grant. "Reserved for Investment in Land" is the amount of land that has been purchased and available for sale. "Designated for Subsequent Years' Expenditures" in the General Fund indicates City management's tentative plans for use of financial resources in a future period.

M. DEBT SERVICE FUNDS REVENUES AND EXPENDITURES

Special assessment revenue is recognized only when they become measurable and available. This occurs as portions of deferred assessments become due and as the deferred assessments are collected during the period. Due to the fact that the interest expenditures are not approximately offset by the interest revenue, both the interest on the assessments and the interest on the bonds are accrued.

N. BAD DEBTS

The General Fund and Electric, Water and Water Pollution Control Enterprise Funds use the reserve method in accounting for bad debts.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

O. INTERFUND TRANSACTIONS

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

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

P. CASH EQUIVALENTS

For purposes of the statement of cash flows, the City considers all highly liquid debt instruments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Q. 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.

R. ESTIMATES

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

**NOTE 2:
PROPERTY TAXES**

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

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, 2004
	Levy date	September 30, 2004
	Tax bills mailed	December 1, 2004
	Due date	December 31, 2004
	First Installment payment delinquent	May 1, 2005
	Second installment payment delinquent	September 1, 2005

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

The City is permitted to levy taxes up to \$0.45 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, 2005, was \$0.275890 per \$100 which means the City has a tax margin of \$0.17411 per \$100 and could raise up to \$78,945,402 additional a period from the present assessed valuation of \$453,422,564 before the limit is reached.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

NOTE 3:
SALES 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. 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. 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.

NOTE 4:
CAPITAL ASSETS AND DEPRECIATION

Components of the City's capital assets at September 30, 2005, are summarized as follows:

	<u>Enterprise Funds</u>	<u>Government Funds</u>	<u>Total</u>
Land and land rights	\$ 93,852	\$ 2,246,065	\$ 2,339,917
Buildings and improvements	1,208,401	4,411,547	5,619,948
Improvements other than buildings	51,035,925	3,496,921	54,532,846
Machinery and equipment	4,625,801	5,650,749	10,276,550
Infrastructure	-	19,831,398	19,831,398
	<u>56,963,979</u>	<u>35,636,680</u>	<u>92,600,659</u>
Accumulated depreciation	<u>29,153,296</u>	<u>12,175,338</u>	<u>41,328,634</u>
	<u>\$27,810,683</u>	<u>\$23,461,342</u>	<u>\$51,272,025</u>

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

	<u>Balance 10/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/05</u>
Land	\$ 2,191,565	\$ 54,500	\$ -	\$ 2,246,065
Buildings and improvements	4,382,665	28,882	-	4,411,547
Improvements other than buildings	3,421,417	75,504	-	3,496,921
Machinery and equipment	5,485,688	218,149	53,088	5,650,749
Infrastructure	18,507,478	1,323,920	-	19,831,398
	<u>\$33,988,813</u>	<u>\$1,700,955</u>	<u>\$53,088</u>	<u>\$35,636,680</u>

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

	<u>Balance 10/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/05</u>
Land and land rights	\$ 93,852	\$ -	\$ -	\$ 93,852
Buildings and improvements	1,207,295	6,286	5,180	1,208,401
Improvements other than buildings	50,459,019	1,197,303	620,397	51,035,925
Machinery and equipment	5,098,370	519,904	992,473	4,625,801
	<u>56,858,536</u>	<u>1,723,493</u>	<u>1,618,050</u>	<u>56,963,979</u>
Construction in Progress	137,722	445,564	137,722	445,564
	<u>\$56,996,258</u>	<u>\$2,169,057</u>	<u>\$1,755,772</u>	<u>\$57,409,543</u>

CITY OF BEATRICE, NEBRASKA
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The following table summarizes the changes in the accumulated depreciation of the governmental funds:

	Balance 10/01/04	Additions	Deletions	Balance 09/30/05
Buildings and improvements	\$ 1,396,256	\$ 118,336	\$ -	\$ 1,514,592
Improvements other than buildings	1,286,401	163,719	-	1,450,120
Machinery and equipment	3,032,518	466,343	46,046	3,452,815
Infrastructure	5,210,059	547,752	-	5,757,811
	<u>\$10,925,234</u>	<u>\$1,296,150</u>	<u>\$46,046</u>	<u>\$12,175,338</u>

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

General Government	\$ 443,356
Public Safety	277,350
Highways and Streets	528,855
Culture and Recreation	46,589
Total Depreciation	<u>\$1,296,150</u>

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

	Balance 10/01/04	Additions	Deletions	Balance 09/30/05
Buildings and improvements	\$ 317,165	\$ 49,604	\$ 5,181	\$ 361,588
Improvements other than buildings	24,462,955	1,866,275	573,559	25,755,671
Machinery and equipment	3,636,612	363,391	963,966	3,036,037
	<u>\$28,416,732</u>	<u>\$2,279,270</u>	<u>\$1,542,706</u>	<u>\$29,153,296</u>

NOTE 5:
CAPITAL LEASE

Capital leases in the governmental funds consist of:

The City has entered into a lease agreement, as lessee, to finance the acquisition of licensed software for the police department. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Fund. At September 30, 2005, the amount included in the government activities in the government-wide statements is \$225,256.

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, 2005, the amount included in the government activities in the government-wide statements is \$7,608.

Capital leases in the enterprise funds consist of:

The City has entered into a lease agreement, as lessee, to finance the acquisition of heavy equipment 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, 2005, the amount included in the Beatrice Area Solid Waste Agency Enterprise Fund was \$52,806.

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2005:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Funds</u>	<u>Total</u>
2006	\$ 55,689	\$56,107	\$111,796
2007	55,689	-	55,689
2008	54,168	-	54,168
2009	52,646	-	52,646
2010	<u>52,579</u>	<u>-</u>	<u>52,579</u>
Total minimum lease payments	270,771	56,107	326,878
Less: amount representing interest	<u>37,907</u>	<u>3,301</u>	<u>41,208</u>
Present value of future minimum lease payments	<u>\$232,864</u>	<u>\$52,806</u>	<u>\$285,670</u>

The capital leases transaction summary for the year ended September 30, 2005, follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Funds</u>	<u>Total</u>
Capital Leases 10/01/04	\$274,265	\$102,490	\$376,755
Capital Leases Additions	-	-	-
Capital Leases Payments	<u>(41,401)</u>	<u>(49,684)</u>	<u>(91,085)</u>
Capital Leases 09/30/05	<u>\$232,864</u>	<u>\$ 52,806</u>	<u>\$285,670</u>

NOTE 6:
LONG-TERM DEBT

The summary of bond and note transactions of the City for the year ended September 30, 2005, follows:

	<u>Revenue Bonds and Notes</u>			<u>General Obligation Bonds</u>			<u>Total</u>
	<u>General</u> <u>Fund Types</u>	<u>Proprietary</u> <u>Fund Types</u>	<u>Total</u>	<u>General</u> <u>Fund Types</u>	<u>Proprietary</u> <u>Fund Types</u>	<u>Total</u>	
Bonds and notes payable at 10/01/04	\$ -	\$5,816,592	\$5,816,592	\$1,375,000	\$ -	\$1,375,000	\$7,191,592
Bonds and notes Issued	2,215,000	-	2,215,000	265,000	-	265,000	2,480,000
Bonds and notes Retired	<u>-</u>	<u>(556,953)</u>	<u>(556,953)</u>	<u>(535,000)</u>	<u>-</u>	<u>(535,000)</u>	<u>(1,091,953)</u>
Bonds and notes payable at 09/30/05	<u>\$2,215,000</u>	<u>\$5,259,639</u>	<u>\$7,474,639</u>	<u>\$1,105,000</u>	<u>\$ -</u>	<u>\$1,105,000</u>	<u>\$8,579,639</u>

Bonds payable as of September 30, 2005, are comprised of the following individual issues:

Revenue Bonds and Notes

\$2,575,000	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.	\$1,765,000
\$1,650,000	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.	1,235,000

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

\$ 860,000	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
\$ 540,000	Redevelopment Revenue Bonds issued January 11, 2005, interest rates 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.	540,000
\$ 815,000	Highway Allocation Fund Pledge 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
\$2,561,538	Note payable from the State of Nebraska Department of Environmental Quality with an interest rate of 3.18% to be repaid semiannually due December 15, 2022.	<u>2,259,639</u>
		<u>\$7,474,639</u>

General Obligation Bonds and Notes

\$ 265,000	General Obligation Refunding Bonds issued February 14, 2005, interest rates ranging from 5.1% to 5.45%. Principal and interest due in annual installments ranging from \$65,000 due February 15, 2006, to \$80,000 due February 15, 2010.	\$ 265,000
\$1,075,000	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.	<u>840,000</u>
		<u>\$1,105,000</u>

The annual requirements to amortize all bonded debt outstanding as of September 30, 2005, including interest payments of \$1,869,860 are as follows:

Fiscal Year Ending September 30,	General Obligation Bonds	Revenue Bonds and Notes	Total
2006	\$ 183,103	\$1,038,024	\$ 1,221,127
2007	193,945	1,034,887	1,228,832
2008	194,096	1,029,699	1,223,795
2009	193,698	1,042,246	1,235,944
2010	192,770	1,038,395	1,231,165
2011 - 2015	274,832	2,522,229	2,797,061
2016 - 2020		1,229,357	1,229,357
2021 - 2022		<u>282,218</u>	<u>282,218</u>
	<u>\$1,232,444</u>	<u>\$9,217,055</u>	<u>\$10,449,499</u>

Registered warrants were issued to finance various projects of the City of Beatrice. There are no specific repayment terms and interest is due upon repayment of the registered warrants. Interest rates range from 5.5% to 6.0%. The following is a summary of registered warrants transactions for the year ended September 30, 2005.

Registered warrants payable September 30, 2004	\$1,274,391
Registered warrants issued	1,066,570
Registered warrants paid	<u>(2,067,470)</u>
Registered warrants payable September 30, 2005	<u>\$ 273,491</u>

**CITY OF BEATRICE, NEBRASKA
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The following is a summary of activity in the liability for compensated absences for the year ended September 30, 2005:

Liability for compensated absences September 30, 2004	\$235,978
Vacation and compensatory time earned	236,191
Vacation and compensatory time used	<u>(235,978)</u>
Liability for compensated absences September 30, 2005	<u>\$236,191</u>

The estimated amount of compensated absences due within the next year is \$236,191.

The following is a summary of activity in the liability for customer deposits for the year ended September 30, 2005.

Liability for customer deposits September 30, 2004	\$116,505
Deposits paid to customers	<u>(9,675)</u>
Liability for customer deposits September 30, 2005	<u>\$106,830</u>

Nebraska State Statutes do not restrict the amount of debt a municipality can incur.

**NOTE 7:
INTERFUND PAYABLES AND RECEIVABLES**

All interfund payables arise due to ongoing operations of the City. The following balances at September 30, 2005, represent individual fund interfund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds: Street Fund	\$ -	\$144,648
Debt Service Funds: Bonded	123,039	-
Debt Service Funds: Unbonded	<u>21,609</u>	<u>-</u>
	<u>\$144,648</u>	<u>\$144,648</u>

**NOTE 8:
RISK MANAGEMENT**

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 and dental claims of employees and dependents. The City established a Self-Insured Group Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insured Group Insurance Fund provides coverage for up to a maximum of \$25,000 per person annually for medical or dental claims. 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 \$62,111 reported in the Fund at September 30, 2005, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at 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
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Changes in the Fund's claims liability amount in fiscal 2005 and 2004, were:

	<u>Beginning of Fiscal Period Liability</u>	<u>Current Period Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Period-End</u>
2003-2004	\$22,075	499,765	(493,487)	\$28,353
2004-2005	\$28,353	683,273	(649,515)	\$62,111

NOTE 9:

CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction for the Electric and Water Departments include special assessments to property owners for water main improvements, amount to \$1,658,267. The assessments are included in the total amount assessed according to the City Administrator's records, whether paid or unpaid. Unpaid assessments, as well as the cost of the districts, are financed by City Water Main Improvement Funds, records of which are maintained by the City Administrator.

Contributions in aid of construction for the Water Pollution Control Department includes special assessments to property owners for sewer collection line improvements amounting to \$604,222 and funds received from federal and state government grants for the construction of the wastewater treatment plant amounting to \$4,789,970.

NOTE 10:

RECONCILIATION OF THE LEGAL BUDGETARY AND GAAP BASIS—DEBT SERVICE FUNDS

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

	<u>Bonded and Unbonded</u>	<u>Public Safety</u>	<u>Water Park</u>	<u>Total</u>
REVENUES				
Revenues on budgetary basis	\$ 146,843	\$ - 0 -	\$135,882	\$282,725
Revenues received during fiscal period 2005 that were measurable and available at September 30, 2004	(161,254)	-	-	(161,254)
Revenues to be received during fiscal period 2005 that were measurable and available at September 30, 2005	<u>119,907</u>	<u>-</u>	<u>-</u>	<u>119,907</u>
Revenues on GAAP basis	<u>105,496</u>	<u>- 0 -</u>	<u>135,882</u>	<u>241,378</u>
EXPENDITURES				
Expenditures on budgetary basis	664,418	\$ - 0 -	133,435	797,853
Expenditures incurred during fiscal year 2004, but paid during fiscal period 2005	(116,425)	-	-	(116,425)
Expenditures incurred during fiscal period 2004, but will be paid during fiscal period 2005	<u>87,175</u>	<u>-</u>	<u>-</u>	<u>87,175</u>
Registered Warrants Paid (Issued)	<u>(49,056)</u>	<u>-</u>	<u>-</u>	<u>(49,056)</u>
Expenditures on GAAP basis	<u>586,112</u>	<u>- 0 -</u>	<u>133,435</u>	<u>719,547</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES ON A GAAP BASIS	<u>(480,616)</u>	<u>- 0 -</u>	<u>2,447</u>	<u>(478,169)</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

OTHER FINANCING SOURCES (USES)

Other financing sources (uses) on a budgetary basis	<u>265,000</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>265,000</u>
Other financing sources (uses) on GAAP basis	<u>265,000</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>265,000</u>

**EXCESS (DEFICIT) OF REVENUES AND OTHER
SOURCES OVER (UNDER) EXPENDITURES AND
OTHER USES ON A GAAP BASIS**

<u>\$(215,616)</u>	<u>\$ - 0 -</u>	<u>\$ 2,447</u>	<u>\$213,169</u>
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NOTE 11:
RECEIVABLES

Assessments receivable consist of the following:

	2005	2004
Current	\$ 23,649	\$ 35,375
Delinquent	6,891	23,336
Deferred	100,835	128,989
Assessments in Progress	89,700	-
In-Lieu-of Assessments	<u>11,668</u>	<u>41,301</u>
	<u>\$232,744</u>	<u>\$229,001</u>

Note 1 describes the revenue recognition for special assessments.

The General Fund allowance for uncollectibles for accounts receivable was \$- 0 - at September 30, 2005 and 2004.

NOTE 12:
PENSION PLANS

The City's total payroll for 2005 was \$5,677,680 and the City contributions were based on a payroll of \$5,156,229. The City has four defined contribution plans which cover employees. A separate trust fund is utilized to account for the assets and activities of each of the City's separate pension plans.

Police and Firefighters' Pension

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

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

Contribution Requirements and Contributions Made—The contribution rate for police employees is 6.0% of gross with the City also contributing 6.0% as adopted by the City. The City's total police payroll for 2005 was \$947,213 and the City contributions were based on a payroll of \$981,500. Both the City and the covered employees made the required contributions, amounting to \$50,409 (retirement rate of 6.0% of covered payroll) for the City and \$58,890 (6.0%) for the employees.

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

The contribution rate for firefighter employees is 6.5% of base pay with the City contributing 13.0% as adopted by the City. The City's total fire payroll for 2005 was \$1,009,518 and the City's contributions were based on a payroll of \$890,554. Both the City and the covered employees made the required contributions, amounting to \$115,771 (retirement rate of 13.0% of covered payroll) for the City and \$57,886 (6.5%) for the employees.

**CITY OF BEATRICE, NEBRASKA
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Plan provisions and contribution requirements are established by and may be amended by the City Council.

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

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 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 6.0% of base pay with the City contributing 6.0% as adopted by the City. The City's total non-uniformed employees payroll, exclusive of the Airport Authority, for 2005 was \$1,320,879 and the City's contributions were based on a payroll of \$974,833. Both the City and covered employees made required contributions, totaling \$60,677 (retirement rate of 6.0% of covered payroll) for the City and \$58,490 (6.0%) for the employees, plus \$12,343 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

Plan Description—The City of Beatrice Board of Public Works has adopted a defined contribution pension plan available to all employees with two or more years of service. No contributions are made prior to eligibility. 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. Prior to November 1, 1988, each participating employee was required to contribute 4.5% of gross earnings. Effective November 1, 1997, the required contribution was increased to 6%. The Board of Public Works matches required contributions. Participating employees are allowed to make additional contributions of 1% to 4% of base. The Board of Public Works does not match additional contributions.

Contribution Requirements and Contributions Made—Contributions of \$139,353 were made by the Board of Public Works to match required contributions for the year ended September 30, 2005. Contributions were based on wages totaling \$2,309,342 for the year ending September 30, 2005. Total wages paid by the Board of Public Works were \$2,400,070 for the year ended September 30, 2005. Benefits under the plan will be based on accumulated contributions by each employee.

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.

Summarized financial data for the pension plans as of and for the year ended September 30, 2005 is as follows:

Total Assets	\$14,411,427	Total Revenues	\$1,825,711
Total Liabilities	- 0 -	Total Expenses	866,842
Net Assets Held in Trust	<u>\$14,411,427</u>	Change in net assets	<u>\$ 958,869</u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

**NOTE 13:
EQUITY IN CASH AND INVESTMENTS**

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

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

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

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

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

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2005, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized; and the City's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Investments

Nebraska Statutes allow the City to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

At period end, the City's investment balances were as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Government securities	<u>\$152,433</u>	<u>\$152,433</u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

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

The Pension Trust Fund of the City's employees (other than the Board of Public Works) is managed by Principal Mutual Life Insurance. They are not required to insure the funds entrusted to them. State Statutes require that not more than 50% of the pension funds be held in equity accounts. The City complied with this statute. The investments of the City's pension trust funds are pooled with those of other trust funds and they are separated by bookkeeping entries only. The carrying value and fair value are the same. The balance at September 30, 2005, was \$14,411,427.

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

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

**NOTE 14:
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 \$205,573 reported as landfill closure and postclosure care liability at September 30, 2005, represents the cumulative amount reported to date based on the use of 14 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,587,287 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. 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 make annual contributions to a trust to finance closure and postclosure care. The City is in compliance with these requirements, and at September 30, 2005, investments of \$305,135 (\$305,135 market value) 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.

**NOTE 15:
RECONCILIATION OF CAPITAL PROJECTS AND ENTERPRISE**

The following is a reconciliation of the Capital Projects actual column on Exhibit 3 to the Capital Projects column on Exhibit 2:

Excess (Deficit) of Revenue over Expenditure, Exhibit 3	<u>\$69,639</u>
Excess (Deficit) of Revenue over Expenditure, Exhibit 2	<u>\$69,639</u>

**NOTE 16:
DEFICIT FUND BALANCES**

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$159,872 (GAAP Basis) at September 30, 2005. The Internal Service Fund had a deficit retained earnings of \$57,694 at September 30, 2005. The Special Revenue Fund had a deficit fund balance for Streets of \$70,922 and for Community Redevelopment Authority of \$66,769 at September 30, 2005. No other funds had deficit fund balances.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

NOTE 17:

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN AN INDIVIDUAL FUND

Budgetary control for general, special revenue, capital projects and Debt Service Fund expenditures and Enterprise Fund expense is established by the total appropriation in each fund. The Electric Enterprise Fund, Water Enterprise Fund, Water Pollution Control Enterprise Fund, had expenditures or expenses exceeding appropriations for the year ended September 30, 2005.

NOTE 18:

COMMITMENTS

The City has entered into an agreement with Gage County Economic Development, Inc. According to the agreement, the City will reimburse the corporation periodically for certain funds expended for the purpose of encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign as authorized by NEB. REV. STAT. 18-1401 (1983).

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

October 1, 2005 through September 30, 2006	\$180,000
October 1, 2006 through September 30, 2007	\$180,000
October 1, 2007 through September 30, 2008	\$180,000

The corporation further agrees that expenditures shall not exceed \$6,000 during any single month. Said limitations may be exceeded only upon authorization from the City.

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

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

February 1, 2005 through October 31, 2005	\$19,300
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NOTE 19:

RESERVES OF FUND BALANCE

The City records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. The following details the description and amount of all reserves used by the City at September 30, 2005:

1. Special Revenue	
Reserved for Revolving Loan Fund	\$ 361,394
Reserved for Economic Development	845,281
	<u>\$ 1,206,675</u>
2. Debt Service	
Reserved for debt service	\$ 233,006
	<u>\$ 233,006</u>
3. Capital Projects	
Reserved for library improvements	\$ 94,083
Reserved for public safety equipment	184,598
	<u>\$ 278,681</u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2005**

4. Fiduciary Funds	
Reserved for employees' retirement system	<u>\$14,411,427</u> <u>\$14,411,427</u>

NOTE 20:

OTHER POST EMPLOYMENT BENEFITS

The City of Beatrice does not have a plan to provide other post employment benefits to past employees, beneficiaries, or dependents.

GENERAL FUND

MAJOR FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2005			Variance Favorable (Unfavorable)	2004 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes	\$ 3,618,428	\$ 3,618,428	\$ 3,569,120	\$ (49,308)	\$ 3,633,031
Licenses and Permits	92,550	92,550	106,454	13,904	98,084
Intergovernmental	795,379	795,379	821,858	26,479	802,121
Charges for Services	1,018,826	1,018,826	1,071,781	52,955	956,916
Miscellaneous	127,850	127,850	160,223	32,373	149,280
Total Revenues	<u>5,653,033</u>	<u>5,653,033</u>	<u>5,729,436</u>	<u>76,403</u>	<u>5,639,432</u>
Expenditures					
General Government	689,298	733,298	715,266	18,032	673,686
Public Safety	3,722,212	3,816,212	3,828,236	(12,024)	3,588,267
Culture and Recreation	1,158,581	1,193,998	1,164,624	29,374	1,055,237
Total Expenditures	<u>5,570,091</u>	<u>5,743,508</u>	<u>5,708,126</u>	<u>35,382</u>	<u>5,317,190</u>
Excess of Revenues Over Expenditures	<u>82,942</u>	<u>(90,475)</u>	<u>21,310</u>	<u>111,785</u>	<u>322,242</u>
Other Financing Sources (Uses)					
Transfers In	33,400	33,400	33,400	-	33,400
Transfers Out	(220,600)	(220,600)	(175,600)	45,000	(34,534)
Total Other Financing Sources (Uses)	<u>(187,200)</u>	<u>(187,200)</u>	<u>(142,200)</u>	<u>45,000</u>	<u>(1,134)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(104,258)</u>	<u>(277,675)</u>	<u>(120,890)</u>	<u>156,785</u>	<u>321,108</u>
Fund Balance, Beginning of Year	<u>1,881,328</u>	<u>1,881,328</u>	<u>1,881,328</u>	<u>-</u>	<u>1,560,220</u>
Fund Balance, End of Year	<u>\$ 1,777,070</u>	<u>\$ 1,603,653</u>	<u>\$ 1,760,438</u>	<u>\$ 156,785</u>	<u>\$ 1,881,328</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule A-2

	2005			2004 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Sales Tax	\$ 540,000	\$ 540,000	\$ 533,228	\$ (6,772)
County Road Levy	-	-	-	-
Total Taxes	<u>540,000</u>	<u>540,000</u>	<u>533,228</u>	<u>(6,772)</u>
Intergovernmental:				
Local Shared Revenue	17,500	17,500	17,500	-
State Shared Revenue	<u>1,527,056</u>	<u>1,527,056</u>	<u>1,476,510</u>	<u>(50,546)</u>
Total Intergovernmental	<u>1,544,556</u>	<u>1,544,556</u>	<u>1,494,010</u>	<u>(50,546)</u>
Charges for Services	22,950	22,950	23,302	352
Miscellaneous	<u>22,500</u>	<u>22,500</u>	<u>-</u>	<u>(22,500)</u>
	<u>45,450</u>	<u>45,450</u>	<u>23,302</u>	<u>(22,148)</u>
Total Revenues	<u>2,130,006</u>	<u>2,130,006</u>	<u>2,050,540</u>	<u>(79,466)</u>
Expenditures				
Personal Services:				
Salaries	413,768	413,768	440,041	(26,273)
Social Security	35,202	35,202	28,730	6,472
Retirement	27,008	27,008	18,999	8,009
Health and Life Insurance	84,732	84,732	108,864	(24,132)
Workmen's Compensation	<u>25,000</u>	<u>25,000</u>	<u>33,396</u>	<u>(8,396)</u>
Total Personal Services	<u>585,710</u>	<u>585,710</u>	<u>630,030</u>	<u>(44,320)</u>
Supplies:				
Operating Supplies	81,150	81,150	55,587	25,563
Repairs and Maintenance Supplies	<u>149,000</u>	<u>149,000</u>	<u>135,073</u>	<u>13,927</u>
Total Supplies	<u>230,150</u>	<u>230,150</u>	<u>190,660</u>	<u>39,490</u>
Other Services and Charges:				
Insurance	29,500	29,500	27,922	1,578
Engineering Services	34,000	34,000	11,899	22,101
Utilities	1,715	1,715	1,715	-
Maintenance and Repairs	27,150	27,150	26,226	924
Rentals	41,800	41,800	34,706	7,094
Training and Transportation	1,500	1,500	2,323	(823)
Communications	2,250	2,250	2,720	(470)
Miscellaneous	<u>1,970</u>	<u>1,970</u>	<u>941</u>	<u>1,029</u>
Total Other Services and Charges	<u>139,885</u>	<u>139,885</u>	<u>108,452</u>	<u>31,433</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule A-2

	2005			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
				2004 Totals
Capital Outlay:				
Improvements Other Than Buildings	1,167,800	1,167,800	1,035,937	131,863
Machinery and Equipment	6,000	6,000	3,049	2,951
Total Capital Outlay	<u>1,173,800</u>	<u>1,173,800</u>	<u>1,038,986</u>	<u>134,814</u>
Total Expenditures	<u>2,129,545</u>	<u>2,129,545</u>	<u>1,968,128</u>	<u>161,417</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>461</u>	<u>461</u>	<u>82,412</u>	<u>81,951</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>461</u>	<u>461</u>	<u>82,412</u>	<u>81,951</u>
Fund Balance, Beginning of Year	<u>(153,334)</u>	<u>(153,334)</u>	<u>(153,334)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (152,873)</u>	<u>\$ (152,873)</u>	<u>\$ (70,922)</u>	<u>\$ 81,951</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule A-3

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Grants	\$ 665,000	\$ 665,000	\$ 900	\$ (664,100)	\$ -
Interest Earnings	38,563	38,563	40,634	2,071	5,185
Miscellaneous Revenue	-	-	305	305	9
Loan Payments	147,050	147,050	302,087	155,037	513,363
Total Revenues	<u>850,613</u>	<u>850,613</u>	<u>343,926</u>	<u>(506,687)</u>	<u>518,557</u>
Expenditures					
Administration	8,632	8,632	899	7,733	2,991
Professional Services	-	-	600	(600)	-
Grant Repayments	50,000	50,000	50,000	-	44,762
Reuse Loans	1,274,717	1,274,717	570,616	704,101	242,250
Demolition Expense	20,000	20,000	2,283	17,717	255
Capital Outlay	140,000	140,000	1,153	138,847	-
Total Expenditures	<u>1,493,349</u>	<u>1,493,349</u>	<u>625,551</u>	<u>867,798</u>	<u>290,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(642,736)	(642,736)	(281,625)	361,111	228,299
Fund Balance, Beginning of Year	<u>643,221</u>	<u>643,221</u>	<u>643,221</u>	-	<u>414,922</u>
Fund Balance (Deficit), End of Year	<u>\$ 485</u>	<u>\$ 485</u>	<u>\$ 361,596</u>	<u>\$ 361,111</u>	<u>\$ 643,221</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule A-4

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
TIF Funds	\$ 316,000	\$ 316,000	\$ 57,348	\$ (258,652)	\$ 57,483
Capital Contributions	-	-	51,180	51,180	100,000
Total Revenues	<u>316,000</u>	<u>316,000</u>	<u>108,528</u>	<u>(207,472)</u>	<u>157,483</u>
Expenditures					
Redevelopment Improvements	532,120	2,551,564	241,774	2,309,790	2,171,342
Interest Expense	98,875	98,875	96,876	1,999	8,621
Total Expenditures	<u>630,995</u>	<u>2,650,439</u>	<u>338,650</u>	<u>2,311,789</u>	<u>2,179,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(314,995)</u>	<u>(2,334,439)</u>	<u>(230,122)</u>	<u>2,104,317</u>	<u>(2,022,480)</u>
Other Financing Sources (Uses)					
Bond Issuance Costs	(185,005)	(185,005)	(29,167)	(155,838)	-
Bond Proceeds	500,000	500,000	2,215,000	(1,715,000)	-
Total Other Financing Sources (Uses)	<u>314,995</u>	<u>314,995</u>	<u>2,185,833</u>	<u>(1,870,838)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(2,019,444)	1,955,711	3,975,155	(2,022,480)
Fund Balance, Beginning of Year	<u>(2,022,480)</u>	<u>(2,022,480)</u>	<u>(2,022,480)</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (2,022,480)</u>	<u>\$ (4,041,924)</u>	<u>\$ (66,769)</u>	<u>\$ 3,975,155</u>	<u>\$ (2,022,480)</u>

**CITY OF BEATRICE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005**

Schedule B-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 1,066,969	\$ 100,351	\$ 69,980	\$ 1,237,300
Cash on Deposit - County Treasurer	-	19,533	-	19,533
Accounts Receivable	-	-	636	636
Interest Receivable	-	9,794	-	9,794
Assessments Receivable	-	221,075	-	221,075
Restricted:				
Cash	-	-	184,598	184,598
Investments	-	-	94,083	94,083
In-Lieu-of Assessments	-	11,668	-	11,668
Due From Other Funds	-	144,648	-	144,648
Total Assets	<u>1,066,969</u>	<u>507,069</u>	<u>349,297</u>	<u>1,923,335</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	12,500	-	47,850	60,350
Registered Warrants Payable	-	207,691	-	207,691
Accrued Interest Payable	-	24,042	-	24,042
Deferred Revenues	-	202,202	-	202,202
Total Liabilities	<u>12,500</u>	<u>433,935</u>	<u>47,850</u>	<u>494,285</u>
Fund Balances				
Reserved for Economic Development	845,281	-	-	845,281
Reserved for Debt Service	-	233,006	-	233,006
Reserved for Library Capital Improvements	-	-	94,083	94,083
Reserved for Public Safety Equipment	-	-	184,598	184,598
Unreserved, Undesignated	209,188	(159,872)	22,766	72,082
Total Fund Balances	<u>1,054,469</u>	<u>73,134</u>	<u>301,447</u>	<u>1,429,050</u>
Total Liabilities and Fund Balances	<u>\$ 1,066,969</u>	<u>\$ 507,069</u>	<u>\$ 349,297</u>	<u>\$ 1,923,335</u>

CITY OF BEATRICE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Schedule B-2

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 250,000	\$ 135,194	\$ -	\$ 385,194
Intergovernmental	-	688	227,904	228,592
Charges for Services	71,985	-	-	71,985
Keno Proceeds	135,253	-	-	135,253
Special Assessments	-	93,984	-	93,984
Interest	14,867	11,512	1,963	28,342
Donations and Miscellaneous Revenue	9,860	-	15,620	25,480
Total Revenues	<u>481,965</u>	<u>241,378</u>	<u>245,487</u>	<u>968,830</u>
Expenditures				
General Government	117,225	-	-	117,225
Public Safety	72,646	-	-	72,646
Capital Outlay	-	134,902	362,938	497,840
Debt Service:				
Principal	-	535,000	-	535,000
Interest	-	44,978	-	44,978
MFO Payments - Other Entities	-	-	120,880	120,880
Total Expenditures	<u>189,871</u>	<u>714,880</u>	<u>483,818</u>	<u>1,388,569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>292,094</u>	<u>(473,502)</u>	<u>(238,331)</u>	<u>(419,739)</u>
Other Financing Sources (Uses)				
Bond Proceeds	-	265,000	-	265,000
Bond Issue Costs	-	(4,667)	-	(4,667)
Operating Transfers In	-	-	307,970	307,970
Operating Transfer Out	(165,770)	-	-	(165,770)
Total Other Financing Sources (Uses)	<u>(165,770)</u>	<u>260,333</u>	<u>307,970</u>	<u>402,533</u>
Net Change in Fund Balances	126,324	(213,169)	69,639	(17,206)
Fund Balances, Beginning of Year	<u>928,145</u>	<u>286,303</u>	<u>231,808</u>	<u>1,446,256</u>
Fund Balances, End of Year	<u>\$ 1,054,469</u>	<u>\$ 73,134</u>	<u>\$ 301,447</u>	<u>\$ 1,429,050</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005

Schedule C-1

	Off-Street Parking	Sanitation	Total
Assets			
Current Assets			
Cash and Investments	\$ -	\$ 353	\$ 353
Accounts Receivable (Net)	-	70,596	70,596
Total Current Assets	-	70,949	70,949
Total Assets	\$ -	\$ 70,949	\$ 70,949
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	\$ -	\$ 70,949	\$ 70,949
Total Liabilities	-	70,949	70,949
Fund Equity	-	-	-
Total Liabilities and Fund Equity	\$ -	\$ 70,949	\$ 70,949

CITY OF BEATRICE, NEBRASKA
NONMAJOR ENTERPRISE FUNDS

Schedule C-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Off-Street Parking	Sanitation	Total
Operating Revenues			
Charges for Services	\$ -	\$ 1,066,056	\$ 1,066,056
Operating Expenses			
Operating and Maintenance Expenses	-	1,066,056	1,066,056
Total Operating Expenses	-	1,066,056	1,066,056
Net Income (Loss)	-	-	-
Retained Earnings, Beginning of Year	-	-	-
Retained Earnings, End of Year	\$ -	\$ -	\$ -

**CITY OF BEATRICE, NEBRASKA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Schedule C-3

	Off-Street Parking	Sanitation	Total
Cash Flows from Operating Activities			
Cash Received From Customers	\$ -	\$ 1,065,585	\$ 1,065,585
Cash Paid to Suppliers for Goods and Services	-	(1,065,662)	(1,065,662)
Cash Paid to Employees for Services	-	-	-
Net Cash Provided by (Used in) Operating Activities	-	(77)	(77)
Net Increase (Decrease) in Cash and Cash Equivalents	-	(77)	(77)
Cash and Cash Equivalents, Beginning of Year	-	430	430
Cash and Cash Equivalents, End of Year	\$ -	\$ 353	\$ 353
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$ -	\$ -	\$ -
Adjustments to Reconcile Net Income to Net Cash Provided by (Used In) Operating Activities:			
(Increase) Decrease in Accounts Receivable	-	(471)	(471)
Increase (Decrease) in Accounts Payable	-	394	394
Total Adjustments	-	(77)	(77)
Net Cash Provided by (Used in) Operating Activities	\$ -	\$ (77)	\$ (77)

CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005

Schedule D-1

	Economic Development	Keno	911 Surcharge	Total
Assets				
Cash and Investments	\$ 845,281	\$ 198,319	\$ 23,369	\$ 1,066,969
Total Assets	<u>845,281</u>	<u>198,319</u>	<u>23,369</u>	<u>1,066,969</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	-	-	12,500	12,500
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
Fund Balance				
Reserved for:				
Economic Development	845,281	-	-	845,281
Unreserved:				
Undesignated	-	198,319	10,869	209,188
Total Fund Balance	<u>845,281</u>	<u>198,319</u>	<u>10,869</u>	<u>1,054,469</u>
Total Liabilities and Fund Balance	<u>\$ 845,281</u>	<u>\$ 198,319</u>	<u>\$ 23,369</u>	<u>\$ 1,066,969</u>

CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS

Schedule D-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Economic Development	Keno	911 Surcharge	Total
Revenues				
Taxes	\$ 250,000	\$ -	\$ -	\$ 250,000
Charges for Services	-	-	71,985	71,985
Keno Proceeds	-	135,253	-	135,253
Interest	14,867	-	-	14,867
Other Revenue	9,860	-	-	9,860
Total Revenues	<u>274,727</u>	<u>135,253</u>	<u>71,985</u>	<u>481,965</u>
Expenditures				
General Government	94,234	22,991	-	117,225
Public Safety	-	-	72,646	72,646
Total Expenditures	<u>94,234</u>	<u>22,991</u>	<u>72,646</u>	<u>189,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>180,493</u>	<u>112,262</u>	<u>(661)</u>	<u>292,094</u>
Other Financing Sources (Uses)				
Operating Transfer Out	-	(132,370)	(33,400)	(165,770)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(132,370)</u>	<u>(33,400)</u>	<u>(165,770)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>180,493</u>	<u>(20,108)</u>	<u>(34,061)</u>	<u>126,324</u>
Fund Balances, Beginning of Year	<u>664,788</u>	<u>218,427</u>	<u>44,930</u>	<u>928,145</u>
Fund Balances, End of Year	<u>\$ 845,281</u>	<u>\$ 198,319</u>	<u>\$ 10,869</u>	<u>\$ 1,054,469</u>

CITY OF BEATRICE, NEBRASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule E-1

	<u>2005</u>	<u>2004</u>
Assets		
Unrestricted Cash	\$ 74,093	\$ 788,331
Investments	1,200,000	600,000
Cash on Deposit - County Treasurer	181,077	194,298
Accounts Receivable	332,268	421,693
Taxes Receivable	<u>51,225</u>	<u>41,242</u>
Total Assets	<u>\$ 1,838,663</u>	<u>\$ 2,045,564</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 43,847	\$ 138,694
Deferred Revenues	<u>34,378</u>	<u>25,542</u>
Total Liabilities	<u>78,225</u>	<u>164,236</u>
Fund Balance		
Unreserved:		
Designated for Subsequent Years' Expenditures	570,000	570,000
Undesignated	<u>1,190,438</u>	<u>1,311,328</u>
Total Fund Balance	<u>1,760,438</u>	<u>1,881,328</u>
Total Liabilities and Fund Balance	<u>\$ 1,838,663</u>	<u>\$ 2,045,564</u>

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Taxes	\$ 3,618,428	\$ 3,618,428	\$ 3,569,120	\$ (49,308)	\$ 3,633,031
Licenses and Permits	92,550	92,550	106,454	13,904	98,084
Intergovernmental	795,379	795,379	821,858	26,479	802,121
Charges for Services	1,018,826	1,018,826	1,071,781	52,955	956,916
Miscellaneous	127,850	127,850	160,223	32,373	149,280
Total Revenues	<u>5,653,033</u>	<u>5,653,033</u>	<u>5,729,436</u>	<u>76,403</u>	<u>5,639,432</u>
Expenditures					
General Government	689,298	733,298	715,266	18,032	673,686
Public Safety	3,722,212	3,816,212	3,828,236	(12,024)	3,588,267
Culture and Recreation	1,158,581	1,193,998	1,164,624	29,374	1,055,237
Total Expenditures	<u>5,570,091</u>	<u>5,743,508</u>	<u>5,708,126</u>	<u>35,382</u>	<u>5,317,190</u>
Excess of Revenues Over Expenditures	<u>82,942</u>	<u>(90,475)</u>	<u>21,310</u>	<u>111,785</u>	<u>322,242</u>
Other Financing Sources (Uses)					
Operating Transfers In	33,400	33,400	33,400	-	33,400
Operating Transfers Out	(220,600)	(220,600)	(175,600)	45,000	(34,534)
Total Other Financing Sources (Uses)	<u>(187,200)</u>	<u>(187,200)</u>	<u>(142,200)</u>	<u>45,000</u>	<u>(1,134)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(104,258)</u>	<u>(277,675)</u>	<u>(120,890)</u>	<u>156,785</u>	<u>321,108</u>
Fund Balance, Beginning of Year	<u>1,881,328</u>	<u>1,881,328</u>	<u>1,881,328</u>	<u>-</u>	<u>1,560,220</u>
Fund Balance, End of Year	<u>\$ 1,777,070</u>	<u>\$ 1,603,653</u>	<u>\$ 1,760,438</u>	<u>\$ 156,785</u>	<u>\$ 1,881,328</u>

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2005			Variance Favorable (Unfavorable)	2004 Totals
	Original Budget	Final Budget	Actual		
General Government					
Management and Budget:					
Personal Services	\$ 190,327	\$ 230,327	\$ 229,156	\$ 1,171	\$ 220,490
Supplies	4,900	4,900	3,197	1,703	4,249
Other Services and Charges	79,152	79,152	66,830	12,322	65,923
Capital Outlay	40,000	40,000	-	40,000	-
Contingency	94,000	94,000	137,066	(43,066)	42,600
County Treasurer's Fee	-	-	11,136	(11,136)	10,512
Contractual Services	79,395	83,395	83,395	-	135,467
Total Management and Budget	487,774	531,774	530,780	994	479,241
Legal:					
Personal Services	91,843	91,843	23,304	68,539	74,923
Supplies	450	450	6	444	197
Other Services and Charges	6,570	6,570	78,827	(72,257)	15,875
Total Legal	98,863	98,863	102,137	(3,274)	90,995
Inspection:					
Personal Services	95,819	95,819	73,375	22,444	98,148
Supplies	1,570	1,570	1,070	500	402
Other Services and Charges	5,272	5,272	6,225	(953)	4,900
Capital Outlay	-	-	1,679	(1,679)	-
Total Inspection	102,661	102,661	82,349	20,312	103,450
Total General Government	689,298	733,298	715,266	18,032	673,686

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Public Safety					
Police:					
Personal Services	1,720,155	1,730,155	1,743,831	(13,676)	1,681,064
Supplies	55,192	55,192	47,856	7,336	50,001
Other Services and Charges	156,746	158,746	160,595	(1,849)	125,888
Capital Outlay	20,370	35,370	37,598	(2,228)	22,578
Contingencies	10,000	10,000	7,095	2,905	9,000
Contractual Services	16,279	16,279	16,279	-	18,527
Total Police	<u>1,978,742</u>	<u>2,005,742</u>	<u>2,013,254</u>	<u>(7,512)</u>	<u>1,907,058</u>
Fire:					
Personal Services	1,428,571	1,440,571	1,449,076	(8,505)	1,389,523
Supplies	59,560	59,560	57,246	2,314	44,745
Other Services and Charges	239,179	294,179	291,645	2,534	236,236
Capital Outlay	10,675	10,675	11,530	(855)	5,354
Contractual Services	5,485	5,485	5,485	-	5,351
Total Fire	<u>1,743,470</u>	<u>1,810,470</u>	<u>1,814,982</u>	<u>(4,512)</u>	<u>1,681,209</u>
Total Public Safety	<u>3,722,212</u>	<u>3,816,212</u>	<u>3,828,236</u>	<u>(12,024)</u>	<u>3,588,267</u>
Culture and Recreation					
Public Properties:					
Personal Services	524,196	524,196	517,664	6,532	446,553
Supplies	88,553	88,553	86,215	2,338	66,468
Other Services and Charges	91,545	95,045	88,352	6,693	84,687
Capital Outlay	12,350	24,567	23,976	591	9,278
Contractual Services	6,300	6,300	5,305	995	4,908
Total Public Properties	<u>722,944</u>	<u>738,661</u>	<u>721,512</u>	<u>17,149</u>	<u>611,894</u>
Library:					
Personal Services	282,814	282,814	277,093	5,721	268,704
Supplies	8,940	8,940	8,962	(22)	7,018
Other Services and Charges	62,315	62,315	57,854	4,461	56,532
Capital Outlay	81,568	101,268	99,203	2,065	111,089
Total Library	<u>435,637</u>	<u>455,337</u>	<u>443,112</u>	<u>12,225</u>	<u>443,343</u>
Total Culture and Recreation	<u>1,158,581</u>	<u>1,193,998</u>	<u>1,164,624</u>	<u>29,374</u>	<u>1,055,237</u>
Total Expenditures	<u>\$ 5,570,091</u>	<u>\$ 5,743,508</u>	<u>\$ 5,708,126</u>	<u>\$ 35,382</u>	<u>\$ 5,317,190</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule E-4

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Taxes:					
Property Taxes	\$ 1,055,978	\$ 1,055,978	\$ 1,048,104	\$ (7,874)	\$ 987,015
Homestead Exemption Allocation	50,000	50,000	62,648	12,648	54,474
Interest on Delinquent Taxes	5,000	5,000	4,259	(741)	7,970
City Sales Tax	1,900,000	1,900,000	1,883,006	(16,994)	1,993,527
Utilities Occupation Tax	590,000	590,000	557,578	(32,422)	574,788
Beer and Liquor Occupation Tax	14,850	14,850	11,565	(3,285)	12,687
Insurance Company Occupation Tax	100	100	75	(25)	90
Miscellaneous Occupation Tax	2,500	2,500	1,885	(615)	2,480
	<u>3,618,428</u>	<u>3,618,428</u>	<u>3,569,120</u>	<u>(49,308)</u>	<u>3,633,031</u>
Licenses and Permits:					
Bicycle Licenses	500	500	195	(305)	190
Dog Licenses	4,700	4,700	4,061	(639)	4,591
Plumbers' Licenses	850	850	693	(157)	1,569
Building Permits	75,000	75,000	87,433	12,433	82,315
Plumbing Permits	5,000	5,000	6,108	1,108	4,339
Mechanical Permits	1,500	1,500	1,889	389	1,049
Miscellaneous Permits	5,000	5,000	6,075	1,075	4,031
	<u>92,550</u>	<u>92,550</u>	<u>106,454</u>	<u>13,904</u>	<u>98,084</u>
Intergovernmental:					
County Library Aid	20,893	20,893	18,804	(2,089)	18,804
Motor Vehicle Tax	190,000	190,000	206,229	16,229	197,175
County Ambulance Aid	137,977	137,977	137,977	-	134,611
Interlocal 911 Dispatch Aid	54,843	54,843	54,843	-	53,647
Governmental Sub/State Aid	110,691	110,691	110,686	(5)	111,322
Victim Assist. Coordinator/OJT	33,980	33,980	33,980	-	33,980
Local Match - SEADE	36,414	36,414	36,493	79	36,414
State Library Aid	2,461	2,461	2,461	-	2,461
Prorate Motor Vehicle Tax	5,000	5,000	5,057	57	4,692
Federal Library Aid	-	-	2,690	2,690	-
Municipal Equilization Funds	52,823	52,823	61,872	9,049	7,428
Federal Crime Commission	91,900	91,900	91,900	-	91,900
Other Intergovernmental	50,622	50,622	31,138	(19,484)	86,530
Federal Project Impact	-	-	-	-	12,292
Federal Law Enforcement Block Grant	7,775	7,775	27,728	19,953	10,865
	<u>795,379</u>	<u>795,379</u>	<u>821,858</u>	<u>26,479</u>	<u>802,121</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule E-4

	2005			Variance Favorable (Unfavorable)	2004 Totals
	Original Budget	Final Budget	Actual		
Charges for Services:					
Publication Cost Income	2,500	2,500	630	(1,870)	427
Vending Machine Receipts	500	500	29	(471)	52
Management and Budget Miscellaneous Charges	3,000	3,000	1,085	(1,915)	18,196
Accounting Services	10,545	10,545	10,594	49	10,042
BASWA Management Services	16,000	16,000	16,000	-	16,000
Legal Services	33,000	33,000	33,302	302	32,377
Legal Miscellaneous Charges	350	350	2,260	1,910	158
Inspection Miscellaneous Charges	1,200	1,200	494	(706)	1,128
Police Charges	3,000	3,000	2,158	(842)	2,370
Fire Charges	19,200	19,200	19,006	(194)	20,579
Hazardous Materials Cleanup	500	500	383	(117)	25
Fire Inspections	2,500	2,500	1,514	(986)	1,863
Ambulance Charges	654,000	654,000	711,902	57,902	591,409
Public Safety Miscellaneous Charges	14,500	14,500	36,016	21,516	11,563
Auditorium Use Fee	7,000	7,000	6,465	(535)	6,597
Water Park Admissions	87,000	87,000	73,494	(13,506)	62,908
Camping Receipts	25,000	25,000	23,894	(1,106)	55,089
Water Park Concessions and Sales	30,000	30,000	28,640	(1,360)	22,154
Public Properties Miscellaneous Charges	5,000	5,000	6,695	1,695	6,312
Park Building Use Fees	1,200	1,200	785	(415)	1,133
BASWA Administration Charges	68,250	68,250	68,250	-	65,000
BASWA Facility Maintenance	5,381	5,381	5,381	-	5,125
Library Use Fees	11,500	11,500	9,161	(2,339)	10,395
Library Copying Fees	3,000	3,000	3,198	198	2,991
Library Miscellaneous Charges	1,000	1,000	374	(626)	943
NHC Program Grant	300	300	428	128	-
Interlibrary Loan Revenue	400	400	628	228	360
Parking Fines and Rents	8,000	8,000	3,455	(4,545)	6,390
Pet Cemetery Burial Fees	5,000	5,000	5,560	560	5,330
	<u>1,018,826</u>	<u>1,018,826</u>	<u>1,071,781</u>	<u>52,955</u>	<u>956,916</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule E-4

	2005				2004 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Miscellaneous:					
Interest Earnings	35,000	35,000	45,085	10,085	19,117
Reimbursements	2,000	2,000	16,372	14,372	3,108
General Donations	-	-	-	-	10,659
Police Donations	1,000	1,000	5,160	4,160	2,433
Fire Donations	500	500	3,063	2,563	649
Public Properties Donations - Water Park	2,500	2,500	2,500	-	-
Public Properties Donations	10,000	10,000	9,760	(240)	5,137
Library Donations	5,000	5,000	5,489	489	30,629
Library Donations/Foundation	27,850	27,850	38,435	10,585	39,490
Lease Income - BASWA	34,000	34,000	34,000	-	34,000
Sales of General Fixed Assets	10,000	10,000	359	(9,641)	4,058
	<u>127,850</u>	<u>127,850</u>	<u>160,223</u>	<u>32,373</u>	<u>149,280</u>
Total Revenues	<u>\$ 5,653,033</u>	<u>\$ 5,653,033</u>	<u>\$ 5,729,436</u>	<u>\$ 76,403</u>	<u>\$ 5,639,432</u>

CITY OF BEATRICE, NEBRASKA
SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-1

	2005							2004
	Streets	Economic Development	CDBG	Keno	911 Surcharge	Community Redevelopment Authority	Total	Totals
Assets								
Cash and Investments	\$ (126,086)	\$ 845,281	\$ 361,596	\$ 198,319	\$ 23,369	\$ (158)	\$ 1,302,321	\$ 1,661,130
Cash on Deposit - County Treasurer	-	-	-	-	-	549	549	-
Accounts Receivable	417,131	-	-	-	-	-	417,131	232,728
Loans Receivable	-	-	1,677,773	-	-	-	1,677,773	1,979,860
Total Assets	\$ 291,045	\$ 845,281	\$ 2,039,369	\$ 198,319	\$ 23,369	\$ 391	\$ 3,397,774	\$ 3,873,718
Liabilities and Fund Balance								
Liabilities								
Accounts Payable	\$ 217,319	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ 229,819	1,229,282
Due to Other Funds	144,648	-	-	-	-	-	144,648	144,648
Registered Warrants Payable	-	-	-	-	-	65,801	65,801	1,115,755
Interest Accrued	-	-	-	-	-	1,359	1,359	8,621
Revolving Loan Fund Payable	-	-	1,677,773	-	-	-	1,677,773	1,979,860
Total Liabilities	361,967	-	1,677,773	-	12,500	67,160	2,119,400	4,478,166
Fund Balance								
Reserved for:								
Revolving Loan Fund	-	-	361,394	-	-	-	\$ 361,394	639,589
Economic Development	-	845,281	-	-	-	-	845,281	664,788
Unreserved:								
Undesignated	(70,922)	-	202	198,319	10,869	(66,769)	71,699	(1,908,825)
Total Fund Balance	(70,922)	845,281	361,596	198,319	10,869	(66,769)	1,278,374	(604,448)
Total Liabilities and Fund Balance	\$ 291,045	\$ 845,281	\$ 2,039,369	\$ 198,319	\$ 23,369	\$ 391	\$ 3,397,774	\$ 3,873,718

CITY OF BEATRICE, NEBRASKA
SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-2

	2005						2004
	Streets	Economic Development	CDBG	Keno	911 Surcharge	Community Redevelopment Authority	Totals
Revenues							
Taxes	\$ 533,228	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 811,151
Intergovernmental	1,494,010	-	-	-	-	57,348	1,139,886
Grants	-	-	900	-	-	-	1,670
Capital Contributions	-	-	-	-	-	51,180	100,000
Charges for Services	23,302	-	-	-	71,985	-	116,120
Keno Proceeds	-	-	-	135,253	-	-	172,674
Loan Payments	-	-	302,087	-	-	-	513,363
Interest	-	14,867	40,634	-	-	-	13,689
Other Revenue	-	9,860	305	-	-	-	35,283
Total Revenues	<u>2,050,540</u>	<u>274,727</u>	<u>343,926</u>	<u>135,253</u>	<u>71,985</u>	<u>108,528</u>	<u>2,903,836</u>
Expenditures							
General Government	-	94,234	624,398	22,991	-	-	958,682
Public Safety	-	-	-	-	72,646	-	71,743
Highways and Streets	1,968,128	-	-	-	-	-	1,677,969
Capital Outlay	-	-	1,153	-	-	241,774	2,171,342
Debt Service:							
Principal	-	-	-	-	-	-	64,803
Interest	-	-	-	-	-	96,876	9,219
Total Expenditures	<u>1,968,128</u>	<u>94,234</u>	<u>625,551</u>	<u>22,991</u>	<u>72,646</u>	<u>338,650</u>	<u>4,953,758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>82,412</u>	<u>180,493</u>	<u>(281,625)</u>	<u>112,262</u>	<u>(661)</u>	<u>(230,122)</u>	<u>(2,049,922)</u>
Other Financing Sources (Uses)							
Sale of Fixed Assets	-	-	-	-	-	-	540,043
Bond Issuance Costs	-	-	-	-	-	(29,167)	-
Bond Proceeds	-	-	-	-	-	2,215,000	-
Operating Transfer Out	-	-	-	(132,370)	(33,400)	-	(107,717)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132,370)</u>	<u>(33,400)</u>	<u>2,185,833</u>	<u>432,326</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>82,412</u>	<u>180,493</u>	<u>(281,625)</u>	<u>(20,108)</u>	<u>(34,061)</u>	<u>1,955,711</u>	<u>(1,617,596)</u>
Fund Balances, Beginning of Year	<u>(153,334)</u>	<u>664,788</u>	<u>643,221</u>	<u>218,427</u>	<u>44,930</u>	<u>(2,022,480)</u>	<u>1,013,148</u>
Fund Balances, End of Year	<u>\$ (70,922)</u>	<u>\$ 845,281</u>	<u>\$ 361,596</u>	<u>\$ 198,319</u>	<u>\$ 10,869</u>	<u>\$ (66,769)</u>	<u>\$ (604,448)</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND

Schedule F-3

BALANCE SHEET

SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ (126,086)	\$ 85,880
Accounts Receivable	<u>417,131</u>	<u>232,728</u>
Total Assets	<u>\$ 291,045</u>	<u>\$ 318,608</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 217,319	\$ 327,294
Due to Debt Service Fund	<u>144,648</u>	<u>144,648</u>
Total Liabilities	<u>361,967</u>	<u>471,942</u>
Fund Balance		
Unreserved		
Undesignated	<u>(70,922)</u>	<u>(153,334)</u>
Total Fund Balance	<u>(70,922)</u>	<u>(153,334)</u>
Total Liabilities and Fund Balance	<u>\$ 291,045</u>	<u>\$ 318,608</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-4

	2005			Variance Favorable (Unfavorable)	2004 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales Tax	\$ 540,000	\$ 540,000	\$ 533,228	\$ (6,772)	\$ 560,882
County Road Levy	-	-	-	-	269
Total Taxes	<u>540,000</u>	<u>540,000</u>	<u>533,228</u>	<u>(6,772)</u>	<u>561,151</u>
Intergovernmental:					
Local Shared Revenue	17,500	17,500	17,500	-	-
State Shared Revenue	<u>1,527,056</u>	<u>1,527,056</u>	<u>1,476,510</u>	<u>(50,546)</u>	<u>1,082,403</u>
Total Intergovernmental	<u>1,544,556</u>	<u>1,544,556</u>	<u>1,494,010</u>	<u>(50,546)</u>	<u>1,082,403</u>
Charges for Services	22,950	22,950	23,302	352	38,091
Miscellaneous	<u>22,500</u>	<u>22,500</u>	-	<u>(22,500)</u>	-
	<u>45,450</u>	<u>45,450</u>	<u>23,302</u>	<u>(22,148)</u>	<u>38,091</u>
Total Revenues	<u>2,130,006</u>	<u>2,130,006</u>	<u>2,050,540</u>	<u>(79,466)</u>	<u>1,681,645</u>
Expenditures					
Personal Services:					
Salaries	413,768	413,768	440,041	(26,273)	457,967
Social Security	35,202	35,202	28,730	6,472	28,188
Retirement	27,008	27,008	18,999	8,009	18,722
Health and Life Insurance	84,732	84,732	108,864	(24,132)	99,467
Workmen's Compensation	<u>25,000</u>	<u>25,000</u>	<u>33,396</u>	<u>(8,396)</u>	<u>26,654</u>
Total Personal Services	<u>585,710</u>	<u>585,710</u>	<u>630,030</u>	<u>(44,320)</u>	<u>630,998</u>
Supplies:					
Operating Supplies	81,150	81,150	55,587	25,563	64,205
Repairs and Maintenance Supplies	<u>149,000</u>	<u>149,000</u>	<u>135,073</u>	<u>13,927</u>	<u>172,941</u>
Total Supplies	<u>230,150</u>	<u>230,150</u>	<u>190,660</u>	<u>39,490</u>	<u>237,146</u>
Other Services and Charges:					
Insurance	29,500	29,500	27,922	1,578	32,444
Engineering Services	34,000	34,000	11,899	22,101	1,875
Utilities	1,715	1,715	1,715	-	1,715
Maintenance and Repairs	27,150	27,150	26,226	924	30,988
Rentals	41,800	41,800	34,706	7,094	62,860
Training and Transportation	1,500	1,500	2,323	(823)	2,045
Communications	2,250	2,250	2,720	(470)	2,752
Miscellaneous	<u>1,970</u>	<u>1,970</u>	<u>941</u>	<u>1,029</u>	<u>607</u>
Total Other Services and Charges	<u>139,885</u>	<u>139,885</u>	<u>108,452</u>	<u>31,433</u>	<u>135,286</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-4

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Capital Outlay:					
Improvements Other Than Buildings	1,167,800	1,167,800	1,035,937	131,863	642,869
Machinery and Equipment	6,000	6,000	3,049	2,951	31,670
Total Capital Outlay	<u>1,173,800</u>	<u>1,173,800</u>	<u>1,038,986</u>	<u>134,814</u>	<u>674,539</u>
Total Expenditures	<u>2,129,545</u>	<u>2,129,545</u>	<u>1,968,128</u>	<u>161,417</u>	<u>1,677,969</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>461</u>	<u>461</u>	<u>82,412</u>	<u>81,951</u>	<u>3,676</u>
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	(317)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>461</u>	<u>461</u>	<u>82,412</u>	<u>81,951</u>	<u>3,359</u>
Fund Balance, Beginning of Year	<u>(153,334)</u>	<u>(153,334)</u>	<u>(153,334)</u>	<u>-</u>	<u>(156,693)</u>
Fund Balance, End of Year	<u>\$ (152,873)</u>	<u>\$ (152,873)</u>	<u>\$ (70,922)</u>	<u>\$ 81,951</u>	<u>\$ (153,334)</u>

CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-5

	<u>2005</u>	<u>2004</u>
Assets		
Cash and Investments	<u>\$ 845,281</u>	<u>\$ 664,788</u>
Total Assets	<u>\$ 845,281</u>	<u>\$ 664,788</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Reserved for Economic Development	<u>845,281</u>	<u>664,788</u>
Total Fund Balance	<u>845,281</u>	<u>664,788</u>
Total Liabilities and Fund Balance	<u>\$ 845,281</u>	<u>\$ 664,788</u>

CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-6

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Taxes					
Sales Tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest Earnings	5,000	5,000	14,867	9,867	8,504
Loans/Rents Revenue	6,000	6,000	4,860	(1,140)	34,274
Other Revenue	-	-	5,000	5,000	1,000
	<u>11,000</u>	<u>11,000</u>	<u>24,727</u>	<u>13,727</u>	<u>43,778</u>
Total Revenues	<u>261,000</u>	<u>261,000</u>	<u>274,727</u>	<u>13,727</u>	<u>293,778</u>
Expenditures					
Industrial Development	2,521,884	2,521,884	94,234	2,427,650	635,950
Debt Service:					
Loan Principal	-	-	-	-	64,803
Interest	-	-	-	-	598
Total Expenditures	<u>2,521,884</u>	<u>2,521,884</u>	<u>94,234</u>	<u>2,427,650</u>	<u>701,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,260,884)</u>	<u>(2,260,884)</u>	<u>180,493</u>	<u>2,441,377</u>	<u>(407,573)</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	100,000	100,000	-	(100,000)	540,043
Bond Proceeds	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>(1,600,000)</u>	<u>540,043</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(660,884)</u>	<u>(660,884)</u>	<u>180,493</u>	<u>841,377</u>	<u>132,470</u>
Fund Balance, Beginning of Year	<u>664,788</u>	<u>664,788</u>	<u>664,788</u>	<u>-</u>	<u>532,318</u>
Fund Balance, End of Year	<u>\$ 3,904</u>	<u>\$ 3,904</u>	<u>\$ 845,281</u>	<u>\$ 841,377</u>	<u>\$ 664,788</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-7

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ 361,596	\$ 643,221
Loans Receivable	<u>1,677,773</u>	<u>1,979,860</u>
Total Assets	<u>\$ 2,039,369</u>	<u>\$ 2,623,081</u>
Liabilities and Fund Balance		
Liabilities		
Revolving Loan Fund Payable	<u>\$ 1,677,773</u>	<u>\$ 1,979,860</u>
Total Liabilities	<u>1,677,773</u>	<u>1,979,860</u>
Fund Balance		
Reserved for Revolving Loan Fund	361,394	639,589
Unreserved	<u>202</u>	<u>3,632</u>
Total Fund Balance	<u>361,596</u>	<u>643,221</u>
Total Liabilities and Fund Balance	<u>\$ 2,039,369</u>	<u>\$ 2,623,081</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-8

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Grants	\$ 665,000	\$ 665,000	\$ 900	\$ (664,100)	\$ -
Interest Earnings	38,563	38,563	40,634	2,071	5,185
Miscellaneous Revenue	-	-	305	305	9
Loan Payments	147,050	147,050	302,087	155,037	513,363
Total Revenues	<u>850,613</u>	<u>850,613</u>	<u>343,926</u>	<u>(506,687)</u>	<u>518,557</u>
Expenditures					
Administration	8,632	8,632	899	7,733	2,991
Professional Services	-	-	600	(600)	-
Grant Repayments	50,000	50,000	50,000	-	44,762
Reuse Loans	1,274,717	1,274,717	570,616	704,101	242,250
Demolition Expense	20,000	20,000	2,283	17,717	255
Capital Outlay	140,000	140,000	1,153	138,847	-
Total Expenditures	<u>1,493,349</u>	<u>1,493,349</u>	<u>625,551</u>	<u>867,798</u>	<u>290,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(642,736)	(642,736)	(281,625)	361,111	228,299
Fund Balance, Beginning of Year	<u>643,221</u>	<u>643,221</u>	<u>643,221</u>	-	<u>414,922</u>
Fund Balance (Deficit), End of Year	<u>\$ 485</u>	<u>\$ 485</u>	<u>\$ 361,596</u>	<u>\$ 361,111</u>	<u>\$ 643,221</u>

CITY OF BEATRICE, NEBRASKA
KENO/LOTTERY SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-9

	<u>2005</u>	<u>2004</u>
Assets		
Cash and Investments	<u>\$ 198,319</u>	<u>\$ 218,427</u>
Total Assets	<u>\$ 198,319</u>	<u>\$ 218,427</u>
Liabilities and Fund Balance		
Liabilities		
Prize Percentage Payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Unreserved	<u>198,319</u>	<u>218,427</u>
Total Fund Balance	<u>198,319</u>	<u>218,427</u>
Total Liabilities and Fund Balance	<u>\$ 198,319</u>	<u>\$ 218,427</u>

CITY OF BEATRICE, NEBRASKA
KENO/LOTTERY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-10

	2005				2004 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues					
Keno/Lottery Proceeds	\$ 182,200	\$ 182,200	\$ 135,253	\$ (46,947)	\$ 172,674
Total Revenues	<u>182,200</u>	<u>182,200</u>	<u>135,253</u>	<u>(46,947)</u>	<u>172,674</u>
Expenditures					
Other Services and Charges	36,150	36,150	22,991	13,159	32,474
Total Expenditures	<u>36,150</u>	<u>36,150</u>	<u>22,991</u>	<u>13,159</u>	<u>32,474</u>
Excess of Revenues Over Expenditures	<u>146,050</u>	<u>146,050</u>	<u>112,262</u>	<u>(33,788)</u>	<u>140,200</u>
Other Financing Sources (Uses)					
Operating Transfer Out	(132,370)	(132,370)	(132,370)	-	(74,000)
Total Other Financing Sources (Uses)	<u>(132,370)</u>	<u>(132,370)</u>	<u>(132,370)</u>	<u>-</u>	<u>(74,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	13,680	13,680	(20,108)	(33,788)	66,200
Fund Balance, Beginning of Year	<u>218,427</u>	<u>218,427</u>	<u>218,427</u>	<u>-</u>	<u>152,227</u>
Fund Balance, End of Year	<u>\$ 232,107</u>	<u>\$ 232,107</u>	<u>\$ 198,319</u>	<u>\$ (33,788)</u>	<u>\$ 218,427</u>

CITY OF BEATRICE, NEBRASKA
 911 SURCHARGE SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-11

	<u>2005</u>	<u>2004</u>
Assets		
Cash	<u>\$ 23,369</u>	<u>\$ 44,930</u>
Total Assets	<u>\$ 23,369</u>	<u>\$ 44,930</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	<u>\$ 12,500</u>	<u>\$ -</u>
Total Liabilities	<u>12,500</u>	<u>-</u>
Fund Balance		
Unreserved	<u>10,869</u>	<u>44,930</u>
Total Liabilities and Fund Balance	<u>\$ 23,369</u>	<u>\$ 44,930</u>

CITY OF BEATRICE, NEBRASKA
911 SURCHARGE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-12

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
911 Service Surcharge	\$ 75,500	\$ 75,500	\$ 71,985	\$ (3,515)	\$ 78,029
Federal Grant	-	-	-	-	1,670
Total Revenues	<u>75,500</u>	<u>75,500</u>	<u>71,985</u>	<u>(3,515)</u>	<u>79,699</u>
Expenditures					
Machinery and Equipment	20,000	20,000	20,000	-	19,097
Lease Payments	<u>52,646</u>	<u>52,646</u>	<u>52,646</u>	-	<u>52,646</u>
Total Expenditures	<u>72,646</u>	<u>72,646</u>	<u>72,646</u>	-	<u>71,743</u>
Excess of Revenues Over Expenditures	<u>2,854</u>	<u>2,854</u>	<u>(661)</u>	<u>(3,515)</u>	<u>7,956</u>
Other Financing Sources (Uses)					
Operating Transfers Out	<u>(33,400)</u>	<u>(33,400)</u>	<u>(33,400)</u>	-	<u>(33,400)</u>
Total Other Financing Sources (Uses)	<u>(33,400)</u>	<u>(33,400)</u>	<u>(33,400)</u>	-	<u>(33,400)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(30,546)</u>	<u>(30,546)</u>	<u>(34,061)</u>	<u>(3,515)</u>	<u>(25,444)</u>
Fund Balance, Beginning of Year	<u>44,930</u>	<u>44,930</u>	<u>44,930</u>	-	<u>70,374</u>
Fund Balance, End of Year	<u>\$ 14,384</u>	<u>\$ 14,384</u>	<u>\$ 10,869</u>	<u>\$ (3,515)</u>	<u>\$ 44,930</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule F-13

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ (158)	\$ 3,884
Cash on Deposit - County Treasurer	<u>549</u>	<u>-</u>
Total Assets	<u>\$ 391</u>	<u>\$ 3,884</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ -	\$ 901,988
Registered Warrants Payable	65,801	1,115,755
Interest Accrued	<u>1,359</u>	<u>8,621</u>
Total Liabilities	<u>67,160</u>	<u>2,026,364</u>
Fund Balance		
Unreserved	<u>(66,769)</u>	<u>(2,022,480)</u>
Total Liabilities and Fund Balance	<u>\$ 391</u>	<u>\$ 3,884</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule F-14

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
TIF Funds	\$ 316,000	\$ 316,000	\$ 57,348	\$ (258,652)	\$ 57,483
Capital Contributions	-	-	51,180	51,180	100,000
Total Revenues	<u>316,000</u>	<u>316,000</u>	<u>108,528</u>	<u>(207,472)</u>	<u>157,483</u>
Expenditures					
Redevelopment Improvements	532,120	2,551,564	241,774	2,309,790	2,171,342
Interest Expense	98,875	98,875	96,876	1,999	8,621
Total Expenditures	<u>630,995</u>	<u>2,650,439</u>	<u>338,650</u>	<u>2,311,789</u>	<u>2,179,963</u>
Excess of Revenues Over (Under) Expenditures	<u>(314,995)</u>	<u>(2,334,439)</u>	<u>(230,122)</u>	<u>2,104,317</u>	<u>(2,022,480)</u>
Other Financing Sources (Uses)					
Bond Issuance Costs	(185,005)	(185,005)	(29,167)	(155,838)	-
Bond Proceeds	500,000	500,000	2,215,000	(1,715,000)	-
Total Other Financing Sources (Uses)	<u>314,995</u>	<u>314,995</u>	<u>2,185,833</u>	<u>(1,870,838)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(2,019,444)	1,955,711	3,975,155	(2,022,480)
Fund Balance, Beginning of Year	<u>(2,022,480)</u>	<u>(2,022,480)</u>	<u>(2,022,480)</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (2,022,480)</u>	<u>\$ (4,041,924)</u>	<u>\$ (66,769)</u>	<u>\$ 3,975,155</u>	<u>\$ (2,022,480)</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule G-1

	2005					2004
	Public Safety	Water Park	Bonded Districts	Unbonded Assessments	Total	Totals
Assets						
Cash	\$ -	\$ 38,336	\$ 40,272	\$ 21,743	\$ 100,351	\$ 217,814
Cash on Deposit - County Treasurer	-	19,533	-	-	19,533	31,905
Assessments Receivable:						
Current	-	-	7,250	16,399	23,649	35,375
Delinquent (Note 11)	-	-	2,102	4,789	6,891	23,336
Deferred	-	-	17,052	83,783	100,835	128,989
Assessments in Progress	-	-	-	89,700	89,700	-
Accrued Interest Receivable	-	-	2,474	7,320	9,794	22,971
In-Lieu-of Assessments	-	-	11,668	-	11,668	41,301
Due from Street Fund	-	-	123,039	21,609	144,648	144,648
Total Assets	<u>\$ -</u>	<u>\$ 57,869</u>	<u>\$ 203,857</u>	<u>\$ 245,343</u>	<u>\$ 507,069</u>	<u>\$ 646,339</u>
Liabilities and Fund Balance						
Liabilities						
Accrued Interest Payable	\$ -	\$ -	\$ -	\$ 24,042	\$ 24,042	\$ 31,110
Registered Warrants Payable	-	-	-	207,691	207,691	158,636
Deferred Revenues	-	-	28,720	173,482	202,202	170,290
Total Liabilities	<u>-</u>	<u>-</u>	<u>28,720</u>	<u>405,215</u>	<u>433,935</u>	<u>360,036</u>
Fund Balance						
Reserved for Debt Service	-	57,869	175,137	-	233,006	370,480
Unreserved	-	-	-	(159,872)	(159,872)	(84,177)
Total Fund Balance (Deficit)	<u>-</u>	<u>57,869</u>	<u>175,137</u>	<u>(159,872)</u>	<u>73,134</u>	<u>286,303</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 57,869</u>	<u>\$ 203,857</u>	<u>\$ 245,343</u>	<u>\$ 507,069</u>	<u>\$ 646,339</u>

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

	2005					2004
	Public Safety	Water Park	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues						
Property Taxes	\$ -	\$ 135,194	\$ -	\$ -	\$ 135,194	\$ 187,319
Intergovernmental Revenues	-	688	-	-	688	883
Special Assessments	-	-	43,599	50,385	93,984	146,619
Interest on Assessments	-	-	2,690	8,822	11,512	18,351
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>135,882</u>	<u>46,289</u>	<u>59,207</u>	<u>241,378</u>	<u>353,172</u>
Expenditures						
Capital Projects:						
Improvements	-	-	-	124,961	124,961	-
Interest on Registered Warrants	-	-	-	9,941	9,941	12,568
Debt Service:						
Interest	-	28,435	16,543	-	44,978	57,578
Principal	-	105,000	430,000	-	535,000	290,000
Total Expenditures	<u>-</u>	<u>133,435</u>	<u>446,543</u>	<u>134,902</u>	<u>714,880</u>	<u>360,146</u>
Deficiency of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,447</u>	<u>(400,254)</u>	<u>(75,695)</u>	<u>(473,502)</u>	<u>(6,974)</u>
Other Financing Sources (Uses)						
Bond Proceeds	-	-	265,000	-	265,000	-
Bond Issue Costs	-	-	(4,667)	-	(4,667)	-
Operating Transfers In	-	-	-	-	-	317
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>260,333</u>	<u>-</u>	<u>260,333</u>	<u>317</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	<u>-</u>	<u>2,447</u>	<u>(139,921)</u>	<u>(75,695)</u>	<u>(213,169)</u>	<u>(6,657)</u>
Fund Balances (Deficit), Beginning of Year	<u>-</u>	<u>55,422</u>	<u>315,058</u>	<u>(84,177)</u>	<u>286,303</u>	<u>292,960</u>
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ 57,869</u>	<u>\$ 175,137</u>	<u>\$ (159,872)</u>	<u>\$ 73,134</u>	<u>\$ 286,303</u>

CITY OF BEATRICE, NEBRASKA
PUBLIC SAFETY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule G-3

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 26,145
Intergovernmental Revenues	-	-	-	-	883
Total Revenues	-	-	-	-	27,028
Expenditures					
Debt Service:					
Principal	-	-	-	-	130,000
Interest	-	-	-	-	2,990
Total Expenditures	-	-	-	-	132,990
Deficiency of Revenues Under Expenditures	-	-	-	-	(105,962)
Fund Balance, Beginning of Year	-	-	-	-	105,962
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF BEATRICE, NEBRASKA
WATER PARK DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule G-4

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Property Taxes	\$ 132,585	\$ 132,585	\$ 135,194	\$ 2,609	\$ 161,174
Intergovernmental Revenue	850	850	688	(162)	-
Total Revenues	<u>133,435</u>	<u>133,435</u>	<u>135,882</u>	<u>2,447</u>	<u>161,174</u>
Expenditures					
Debt Service:					
Principal	105,000	105,000	105,000	-	100,000
Interest	28,435	28,435	28,435	-	30,565
Total Expenditures	<u>133,435</u>	<u>133,435</u>	<u>133,435</u>	<u>-</u>	<u>130,565</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>2,447</u>	<u>2,447</u>	<u>30,609</u>
Fund Balance, Beginning of Year	<u>55,422</u>	<u>55,422</u>	<u>55,422</u>	<u>-</u>	<u>24,813</u>
Fund Balance (Deficit), End of Year	<u>\$ 55,422</u>	<u>\$ 55,422</u>	<u>\$ 57,869</u>	<u>\$ 2,447</u>	<u>\$ 55,422</u>

CITY OF BEATRICE, NEBRASKA
BONDED DISTRICTS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule G-5

	2005			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
				2004 Totals
Revenues				
Special Assessments	\$ 17,574	\$ 17,574	\$ 50,053	\$ 32,479
Interest on Assessments	6,700	6,700	5,097	(1,603)
Total Revenues	<u>24,274</u>	<u>24,274</u>	<u>55,150</u>	<u>30,876</u>
Expenditures				
Bond Principal Payments	68,864	430,000	430,000	-
Interest on Registered Warrants	16,544	16,544	16,543	(1)
Total Expenditures	<u>85,408</u>	<u>446,544</u>	<u>446,543</u>	<u>(1)</u>
Excess of Revenues Over Expenditures	(61,134)	(422,270)	(391,393)	30,877
Other Financing Sources (Uses)				
Bond Proceeds	-	-	265,000	265,000
Bond Issue Costs	(520)	(520)	(4,667)	(4,147)
Total Other Financing Sources (Uses)	<u>(520)</u>	<u>(520)</u>	<u>260,333</u>	<u>260,853</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	(61,654)	(422,790)	(131,060)	291,730
Fund Balance, Beginning of Year	<u>171,332</u>	<u>171,332</u>	<u>171,332</u>	-
Fund Balance, End of Year	<u>\$ 109,678</u>	<u>\$ (251,458)</u>	<u>\$ 40,272</u>	<u>\$ 291,730</u>
				<u>\$ 171,332</u>

CITY OF BEATRICE, NEBRASKA
 UNBONDED DISTRICTS DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule G-6

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Special Assessments	\$ 41,793	\$ 41,793	\$ 72,101	\$ 30,308	\$ 134,017
Interest on Assessments	20,142	20,142	19,592	(550)	20,197
Total Revenues	<u>61,935</u>	<u>61,935</u>	<u>91,693</u>	<u>29,758</u>	<u>154,214</u>
Expenditures					
Capital Projects					
Interest on Registered Warrants	17,621	17,621	17,009	612	21,383
Principal on Registered Warrants	75,905	75,905	75,905	-	137,862
Improvements	(26,039)	124,961	124,961	-	-
Total Expenditures	<u>67,487</u>	<u>218,487</u>	<u>217,875</u>	<u>612</u>	<u>159,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,552)</u>	<u>(156,552)</u>	<u>(126,182)</u>	<u>30,370</u>	<u>(5,031)</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	317
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,552)</u>	<u>(156,552)</u>	<u>(126,182)</u>	<u>30,370</u>	<u>(4,714)</u>
Fund Balances (Deficit), Beginning of Year	<u>(1,714,534)</u>	<u>(1,714,534)</u>	<u>(1,714,534)</u>	<u>-</u>	<u>(1,709,820)</u>
Fund Balance (Deficit), End of Year	<u>\$ (1,720,086)</u>	<u>\$ (1,871,086)</u>	<u>\$ (1,840,716)</u>	<u>\$ 30,370</u>	<u>\$ (1,714,534)</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule H-1

	2005			2004
	Library Capital Improvements	Capital Improvements	Total	Totals
Assets				
Cash	\$ -	\$ 69,980	\$ 69,980	\$ 29,655
Restricted:				
Cash	-	184,598	184,598	124,840
Investments	94,083	-	94,083	92,120
Accounts Receivable	-	636	636	69,861
Total Assets	<u>\$ 94,083</u>	<u>\$ 255,214</u>	<u>\$ 349,297</u>	<u>\$ 316,476</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ 47,850	\$ 47,850	84,668
Total Liabilities	<u>-</u>	<u>47,850</u>	<u>47,850</u>	<u>84,668</u>
Fund Balances				
Reserved for Library Capital Improvement	94,083	-	94,083	92,120
Reserved for Public Safety Equipment	-	184,598	184,598	109,613
Undesignated	-	22,766	22,766	30,075
Total Fund Balances	<u>94,083</u>	<u>207,364</u>	<u>301,447</u>	<u>231,808</u>
Total Liabilities and Fund Balances	<u>\$ 94,083</u>	<u>\$ 255,214</u>	<u>\$ 349,297</u>	<u>\$ 316,476</u>

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2005

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

	2005			2004 Totals
	Library Capital Improvements	Capital Improvements	Total	
Revenues				
Intergovernmental	\$ -	\$ 227,904	\$ 227,904	401,388
Donations and Miscellaneous Revenue	-	15,620	15,620	41,116
Interest	1,963	-	1,963	1,015
Total Revenues	<u>1,963</u>	<u>243,524</u>	<u>245,487</u>	<u>443,519</u>
Expenditures				
Repairs and Maintenance	-	-	-	478
Capital Projects	-	362,938	362,938	403,983
MFO Payments - Other Entities	-	120,880	120,880	118,336
Total Expenditures	<u>-</u>	<u>483,818</u>	<u>483,818</u>	<u>522,797</u>
Deficiency of Revenues Under Expenditures	<u>1,963</u>	<u>(240,294)</u>	<u>(238,331)</u>	<u>(79,278)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	307,970	307,970	108,534
Total Other Financing Sources (Uses)	<u>-</u>	<u>307,970</u>	<u>307,970</u>	<u>108,534</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>1,963</u>	<u>67,676</u>	<u>69,639</u>	<u>29,256</u>
Fund Balances, Beginning of Year	<u>92,120</u>	<u>139,688</u>	<u>231,808</u>	<u>202,552</u>
Fund Balances, End of Year	<u>\$ 94,083</u>	<u>\$ 207,364</u>	<u>\$ 301,447</u>	<u>\$ 231,808</u>

CITY OF BEATRICE, NEBRASKA
LIBRARY CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule H-3

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ -	\$ -
Restricted:		
Investments	<u>94,083</u>	<u>92,120</u>
Total Assets	<u>\$ 94,083</u>	<u>\$ 92,120</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ -	\$ -
Fund Balance		
Reserved for Library Capital Improvement	<u>94,083</u>	<u>92,120</u>
Total Liabilities and Fund Balance	<u>\$ 94,083</u>	<u>\$ 92,120</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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule H-4

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Interest	\$ 1,000	\$ 1,000	\$ 1,963	\$ 963	\$ 1,015
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,963</u>	<u>963</u>	<u>1,015</u>
Expenditures					
Repairs and Maintenance	-	-	-	-	478
Capital Outlay	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>-</u>
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,000)</u>	<u>(27,000)</u>	<u>1,963</u>	<u>28,963</u>	<u>537</u>
Fund Balance, Beginning of Year	<u>92,120</u>	<u>92,120</u>	<u>92,120</u>	<u>-</u>	<u>91,583</u>
Fund Balance, End of Year	<u>\$ 65,120</u>	<u>\$ 65,120</u>	<u>\$ 94,083</u>	<u>\$ 28,963</u>	<u>\$ 92,120</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule H-5

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ 69,980	\$ 29,655
Restricted:		
Cash	184,598	124,840
Accounts Receivable	<u>636</u>	<u>69,861</u>
Total Assets	<u>\$ 255,214</u>	<u>\$ 224,356</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	<u>\$ 47,850</u>	<u>\$ 84,668</u>
Fund Balance		
Reserved for Public Safety Equipment	184,598	109,613
Unreserved	<u>22,766</u>	<u>30,075</u>
Total Fund Balance	<u>207,364</u>	<u>139,688</u>
Total Liabilities and Fund Balance	<u>\$ 255,214</u>	<u>\$ 224,356</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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule H-6

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Revenues					
Donations and Miscellaneous Revenue	\$ -	\$ -	\$ 15,620	\$ 15,620	\$ 41,116
Intergovernmental	1,077,665	1,077,665	227,904	(849,761)	401,388
Total Revenues	<u>1,077,665</u>	<u>1,077,665</u>	<u>243,524</u>	<u>(834,141)</u>	<u>442,504</u>
Expenditures - Capital Projects					
Park Equipment and Improvements	90,500	90,500	101,590	(11,090)	45,059
Rotary Park	27,500	27,500	27,500	-	39,388
Beatrice Plus	10,000	10,000	1,500	8,500	7,324
Trailhead Project	12,231	12,231	-	12,231	750
Municipal Auditorium Renovation	30,000	30,000	28,883	1,117	17,068
Building Improvements	10,367	10,367	3,328	7,039	19,289
Police Equipment and Facilities Improvements	25,631	25,631	24,174	1,457	15,196
Fire Equipment and Facilities Improvements	599,741	599,741	31,979	567,762	214,036
Senior Center	-	-	-	-	21,038
Trails	603,000	603,000	113,995	489,005	-
Water Park Facility Improvements	4,100	4,100	2,983	1,117	-
Library Equipment	-	-	-	-	9,750
Computer Equipment	27,008	27,008	27,006	2	15,085
MFO Payments - Other Entities	122,000	122,000	120,880	1,120	118,336
Total Expenditures - Capital Projects	<u>1,562,078</u>	<u>1,562,078</u>	<u>483,818</u>	<u>1,078,260</u>	<u>522,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(484,413)</u>	<u>(484,413)</u>	<u>(240,294)</u>	<u>244,119</u>	<u>(79,815)</u>
Other Financing Sources (Uses)					
Operating Transfers In	352,970	352,970	307,970	(45,000)	108,534
Total Other Financing Sources (Uses)	<u>352,970</u>	<u>352,970</u>	<u>307,970</u>	<u>(45,000)</u>	<u>108,534</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(131,443)</u>	<u>(131,443)</u>	<u>67,676</u>	<u>199,119</u>	<u>28,719</u>
Fund Balance, Beginning of Year	<u>139,688</u>	<u>139,688</u>	<u>139,688</u>	<u>-</u>	<u>110,969</u>
Fund Balance, End of Year	<u>\$ 8,245</u>	<u>\$ 8,245</u>	<u>\$ 207,364</u>	<u>\$ 199,119</u>	<u>\$ 139,688</u>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-1

ENTERPRISE FUNDS	2005						2004 Totals
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	
Assets							
Current Assets							
Cash and Investments	\$ 425,881	\$ 579,228	\$ 233,741	\$ -	\$ 353	\$ 117,721	\$ 2,215,279
Accounts Receivable (Net)	1,022,449	161,466	143,695	-	70,596	133,769	1,746,687
Unbilled and Accrued Revenues	476,907	92,353	57,558	-	-	-	535,174
Materials and Supplies Inventories	575,082	166,849	-	-	-	-	536,220
Prepaid Expenses	3,959	2,045	1,099	-	-	-	7,103
Interest Receivable	1,638	214	304	-	-	-	5,793
Total Current Assets	<u>2,505,916</u>	<u>1,002,155</u>	<u>436,397</u>	<u>-</u>	<u>70,949</u>	<u>251,490</u>	<u>5,046,256</u>
Restricted Cash							
Employee Benefits	41,081	-	-	-	-	-	32,911
Debt Service Reserve Account	132,593	149,513	296,937	-	-	152,433	777,487
Total Restricted Cash	<u>173,674</u>	<u>149,513</u>	<u>296,937</u>	<u>-</u>	<u>-</u>	<u>152,433</u>	<u>810,398</u>
Restricted Investments							
Customer Deposits	106,830	-	-	-	-	-	116,505
Current Portion Bonds Receivable	175,000	-	-	-	-	-	-
Closure/Postclosure Maintenance and Care	-	-	-	-	-	305,135	251,919
Total Restricted Investments	<u>281,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,135</u>	<u>368,424</u>
Total Restricted Assets	<u>455,504</u>	<u>149,513</u>	<u>296,937</u>	<u>-</u>	<u>-</u>	<u>457,568</u>	<u>1,178,822</u>
Property, Plant and Equipment							
Land and Land Rights	17,432	59,832	16,588	-	-	-	93,852
Buildings and Improvements	1,144,846	63,555	-	-	-	-	1,207,295
Improvements Other Than Buildings	20,976,009	11,147,223	15,328,478	-	-	3,584,215	50,459,019
Machinery and Equipment	2,550,918	709,006	766,632	-	-	599,245	5,098,370
	24,689,205	11,979,616	16,111,698	-	-	4,183,460	56,858,536
Less: Accumulated Depreciation	12,451,148	7,090,376	7,885,272	-	-	1,726,500	28,416,732
	12,238,057	4,889,240	8,226,426	-	-	2,456,960	28,441,804
Construction in Progress	445,564	-	-	-	-	-	137,722
Net Property, Plant and Equipment	<u>12,683,621</u>	<u>4,889,240</u>	<u>8,226,426</u>	<u>-</u>	<u>-</u>	<u>2,456,960</u>	<u>28,579,526</u>
Other Assets							
Bonds Receivable (less current portion)	365,000	-	-	-	-	-	-
Unamortized Bond Issuance Cost	14,383	3,339	4,729	-	-	16,803	44,468
Total Other Assets	<u>379,383</u>	<u>3,339</u>	<u>4,729</u>	<u>-</u>	<u>-</u>	<u>16,803</u>	<u>44,468</u>
Total Assets	<u>16,024,424</u>	<u>6,044,247</u>	<u>8,964,489</u>	<u>-</u>	<u>70,949</u>	<u>3,182,821</u>	<u>34,849,072</u>
Liabilities and Fund Equity							
Current Liabilities							

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-1

	2005						2004
ENTERPRISE FUNDS	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total Totals
Accounts Payable	1,256,963	38,502	97,378	-	70,949	1,139	1,464,931
Accrued Expenses	270,268	182,835	78,467	-	-	1,121	532,691
Compensated Absences	41,081	-	-	-	-	5,130	46,211
Current Maturities of Long-Term Debt	-	-	-	-	-	185,000	185,000
Total Current Liabilities	<u>1,568,312</u>	<u>221,337</u>	<u>175,845</u>	<u>-</u>	<u>70,949</u>	<u>192,390</u>	<u>2,228,833</u>
Non-Current Liabilities Payable from Restricted Cash							
Customer Deposits	106,830	-	-	-	-	-	106,830
Current Portion of Revenue Bonds	185,165	76,677	133,379	-	-	-	395,221
Total Non-Current Liabilities Payable From Restricted Cash	<u>291,995</u>	<u>76,677</u>	<u>133,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,051</u>
Long-Term Liabilities							
Revenue Bonds	941,787	187,367	240,625	-	-	1,050,000	2,419,779
Notes Payable	-	726,980	1,532,659	-	-	52,806	2,312,445
Estimated Current Cost of Closure and Postclosure	-	-	-	-	-	205,573	205,573
Total Long-Term Liabilities	<u>941,787</u>	<u>914,347</u>	<u>1,773,284</u>	<u>-</u>	<u>-</u>	<u>1,308,379</u>	<u>4,937,797</u>
Total Liabilities	<u>2,802,094</u>	<u>1,212,361</u>	<u>2,082,508</u>	<u>-</u>	<u>70,949</u>	<u>1,500,769</u>	<u>7,668,681</u>
Fund Equity							
Contributions in Aid of Construction	384,187	1,274,080	5,394,192	-	-	-	7,052,459
Contributed Capital	180,098	318,905	715,582	-	-	-	1,214,585
Retained Earnings	12,658,045	3,238,901	772,207	-	-	1,682,052	18,351,205
Total Fund Equity	<u>13,222,330</u>	<u>4,831,886</u>	<u>6,881,981</u>	<u>-</u>	<u>-</u>	<u>1,682,052</u>	<u>26,618,249</u>
Total Liabilities and Fund Equity	<u>\$ 16,024,424</u>	<u>\$ 6,044,247</u>	<u>\$ 8,964,489</u>	<u>\$ -</u>	<u>\$ 70,949</u>	<u>\$ 3,182,821</u>	<u>\$ 34,286,930</u>
							<u>\$ 34,849,072</u>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-2

	2005							2004
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	Totals
Operating Revenues								
Charges for Services	\$ 10,828,533	\$ 1,545,380	\$ 1,062,860	\$ -	\$ 1,066,056	\$ 930,981	\$ 15,433,810	\$ 14,454,685
Operating Expenses								
Electric Energy Purchased	7,287,319	-	-	-	-	-	7,287,319	6,908,517
Operating and Maintenance Expenses	810,296	703,225	417,173	-	1,066,056	-	2,996,750	2,925,437
Customer Accounting Expenses	178,357	104,281	53,566	-	-	-	336,204	338,722
Administrative and General Expense	872,156	317,288	180,907	-	-	459,143	1,829,494	1,762,106
Municipal Expenses	324,355	21,867	9,722	-	-	-	355,944	395,583
Depreciation and Amortization	936,605	441,451	606,285	-	-	296,359	2,280,700	2,158,685
Landfill Operating Contracts	-	-	-	-	-	70,020	70,020	72,817
Total Operating Expenses	<u>10,409,088</u>	<u>1,588,112</u>	<u>1,267,653</u>	<u>-</u>	<u>1,066,056</u>	<u>825,522</u>	<u>15,156,431</u>	<u>14,561,867</u>
Operating Income (Loss)	<u>419,445</u>	<u>(42,732)</u>	<u>(204,793)</u>	<u>-</u>	<u>-</u>	<u>105,459</u>	<u>277,379</u>	<u>(107,182)</u>
Non-Operating Revenues (Expenses)								
Interest Income	45,138	4,726	3,718	-	-	5,610	59,192	38,857
Merchandising, Etc.	30,397	59,438	8,488	-	-	-	98,323	181,292
Donations	-	-	-	-	-	-	-	-
Income (Loss) on Disposal of Capital Assets	(35,437)	(20,305)	(4,950)	-	-	-	(60,692)	-
Miscellaneous	164,335	51,462	21,502	-	-	35	237,334	(65,187)
Interest Expense	(48,110)	(42,674)	(82,222)	-	-	(56,809)	(229,815)	(246,139)
Transfer to (from) Other Fund	18,489	(5,897)	(12,592)	-	-	-	-	(356,829)
Amortization of Bond Issuance Cost	(2,441)	(556)	(788)	-	-	-	(3,785)	(3,720)
Total Non-Operating Revenues (Expenses)	<u>172,371</u>	<u>46,194</u>	<u>(66,844)</u>	<u>-</u>	<u>-</u>	<u>(51,164)</u>	<u>100,557</u>	<u>(451,726)</u>
Net Income (Loss)	<u>591,816</u>	<u>3,462</u>	<u>(271,637)</u>	<u>-</u>	<u>-</u>	<u>54,295</u>	<u>377,936</u>	<u>(558,908)</u>
Retained Earnings, Beginning of Year	<u>12,066,229</u>	<u>3,235,439</u>	<u>1,043,844</u>	<u>-</u>	<u>-</u>	<u>1,627,757</u>	<u>17,973,269</u>	<u>18,532,177</u>
Retained Earnings, End of Year	<u>\$ 12,658,045</u>	<u>\$ 3,238,901</u>	<u>\$ 772,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,682,052</u>	<u>\$ 18,351,205</u>	<u>\$ 17,973,269</u>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-3

ENTERPRISE FUNDS	2005							2004 Totals
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	
Cash Flows from Operating Activities								
Cash Received from Customers	\$ 11,198,331	\$ 1,620,895	\$ 1,088,017	\$ -	\$ 1,065,585	\$ 919,707	\$ 15,892,535	\$ 14,272,536
Cash Paid to Suppliers for Goods and Services	(9,124,945)	(726,983)	(270,080)	-	(1,065,662)	(329,415)	(11,517,085)	(9,873,175)
Cash Paid to Employees for Services	(867,705)	(496,672)	(332,876)	-	-	(201,640)	(1,898,893)	(1,799,720)
Net Cash Provided by (Used in) Operating Activities	<u>1,205,681</u>	<u>397,240</u>	<u>485,061</u>	<u>-</u>	<u>(77)</u>	<u>388,652</u>	<u>2,476,557</u>	<u>2,599,641</u>
Cash Flows From Capital and Related Financing Activities								
Principal Payments on Long-Term Debt	(175,588)	(73,399)	(127,966)	-	-	(180,000)	(556,953)	(557,747)
Principal Advances on Long-Term Debt	-	-	-	-	-	(49,684)	(49,684)	(46,778)
Bond Issuance Cost	-	-	-	-	-	-	-	-
Transfers (to) from Other Funds	18,489	(5,897)	(12,592)	-	-	-	-	-
Interest Paid on Revenue Bond Maturities	(48,110)	(42,674)	(82,222)	-	-	(56,809)	(229,815)	(246,139)
Contribution in Aid to Construction	-	1,095	-	-	-	-	1,095	5,193
Capital Expenditures	(927,891)	(521,822)	(497,646)	-	-	(69,325)	(2,016,684)	(3,077,641)
Net Cash Used in Capital and Related Financing Activities	<u>(1,133,100)</u>	<u>(642,697)</u>	<u>(720,426)</u>	<u>-</u>	<u>-</u>	<u>(355,818)</u>	<u>(2,852,041)</u>	<u>(3,923,112)</u>
Cash Flows from Investing Activities								
Purchase of Bond	(540,000)	-	-	-	-	-	(540,000)	-
Interest Received	47,739	5,155	4,325	-	-	5,610	62,829	39,940
Net Cash Provided by (Used in) Investing Activities	<u>(492,261)</u>	<u>5,155</u>	<u>4,325</u>	<u>-</u>	<u>-</u>	<u>5,610</u>	<u>(477,171)</u>	<u>39,940</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(419,680)	(240,302)	(231,040)	-	(77)	38,444	(852,655)	(1,283,531)
Cash and Cash Equivalents, Beginning of Year	<u>1,126,065</u>	<u>969,043</u>	<u>761,718</u>	<u>-</u>	<u>430</u>	<u>536,845</u>	<u>3,394,101</u>	<u>4,677,632</u>
Cash and Cash Equivalents, End of Year	\$ 706,385	\$ 728,741	\$ 530,678	\$ -	\$ 353	\$ 575,289	\$ 2,541,446	\$ 3,394,101

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-3

	2005							
ENTERPRISE FUNDS			Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	2004 Totals
	Electric	Water						
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ 419,445	\$ (42,732)	\$ (204,793)	\$ -	\$ -	\$ 105,459	\$ 277,379	\$ (107,182)
Adjustments to Reconcile Net Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation and Amortization	936,605	441,451	606,285	-	-	296,359	2,280,700	2,158,685
Merchandise and Miscellaneous Revenue	194,732	110,900	29,990	-	-	35	335,657	116,105
(Increase) Decrease in Unbilled and Accrued Revenues	(76,908)	(11,098)	(3,638)	-	-	-	(91,644)	(20,691)
(Increase) Decrease in Accounts Receivable	251,974	(24,287)	(1,195)	-	(471)	(11,309)	214,712	(277,563)
(Increase) Decrease in Inventory	(179,788)	(25,923)	-	-	-	-	(205,711)	(37,547)
Increase (Decrease) in Bank Overdraft	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(343,825)	(54,274)	65,374	-	394	1,139	(331,192)	721,414
Increase (Decrease) in Accrued Expenses	13,121	3,203	(6,962)	-	-	(3,031)	6,331	43,020
Increase (Decrease) in Customer Deposits	(9,675)	-	-	-	-	-	(9,675)	3,400
Total Adjustments	786,236	439,972	689,854	-	(77)	283,193	2,199,178	2,706,823
Net Cash Provided by (Used in) Operating Activities	\$ 1,205,681	\$ 397,240	\$ 485,061	\$ -	\$ (77)	\$ 388,652	\$ 2,476,557	\$ 2,599,641

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-4

	2005	2004
Assets		
Current Assets		
Cash	\$ 425,881	\$ 888,262
Accounts Receivable (Net)	1,022,449	1,274,423
Unbilled and Accrued Revenues	476,907	399,999
Materials and Supplies Inventories	575,082	395,294
Prepaid Expenses	3,959	3,959
Interest Receivable	1,638	4,239
Total Current Assets	<u>2,505,916</u>	<u>2,966,176</u>
Restricted Cash		
Employee Benefits	41,081	32,911
Debt Service Reserve Account	132,593	88,387
Total Restricted Cash	<u>173,674</u>	<u>121,298</u>
Restricted Investments		
Customer Deposits	106,830	116,505
Current Portion Bonds Receivable	175,000	-
Total Restricted Investments	<u>281,830</u>	<u>116,505</u>
Total Restricted Assets	<u>455,504</u>	<u>237,803</u>
Property, Plant and Equipment		
Land and Land Rights	17,432	17,432
Buildings and Improvements	1,144,846	1,138,560
Improvements Other Than Building	20,976,009	20,890,793
Machinery and Equipment	2,550,918	3,075,197
	24,689,205	25,121,982
Less: Accumulated Depreciation	12,451,148	12,511,280
	12,238,057	12,610,702
Construction in Progress	445,564	117,070
Net Property, Plant and Equipment	<u>12,683,621</u>	<u>12,727,772</u>
Other Assets		
Bonds Receivable (less current portion)	365,000	-
Unamortized Bond Issuance Cost	14,383	16,824
Total Other Assets	<u>379,383</u>	<u>16,824</u>
Total Assets	<u>\$ 16,024,424</u>	<u>\$ 15,948,575</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-4

	<u>2005</u>	<u>2004</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 1,256,963	\$ 1,600,788
Accrued Expenses	270,268	265,317
Compensated Absences	41,081	32,911
Total Current Liabilities	<u>1,568,312</u>	<u>1,899,016</u>
Current Liabilities Payable From Restricted Cash		
Customer Deposits	106,830	116,505
Current Portion of Revenue Bonds	185,165	175,588
Total Current Liabilities Payable From Restricted Cash	<u>291,995</u>	<u>292,093</u>
Long-Term Liabilities		
Revenue Bonds (Net)	<u>941,787</u>	<u>1,126,952</u>
Total Liabilities	<u>2,802,094</u>	<u>3,318,061</u>
Fund Equity		
Contributions in Aid of Construction	384,187	384,187
Contributed Capital	180,098	180,098
Retained Earnings	12,658,045	12,066,229
Total Fund Equity	<u>13,222,330</u>	<u>12,630,514</u>
Total Liabilities and Fund Equity	<u>\$ 16,024,424</u>	<u>\$ 15,948,575</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Schedule I-5

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Operating Revenues					
Charges for Services	\$ 10,239,225	\$ 10,239,225	\$ 10,828,533	\$ 589,308	\$ 10,066,889
Operating Expenses					
Electric Energy Purchased	6,330,000	6,330,000	7,287,319	(957,319)	6,908,517
Operating and Maintenance Expense	981,971	981,971	810,296	171,675	790,763
Customer Accounting Expenses	199,950	199,950	178,357	21,593	181,750
Administrative and General Expense	826,540	826,540	872,156	(45,616)	816,718
Depreciation and Amortization	900,000	900,000	936,605	(36,605)	891,414
Municipal Expenses	386,650	386,650	324,355	62,295	350,106
Total Operating Expenses	<u>9,625,111</u>	<u>9,625,111</u>	<u>10,409,088</u>	<u>(783,977)</u>	<u>9,939,268</u>
Operating Income	<u>614,114</u>	<u>614,114</u>	<u>419,445</u>	<u>(194,669)</u>	<u>127,621</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	30,397	30,397	68,007
Interest Income	-	-	45,138	45,138	27,551
Miscellaneous	-	-	164,335	164,335	(73,245)
Income (Loss) on Disposal of Capital Assets	-	-	(35,437)	(35,437)	-
Interest Expense	(52,218)	(52,218)	(48,110)	4,108	(50,718)
Transfer to Other Fund	-	-	-	-	(141,350)
Transfer from Other Fund	-	-	18,489	18,489	
Amortization of Bond Issuance Cost	-	-	(2,441)	(2,441)	(2,375)
Total Non-Operating Revenues (Expenses)	<u>(52,218)</u>	<u>(52,218)</u>	<u>172,371</u>	<u>224,589</u>	<u>(172,130)</u>
Net Income (Loss)	<u>561,896</u>	<u>561,896</u>	<u>591,816</u>	<u>29,920</u>	<u>(44,509)</u>
Retained Earnings, Beginning of Year	<u>12,066,229</u>	<u>12,066,229</u>	<u>12,066,229</u>	<u>-</u>	<u>12,110,738</u>
Retained Earnings, End of Year	<u>\$ 12,628,125</u>	<u>\$ 12,628,125</u>	<u>\$ 12,658,045</u>	<u>\$ 29,920</u>	<u>\$ 12,066,229</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-6

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 11,198,331	\$ 9,770,049
Cash Paid to Suppliers for Goods and Services	(9,124,945)	(7,563,614)
Cash Paid to Employees for Services	(867,705)	(800,849)
Net Cash Provided by Operating Activities	<u>1,205,681</u>	<u>1,405,586</u>
Cash Flows From Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(175,588)	(188,162)
Transfers from Other Funds	18,489	-
Transfers to Other Funds	-	(141,350)
Interest Paid on Revenue Bond Maturities	(48,110)	(50,718)
Capital Expenditures	(927,891)	(1,477,545)
Net Cash Used in Capital and Related Financing Activities	<u>(1,133,100)</u>	<u>(1,857,775)</u>
Cash Flows From Investing Activities		
Purchase of Bond	(540,000)	-
Interest Received	47,739	28,619
Net Cash Provided by (Used in) Investing Activities	<u>(492,261)</u>	<u>28,619</u>
Net Increase (Decrease) in Cash and Restricted Cash	(419,680)	(423,570)
Cash and Restricted Cash, Beginning of Year	<u>1,126,065</u>	<u>1,549,635</u>
Cash and Restricted Cash, End of Year	<u>\$ 706,385</u>	<u>\$ 1,126,065</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-6

	<u>2005</u>	<u>2004</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	<u>\$ 419,445</u>	<u>\$ 127,621</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	936,605	891,414
Merchandise and Miscellaneous Revenue	194,732	(5,238)
(Increase) Decrease in Unbilled and Accrued Revenues	(76,908)	(8,201)
(Increase) Decrease in Accounts Receivable	251,974	(283,401)
(Increase) Decrease in Inventory	(179,788)	(21,732)
Increase (Decrease) in Accounts Payable	(343,825)	675,402
Increase (Decrease) in Customer Deposits	(9,675)	3,400
Increase (Decrease) in Accrued Expenses	13,121	26,321
Total Adjustments	<u>786,236</u>	<u>1,277,965</u>
Net Cash Provided by Operating Activities	<u>\$ 1,205,681</u>	<u>\$ 1,405,586</u>
Summary of Non-Cash Transactions: None		

**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-7

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash	\$ 579,228	\$ 792,199
Accounts Receivable (Net)	161,466	137,179
Unbilled and Accrued Revenues	92,353	81,255
Materials and Supplies Inventories	166,849	140,926
Prepaid Expenses	2,045	2,045
Interest Receivable	214	643
Total Current Assets	<u>1,002,155</u>	<u>1,154,247</u>
Restricted Cash		
Debt Service Reserve Account	<u>149,513</u>	<u>176,844</u>
Property, Plant and Equipment		
Land and Land Rights	59,832	59,832
Buildings and Improvements	63,555	68,735
Improvements Other Than Buildings	11,147,223	10,778,002
Machinery and Equipment	<u>709,006</u>	<u>782,875</u>
	11,979,616	11,689,444
Less Accumulated Depreciation	<u>7,090,376</u>	<u>6,880,922</u>
	4,889,240	4,808,522
Construction in Progress	-	20,652
Net Property, Plant and Equipment	<u>4,889,240</u>	<u>4,829,174</u>
Deferred Charges		
Unamortized Bond Issuance Costs	<u>3,339</u>	<u>3,895</u>
Total Assets	<u>\$ 6,044,247</u>	<u>\$ 6,164,160</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-7

	<u>2005</u>	<u>2004</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 38,502	\$ 92,776
Accrued Expenses	<u>182,835</u>	<u>179,632</u>
Total Current Liabilities	<u>221,337</u>	<u>272,408</u>
Restricted Cash		
Current Portion of Revenue Bonds	<u>76,677</u>	<u>73,399</u>
Total Restricted Cash	<u>76,677</u>	<u>73,399</u>
Long-Term Liabilities		
Revenue Bonds (Net)	187,367	231,785
Notes Payable	<u>726,980</u>	<u>759,239</u>
Total Restricted Cash	<u>914,347</u>	<u>991,024</u>
Total Liabilities	<u>1,212,361</u>	<u>1,336,831</u>
Fund Equity		
Contributions in Aid of Construction	1,274,080	1,272,985
Contributed Capital	318,905	318,905
Retained Earnings	<u>3,238,901</u>	<u>3,235,439</u>
Total Fund Equity	<u>4,831,886</u>	<u>4,827,329</u>
Total Liabilities and Fund Equity	<u>\$ 6,044,247</u>	<u>\$ 6,164,160</u>

CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule I-8

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Operating Revenues					
Charges for Services	1,748,700	1,748,700	1,545,380	(203,320)	1,387,434
Operating Expenses					
Operating and Maintenance Expenses	622,937	622,937	703,225	(80,288)	697,067
Customer Accounting Expenses	87,272	87,272	104,281	(17,009)	103,416
Administrative and General Expenses	345,840	345,840	317,288	28,552	343,876
Depreciation and Amortization	450,000	450,000	441,451	8,549	435,845
Municipal Expenses	22,500	22,500	21,867	633	36,514
Total Operating Expenses	<u>1,528,549</u>	<u>1,528,549</u>	<u>1,588,112</u>	<u>(59,563)</u>	<u>1,616,718</u>
Operating Income (Loss)	<u>220,151</u>	<u>220,151</u>	<u>(42,732)</u>	<u>(262,883)</u>	<u>(229,284)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	59,438	59,438	90,395
Interest Income	-	-	4,726	4,726	1,311
Miscellaneous	-	-	51,462	51,462	5,910
Income (Loss) on Disposal of Capital Assets	-	-	(20,305)	(20,305)	-
Interest Expense	(43,601)	(43,601)	(42,674)	927	(44,903)
Transfer to Other Fund	-	-	(5,897)	(5,897)	-
Transfer From Other Fund	-	-	-	-	22,146
Amortization of Bond Issuance Costs	-	-	(556)	(556)	(557)
Total Non-Operating Revenues (Expenses)	<u>(43,601)</u>	<u>(43,601)</u>	<u>46,194</u>	<u>89,795</u>	<u>74,302</u>
Net Income (Loss)	176,550	176,550	3,462	(173,088)	(154,982)
Retained Earnings, Beginning of Year	<u>3,235,439</u>	<u>3,235,439</u>	<u>3,235,439</u>	-	<u>3,390,421</u>
Retained Earnings, End of Year	<u><u>3,411,989</u></u>	<u><u>3,411,989</u></u>	<u><u>3,238,901</u></u>	<u><u>(173,088)</u></u>	<u><u>3,235,439</u></u>

**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-9

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,620,895	\$ 1,474,443
Cash Paid to Suppliers for Goods and Services	(726,983)	(655,460)
Cash Paid to Employees for Services	(496,672)	(482,092)
Net Cash Provided by Operating Activities	<u>397,240</u>	<u>336,891</u>
Cash Flows from Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(73,399)	(70,901)
Transfers to Other Funds	(5,897)	-
Transfers From Other Funds	-	22,146
Contribution in Aid to Construction	1,095	4,137
Interest Paid on Revenue Bond Maturities	(42,674)	(44,903)
Capital Expenditures	(521,822)	(201,400)
Net Cash Used in Capital and Related Financing Activities	<u>(642,697)</u>	<u>(290,921)</u>
Cash Flows From Investing Activities		
Interest Received	5,155	1,311
Net Cash Provided by Investing Activities	<u>5,155</u>	<u>1,311</u>
Net Increase (Decrease) in Cash and Restricted Cash	(240,302)	47,281
Cash and Restricted Cash, Beginning of Year	<u>969,043</u>	<u>921,762</u>
Cash and Restricted Cash, End of Year	<u>\$ 728,741</u>	<u>\$ 969,043</u>

**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-9

	<u>2005</u>	<u>2004</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ (42,732)	\$ (229,284)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	441,451	435,845
Merchandise and Miscellaneous Revenue	110,900	96,305
(Increase) Decrease in Accounts Receivable	(24,287)	2,547
(Increase) Decrease in Unbilled and Accrued Expenses	(11,098)	(11,843)
(Increase) Decrease in Inventory	(25,923)	(15,815)
Increase (Decrease) in Accounts Payable	(54,274)	50,456
Increase (Decrease) in Accrued Expenses	3,203	8,680
Total Adjustments	<u>439,972</u>	<u>566,175</u>
Net Cash Provided by Operating Activities	<u>\$ 397,240</u>	<u>\$ 336,891</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-10

	2005	2004
Assets		
Current Assets		
Cash	\$ 233,741	\$ 398,970
Accounts Receivable (Net)	143,695	142,500
Unbilled and Accrued Revenues	57,558	53,920
Prepaid Expenses	1,099	1,099
Interest Receivable	304	911
Total Current Assets	<u>436,397</u>	<u>597,400</u>
Restricted Cash		
Debt Service Reserve Account	<u>296,937</u>	<u>362,748</u>
Property, Plant and Equipment		
Land and Land Rights	16,588	16,588
Improvements Other Than Buildings	15,328,478	15,206,009
Machinery and Equipment	<u>766,632</u>	<u>688,032</u>
	16,111,698	15,910,629
Less: Accumulated Depreciation	<u>7,885,272</u>	<u>7,570,614</u>
	8,226,426	8,340,015
Construction in Progress	-	-
Net Property, Plant and Equipment	<u>8,226,426</u>	<u>8,340,015</u>
Deferred Charges		
Unamortized Debt Expense	<u>4,729</u>	<u>5,517</u>
Total Assets	<u>\$ 8,964,489</u>	<u>\$ 9,305,680</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-10

	<u>2005</u>	<u>2004</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 97,378	\$ 32,004
Accrued Expenses	78,467	85,429
Total Current Liabilities	<u>175,845</u>	<u>117,433</u>
Restricted Cash		
Current Portion of Revenue Bonds	133,379	127,966
Total Restricted Cash	<u>133,379</u>	<u>127,966</u>
Long-Term Liabilities		
Revenue Bonds (Net)	240,625	304,310
Notes Payable	1,532,659	1,602,353
Total Long-Term Liabilities	<u>1,773,284</u>	<u>1,906,663</u>
Total Liabilities	<u>2,082,508</u>	<u>2,152,062</u>
Fund Equity		
Contribution in Aid of Construction	5,394,192	5,394,192
Contributed Capital	715,582	715,582
Retained Earnings	772,207	1,043,844
Total Fund Equity	<u>6,881,981</u>	<u>7,153,618</u>
Total Liabilities and Fund Equity	<u>\$ 8,964,489</u>	<u>\$ 9,305,680</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule I-11

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Charges for Services	\$ 1,482,480	\$ 1,482,480	\$ 1,062,860	\$ (419,620)	\$ 1,049,083
Operating Expenses					
Operating and Maintenance Expenses	429,652	429,652	417,173	12,479	390,255
Customer Accounting Expenses	48,073	48,073	53,566	(5,493)	53,556
Administrative and General Expenses	207,593	207,593	180,907	26,686	192,628
Depreciation and Amortization	560,000	560,000	606,285	(46,285)	561,536
Municipal Expenses	7,100	7,100	9,722	(2,622)	8,963
Total Operating Expenses	<u>1,252,418</u>	<u>1,252,418</u>	<u>1,267,653</u>	<u>(15,235)</u>	<u>1,206,938</u>
Operating Income (Loss)	<u>230,062</u>	<u>230,062</u>	<u>(204,793)</u>	<u>(434,855)</u>	<u>(157,855)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	8,488	8,488	22,890
Interest Income	-	-	3,718	3,718	2,400
Miscellaneous	-	-	21,502	21,502	2,148
Income (Loss) on Disposal of Capital Assets	-	-	(4,950)	(4,950)	-
Interest Expense	(67,701)	(67,701)	(82,222)	(14,521)	(86,359)
Transfer to Other Fund	-	-	(12,592)	(12,592)	-
Transfer from Other Fund	-	-	-	-	119,204
Amortization of Bond Issuance Costs	-	-	(788)	(788)	(788)
Total Non-Operating Revenues (Expenses)	<u>(67,701)</u>	<u>(67,701)</u>	<u>(66,844)</u>	<u>857</u>	<u>59,495</u>
Net Income (Loss)	<u>162,361</u>	<u>162,361</u>	<u>(271,637)</u>	<u>(433,998)</u>	<u>(98,360)</u>
Retained Earnings, Beginning of Year	<u>1,043,844</u>	<u>1,043,844</u>	<u>1,043,844</u>	<u>-</u>	<u>1,142,204</u>
Retained Earnings, End of Year	<u>\$ 1,206,205</u>	<u>\$ 1,206,205</u>	<u>\$ 772,207</u>	<u>\$ (433,998)</u>	<u>\$ 1,043,844</u>

**CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-12

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,088,017	\$ 1,085,946
Cash Paid to Suppliers for Goods and Services	(270,080)	(309,041)
Cash Paid to Employees for Services	(332,876)	(330,900)
Net Cash Provided by Operating Activities	<u>485,061</u>	<u>446,005</u>
Cash Flows From Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(127,966)	(123,684)
Transfers to Other Funds	(12,592)	-
Transfers from Other Funds	-	119,204
Interest Paid on Revenue Bond Maturities	(82,222)	(86,359)
Capital Expenditures	(497,646)	(565,553)
Contribution in Aid of Construction	-	1,056
Net Cash Used in Capital and Related Financing Activities	<u>(720,426)</u>	<u>(655,336)</u>
Cash Flows From Investing Activities		
Interest Received	<u>4,325</u>	<u>2,415</u>
Net Cash Provided by Investing Activities	<u>4,325</u>	<u>2,415</u>
Net Increase (Decrease) in Cash	(231,040)	(206,916)
Cash and Restricted Cash, Beginning of Year	<u>761,718</u>	<u>968,634</u>
Cash and Restricted Cash, End of Year	<u>\$ 530,678</u>	<u>\$ 761,718</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-12

	<u>2005</u>	<u>2004</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (204,793)	\$ (157,855)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	606,285	561,536
Merchandise and Miscellaneous Revenue	29,990	25,038
(Increase) Decrease in Accounts Receivable	(1,195)	12,472
(Increase) Decrease in Unbilled and Accrued Revenues	(3,638)	(647)
Increase (Decrease) in Accounts Payable	65,374	(1,309)
Increase (Decrease) in Accrued Expenses	(6,962)	6,770
Total Adjustments	<u>689,854</u>	<u>603,860</u>
Net Cash Provided by Operating Activities	<u>\$ 485,061</u>	<u>\$ 446,005</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
OFF-STREET PARKING ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-13

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash	\$ -	\$ -
Accounts Receivable (Net)	-	-
Total Current Assets	<u>-</u>	<u>-</u>
Property and Equipment		
Land and Land Rights	-	-
Machinery and Equipment	-	-
Less: Accumulated Depreciation	-	-
Net Property and Equipment	<u>-</u>	<u>-</u>
Total Assets	<u>-</u>	<u>-</u>
Liabilities and Fund Equity		
Current Liabilities		
Expenses in Excess of Cash Balance	-	-
Accounts Payable	-	-
Compensated Absences	-	-
Accrued Compensation	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Equity		
Contributed Capital	-	-
Retained Earnings	-	-
Total Fund Equity	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA
OFF-STREET PARKING ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule I-14

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Stall Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Collections	-	-	-	-	-
Miscellaneous Charges	-	-	-	-	-
Meter Sales	-	-	-	-	-
Meter Fines	-	-	-	-	-
Total Operating Revenues	-	-	-	-	-
Operating Expenses					
Salaries	-	-	-	-	-
Social Security	-	-	-	-	-
Retirement	-	-	-	-	-
Health and Life Insurance	-	-	-	-	-
Insurance	-	-	-	-	-
Vehicle Maintenance and Repairs	-	-	-	-	-
Other Services and Charges	-	-	-	-	-
Regular Office Supplies	-	-	-	-	-
Equipment Repair and Maintenance Supplies	-	-	-	-	-
Vehicle Repairs and Maintenance Supplies	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expenses	-	-	-	-	-
Operating Income (Loss)	-	-	-	-	-
Non-Operating Revenues (Expenses)					
Transfers Out	-	-	-	-	(356,829)
Net Income (Loss)	-	-	-	-	(356,829)
Retained Earnings, Beginning of Year	-	-	-	-	356,829
Retained Earnings, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BEATRICE, NEBRASKA
OFF-STREET PARKING ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-15

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ -	\$ -
Cash Paid to Suppliers for Goods and Services	-	-
Cash Paid to Employees for Services	-	-
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	-	-
Cash, Beginning of Year	-	-
Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	<u>\$ -</u>	<u>\$ -</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	-	-
(Increase) Decrease in Accounts Receivable	-	-
Increase (Decrease) in Bank Overdraft	-	-
Increase (Decrease) in Accrued Expenses	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Net Cash Used in Operating Activities	<u>\$ -</u>	<u>\$ -</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION ENTERPRISE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-16

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash	\$ 353	\$ 430
Accounts Receivable (Net)	<u>70,596</u>	<u>70,125</u>
Total Assets	<u>\$ 70,949</u>	<u>\$ 70,555</u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable	<u>\$ 70,949</u>	<u>\$ 70,555</u>
Total Liabilities	<u>70,949</u>	<u>70,555</u>
Fund Equity		
Retained Earnings	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 70,949</u>	<u>\$ 70,555</u>

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET (GAAP) AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule I-17

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Operating Revenues					
Garbage Service Fees	\$ 1,065,900	\$ 1,065,900	\$ 1,066,056	\$ 156	\$ 1,047,352
Operating Expenses					
Bad Debt Expense	2,400	2,400	2,611	(211)	2,281
Garbage Disposal Contract	571,500	574,500	580,813	(6,313)	567,974
Garbage Hauler Contract	492,000	492,000	482,632	9,368	477,097
Total Operating Expenses	<u>1,065,900</u>	<u>1,068,900</u>	<u>1,066,056</u>	<u>2,844</u>	<u>1,047,352</u>
Net Income (Loss)	-	(3,000)	-	3,000	-
Retained Earnings, Beginning of Year	-	-	-	-	-
Retained Earnings (Deficit), End of Year	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

**CITY OF BEATRICE, NEBRASKA
BEATRICE SANITATION
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-18

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,065,585	\$ 1,045,537
Cash Paid to Supplies for Goods and Services	<u>(1,065,662)</u>	<u>(1,045,587)</u>
Net Cash Used in Operating Activities	<u>(77)</u>	<u>(50)</u>
Net Increase (Decrease) in Cash	(77)	(50)
Cash, Beginning of Year	<u>430</u>	<u>480</u>
Cash, End of Year	<u>\$ 353</u>	<u>\$ 430</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income	\$ -	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(471)	(1,815)
Increase (Decrease) in Accounts Payable	<u>394</u>	<u>1,765</u>
Total Adjustments	<u>(77)</u>	<u>(50)</u>
Net Cash Used in Operating Activities	<u>\$ (77)</u>	<u>\$ (50)</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-19

	2005	2004
Assets		
Current Assets		
Cash and Investments	\$ 117,721	\$ 135,418
Accounts Receivable (Net)	133,769	122,460
Total Current Assets	<u>251,490</u>	<u>257,878</u>
Restricted Cash		
Debt Service Reserve Account	<u>152,433</u>	<u>149,508</u>
Restricted Investments		
Closure/Postclosure Maintenance Account	<u>305,135</u>	<u>251,919</u>
Total Restricted Investments	<u>305,135</u>	<u>251,919</u>
Property, Plant and Equipment		
Improvements Other Than Buildings	3,584,215	3,584,215
Machinery and Equipment	599,245	552,266
	<u>4,183,460</u>	<u>4,136,481</u>
Less: Accumulated Depreciation	<u>1,726,500</u>	<u>1,453,916</u>
Net Property, Plant and Equipment	<u>2,456,960</u>	<u>2,682,565</u>
Deferred Charges		
Bond Issue Costs, Net of Amortization of \$4,648 and \$3,218 for 2005 and 2004	<u>16,803</u>	<u>18,232</u>
Total Assets	<u>\$ 3,182,821</u>	<u>\$ 3,360,102</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 1,139	\$ -
Compensated Absences	5,130	5,147
Accrued Compensation	1,121	4,135
Current Maturities of Long-Term Debt	<u>185,000</u>	<u>180,000</u>
Total Current Liabilities	<u>192,390</u>	<u>189,282</u>
Long-Term Liabilities		
Revenue Bonds Payable	1,050,000	1,235,000
Notes Payable	52,806	102,490
Estimated Current Cost of Closure and Postclosure	<u>205,573</u>	<u>205,573</u>
Total Long-Term Liabilities	<u>1,308,379</u>	<u>1,543,063</u>
Total Liabilities	<u>1,500,769</u>	<u>1,732,345</u>
Fund Equity		
Retained Earnings	<u>1,682,052</u>	<u>1,627,757</u>
Total Liabilities and Fund Equity	<u>\$ 3,182,821</u>	<u>\$ 3,360,102</u>

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule I-20

	2005				2004
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Other Government User Fees	\$ 97,659	\$ 97,659	\$ 97,659	\$ -	\$ 97,659
Gate Fees	210,000	210,000	236,995	26,995	229,159
Garbage Service Fees	584,267	584,267	593,892	9,625	574,610
Recycling Income	2,000	2,000	2,435	435	2,499
Total Operating Revenues	<u>893,926</u>	<u>893,926</u>	<u>930,981</u>	<u>37,055</u>	<u>903,927</u>
Operating Expenses					
Personal Services	193,929	193,929	198,609	(4,680)	187,128
Supplies	73,800	73,800	70,388	3,412	49,716
Other Services and Charges	264,713	264,713	189,995	74,718	172,040
Contractual Services	91,382	91,382	70,020	21,362	72,817
Depreciation and Amortization	250,000	250,000	296,359	(46,359)	269,890
Capital Outlay	72,107	72,107	151	71,956	-
Total Operating Expenses	<u>945,931</u>	<u>945,931</u>	<u>825,522</u>	<u>120,409</u>	<u>751,591</u>
Operating Income (Loss)	(52,005)	(52,005)	105,459	157,464	152,336
Non-Operating Revenues (Expenses)					
Miscellaneous Income	500	500	35	(465)	-
Interest Earnings	5,650	5,650	5,610	(40)	7,595
Interest Expense	(232,875)	(232,875)	(56,809)	176,066	(64,159)
Total Non-Operating Revenues (Expenses)	(226,725)	(226,725)	(51,164)	175,561	(56,564)
Net Income (Loss)	(278,730)	(278,730)	54,295	333,025	95,772
Retained Earnings, Beginning of Year	<u>1,627,757</u>	<u>1,627,757</u>	<u>1,627,757</u>	<u>-</u>	<u>1,531,985</u>
Retained Earnings, End of Year	<u>\$ 1,349,027</u>	<u>\$ 1,349,027</u>	<u>\$ 1,682,052</u>	<u>\$ 333,025</u>	<u>\$ 1,627,757</u>

**CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule I-21

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities		
Cash Received From Customers	\$ 919,707	\$ 896,561
Cash Paid to Suppliers for Goods and Services	(329,415)	(299,473)
Cash Paid to Employees for Services	(201,640)	(185,879)
Net Cash Provided by Operating Activities	<u>388,652</u>	<u>411,209</u>
Cash Flows from Capital and Related Financing Activities		
Bond Principal Repayments	(180,000)	(175,000)
Note Payable Advances (Repayments)	(49,684)	(46,778)
Bond Issuance Cost	-	-
Interest Expenditures	(56,809)	(64,159)
Capital Expenditures	(69,325)	(833,143)
Net Cash Used in Capital and Related Financing Activities	<u>(355,818)</u>	<u>(1,119,080)</u>
Cash Flows from Investing Activities		
Interest Received	<u>5,610</u>	<u>7,595</u>
Net Cash Provided by Investing Activities	<u>5,610</u>	<u>7,595</u>
Net Increase (Decrease) in Cash and Cash Equivalents	38,444	(700,276)
Cash and Cash Equivalents, Beginning of Year	<u>536,845</u>	<u>1,237,121</u>
Cash and Cash Equivalents, End of Year	<u>\$ 575,289</u>	<u>\$ 536,845</u>

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule I-21

	<u>2005</u>	<u>2004</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	<u>\$ 105,459</u>	<u>\$ 152,336</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	296,359	269,890
Other Revenue	35	-
(Increase) Decrease in Accounts Receivable	(11,309)	(7,366)
Increase (Decrease) in Accounts Payable	1,139	(4,900)
Increase (Decrease) in Accrued Expenses	<u>(3,031)</u>	<u>1,249</u>
Total Adjustments	<u>283,193</u>	<u>258,873</u>
Net Cash Provided by Operating Activities	<u>\$ 388,652</u>	<u>\$ 411,209</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule J-1

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash and cash equivalents	<u>\$ 4,417</u>	<u>\$ 6,870</u>
Total Assets	<u>4,417</u>	<u>6,870</u>
Liabilities		
Current Liabilities		
Claims Incurred But Not Reported	<u>62,111</u>	<u>28,353</u>
Total Current Liabilities	<u>62,111</u>	<u>28,353</u>
Total Liabilities	<u>62,111</u>	<u>28,353</u>
Net Assets		
Unrestricted	<u>(57,694)</u>	<u>(21,483)</u>
Total Net Assets	<u>\$ (57,694)</u>	<u>\$ (21,483)</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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Schedule J-2

	2005				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2004 Totals
Operating Revenues					
Charges for Services	\$ 614,860	\$ 614,860	\$ 720,832	\$ 105,972	\$ 602,316
Reimbursements	15,000	15,000	29,666	14,666	20,917
Total Operating Revenues	<u>629,860</u>	<u>629,860</u>	<u>750,498</u>	<u>120,638</u>	<u>623,233</u>
Operating Expenses					
Health Insurance Claims Paid	480,860	615,860	649,515	(33,655)	493,487
Health and Life Insurance Premiums	88,200	88,200	77,722	10,478	80,781
Payflex Expenditures	35,500	35,500	35,013	487	33,445
Other Services and Charges	25,500	25,500	24,895	605	24,286
Total Operating Expenses	<u>630,060</u>	<u>765,060</u>	<u>787,145</u>	<u>(22,085)</u>	<u>631,999</u>
Operating Income	<u>(200)</u>	<u>(135,200)</u>	<u>(36,647)</u>	<u>142,723</u>	<u>(8,766)</u>
Non-Operating Revenues					
Interest	<u>200</u>	<u>200</u>	<u>436</u>	<u>236</u>	<u>211</u>
CHANGE IN NET ASSETS	-	(135,000)	(36,211)	142,959	(8,555)
TOTAL NET ASSETS, Beginning of Year	<u>(21,483)</u>	<u>(21,483)</u>	<u>(21,483)</u>	<u>-</u>	<u>(12,928)</u>
TOTAL NET ASSETS, End of Year	<u>\$ (21,483)</u>	<u>\$ (156,483)</u>	<u>\$ (57,694)</u>	<u>\$ 142,959</u>	<u>\$ (21,483)</u>

**CITY OF BEATRICE
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

Schedule J-3

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Receipts From Customers and Users	\$ 750,498	\$ 623,233
Payments to suppliers	<u>(753,387)</u>	<u>(625,721)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(2,889)</u>	<u>(2,488)</u>
Cash Flows From Investing Activities		
Interest Received	<u>436</u>	<u>211</u>
Net Cash Provided by Investing Activities	<u>436</u>	<u>211</u>
Net Increase in Cash	(2,453)	(2,277)
Cash, Beginning of Year	<u>6,870</u>	<u>9,147</u>
Cash, End of Year	<u>\$ 4,417</u>	<u>\$ 6,870</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ (36,647)	\$ (8,766)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Claims Incurred But Not Reported	<u>33,758</u>	<u>6,278</u>
Total Adjustments	<u>33,758</u>	<u>6,278</u>
Net cash provided by operating activities	<u>\$ (2,889)</u>	<u>\$ (2,488)</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule K-1

	<u>2005</u>	<u>2004</u>
Assets		
Investments with Fiscal Agent	<u>14,411,427</u>	<u>13,452,558</u>
Total Assets	<u>14,411,427</u>	<u>13,452,558</u>
Net Assets		
Reserved for Employees' Retirement System	<u>14,411,427</u>	<u>13,452,558</u>
Total Net Assets	<u>\$ 14,411,427</u>	<u>\$ 13,452,558</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

	2005					2004
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Assets						
Investments with Fiscal Agent	\$ 5,006,992	\$ 1,934,420	\$ 1,858,817	\$ 5,611,198	\$ 14,411,427	\$ 13,452,558
Total Assets	<u>5,006,992</u>	<u>1,934,420</u>	<u>1,858,817</u>	<u>5,611,198</u>	<u>14,411,427</u>	<u>13,452,558</u>
Net Assets						
Reserved for Employees' Retirement System	<u>5,006,992</u>	<u>1,934,420</u>	<u>1,858,817</u>	<u>5,611,198</u>	<u>14,411,427</u>	<u>13,452,558</u>
Total Net Assets	<u>\$ 5,006,992</u>	<u>\$ 1,934,420</u>	<u>\$ 1,858,817</u>	<u>\$ 5,611,198</u>	<u>\$ 14,411,427</u>	<u>\$ 13,452,558</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEE'S RETIREMENT SYSTEM
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule K-3

	<u>2005</u>	<u>2004</u>
Additions:		
Contributions:		
Employer	\$ 366,210	\$ 356,872
Employee	<u>387,007</u>	<u>377,291</u>
Total Contributions	<u>753,217</u>	<u>734,163</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	<u>1,072,494</u>	<u>815,171</u>
Total Additions	<u>1,825,711</u>	<u>1,549,334</u>
Deductions:		
Benefit Payments	850,912	907,564
Administrative Costs	<u>15,930</u>	<u>20,385</u>
Total Deductions	<u>866,842</u>	<u>927,949</u>
Net Increase (Decrease)	958,869	621,385
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>13,452,558</u>	<u>12,831,173</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 14,411,427</u>	<u>\$ 13,452,558</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, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004**

	2005				2004
	Firefighters	Police	General Government	Board of Public Works	Totals
Additions:					
Contributions:					
Employer	\$ 115,771	\$ 50,409	\$ 60,677	\$ 139,353	\$ 356,872
Employee	57,886	58,890	70,833	199,398	377,291
Total Contributions	<u>173,657</u>	<u>109,299</u>	<u>131,510</u>	<u>338,751</u>	<u>734,163</u>
Investment Income:					
Net Appreciation (Depreciation) in Fair Value of Investments	<u>469,771</u>	<u>162,317</u>	<u>134,269</u>	<u>306,137</u>	<u>815,171</u>
Total Additions	<u>643,428</u>	<u>271,616</u>	<u>265,779</u>	<u>644,888</u>	<u>1,549,334</u>
Deductions:					
Benefit Payments	648,481	8,012	184,290	10,129	907,564
Administrative Costs	<u>7,030</u>	<u>4,088</u>	<u>4,812</u>	<u>-</u>	<u>20,385</u>
Total Deductions	<u>655,511</u>	<u>12,100</u>	<u>189,102</u>	<u>10,129</u>	<u>927,949</u>
Net Increase (Decrease)	(12,083)	259,516	76,677	634,759	621,385
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>5,019,075</u>	<u>1,674,904</u>	<u>1,782,140</u>	<u>4,976,439</u>	<u>12,831,173</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 5,006,992</u>	<u>\$ 1,934,420</u>	<u>\$ 1,858,817</u>	<u>\$ 5,611,198</u>	<u>\$ 13,452,558</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule K-5

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash Contributions Received	\$ 753,217	\$ 734,163
Cash Terminations/Retirements Paid	(850,912)	(907,564)
Other Operating Charges Paid	(15,930)	(20,385)
Net Cash Used in Operating Activities	<u>(113,625)</u>	<u>(193,786)</u>
Cash Flows From Investing Activities		
Interest and Dividends on Investments	(1,072,494)	(815,171)
Purchase of Investments	1,186,119	1,008,957
Net Cash Provided by Investing Activities	<u>113,625</u>	<u>193,786</u>
Net Increase in Cash	-	-
Cash and Cash Equivalents, Beginning of Year	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating Income (Loss)	\$ 958,869	\$ 621,385
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Interest and Dividends on Investments	(1,072,494)	(815,171)
Net Cash Used In Operating Activities	<u>\$ (113,625)</u>	<u>\$ (193,786)</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule K-6

	2005					2004
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Cash Flows From Operating Activities						
Cash Contributions Received	\$ 173,657	\$ 109,299	\$ 131,510	\$ 338,751	\$ 753,217	\$ 734,163
Cash Terminations/Retirements Paid	(648,481)	(8,012)	(184,290)	(10,129)	(850,912)	(907,564)
Other Operating Charges Paid	(7,030)	(4,088)	(4,812)	-	(15,930)	(20,385)
Net Cash Provided by (Used in) Operating Activities	<u>(481,854)</u>	<u>97,199</u>	<u>(57,592)</u>	<u>328,622</u>	<u>(113,625)</u>	<u>(193,786)</u>
Cash Flows From Investing Activities						
Interest and Dividends on Investments	(469,771)	(162,317)	(134,269)	(306,137)	(1,072,494)	(815,171)
Sale (Purchase) of Investments	951,625	65,118	191,861	(22,485)	1,186,119	1,008,957
Net Cash Provided by (Used in) Investing Activities	<u>481,854</u>	<u>(97,199)</u>	<u>57,592</u>	<u>(328,622)</u>	<u>113,625</u>	<u>193,786</u>
Net Increase in Cash	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ (12,083)	\$ 259,516	\$ 76,677	\$ 634,759	\$ 958,869	\$ 621,385
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:						
Interest and Dividends on Investments	<u>(469,771)</u>	<u>(162,317)</u>	<u>(134,269)</u>	<u>(306,137)</u>	<u>(1,072,494)</u>	<u>(815,171)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (481,854)</u>	<u>\$ 97,199</u>	<u>\$ (57,592)</u>	<u>\$ 328,622</u>	<u>\$ (113,625)</u>	<u>\$ (193,786)</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULES BY SOURCE
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule L-1

	<u>2005</u>	<u>2004</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 2,246,065	\$ 2,191,565
Buildings	4,411,547	4,382,665
Improvements Other Than Buildings	3,496,921	3,421,417
Machinery and Equipment	5,650,749	5,485,688
Infrastructure	19,831,398	18,507,478
Total	<u><u>35,636,680</u></u>	<u><u>33,988,813</u></u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Obligation Bonds	4,004,607	4,004,607
Federal and State Grants	5,940,646	5,448,830
General Fund Revenues	24,022,668	22,975,312
Donations	1,668,759	1,560,064
Total Investments in Governmental Funds Capital Assets	<u><u>\$ 35,636,680</u></u>	<u><u>\$ 33,988,813</u></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
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2004

Schedule L-2

Function and Activity	2005						2004 Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total	
GENERAL GOVERNMENT							
Management and Budget	\$ 5,025	\$ -	\$ -	\$ 74,438	\$ -	\$ 79,463	\$ 79,463
Legal	-	-	-	6,683	-	6,683	6,683
Inspection	-	-	-	15,943	-	15,943	22,495
Total General Government	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>97,064</u>	<u>-</u>	<u>102,089</u>	<u>108,641</u>
PUBLIC SAFETY							
Police	76,500	62,748	147,480	1,375,776	-	1,662,504	1,560,910
Fire	-	-	-	1,715,777	-	1,715,777	1,686,229
Total Public Safety	<u>76,500</u>	<u>62,748</u>	<u>147,480</u>	<u>3,091,553</u>	<u>-</u>	<u>3,378,281</u>	<u>3,247,139</u>
CULTURE AND RECREATION							
Public Properties	2,063,963	2,228,121	3,267,237	696,910	-	8,256,231	8,076,659
Library	100,577	2,102,933	82,204	635,963	-	2,921,677	2,903,724
Total Culture and Recreation	<u>2,164,540</u>	<u>4,331,054</u>	<u>3,349,441</u>	<u>1,332,873</u>	<u>-</u>	<u>11,177,908</u>	<u>10,980,383</u>
STREETS	<u>-</u>	<u>17,745</u>	<u>-</u>	<u>1,129,259</u>	<u>18,908,322</u>	<u>20,055,326</u>	<u>18,729,574</u>
SANITATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>923,076</u>	<u>923,076</u>	<u>923,076</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 2,246,065</u>	<u>\$ 4,411,547</u>	<u>\$ 3,496,921</u>	<u>\$ 5,650,749</u>	<u>\$ 19,831,398</u>	<u>\$ 35,636,680</u>	<u>\$ 33,988,813</u>

CITY OF BEATRICE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2005

Schedule L-3

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 10/1/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets 09/30/05</u>
GENERAL GOVERNMENT				
Management and Budget	\$ 79,463	\$ -	\$ -	\$ 79,463
Legal	6,683	-	-	6,683
Inspection	22,495	1,898	8,450	15,943
Total General Government	<u>108,641</u>	<u>1,898</u>	<u>8,450</u>	<u>102,089</u>
PUBLIC SAFETY				
Police	1,560,910	123,194	21,600	1,662,504
Fire	1,686,229	29,548	-	1,715,777
Total Public Safety	<u>3,247,139</u>	<u>152,742</u>	<u>21,600</u>	<u>3,378,281</u>
CULTURE AND RECREATION				
Public Properties	8,076,659	194,045	14,473	8,256,231
Library	2,903,724	25,341	7,388	2,921,677
Total Culture and Recreation	<u>10,980,383</u>	<u>219,386</u>	<u>21,861</u>	<u>11,177,908</u>
STREETS	<u>18,729,574</u>	<u>1,326,929</u>	<u>1,177</u>	<u>20,055,326</u>
SANITATION	<u>923,076</u>	<u>-</u>	<u>-</u>	<u>923,076</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 33,988,813</u>	<u>\$ 1,700,955</u>	<u>\$ 53,088</u>	<u>\$ 35,636,680</u>

**CITY OF BEATRICE, NEBRASKA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Table 1

<u>FISCAL YEAR</u>		<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>STREETS</u>	<u>CULTURE & RECREATION</u>	<u>DEBT SERVICE</u>
1996	(1)	\$ 1,142,363	\$ 2,732,532	\$ 1,490,546	\$ 890,268	\$ 85,222
1997	(2)	900,529	2,320,734	1,094,917	850,809	534,292
1998	(3)	565,861	2,513,202	1,345,572	883,663	610,548
1999		860,247	2,637,549	1,220,927	891,612	561,567
2000	(4)	713,478	2,787,449	1,393,513	946,926	1,025,429
2001	(5)	1,179,475	3,012,806	2,434,542	1,028,978	604,345
2002		733,965	3,126,712	2,225,867	1,052,654	794,648
2003	(6)	1,033,791	3,360,733	2,464,023	1,097,953	870,356
2004		673,686	3,588,267	1,677,969	1,055,237	360,146
2005		715,266	3,828,236	1,968,128	1,164,624	714,880

* Includes General, Special Revenue (except for CDBG), Debt Service and Capital Projects Funds.

- (1) Due to state statutory change in fiscal year expenditures are for a 14-month period
Also, in May, 1996 the City suffered major damage from a tornado, expenditures for immediate assistance disposal of debris, and repair of public buildings is included in the General Government
- (2) Included in General Government is continued expense of repairs due to the Tornado of 96.
- (3) Increase in public safety due to implementation of the Southeast Area Drug Enforcement Agency; increase in Economic Development due to land and building costs for development of the Industrial Park; increase in Capital Projects due to construction of a new water park facility.
- (4) Increase in Economic Development due to one bond issue being retired early and a building addition constructed to attract a new industry.
- (5) Increase in General Government due to Project Impact grant projects, increase in Street fund due to major infrastructure improvements including South 6th Street Viaduct project. Community Revelpment Authority fund is new.
- (6) Increase in General Government due to Trail Acquisition Grant and excess health insurance funding New Police Software purchased through the 911 fund

**CITY OF BEATRICE, NEBRASKA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Table 1

<u>KENO/ LOTTERY</u>	<u>ECONOMIC DEVELOPMNT</u>	<u>CAPITAL PROJECTS</u>	<u>911 SERVICE SURCHARGE</u>	<u>COMMUNITY REDEVELOP</u>	<u>TOTAL</u>
\$ 34,516	\$ 580,729	\$ 445,328	\$ 61,057	-	\$ 7,462,561
31,629	217,842	772,485	45,190	-	6,768,427
31,715	1,083,224	2,249,958	45,191	-	9,328,934
35,064	442,059	572,789	68,001	-	7,289,815
30,507	886,585	711,897	64,819	-	8,560,603
36,262	180,244	769,413	51,489	32,116	9,329,670
38,226	452,909	860,211	45,190	83,942	9,414,324
33,857	242,521	797,769	307,017	56,709	10,264,729
32,474	701,351	522,797	71,743	2,179,963	10,863,633
22,991	94,234	483,818	72,646	338,650	9,403,473

3,

**CITY OF BEATRICE, NEBRASKA
GENERAL GOVERNMENTAL REVENUES BY SOURCE*
LAST TEN FISCAL YEARS**

Table 2

FISCAL YEAR		TAXES	LICENSES & PERMITS	INTERGOV- ERNMENTAL	CHARGES FOR SERVICES	MISCEL- LANEOUS	TOTAL
1996	(1)	\$ 3,841,997	\$ 59,356	\$ 2,067,807	\$ 680,211	\$ 1,094,353	\$ 7,743,724
1997	(2)	3,417,686	52,034	1,563,750	617,941	928,119	6,579,530
1998	(3)	3,323,992	72,285	1,887,366	712,875	908,617	6,905,135
1999		3,610,509	95,069	1,779,126	806,826	736,046	7,027,576
2000	(4)	3,934,034	124,690	2,037,973	792,720	1,404,454	8,293,871
2001	(5)	4,245,375	89,054	3,339,746	729,622	1,155,117	9,558,914
2002	(6)	4,047,536	86,120	2,872,152	927,667	951,945	8,885,420
2003		4,102,572	75,169	3,113,991	916,447	1,194,021	9,402,200
2004		4,631,501	98,084	2,345,948	1,073,036	672,833	8,821,402
2005		4,487,542	106,454	2,601,808	1,167,068	494,103	8,856,975

* Includes General, Special Revenue (except CDBG), Debt Service and Capital Projects Funds.

- (1) State Statutory change in fiscal year, resulting in 14-month collection period
Intergovernmental Revenue includes \$225,735 received for Tornado Disaster Relief, miscellaneous revenues includes \$282,130 in insurance reimbursement and donations for tornado relief
- (2) Intergovernmental Revenue includes \$144,024 received for Tornado Disaster Relief, miscellaneous revenues includes \$144,111 in insurance reimbursement for tornado relief
- (3) Taxes decreased and intergovernmental revenue increased due to a statutory change recognizing motor vehicle tax as County revenue not as a levied tax; also increased grant funds and interlocal revenue to fund the Southeast Area Drug Enforcement Agency
- (4) Taxes increase due to sales tax increase, misc. revenue increase includes special assessments and a loan receivable payoff in the Economic Development fund.
- (5) Intergovernmental Revenue increased due to grant funds received for Project Impact in the General fund and for the Hike/Bike Trail and major street projects in the Street fund.
- (6) The reduction in taxes is due to a decrease in the utility occupation taxes received in FY2002
Charges in Services reflects an increase in ambulance service and rates.

**CITY OF BEATRICE, NEBRASKA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Table 2A

FISCAL YEAR		PROPERTY TAX	SALES TAX	UTILITY OCC. TAX	OTHER OCC. TAX	TOTAL
1996	(1)	\$ 1,152,083	\$ 2,180,594	\$ 488,199	\$ 21,121	\$ 3,841,997
1997		1,005,651	1,919,131	473,658	19,246	3,417,686
1998	(2)	862,425	1,985,762	457,070	18,735	3,323,992
1999		1,050,881	2,082,510	461,075	16,043	3,610,509
2000	(3)	1,126,925	2,328,519	462,345	16,245	3,934,034
2001	(4)	1,140,204	2,458,680	630,511	15,980	4,245,375
2002	(5)	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	(6)	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

(1) State Statutory change in fiscal year resulting in 14-month collection period

(2) State Statutory change recognizing Motor Vehicle Taxes as County Revenue, not as a levied tax.

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

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

(5) 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.

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

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

Table 3

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLL.	% OF LEVY COLL.	DELINQ. TAX COLL.	TOTAL TAX COLL.	% TOTAL TAX COLL. TO LEVY	OUT- STANDING DELINQ. TAXES(a)
1996	\$1,101,367	\$1,072,583	97.39%	\$ 34,953	\$1,107,536	100.6%	-
1997	963,273	947,605	98.37%	50,264	997,869	103.6%	-
1998	894,269	849,716	95.02%	39,560	889,276	99.4%	-
1999	1,048,149	996,783	95.10%	46,512	1,043,295	99.5%	-
2000	1,090,295	1,031,878	94.64%	52,103	1,083,981	99.4%	-
2001	1,107,296	1,040,483	93.97%	63,520	1,104,003	99.7%	-
2002	1,105,767	1,034,788	93.58%	54,162	1,088,950	98.5%	-
2003	1,138,409	1,072,347	94.20%	52,814	1,125,161	98.8%	-
2004	1,197,846	1,155,652	96.48%	72,506	1,228,158	102.5%	-
2005	1,250,949	1,197,780	95.75%	48,849	1,246,629	99.7%	-

(a) Outstanding delinquent taxes are relatively minor and are assumed to be negligible.

In 1998 due to a change in statutes Motor Vehicle Taxes were no longer a part of the tax levy

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

Table 4

FISCAL YEAR		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	PERCENT OF GROWTH	RATIO OF ASSESSED TO EST. ACTUAL
1996	(1)	300,820,830	300,820,830	9.03%	1
1997		310,002,275	310,002,275	3.05%	1
1998	(2)	336,670,423	336,670,423	8.60%	1
1999		345,805,905	345,805,905	2.71%	1
2000		352,946,080	352,946,080	2.06%	1
2001		366,646,731	366,646,731	3.88%	1
2002		403,585,978	403,585,978	10.07%	1
2003		415,500,759	415,500,759	2.95%	1
2004		437,194,620	437,194,620	5.22%	1
2005		453,422,564	453,422,564	3.71%	1

(1) Residential Properties re-assessed as a result of State Board of Equalization ruling.

(2) Commercial Properties re-assessment completed. Motor vehicles were removed from the property tax base.

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

Table 5

FISCAL YEAR		CITY OF BEATRICE	SCHOOL DIST. #15	GAGE COUNTY	SPECIAL TAX DIST.	AIRPORT	TOTAL TAX RATE
1996	(1)	0.3662	1.5124	0.4625	0.1737	0.0485	2.5633
1997		0.31074	1.58815	0.38005	0.16829	0.04526	2.49249
1998	(2)	0.26562	1.41445	0.378711	0.162913	0.03444	2.256134
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

- (1) City of Beatrice change in fiscal year end resulting in 14-month fiscal year, special legislation allowed for municipalities to levy for the additional two months.
- (2) State Statutory change recognizes motor vehicle taxes as County Revenue and are no longer a part of the property tax levy. Commercial properties re-assessment was completed.

**CITY OF BEATRICE, NEBRASKA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2005**

Table 6

TAXPAYER	TYPE OF BUSINESS	2005 ASSESSED VALUATION(a)	%OF TOTAL ASSESSED VALUATION
KH Beatrice LLC	Manufacturing	\$ 9,167,185 (1)	2.02%
Wal-Mart Stores	Shopping Mall	6,269,140	1.38%
Beatrice Retirement Inc.	Retirement home	3,451,635	0.76%
Sea Breeze Land Development	Manufacturing	3,133,000	0.69%
Cornhusker Hospitality II, LLC	Hotel	2,821,370 (1)	0.62%
Farmers Co-op Elevator	Grain/Feed Elevator	2,568,325	0.57%
John C Waltke	Apartments, Small Business	2,359,580	0.52%
Stanley T & Judy E Meyer	Shopping Mall plus other	2,325,415	0.51%
LTC Properties	Retirement home/assisted	2,170,000	0.48%
Homestead Village	Retirement home/complex	2,072,110	0.46%
		<hr/>	<hr/>
		\$ 36,337,760	8.01%

Source: 2005 Records, Gage County Assessor

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

(1) Currently under Tax Increment Financing

**CITY OF BEATRICE, NEBRASKA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

Table 7

FISCAL YEAR		TOTAL ASSESSMENTS BILLED	TOTAL ASSESSMENT COLLECTIONS(a)	PERCENT OF COLLECTIONS BILLED	TOTAL OUTSTANDING ASSESSMENTS(b)
1996	(1) \$	38,285	\$ 67,902	177.36%	\$ 146,304
1997		39,102	28,237	72.21%	184,405
1998	(1)	75,434	117,520	155.79%	365,705
1999		84,327	105,393	124.98%	410,128
2000		112,302	172,084	153.23%	501,513
2001	(1)	118,499	352,681	297.62%	422,887
2002		97,263	127,314	130.90%	456,465
2003		108,235	256,866	237.32%	342,652
2004		101,277	175,126	172.92%	187,700
2005		91,964	122,154	132.83%	131,375

(a) Includes prepayments

(b) Outstanding assessment balance at end of fiscal year could have been increased or decreased due to additional assessments, collections, or foreclosures.

(1) Large pre-payment on new assessment districts levied.

CITY OF BEATRICE, NEBRASKA
RATIO NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Table 8

FISCAL YEAR		POPULATION	ESTIMATED ACTUAL VALUE	GROSS BONDED DEBT(1)	LESS DEBT SERVICE FUNDS AVAILABLE	NET BONDED DEBT	RATIO NET BONDED DEBT TO ASSESSED VALUE	NET BONDED PER CAPITA
1996	(a)	12,357	\$300,820,830	\$1,100,000	\$ 135,492	\$ 964,508	0.32%	78.05
1997	(b)	12,364	310,002,275	2,420,000	123,402	2,296,598	0.74%	185.75
1998		12,364	336,670,423	2,150,000	113,353	2,036,647	0.60%	164.72
1999		12,380	345,805,905	1,870,000	102,189	1,767,811	0.51%	142.80
2000	©	12,380	352,946,080	2,720,000	124,209	2,595,791	0.74%	209.68
2001		12,502	366,646,731	2,375,000	108,141	2,266,859	0.62%	181.32
2002		12,510	403,585,978	2,020,000	223,638	1,796,362	0.45%	143.59
2003	(d)	12,510	415,500,759	1,665,000	492,957	1,172,043	0.28%	93.69
2004		12,510	437,194,620	1,375,000	370,480	1,004,520	0.23%	80.30
2005		12,518	453,422,564	1,105,000	233,006	871,994	0.19%	69.66

(1) Includes all general obligation and special assessment debt with governmental commitment.

(a) Public Safety Tax Anticipation Bonds issued in November, 1996 in the amount of \$460,000

(b) Water Park Facility Bonds issued February, 1997 in the amount of \$1,500,000

(c) 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

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

CITY OF BEATRICE, NEBRASKA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT(1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Table 9

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES(a)</u>	<u>RATIO OF DEBT SERVICE GENERAL EXPENDITURES</u>
1996	\$ 160,000	\$ 68,569	\$ 228,569	\$ 7,462,561	3.06%
1997	270,000	89,359	359,359	6,768,427	5.31%
1998	449,400	219,830	669,230	9,328,934	7.17%
1999	471,600	159,275	630,875	7,289,815	8.65%
2000	719,000	113,629	832,629	8,560,603	9.73%
2001	455,000	167,352	622,352	9,329,670	6.67%
2002	470,000	119,579	589,579	9,414,324	6.26%
2003	355,000	78,749	433,749	10,264,729	4.23%
2004	290,000	57,578	347,578	10,863,633	3.20%
2005	270,000	44,978	314,978	9,403,473	3.35%

(1) Includes all general obligation and special assessment debt with governmental commitment

(a) Includes General, Special Revenue (except for CDBG), Debt Service & Capital Projects Funds.

**CITY OF BEATRICE, NEBRASKA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2005**

Table 10

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO CITY OF BEATRICE</u>	<u>AMOUNT APPLICABLE TO CITY OF BEATRICE</u>
DIRECT:			
City of Beatrice	\$ 871,994	100.00%	\$ 871,994
Airport Authority	\$ 325,000	100.00%	\$ 325,000
OVERLAPPING:			
School District #15	\$ 7,050,000	64.63%	\$ 4,556,415
Lower Big Blue Natural Resources District	\$ 190,695	19.59%	\$ 37,357
Gage County	\$ 483,000	34.46%	\$ 166,442

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

Table 11

FISCAL YEAR		OPERATING REVENUES	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
					PRINCIPAL	INTEREST	TOTAL	
1996		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1997	(a)	9,740,912	8,159,738	1,581,174	185,000	125,280	310,280	5.10
1998		10,014,775	8,125,492	1,889,283	195,000	224,734	419,734	4.50
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	(b)	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

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

(a) New Bonds issued November, 1996 and January, 1997 totaling \$3.92 million

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

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

Table 12

FISCAL YEAR	POPULATION(1)	AVERAGE INCOME(3)	MEDIAN AGE (3)	SCHOOL ENROLLMENT(2)	UNEMPLOYMENT RATE(3)
1996	12,357	\$ 14,703	37.2	2,311	1.40%
1997	12,364	15,777	44	2,277	1.60%
1998	12,364	19,415	39	2,340	1.30%
1999	12,380	19,473	39	2,322	2.10%
2000	12,380	20,440	37.2	2,323	2.30%
2001	12,502	20,904	39.9	2,285	1.90%
2002	12,510	22,110	39.9	2,264	2.40%
2003	12,510	22,651	39.9	2,281	3.50%
2004	12,510	23,452	39.9	2,326	3.40%
2005	12,518	24,180	40.6	2,266	4.10%

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

**CITY OF BEATRICE, NEBRASKA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

Table 13

FISCAL YEAR		COMMERCIAL CONSTRUCTION(1)		RESIDENTIAL CONSTRUCTION(1)		BANK DEPOSITS (000) (2)	PROPERTY VALUE*
		# OF UNITS	VALUE	# OF UNITS	VALUE		
1996	(a)	50	\$9,903,916	213	\$3,756,184	\$ 229,948	\$300,820,830
1997		55	3,018,812	238	4,835,551	248,113	310,002,275
1998	(b)	52	13,967,231	218	4,150,274	257,820	336,670,423
1999		33	6,711,582	230	6,628,111	270,126	345,805,905
2000	(C)	41	12,531,778	210	3,860,052	281,552	352,946,080
2001		42	7,772,253	188	5,606,176	340,400 (2a)	366,646,731
2002		38	4,954,570	196	7,703,695	337,363	403,585,978
2003		49	6,608,349	183	7,012,260	342,089 (2b)	415,500,759
2004		43	3,879,062	221	4,493,007	309,184	437,194,620
2005	(d)	46	13,662,621	221	4,811,590	317,292	453,422,564

SOURCES:

- (1) City of Beatrice Inspection Department Annual Reports, which include construction within the City's 2-mile zoning district.
- (2) First National Bank, 120 N 6, Beatrice, NE 68310
Pinnacle Bank, 523 Court, Beatrice, NE 68310
First National of Omaha, Indian Creek Mall, Beatrice, NE 68310
- (2)a Added: US Bank, 201 N 6, Beatrice, NE 68310
Commercial Federal, 633 N 6, Beatrice, NE 68310
- (2)b Added: TierOne Bank, 1000 E Court, Beatrice, NE 68310

NOTE:

* Estimated Actual Value

- (a) Major commercial construction includes six new commercial buildings of which two were new industrial businesses, the City's new service building, Sr. Center, and an addition to the hospital.
- (b) Commercial construction includes new Beatrice Senior High School facility
- (c) Major commercial construction includes, new retail giant-Wal-Mart, YMCA addition, Southeast Community College auditorium, and Southeast Nebr. Coop grain storage
- (d) Major commercial construction included the new KH Beatrice manufacturing facility

**CITY OF BEATRICE, NEBRASKA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2005**

Table 14

Founded	1857
Date of Incorporation	1873
City - First Class Charter Date	1893
Last Charter Date	June 15th, 1949
Form of Government	Mayor/Council
Area	8 Square Miles
Miles of Streets: Paved 89.1%	264.7 lane miles
Unpaved - 10.9%	32.4 lane miles
Bridges	11
Storm Sewers	25 miles
Fire Protection:	
Number of Stations	1
Number of full-time firefighters	23
Number of reserve firefighters	8
Fire losses (2004)	\$111,450
Percent Property Value Saved (2004)	93.06%
Number of Responses: Ambulance (2004)	1,803
Suppression (2004)	795
Police Protection:	
Number of Stations	1
Number of Police Officers	22
Number of law violations: Arrest Charges (2004)	1,382
Number of Patrol Citations (2004)	3,509
Number of calls for service-Beatrice (2004)	22,059
Education - School District #15:	
Number of Schools: Elementary	4
Parochial	2
Middle (6-8)	1
Senior High (9-12)	1
Handicapped	1
Number of Students (not including parochial)	2,266
Teacher/Student Ratio: Elementary	1 to 17
Middle School	1 to 17
Senior High	1 to 20
Sewers:	
Sanitary Sewers	127 miles
Number of Treatment Plants	1
Daily Average of Treatment	1.44 million gallons

**CITY OF BEATRICE, NEBRASKA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2005**

Table 14

Municipal Water:	
Number of consumers	632 Commercial 5022 Residential
Average daily consumption	4.03 million gallons
Miles of water main	120 miles
Number of Fire Hydrants	632
Municipal Electricity:	
Number of customers	1423 Commercial 5890 Residential
Average daily usage	281.75 MWH Commercial 180.92 MWH Residential
Substations	12
12.5 KV Primary Service	93.0 miles
34.5 KV Primary Service	17.1 miles
4.16 KV Primary Service	102.2 miles
Transformers	2,314
Number of Street Lights	1,520
Number of Employees (excluding uniformed):	
Full-time	92
Part-time	29
Seasonal	40
Building Permits Issued (2004):	
Number	267
Value	\$18,474,211
Recreation & Culture:	
Number of Parks	11 (340 acres)
Swimming Pools/Water Park Facility	1 (outdoor)
Tennis Courts	10
Ballfields	12
Shelters	10
Number of Libraries	
Total Volumes	104,589
Total Video/Audio	5,862
Computer Software/Electronic Media	31

**CITY OF BEATRICE, NEBRASKA
SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2005**

Table 15

Fire and Extended Coverage (replacement cost values-80%)	Replacement Cost Value
Municipal Auditorium, Building and Contents	2,979,200
City/BPW Administration Offices and contents	679,300
Garage/Shop Buildings (North 1st)	113,800
Police Facility, Building and Contents	1,506,100
Riverside Park Buildings, Contents, and Equipment	50,000
Chautauqua Park Buildings, Contents and Equipment	118,600
Hannibal Park Buildings, Contents and Equipment	61,672
Fencing-All Locations	52,000
Water Park Facility	820,255
Senior Citizens Center	466,200
New Library Building and Contents	2,861,300
Old Library Building	606,100
Landfill/Material Recovery Facility	671,660
BPW Service Building and Contents, property in open	1,822,035
Substations and switching station	10,167,400
Reservoirs, Water pump houses	2,063,305
Sewer Treatment Plant and Contents	2,121,649
	<hr/>
	27,160,576
	50,000 deductible
BOILER & MACHINERY	
Included in Property Coverage	
MISCELLANEOUS ARTICLES	
Valuable Papers	225,000
Fine Arts, Sculptures	82,500
Contractors Equipment	1,489,710
	2,500 deductible
COMPREHENSIVE AUTOMOBILE LIABILITY	
Liability, Uninsured/Underinsured Motorists	1,000,000
Comprehensive	250 ded/scheduled
Collision	250 deductible
Specified Perils	250 deductible
COMPREHENSIVE GENERAL LIABILITY	
Special Multi Peril Liability Insurance	1,000,000/2,000,000
Umbrella	5,000,000/5,000,000

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LINCOLN, NEBRASKA 68508

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of **City of Beatrice, Nebraska**, as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 10, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **City of Beatrice, Nebraska's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the **City of Beatrice, Nebraska's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that are required to be reported under Government Auditing Standards.

The City had three funds that had expenditures in excess of budget. See Note 17 for further details.

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


Dana F. Cole + Company, LLP

Lincoln, Nebraska
November 10, 2005