

CITY OF BEATRICE NEBRASKA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2004

CITY OF BEATRICE, NEBRASKA

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

for the year ended

September 30, 2004

Prepared by
Management & Budget
Department

James W. Bauer
City Administrator

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SECTION 1

INTRODUCTORY SECTION

March 1, 2005

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, 2004.

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, 2004 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, 2004 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 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 61.

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 3.4 did not change much from the 2003 rate of 3.5, which was higher than the average of 2.1 in previous years. At 3.4 our rate is still lower than the national rate of 5.4. City sales tax collections increased 16% over the previous year due partially to an expanded tax base implemented by the state legislature but also reflects an upturn in the economy. 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.

This past year the City, in cooperation with Gage County Economic Development, contracted with an outside company 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.

Nebraska Public Power began construction in 2003 and is nearly complete on the new Beatrice Power Station, a combined cycle gas-fired power plan located on 250 acres just to the northwest of Beatrice at an estimated construction cost of \$209 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 expects to employ 12-17 people.

Retail sales improved in 2004. 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. 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 2003 shows a total of \$8.4 million in commercial and residential construction and remodeling which is down from \$13.6 million in 2002 and is the lowest for several years. However, it looks to bounce back in 2004 with reports of \$16 million for the first 9 months. In 2003 residential construction made up \$4.5 million of the total. 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 the previous two years. As this development continues to grow, they added a new subdivision, "Covered Bridge Heights", in 2004.

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. Application has been made for funding to continue this project in fiscal year 2005 as we move to connect to the High School and development the abandoned UPRR right-of-way.

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 through 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 will be necessary in 2005 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, 2004, the City of Beatrice had five individual bond issues and notes outstanding. Due to a significant drop in interest rates the City refinanced three issues in 2002. Debt as of September 30, 2004 consisted of \$945,000 in Water Park General Obligation Refunding Bonds issued November, 2002, payable from a property tax levy; \$430,000 in Various Purpose Bonds issued January, 2000, payable from special assessments levied and if necessary a general tax levy; \$2,040,000 in Combined Utilities Revenue Refunding bonds issued August, 2002; \$2,361,592 in Bonds in the form of a Promissory Note issuing indebtedness to the Nebraska Department of Environmental Quality issued June 2002; and \$1,415,000 in Solid Waste Disposal Facilities Revenue Refunding bonds issued May, 2002.

Cash Management Policies and Practices

Cash from all general governmental funds, excluding the Beatrice Library Building Corporation and the Community Development Block Grant funds, are pooled and invested in various investment instruments. During FY2004 these funds maintained an average daily balance of \$2.7 million. The average cash balance invested was 99.88% with an average interest rate earned of 1.3% as compared to 1.6% earned in FY2003. 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. Cash is deposited daily into an interest-bearing account, with transfers made to checking at the time checks are written. The interest rate on the deposit account was reduced in 2004. 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 6.3%.

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. Review of the City's insurance policies and to what level the City could safely assume the risk of even higher deductibles is in the process and will be reported in 2005.

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 14 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, 2003. The City has also been awarded the Certificate of Achievement for twelve previous consecutive years from 1991 to 2002, 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, 2003

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

President

Executive Director

ORGANIZATION CHART

Citizens of Beatrice

Mayor & City Council

City Administrator

City Clerk
M & B

Inspection

Legal

Police

Fire

Public
Properties

Operating Boards & Commissions

Library
Board

Board of
Public Works

Beatrice
Area Solid
Waste Agency

Library

Street

Electric

WPC

Water

Engineering

Operating Boards & Commissions

Planning & Zoning Commission
Board of Adjustments
Board of Appeals
Civil Service Commission
Business Improvement Board
Plumbing Board
Electric Board
Tree Advisory Board
Citizens Advisory Review Committee

**CITY OF BEATRICE, NEBRASKA
OFFICIALS
2004**

MAYOR
Dennis Schuster

CITY COUNCILMEMBERS

Phil Cook	Susan Witulski
Richard Shasteen	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
Mark Ekberg	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

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SECTION 2

FINANCIAL SECTION

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Beatrice, Nebraska**, as of and for the year ended September 30, 2004, 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 general purpose 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, 2004, 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 4, 2004, 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 51 through 59 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 60 through 151 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 4, 2004

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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, 2004. 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 \$49,430,841. Of this amount, \$3,059,714 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased \$267,569.

As of the close of the current fiscal year, the City of Beatrice's governmental funds reported combined ending fund balances of \$1,794,991, a decrease of \$1,273,889 in comparison with the prior year. The decrease is due to a large Community Redevelopment project in progress at the end of the year for which bonds will be issued in 2005.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,881,328, or 35.4% of total General Fund expenditures.

The City of Beatrice's total debt decreased by \$828,787 (10%) during the current fiscal year. There were no new issues during FY04.

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 47 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 66 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 \$49,430,841 at the close of the most recent fiscal year.

By far the largest portion of the City of Beatrice's net assets (90%) 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 2003)

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
ASSETS						
Current and other assets	6,744	6,360	6,269	7,224	13,013	13,584
Capital assets	23,029	22,041	28,580	28,027	51,609	50,068
TOTAL ASSETS	29,773	28,401	34,849	35,251	64,622	63,652
LIABILITIES						
Long-term liabilities outstanding	1,611	2,202	6,274	7,111	7,885	9,313
Other liabilities	4,971	3,305	2,336	1,336	7,307	4,641
TOTAL LIABILITIES	6,582	5,507	8,610	8,447	15,192	13,954
NET ASSETS						
Invested in capital assets, net of related debt	21,654	20,076	22,840	21,504	44,494	41,580
Restricted	1,877	1,574	-0-	-0-	1,877	1,574
Unrestricted	(339)	1,250	3,399	5,294	3,060	6,544
TOTAL NET ASSETS	23,192	22,900	26,239	26,798	49,431	49,698

An additional portion of the City of Beatrice's net assets (3.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$3,059,714 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, with the exception of the unrestricted net assets in the governmental activities. This is due to the community redevelopment project in progress.

There was a decrease of \$558,908 in net assets reported in connection with the City of Beatrice's business-type activities. Governmental activities increased the City of Beatrice's net assets by \$291,339. A breakdown of these activities is as follows:

City of Beatrice's Changes in Net Assets
(expressed in thousand's, comparison to 2003)

	Governmental activities		Business-type activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
REVENUES						
Program revenues						
Charges for services	1,941	2,301	14,455	14,901	16,396	17,202
Operating grants and contributions	1,642	1,501	-0-	-0-	1,642	1,501
Capital grants and contributions	458	1,830	-0-	-0-	458	1,830
General revenues						
Taxes	4,632	4,102	-0-	-0-	4,632	4,102
Grants and other contributions restricted to specific programs	418	389	-0-	-0-	418	389
Other revenue	<u>876</u>	<u>869</u>	<u>155</u>	<u>306</u>	<u>1,031</u>	<u>1,175</u>
Total revenues	<u>9,967</u>	<u>10,992</u>	<u>14,610</u>	<u>15,207</u>	<u>24,577</u>	<u>26,199</u>
	Governmental activities		Business-type activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
EXPENSES						
General Government	2,382	3,857			2,382	3,857
Public Safety	3,977	3,954			3,977	3,954
Highways/Streets	2,234	3,001			2,234	3,001
Culture and Recreation	1,382	1,537			1,382	1,537
Interest on long-term debt	58	81			58	81
Electric			9,993	10,012	9,993	10,012
Water			1,662	1,558	1,662	1,558
Water Pollution Control			1,294	1,242	1,294	1,242
Off-Street Parking			-0-	28	-0-	28
Sanitation			1,047	1,024	1,047	1,024
Solid Waste Management			816	860	816	860
Total expenses	<u>10,033</u>	<u>12,430</u>	<u>14,812</u>	<u>14,724</u>	<u>24,845</u>	<u>27,154</u>
INCREASE IN NET ASSETS BEFORE TRANSFERS	(66)	(1,438)	(202)	483	(268)	(955)
Transfers	357	60	(357)		-0-	60
INCREASE IN NET ASSETS	<u>291</u>	<u>(1,378)</u>	<u>(559)</u>	<u>483</u>	<u>(268)</u>	<u>(895)</u>
NET ASSETS, beginning of year	22,900	18,015	26,798	25,043	49,698	43,057
Cumulative Change Accounting Principles	-0-	6,257	-0-	1,279	-0-	7,536
NET ASSETS, end of year	<u>23,191</u>	<u>22,894</u>	<u>26,239</u>	<u>26,804</u>	<u>49,430</u>	<u>49,698</u>
	=====	=====	=====	=====	=====	=====

Governmental Activities

Tax revenues increased 13% over the previous fiscal year. The property tax levy remained the same with increased valuations bringing in more dollars. Sales tax revenues increased 16% due to an expanded tax base and favorable conditions in the economy, and occupation tax collections increased 5%.

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. 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 vary from year to year. During 2004 the City of Beatrice was successful in receiving grant funding for public safety equipment and trail development, plus capital contributions for infrastructure related to economic development, as compared to 2003 when the City received major funding for concrete street construction and extension of the hike/bike trail.

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 decreased slightly. There were no major rate increases and the demand for services was down due to a cooler/wetter summer. Revenues were nearly sufficient to meet expenses however there was a negative change in net assets, resulting from the Water and Water Pollution Control activities. Discontinuance of the Off-Street Parking activity results 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 \$1,794,991, a decrease of \$1,273,889 in comparison with the prior year. The majority 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 (\$639,589); 2) to pay debt service (\$370,480); 3) for the LB840 Economic Development program (\$664,788) and 4) for other restricted fund purposes (\$201,733). The remainder actually reflects a negative balance of \$81,599, which is due to an obligation in the CRA fund which will be bonded in 2005. If you reverse out the negative balance in the CRA fund, the remaining governmental funds have \$1,940,881 in unreserved fund balance which is available for spending at the government's discretion, which is an increase over the previous year of \$446,518.

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 \$1,881,328. 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 35.4% of total General Fund expenditures.

The fund balance of the City of Beatrice's General Fund increased by \$321,108 during the current fiscal year. Key factors in this increase are as follows:

General fund revenues as a total increased 7% over the previous year and a favorable amount over budget resulting in the increase in fund balance. Sales tax revenue, which is a major funding source for the City of

Beatrice, increased 16%. Property Tax and other tax revenues increased 8%. Intergovernmental revenue decreased 15%, largely due to special project grants received in 2003. The intergovernmental revenue available to fund general fund operations remained consistent. Charges for services are up 12% due to increased use of the ambulance services and an increase in ambulance rates.

General fund expenditures reflect a decrease of 3% from the previous year and slightly under budget. Personnel costs increased 3%, operational costs were held at the 2003 level and capital outlay was reduced to maintain the budget at the 2003 level. Another difference is reflected in the expenditure of the special project grant funds for trail development in 2003, which are not in 2004.

The Street Fund has a negative fund balance of \$153,334 at the end of the fiscal year. The fund balance increased just \$3,359 during the current year. The City of Beatrice over previous years 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. Budget measures will be taken in the upcoming fiscal year to restore the fund balance.

The Community Development Block Grant fund has a fund balance of \$643,221 at the end of the fiscal year, of this \$639,589 is reserved for Revolving Loans. The increase in the Reserve for Revolving Loan fund balance of \$229,036 is a result of current reuse loan repayments, minus any current year loans expended. During fiscal year 2004 the fund received a large payoff on the Dixie Carbonic reuse loan.

The Community Redevelopment Authority fund balance at the end fiscal year 2004 was a negative \$2,022,480. 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 made. Bonds will be issued in 2005 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 \$1,446,256, an increase of \$195,825 (15.6%). A majority of this fund balance is reserved for specific purposes; \$664,788 for Economic Development; \$370,480 for Debt Service; and \$201,733 for Capital projects. The Economic Development fund received the maximum sales tax dollars of \$250,000, plus land sales income of \$540,043 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 only slightly as there were sufficient revenue and other financing sources to meet expenditures.

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 \$3,398,774. The total change in net assets for all funds was a negative \$558,908. Invested in Capital Assets increased from \$21,503,986 in FY2003 to \$22,840,444 in FY2004. 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 (\$191,495 increase in appropriations) and can be briefly summarized as follows: Expenditures related to grants and additional donations received in the amount of \$78,358; \$30,000 in expenditures related to Medicare and Medicaid mandated write-offs for ambulance service charges; \$51,937 for increased insurance and workers compensation premiums; \$20,000 in police staffing needs and \$11,200 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, 2004, amounts to \$49,323,202 (net of accumulated depreciation) plus land of \$2,285,417. 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 three percent (a 4.5% increase for governmental activities and a 2% increase for business-type activities).

City of Beatrice's Capital Assets (net of depreciation, except land) (expressed in thousands, as compared to 2003)

	Governmental activities		Business-type activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	2,192	2,275	94	460	2,286	2,735
Buildings and system	4,383	5,126	1,207	1,204	5,590	6,330
Improvements other than Buildings	3,421	3,074	50,459	47,576	53,880	50,650
Machinery and equipment	5,486	5,226	5,099	4,878	10,585	10,104
Infrastructure	18,507	16,223	-0-	-0-	18,507	16,223
Construction in progress	-0-	-0-	138	186	138	186
Less accumulated depreciation	(10,960)	(9,883)	(28,417)	(26,277)	(39,377)	(36,160)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	23,029	22,041	28,580	28,027	51,609	50,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Major changes in Capital Assets in the Governmental Activities during fiscal year 2004 were the sale of land and buildings in the Industrial Park, and infrastructure improvements associated with the development of Airpark Addition, all a reflection of increased economic development efforts.

Major changes in Capital Assets in the Business-type Activities include: in the Electric fund replacement of overhead transmission line from Substation No. 10, installation of electric service to the Airpark Addition and a new residential development, Whispering Pines; in the Water fund installation of water main service to Airpark Addition and along Scott Street to Orange Boulevard; in the Water Pollution Control fund replacement of main pump at the Treatment Plant and installation of Insituform pipe liner in sewer mains. The BASWA fund completed the Phase III Cell Construction at the landfill.

Additional information on the City of Beatrice's capital assets can be found in Note 5 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 \$7,191,592. Of this amount, \$945,000 comprises debt backed by the full faith and credit of the government and \$430,000 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>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General obligation bonds	945	1,175	-0-	-0-	945	1,175
Special assessment debt with governmental commitment	430	490	-0-	-0-	430	490
Revenue bonds	-0-	-0-	5,817	6,355	5,817	6,355
Total	<u>1,375</u>	<u>1,665</u>	<u>5,817</u>	<u>6,355</u>	<u>7,192</u>	<u>8,020</u>
	=====	=====	=====	=====	=====	=====

The City of Beatrice's total debt decreased by \$828,787 (10%) during the current fiscal year.

Additional information on the City of Beatrice's long-term debt can be found in Note 7 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 3.4 percent, a small decrease from a rate of 3.5 percent a year ago. This compares favorably to the state's average unemployment rate of 3.5 percent and the national average rate of 5.4 percent.

The occupancy rate of the government's central business district is an average of 91%. In other retail business, the loss of two major retailers has been partially absorbed by a super retailer, Wal-Mart.

Sales Tax, a major revenue source for the City's general fund, increased 16% during the current fiscal year, due partially to an expanded tax base but also due to increased retail sales. The State had estimated that the expanded tax base would bring in an additional 2-3%. The construction of a new power plant north of town, a 2-year project, brought in workers and their families, which was also been a contributing factor to the increase in the economy.

During the current fiscal year, the unreserved fund balance in the General Fund increased from \$1,560,220 to \$1,881,328 at the end of fiscal year 2004 due to revenues over what was anticipated and expenditures held at slightly less than budgeted. In preparing the budget for fiscal year 2005, the City of Beatrice was able to hold the property tax levy at the same level for the 4th year in a row, using only the increase provided by increased property valuations to help fund the needs of the general fund budget. That along with increasing the anticipated sales tax revenue allowed the City to maintain operating expenditures and personnel staffing at the 2004 level. The City's ambulance service fees were compared with the area and increased to help meet the needs of this service.

A 2.5% rate increase is proposed in the Electric fund 2005 budget effective 1/1/2005 to pass through to our customers the increase on purchased power from Nebraska Public Power District. The Water fund 2005 budget also includes a base rate increase of \$1.00 per month per customer to fund capital reconstruction projects. The Beatrice Area Solid Waste Agency, which used a large portion of reserves for capital construction of a new cell in 2004, may need to review its' rates early in 2005 to fund closure and post-closure care reserves and Phase IV.

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.

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CITY OF BEATRICE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Exhibit 1

	Primary Government			
	Governmental Activities	Business-type Activities	2004 Total	2003 Total
Assets and Other Debits				
Cash and Cash Equivalents	\$ 2,703,800	\$ 2,215,279	\$ 4,919,079	\$ 5,101,388
Investments	600,000	-	600,000	625,785
Cash on Deposit - County Treasurer	226,203	-	226,203	210,483
Accounts Receivable	724,282	1,746,687	2,470,969	2,823,067
Assessments Receivable	187,700	-	187,700	32,096
Unbilled and Accrued Revenues	-	535,174	535,174	514,483
Materials and Supplies Inventories	-	536,220	536,220	498,673
Prepaid Expenses	-	7,103	7,103	7,103
Interest Receivable	22,971	5,793	28,764	6,876
Restricted:				
Cash	124,840	-	124,840	60,333
Investments	92,120	1,178,822	1,270,942	1,520,864
In-Lieu-of Assessments	41,301	-	41,301	41,301
Loans Receivable	1,979,860	-	1,979,860	1,885,178
Taxes Receivable	41,242	-	41,242	49,501
Land	2,191,565	93,852	2,285,417	-
Capital Assets (Net of Accumulated Depreciation)	20,837,528	28,485,674	49,323,202	50,068,260
Unamortized Bond Issuance Costs	-	44,468	44,468	49,618
Total Assets and Other Debits	\$ 29,773,412	\$ 34,849,072	\$ 64,622,484	\$ 63,495,009

CITY OF BEATRICE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Exhibit 1

	Primary Government			
	Governmental Activities	Business-type Activities	2004 Total	2003 Total
Liabilities				
Accounts Payable	\$ 1,611,280	\$ 1,796,123	\$ 3,407,403	\$ 1,948,114
Registered Warrants Payable	1,115,755	-	1,115,755	-
Claims Incurred But Not Reported	28,353	-	28,353	22,075
Accrued Interest Payable	39,731	-	39,731	39,926
Deferred Revenues	195,832	-	195,832	334,692
Revolving Loan Fund Payable	1,979,860	-	1,979,860	1,885,178
Accrued Expenses	-	539,660	539,660	253,016
Noncurrent Liabilities				
Compensated Absences	235,978	212,911	448,889	506,313
Due Within One Year	170,000	376,953	546,953	847,746
Customer Deposits	-	116,505	116,505	113,105
Capital Lease Payable	-	-	-	300,000
Revenue Bonds	-	2,898,047	2,898,047	3,356,214
General Obligation Bonds	1,205,000	-	1,205,000	1,375,000
Notes Payable	-	2,464,082	2,464,082	2,609,647
Estimated Current Cost of Closure and Postclosure	-	205,573	205,573	205,573
Total Liabilities	6,581,789	8,609,854	15,191,643	13,796,599
Net Assets				
Invested in Capital Assets, Net of Related Debt	21,654,093	22,840,444	44,494,537	41,579,653
Restricted Net Assets				
Restricted for Economic Development	664,788	-	664,788	532,318
Restricted for Debt Service	370,480	-	370,480	492,957
Restricted for Library Capital Improvements	92,120	-	92,120	91,583
Restricted for Public Safety Equipment	109,613	-	109,613	47,106
Restricted Loan Fund	639,589	-	639,589	410,553
Unrestricted Net Assets	(339,060)	3,398,774	3,059,714	5,974,240
Designated for Subsequent Years' Expenditures	-	-	-	570,000
Total Net Assets	\$ 23,191,623	\$ 26,239,218	\$ 49,430,841	\$ 49,698,410

CITY OF BEATRICE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

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			2003 Total
					Governmental Activities	Business-Type Activities	2004 Total	
Primary Government								
Governmental Activities								
General Government	\$ 2,381,834	\$ 959,092	\$ -	\$ 250,123	\$ (1,172,619)	\$ -	\$ (1,172,619)	\$ (1,759,653)
Public Safety	3,976,443	618,717	521,409	173,292	(2,663,025)	-	(2,663,025)	(2,560,195)
Highways and Streets	2,234,234	6,390	1,099,261	-	(1,128,583)	-	(1,128,583)	(1,346,727)
Culture and Recreation	1,382,277	356,773	21,265	34,804	(969,435)	-	(969,435)	(1,050,212)
Interest on Long-Term Debt	58,176	-	-	-	(58,176)	-	(58,176)	(81,337)
Total Governmental Activities	10,032,964	1,940,972	1,641,935	458,219	(5,991,838)	-	(5,991,838)	(6,798,124)
Business-Type Activities								
Electric	9,992,361	10,066,889	-	-	-	74,528	74,528	397,775
Water	1,662,178	1,387,434	-	-	-	(274,744)	(274,744)	(155,700)
Water Pollution Control	1,294,085	1,049,083	-	-	-	(245,002)	(245,002)	(164,530)
Off-Street Parking	-	-	-	-	-	-	-	2,200
Sanitation	1,047,352	1,047,352	-	-	-	-	-	-
BASWA	815,750	903,927	-	-	-	88,177	88,177	97,349
Total Business-Type Activities	14,811,726	14,454,685	-	-	-	(357,041)	(357,041)	177,094
Total Primary Government	\$ 24,844,690	\$ 16,395,657	\$ 1,641,935	\$ 458,219	(5,991,838)	(357,041)	(6,348,879)	(6,621,030)
General Revenues								
Taxes					4,631,501	-	4,631,501	4,102,572
Intergovernmental					418,468	-	418,468	388,778
Miscellaneous Revenues					839,042	116,105	955,147	737,440
Unrestricted Investment Earnings					33,266	38,857	72,123	97,631
Lease proceeds					-	-	-	299,990
Gain on Sale of Capital Assets					4,071	-	4,071	40,000
Total General Revenues					5,926,348	154,962	6,081,310	5,666,411
Transfers					356,829	(356,829)	-	60,000
Change in Net Assets					291,339	(558,908)	(267,569)	(894,619)
Net Assets, Beginning of Year					22,900,284	26,798,126	49,698,410	43,057,083
Cumulative Effect of Change in Accounting Principles					-	-	-	7,535,946
Net Assets, End of Year					\$ 23,191,623	\$ 26,239,218	\$ 49,430,841	\$ 49,698,410

See Accompanying Notes to Financial Statements.

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**CITY OF BEATRICE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Exhibit 3

	2004						2003 Total
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	
Assets							
Cash and Cash Equivalents	\$ 788,331	\$ 85,880	\$ 643,221	\$ 3,884	\$ 1,175,614	\$ 2,696,930	\$ 1,843,890
Investments	600,000	-	-	-	-	600,000	625,785
Cash on Deposit - County Treasurer	194,298	-	-	-	31,905	226,203	210,483
Accounts Receivable	421,693	232,728	-	-	69,861	724,282	1,005,082
Interest Receivable	-	-	-	-	22,971	22,971	32,096
Assessments Receivable	-	-	-	-	187,700	187,700	348,861
Restricted:							
Cash	-	-	-	-	124,840	124,840	60,333
Investments	-	-	-	-	92,120	92,120	91,583
In-Lieu-of Assessments	-	-	-	-	41,301	41,301	41,301
Due From Other Funds	-	-	-	-	144,648	144,648	157,295
Loans Receivable	-	-	1,979,860	-	-	1,979,860	1,885,178
Taxes Receivable	41,242	-	-	-	-	41,242	49,501
Total Assets	\$ 2,045,564	\$ 318,608	\$ 2,623,081	\$ 3,884	\$ 1,890,960	\$ 6,882,097	\$ 6,351,388

**CITY OF BEATRICE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Exhibit 3

	2004						2003
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	Total
Liabilities							
Accounts Payable	\$ 138,694	\$ 327,294	\$ -	\$ 901,988	\$ 243,304	\$ 1,611,280	\$ 878,064
Registered Warrants Payable	-	-	-	1,115,755	-	1,115,755	-
Accrued Interest Payable	-	-	-	8,621	31,110	39,731	39,926
Deferred Revenues	25,542	-	-	-	170,290	195,832	334,692
Due to Other Funds	-	144,648	-	-	-	144,648	144,648
Revolving Loan Fund Payable	-	-	1,979,860	-	-	1,979,860	1,885,178
Total Liabilities	<u>164,236</u>	<u>471,942</u>	<u>1,979,860</u>	<u>2,026,364</u>	<u>444,704</u>	<u>5,087,106</u>	<u>3,282,508</u>
Fund Balances							
Reserved for:							
Reserved for Economic Development	-	-	-	-	664,788	664,788	532,318
Reserved for Debt Service	-	-	-	-	370,480	370,480	492,957
Reserved for Library Capital Improvements	-	-	-	-	92,120	92,120	91,583
Reserved for Public Safety Equipment	-	-	-	-	109,613	109,613	47,106
Revolving Loan Fund	-	-	639,589	-	-	639,589	410,553
Unreserved, Undesignated, Reported in:							
General Fund	1,311,328	-	-	-	-	1,311,328	990,220
Special Revenue Funds	-	(153,334)	3,632	(2,022,480)	263,357	(1,908,825)	70,277
Debt Service Funds	-	-	-	-	(84,177)	(84,177)	(199,997)
Capital Projects Funds	-	-	-	-	30,075	30,075	63,863
Unreserved, Designated for:							
Subsequent Years' Expenditures	570,000	-	-	-	-	570,000	570,000
Total Fund Balances	<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>
Total Liabilities and Fund Balances	<u>\$ 2,045,564</u>	<u>\$ 318,608</u>	<u>\$ 2,623,081</u>	<u>\$ 3,884</u>	<u>\$ 1,890,960</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.						23,029,093	22,040,667
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.						(21,483)	(12,928)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						(1,610,978)	(2,202,527)
Net Assets of Governmental Activities						<u>\$ 23,191,623</u>	<u>\$ 22,894,092</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Exhibit 4

	2004						2003
	General	Streets	CDBG	Community Redevelopment Authority	Other Governmental Funds	Total Governmental Funds	Total
Revenues							
Taxes	\$ 3,633,031	\$ 561,151	\$ -	\$ -	\$ 437,319	\$ 4,631,501	\$ 4,102,572
Licenses and Permits	98,084	-	-	-	-	98,084	75,169
Intergovernmental	802,121	1,082,403	-	57,483	403,941	2,345,948	3,137,834
Grants	-	-	-	-	-	-	581,759
Charges for Services	956,916	38,091	-	-	78,029	1,073,036	916,447
Keno Proceeds	-	-	-	-	172,674	172,674	179,889
Special Assessments	-	-	-	-	146,619	146,619	575,503
Interest	-	-	5,185	-	27,870	33,055	44,157
Donations and Miscellaneous Revenue	149,280	-	513,372	100,000	76,390	839,042	498,554
Lease Income	-	-	-	-	-	-	110,145
Total Revenues	<u>5,639,432</u>	<u>1,681,645</u>	<u>518,557</u>	<u>157,483</u>	<u>1,342,842</u>	<u>9,339,959</u>	<u>10,222,029</u>
Expenditures							
Current							
General Government	673,686	-	290,258	-	668,902	1,632,846	1,925,040
Public Safety	3,588,267	-	-	-	71,743	3,660,010	3,667,750
Highways and Streets	-	1,677,969	-	-	-	1,677,969	2,464,023
Culture and Recreation	1,055,237	-	-	-	-	1,055,237	1,097,953
Lease Payments	-	-	-	-	-	-	110,145
Debt Service							
Principal	-	-	-	-	354,803	354,803	394,372
Interest	-	-	-	-	58,176	58,176	81,337
Capital Outlay	-	-	-	2,179,963	416,551	2,596,514	1,237,479
MFO Payments - Other Entities	-	-	-	-	118,336	118,336	121,332
Total Expenditures	<u>5,317,190</u>	<u>1,677,969</u>	<u>290,258</u>	<u>2,179,963</u>	<u>1,688,511</u>	<u>11,153,891</u>	<u>11,099,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>322,242</u>	<u>3,676</u>	<u>228,299</u>	<u>(2,022,480)</u>	<u>(345,669)</u>	<u>(1,813,932)</u>	<u>(877,402)</u>
Other Financing Sources (Uses)							
Transfers In	33,400	-	-	-	108,851	142,251	527,577
Transfers Out	(34,534)	(317)	-	-	(107,400)	(142,251)	(527,577)
Lease Proceeds	-	-	-	-	-	-	299,990
Sale of Capital Assets	-	-	-	-	540,043	540,043	40,000
Total Other Financing Sources and Uses	<u>(1,134)</u>	<u>(317)</u>	<u>-</u>	<u>-</u>	<u>541,494</u>	<u>540,043</u>	<u>339,990</u>
Net Change in Fund Balances	<u>321,108</u>	<u>3,359</u>	<u>228,299</u>	<u>(2,022,480)</u>	<u>195,825</u>	<u>(1,273,889)</u>	<u>(537,412)</u>
Fund Balances, Beginning of Year	<u>1,560,220</u>	<u>(156,693)</u>	<u>414,922</u>	<u>-</u>	<u>1,250,431</u>	<u>3,068,880</u>	<u>3,606,292</u>
Fund Balances, End 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>

See Accompanying Notes to Financial Statements.

**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, 2004 AND 2003**

Exhibit 5

	<u>2004</u>	<u>2003</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net change in fund balances - total governmental funds	\$ (1,273,889)	\$ (537,412)
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.	1,721,507	(1,413,865)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	354,803	535,709
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets	(535,972)	-
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>24,890</u>	<u>51,815</u>
Change in Net Assets of Governmental Activities	<u>\$ 291,339</u>	<u>\$ (1,363,753)</u>

**CITY OF BEATRICE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Exhibit 6

	2004						
	Business-Type Activities Enterprise Funds					Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	Totals	Internal Service Funds
							2003 Total
Current Assets							
Cash and Investments	\$ 888,262	\$ 792,199	\$ 398,970	\$ 135,418	\$ 430	\$ 2,215,279	\$ 6,870
Accounts Receivable (Net)	1,274,423	137,179	142,500	122,460	70,125	1,746,687	-
Unbilled and Accrued Revenues	399,999	81,255	53,920	-	-	535,174	-
Materials and Supplies Inventories	395,294	140,926	-	-	-	536,220	-
Prepaid Expenses	3,959	2,045	1,099	-	-	7,103	-
Interest Receivable	4,239	643	911	-	-	5,793	-
Total Current Assets	<u>2,966,176</u>	<u>1,154,247</u>	<u>597,400</u>	<u>257,878</u>	<u>70,555</u>	<u>5,046,256</u>	<u>6,870</u>
Noncurrent Assets							
Restricted Cash and Cash Equivalents							
Employee Benefits	32,911	-	-	-	-	32,911	-
Debt Service Reserve Account	88,387	176,844	362,748	149,508	-	777,487	-
Restricted Investments							
Customer Deposits	116,505	-	-	-	-	116,505	-
Closure/Postclosure Maintenance and Care	-	-	-	251,919	-	251,919	-
Total Restricted Cash, Cash Equivalents and Investments	<u>237,803</u>	<u>176,844</u>	<u>362,748</u>	<u>401,427</u>	<u>-</u>	<u>1,178,822</u>	<u>-</u>
Capital Assets							
Land and Land Rights	17,432	59,832	16,588	-	-	93,852	-
Buildings and Improvements	1,138,560	68,735	-	-	-	1,207,295	-
Improvements Other Than Buildings	20,890,793	10,778,002	15,206,009	3,584,215	-	50,459,019	-
Machinery and Equipment	3,075,197	782,875	688,032	552,266	-	5,098,370	-
Construction in Progress	117,070	20,652	-	-	-	137,722	-
	<u>25,239,052</u>	<u>11,710,096</u>	<u>15,910,629</u>	<u>4,136,481</u>	<u>-</u>	<u>56,996,258</u>	<u>-</u>
Less Accumulated Depreciation	<u>12,511,280</u>	<u>6,880,922</u>	<u>7,570,614</u>	<u>1,453,916</u>	<u>-</u>	<u>28,416,732</u>	<u>-</u>
Net Capital Assets	<u>12,727,772</u>	<u>4,829,174</u>	<u>8,340,015</u>	<u>2,682,565</u>	<u>-</u>	<u>28,579,526</u>	<u>-</u>
Deferred Charges							
Unamortized Bond Issuance Cost	16,824	3,895	5,517	18,232	-	44,468	-
Total Assets	<u>\$ 15,948,575</u>	<u>\$ 6,164,160</u>	<u>\$ 9,305,680</u>	<u>\$ 3,360,102</u>	<u>\$ 70,555</u>	<u>\$ 34,849,072</u>	<u>\$ 6,870</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Exhibit 6

	2004						2003 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	\$ 1,600,788	\$ 92,776	\$ 32,004	\$ -	\$ 70,555	\$ 1,796,123	\$ -
Claims Incurred But Not Reported	-	-	-	-	-	-	28,353
Due to Other Funds	-	-	-	-	-	-	-
Accrued Expenses	265,317	179,632	85,429	9,282	-	539,660	-
Compensated Absences	32,911	-	-	180,000	-	212,911	-
Total Current Liabilities	<u>1,899,016</u>	<u>272,408</u>	<u>117,433</u>	<u>189,282</u>	<u>70,555</u>	<u>2,548,694</u>	<u>28,353</u>
Non-Current Liabilities Payable From Restricted Assets							
Customer Deposits	116,505	-	-	-	-	116,505	-
Current Portion of Long-Term Debt	175,588	73,399	127,966	-	-	376,953	-
Total Non-Current Liabilities Payable From Restricted Assets	<u>292,093</u>	<u>73,399</u>	<u>127,966</u>	<u>-</u>	<u>-</u>	<u>493,458</u>	<u>-</u>
Noncurrent Liabilities							
Revenue Bonds (Net)	1,126,952	231,785	304,310	1,235,000	-	2,898,047	-
Notes Payable	-	759,239	1,602,353	102,490	-	2,464,082	-
Estimated Current Cost of Closure and Postclosure	-	-	-	205,573	-	205,573	-
Total Noncurrent Liabilities	<u>1,126,952</u>	<u>991,024</u>	<u>1,906,663</u>	<u>1,543,063</u>	<u>-</u>	<u>5,567,702</u>	<u>-</u>
Total Liabilities	<u>3,318,061</u>	<u>1,336,831</u>	<u>2,152,062</u>	<u>1,732,345</u>	<u>70,555</u>	<u>8,609,854</u>	<u>28,353</u>
Net Assets							
Invested in Capital Assets, Net of Related Debt	11,425,232	3,764,751	6,305,386	1,345,075	-	22,840,444	-
Restricted for Debt Service	-	-	-	-	-	-	-
Unrestricted	1,205,282	1,062,578	848,232	282,682	-	3,398,774	(21,483)
Total Net Assets	<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>

CITY OF BEATRICE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Exhibit 7

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	2004 Totals	Internal Service Funds	2003 Total
Operating Revenues								
Charges for Services	\$ 10,066,889	\$ 1,387,434	\$ 1,049,083	\$ 903,927	\$ 1,047,352	\$ 14,454,685	\$ 602,316	\$ 14,900,891
Reimbursements	-	-	-	-	-	-	20,917	-
Total Operating Revenues	<u>10,066,889</u>	<u>1,387,434</u>	<u>1,049,083</u>	<u>903,927</u>	<u>1,047,352</u>	<u>14,454,685</u>	<u>623,233</u>	<u>14,900,891</u>
Operating Expenses								
Electric Energy Purchased	6,908,517	-	-	-	-	6,908,517	-	7,152,959
Operating and Maintenance Expenses	790,763	697,067	390,255	-	1,047,352	2,925,437	-	2,890,995
Customer Accounting Expenses	181,750	103,416	53,556	-	-	338,722	-	307,510
Administrative and General Expense	816,718	343,876	192,628	408,884	-	1,762,106	-	1,612,024
Municipal Expenses	350,106	36,514	8,963	-	-	395,583	-	462,269
Depreciation and Amortization	891,414	435,845	561,536	269,890	-	2,158,685	-	2,025,361
Landfill Operating Contracts	-	-	-	72,817	-	72,817	-	75,317
Health Insurance Claims Paid	-	-	-	-	-	-	493,487	-
Health and Life Insurance Premiums	-	-	-	-	-	-	80,781	-
Other Services and Charges	-	-	-	-	-	-	24,286	-
Total Operating Expenses	<u>9,939,268</u>	<u>1,616,718</u>	<u>1,206,938</u>	<u>751,591</u>	<u>1,047,352</u>	<u>14,561,867</u>	<u>598,554</u>	<u>14,526,435</u>
Operating Income	<u>127,621</u>	<u>(229,284)</u>	<u>(157,855)</u>	<u>152,336</u>	<u>-</u>	<u>(107,182)</u>	<u>24,679</u>	<u>374,456</u>
Nonoperating Revenues (Expenses)								
Interest Income	27,551	1,311	2,400	7,595	-	38,857	211	53,154
Merchandising, Etc.	68,007	90,395	22,890	-	-	181,292	-	169,930
Donations	-	-	-	-	-	-	-	-
Miscellaneous	(73,245)	5,910	2,148	-	-	(65,187)	-	83,012
Interest Expense	(50,718)	(44,903)	(86,359)	(64,159)	-	(246,139)	-	(193,643)
Amortization of Bond Issuance Cost	(2,375)	(557)	(788)	-	-	(3,720)	-	(3,719)
Transfer to Other Fund	(141,350)	22,146	119,204	-	(356,829)	(356,829)	-	-
Total Nonoperating Revenues (Expenses)	<u>(172,130)</u>	<u>74,302</u>	<u>59,495</u>	<u>(56,564)</u>	<u>(356,829)</u>	<u>(451,726)</u>	<u>211</u>	<u>108,734</u>
Change in Net Assets	(44,509)	(154,982)	(98,360)	95,772	(356,829)	(558,908)	24,890	483,190
Net Assets, Beginning of Year	12,675,023	4,982,311	7,251,978	1,531,985	356,829	26,798,126	(12,928)	25,036,389
Cumulative Effect of Change in Accounting Principles	-	-	-	-	-	-	-	1,278,547
Net Assets, End of Year	\$ 12,630,514	\$ 4,827,329	\$ 7,153,618	\$ 1,627,757	\$ -	\$ 26,239,218	\$ 11,962	\$ 26,798,126

See Accompanying Notes to Financial Statements.

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CITY OF BEATRICE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Exhibit 8

	Business-Type Activities					Governmental	
	Enterprise Funds					Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	2004 Totals	Internal Service Funds
							2003 Totals
Cash Flows From Operating Activities							
Cash Received From Customers	\$ 9,770,049	\$ 1,474,443	\$ 1,085,946	\$ 896,561	\$ 1,045,537	\$ 14,272,536	\$ 623,233
Cash Paid to Suppliers for Goods and Services	(7,563,614)	(655,460)	(309,041)	(299,473)	(1,045,587)	(9,873,175)	(10,778,985)
Cash Paid to Employees for Services	(800,849)	(482,092)	(330,900)	(185,879)	-	(1,799,720)	(1,760,671)
Net Cash Provided by (Used in) Operating Activities	<u>1,405,586</u>	<u>336,891</u>	<u>446,005</u>	<u>411,209</u>	<u>(50)</u>	<u>2,599,641</u>	<u>2,986,657</u>
Cash Flows from Capital and Related Financing Activities							
Principal Payments on Long-Term Debt	(188,162)	(70,901)	(123,684)	(175,000)	-	(557,747)	(459,599)
Principal Advances on Long-Term Debt	-	-	-	(46,778)	-	(46,778)	(44,026)
Bond Issuance Cost	-	-	-	-	-	-	(200)
Transfer (to) from Other Funds	(141,350)	22,146	119,204	-	-	-	-
Interest Paid on Revenue Bond Maturities	(50,718)	(44,903)	(86,359)	(64,159)	-	(246,139)	(193,643)
Contribution in Aid to Construction	-	4,137	1,056	-	-	5,193	-
Capital Expenditures	(1,477,545)	(201,400)	(565,553)	(833,143)	-	(3,077,641)	(2,141,944)
Net Cash Used in Capital and Related Financing Activities	<u>(1,857,775)</u>	<u>(290,921)</u>	<u>(655,336)</u>	<u>(1,119,080)</u>	<u>-</u>	<u>(3,923,112)</u>	<u>(2,839,412)</u>
Cash Flows From Investing Activities							
Interest Received	28,619	1,311	2,415	7,595	-	39,940	49,712
Net Cash Provided by Investing Activities	<u>28,619</u>	<u>1,311</u>	<u>2,415</u>	<u>7,595</u>	<u>-</u>	<u>39,940</u>	<u>49,712</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(423,570)	47,281	(206,916)	(700,276)	(50)	(1,283,531)	196,957
Cash and Cash Equivalents, Beginning of Year	<u>1,549,635</u>	<u>921,762</u>	<u>968,634</u>	<u>1,237,121</u>	<u>480</u>	<u>4,677,632</u>	<u>4,480,675</u>
Cash and Cash Equivalents, End 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>\$ 4,677,632</u>

CITY OF BEATRICE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Exhibit 8

	Business-Type Activities						Governmental	2003 Totals
	Enterprise Funds						Activities	
	Electric	Water	Water Pollution Control	BASWA	Other Enterprise Funds	2004 Totals	Internal Service Funds	
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income	\$ 127,621	\$ (229,284)	\$ (157,855)	\$ 152,336	\$ -	\$ (107,182)	\$ 24,679	\$ 374,456
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities								
Depreciation and Amortization	891,414	435,845	561,536	269,890	-	2,158,685	-	2,025,361
Merchandise and Miscellaneous Revenue	(8,201)	96,305	25,038	-	-	113,142	-	153,277
(Increase) Decrease in Unbilled and Accrued Revenues	(5,238)	2,547	(647)	-	-	(3,338)	-	521,950
(Increase) Decrease in Accounts Receivable	(283,401)	(11,843)	12,472	(7,366)	(1,815)	(291,953)	-	(49,805)
(Increase) Decrease in Inventory	(21,732)	(15,815)	-	-	-	(37,547)	-	(6,616)
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-	-
Increase (Decrease) in Bank Overdraft	-	-	(1,309)	(4,900)	-	(6,209)	-	(2,386)
Increase (Decrease) in Accounts Payable	675,402	50,456	6,770	1,249	1,765	735,642	-	51,181
Increase (Decrease) in Accrued Expenses	26,321	8,680	-	-	-	35,001	-	(94,444)
Increase (Decrease) in Customer Deposits	3,400	-	-	-	-	3,400	-	13,683
Increase (Decrease) in Claims Incurred But Not Reported	-	-	-	-	-	-	6,278	-
Total Adjustments	1,277,965	566,175	603,860	258,873	(50)	2,706,823	6,278	2,612,201
Net Cash Provided by (Used in) Operating Activities	\$ 1,405,586	\$ 336,891	\$ 446,005	\$ 411,209	\$ (50)	\$ 2,599,641	\$ 30,957	\$ 2,986,657

Noncash Investing, Capital and Financing Activities: None

**CITY OF BEATRICE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2004 AND 2003**

Exhibit 9

	Pension Trust Fund	
	2004	2003
Assets		
Investments	\$ -	\$ -
Investments with Fiscal Agent	<u>13,452,558</u>	<u>12,831,173</u>
Total Assets	<u>13,452,558</u>	<u>12,831,173</u>
Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Reserved for Endowments		
Reserved for Employees' Retirement System	<u>13,452,558</u>	<u>12,831,173</u>
Total Net Assets	<u>\$ 13,452,558</u>	<u>\$ 12,831,173</u>

**CITY OF BEATRICE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003**

Exhibit 10

	Pension Trust Fund	
	2004	2003
Additions		
Contributions		
Employer	\$ 356,872	\$ 323,051
Employee	377,291	333,819
Total Contributions	<u>734,163</u>	<u>656,870</u>
Investment Earnings		
Interest	-	-
Net increase in the fair value of investments	815,171	771,146
Net Investment Earnings	<u>815,171</u>	<u>771,146</u>
Total Additions	<u>1,549,334</u>	<u>1,428,016</u>
Deductions		
Benefits	907,564	953,035
Administrative Expenses	20,385	19,190
Other Services and Charges	-	-
Total Deductions	<u>927,949</u>	<u>972,225</u>
Change in Net Assets	621,385	455,791
Net Assets, Beginning of Year	<u>12,831,173</u>	<u>12,375,382</u>
Net Assets, End of Year	<u>\$ 13,452,558</u>	<u>\$ 12,831,173</u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**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, 2004**

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, 2004**

(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 Non-expendable Trust and 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.

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, 2003 and ending September 30, 2004. 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, 2004**

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	\$ 286,449
Community Redevelopment Authority Fund	2,316,000
Self-Insured Health Care Fund	40,000

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

Prior to GASB Statement No. 34, capital assets for governmental funds were recorded in the General Fixed Asset Account Group and were not depreciated. The new 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, 2004**

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 in the general long-term debt account group. No expenditure is reported 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, 2004**

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, 2003
	Levy date	September 30, 2003
	Tax bills mailed	December 1, 2003
	Due date	December 31, 2003
	First Installment payment delinquent	May 1, 2004
	Second installment payment delinquent	September 1, 2004

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, 2004, was \$0.232238 per \$100 which means the City has a tax margin of \$0.217762 per \$100 and could raise up to \$95,204,375 additional a period from the present assessed valuation of \$437,194,620 before the limit is reached.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**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:
RESTRICTED CASH**

On April 1, 1995, the City sold Economic Development Fund Sales Tax Revenue Bonds with a face value of \$700,000, bearing interest rates ranging from 4.95% to 5.60%. The bonds are due annually beginning on April 1, 1996, with interest due April 1, 1996, and semiannually thereafter.

The terms of the Economic Development Fund Sales Tax Revenue Bonds require that the lesser of 50% of the 1/2% sales tax imposed under Ordinance No. 92-62 or \$250,000 in each fiscal period be set aside in a separate Bond Payment Account. All receipts from such sales tax portion shall be credited to this account until there has accumulated and remains an amount sufficient to provide for all payments falling due within the next twelve months. At September 30, 2002, no cash was reserved for bond repayment as the remaining balance was repaid on April 1, 2002.

The revenue (50% of the 1/2% sales tax) has been pledged and hypothecated for payment of these bonds. The bonds of this issue are a lien only upon the sales tax revenue and are not general obligations of the City of Beatrice, Nebraska.

**NOTE 5:
CAPITAL ASSETS AND DEPRECIATION**

Components of the City's capital assets at September 30, 2004, are summarized as follows:

	<u>Enterprise Funds</u>	<u>Government Funds</u>	<u>Total</u>
Land and land rights	\$ 93,852	\$ 2,191,565	\$ 2,285,417
Buildings and improvements	1,207,295	4,382,665	5,589,960
Improvements other than buildings	50,459,019	3,421,417	53,880,436
Machinery and equipment	5,098,370	5,485,688	10,584,058
Infrastructure	<u>56,858,536</u>	<u>18,507,478</u>	<u>18,507,478</u>
	28,416,732	33,988,813	90,847,349
Accumulated depreciation	<u>28,416,732</u>	<u>10,959,720</u>	<u>39,376,452</u>
	<u>\$28,441,804</u>	<u>\$23,029,093</u>	<u>\$51,470,897</u>

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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

	Balance 10/01/03	Additions	Deletions	Balance 09/30/04
Land	\$ 2,274,512	\$ 8,717	\$ 91,664	\$ 2,191,565
Buildings and improvements	5,126,596	78,958	822,889	4,382,665
Improvements other than buildings	3,074,314	347,103		3,421,417
Machinery and equipment	5,225,750	340,862	80,924	5,485,688
Infrastructure	16,222,892	2,284,586		18,507,478
	<u>\$31,924,064</u>	<u>\$3,060,226</u>	<u>\$995,477</u>	<u>\$33,988,813</u>

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

	Balance 10/01/03	Additions	Deletions	Balance 09/30/04
Land and land rights	\$ 460,343	\$	\$366,491	\$ 93,852
Buildings and improvements	1,203,793	3,502		1,207,295
Improvements other than buildings	47,576,606	2,884,653	2,240	50,459,019
Machinery and equipment	4,877,836	240,096	19,562	5,098,370
	54,118,578	3,128,251	388,293	56,858,536
Construction in Progress	186,089		48,367	137,722
	<u>\$54,304,667</u>	<u>\$3,128,251</u>	<u>\$436,660</u>	<u>\$56,996,258</u>

The following table summarizes accumulated depreciation by components for the year ended September 30, 2004:

	Balance 10/01/03	Additions	Deletions	Balance 09/30/04
Buildings and improvements	\$ 1,642,849	\$ 164,725	\$ 94,152	\$ 1,713,422
Improvements other than buildings	23,829,489	1,922,107	2,240	25,749,356
Machinery and equipment	5,942,671	822,306	61,362	6,703,615
Infrastructure	4,727,866	482,193		5,210,059
	<u>\$36,142,875</u>	<u>\$3,391,331</u>	<u>\$157,754</u>	<u>\$39,376,452</u>

**NOTE 6:
CAPITAL LEASE**

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, 2004, the amount included in the government activities in the government-wide statements is \$263,614.

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 31, 2004, the amount included in the government activities in the government-wide statements is \$10,651.

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, 2004, the amount included in the Beatrice Area Solid Waste Agency Enterprise Fund was \$102,490.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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, 2004:

<u>Year Ending September 30,</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
2005	\$ 55,689	\$ 56,107	\$111,796
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>52,579</u>
Total minimum lease payments	326,460	112,214	438,674
Less: amount representing interest	<u>52,195</u>	<u>9,724</u>	<u>61,919</u>
Present value of future minimum lease payments	<u>\$274,265</u>	<u>\$102,490</u>	<u>\$376,755</u>

The capital leases transaction summary for the year ended September 30, 2004, follows:

Capital Leases 10/01/03	\$464,390
Capital Leases Additions	12,172
Capital Leases Payments	<u>(99,807)</u>
Capital Leases 09/30/04	<u>\$376,755</u>

**NOTE 7:
LONG-TERM DEBT**

The summary of bond and note transactions of the City for the year ended September 30, 2004, follows:

	<u>Revenue Bonds and Notes</u>			<u>General Obligation Bonds</u>			<u>Total</u>
	<u>General Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total</u>	<u>General Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total</u>	
Bonds and notes payable at 10/01/03	\$	\$6,355,379	\$6,355,379	\$1,665,000	\$	\$1,665,000	\$8,020,379
Bonds and notes Issued							
Bonds and notes Retired		<u>(538,787)</u>	<u>(538,787)</u>	<u>(290,000)</u>		<u>(290,000)</u>	<u>(828,787)</u>
Bonds and notes payable at 09/30/04	<u>\$</u>	<u>\$5,816,592</u>	<u>\$5,816,592</u>	<u>\$1,375,000</u>	<u>\$</u>	<u>\$1,375,000</u>	<u>\$7,191,592</u>

Bonds payable as of September 30, 2004, 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.	\$2,040,000
\$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.	1,415,000
\$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>2,361,592</u>
		<u>\$5,816,592</u>

CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

General Obligation Bonds and Notes

\$ 655,000	General Obligation Various Purpose Bonds issued January 18, 2000, interest rates ranging from 3.60% to 4.90%. Interest due in annual installments beginning February 15, 2001. Principal due in annual installments ranging from \$55,000 due February 15, 2001, to \$80,000 due February 15, 2010.	\$430,000
\$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>945,000</u>
		<u>\$1,375,000</u>

Details on restrictions contained in the Economic Development Fund Sales Tax Revenue Bonds indenture are included in Note 4 to these financial statements.

The annual requirements to amortize all bonded debt outstanding as of September 30, 2004, including interest payments of \$1,472,539 are as follows:

Fiscal Year Ending September 30,	General Obligation Bonds	Revenue Bonds and Notes	Total
2005	219,362	756,980	976,342
2006	213,583	763,616	977,199
2007	217,283	762,917	980,200
2008	220,152	760,379	980,531
2009	217,396	770,789	988,185
2010 - 2014	493,875	1,928,099	2,421,974
2015 - 2019		881,235	881,235
2020 - 2022		<u>458,465</u>	<u>458,465</u>
	<u>\$1,581,651</u>	<u>\$7,082,480</u>	<u>\$8,664,131</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, 2004.

Registered warrants payable September 30, 2003	\$296,498
Registered warrants issued	1,211,515
Registered warrants paid	<u>(233,622)</u>
Registered warrants payable September 30, 2004	<u>\$1,274,391</u>

The following is a summary of activity in the liability for compensated absences for the year ended September 30, 2004:

Liability for compensated absences September 30, 2003	\$237,527
Vacation and compensatory time earned	235,978
Vacation and compensatory time used	<u>(237,527)</u>
Liability for compensated absences September 30, 2004	<u>\$235,978</u>

The following is a summary of activity in the liability for customer deposits for the year ended September 30, 2004.

Liability for customer deposits September 30, 2003	\$113,105
Deposits received from customers	<u>3,400</u>
Liability for customer deposits September 30, 2004	<u>\$116,505</u>

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

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**NOTE 8:
INTERFUND PAYABLES AND RECEIVABLES**

All interfund payables arise due to ongoing operations of the City. The following balances at September 30, 2004, 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	21,609	
		<u>\$231,486</u>	<u>\$231,486</u>

**NOTE 9:
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 \$28,353 reported in the Fund at September 30, 2004, 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.

Changes in the Fund's claims liability amount in fiscal 2004 and 2003, 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>
2002-2003	71,002	419,023	(467,950)	22,075
2003-2004	22,075	499,765	(493,487)	28,353

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**NOTE 10:
SEGMENT INFORMATION - ENTERPRISE FUNDS**

The City maintains six enterprise funds which provide utility services, off-street parking, and sanitary landfill services. Segment information for the year ended September 30, 2004, was as follows:

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Water Pollution Control Fund</u>	<u>Off-Street Parking</u>
Operating revenues	\$10,066,889	\$1,387,434	\$1,049,083	\$ - 0 -
Depreciation and amortization	891,414	435,845	561,536	- 0 -
Operating income (loss)	(127,621)	(229,284)	(157,855)	- 0 -
Net income (loss)	(44,509)	(154,682)	(98,360)	(356,829)
Contributions in aid of construction	384,187	1,272,985	5,394,192	- 0 -
Property, plant and equipment:				
Additions	1,544,271	185,281	565,553	- 0 -
Deletions/adjustments	- 0 -	2,240	- 0 -	- 0 -
Net working capital	1,067,160	881,839	479,967	- 0 -
Total assets	15,948,575	6,164,160	9,305,680	- 0 -
Long-term liabilities	1,126,952	991,024	1,906,663	- 0 -
Total equity	12,630,514	4,827,629	7,153,618	- 0 -

	<u>Sanitation Fund</u>	<u>BASWA</u>	<u>Enterprise Funds Totals</u>
Operating revenues	\$1,047,352	\$903,927	\$14,454,685
Depreciation and amortization	- 0 -	269,890	2,162,405
Operating income (loss)	- 0 -	152,336	(107,182)
Net income (loss)	- 0 -	95,772	(558,908)
Contributions in aid of construction	- 0 -	- 0 -	7,051,364
Property, plant and equipment:			
Additions	- 0 -	832,146	3,127,251
Deletions	- 0 -	- 0 -	2,240
Net working capital	- 0 -	68,596	2,497,562
Total assets	70,555	3,360,102	34,849,072
Long-term liabilities	- 0 -	1,543,063	5,567,702
Total equity	- 0 -	1,627,757	26,239,518

**NOTE 11:
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 \$1,657,172. 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.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

NOTE 12:

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

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

	Bonded and <u>Unbonded</u>	Public <u>Safety</u>	Water <u>Park</u>	<u>Total</u>
REVENUES				
Revenues on budgetary basis	\$202,603	\$27,028	\$161,174	\$390,805
Revenues received during fiscal period 2004 that were measurable and available at September 30, 2003	(198,887)			(198,887)
Revenues to be received during fiscal period 2004 that were measurable and available at September 30, 2004	<u>161,254</u>			<u>161,254</u>
Revenues on GAAP basis	<u>\$164,970</u>	<u>\$27,028</u>	<u>\$161,174</u>	<u>\$353,172</u>
EXPENDITURES				
Expenditures on budgetary basis	\$243,267	\$132,990	\$130,565	\$506,822
Expenditures incurred during fiscal year 2003, but paid during fiscal period 2004	(125,239)			(125,239)
Expenditures incurred during fiscal period 2003, but will be paid during fiscal period 2004	<u>116,425</u>			<u>116,425</u>
Registered Warrants Paid (Issued)	<u>(137,862)</u>			<u>(137,862)</u>
Expenditures on GAAP basis	<u>\$ 96,591</u>	<u>\$132,990</u>	<u>\$130,565</u>	<u>\$360,146</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES ON A GAAP BASIS	<u>68,379</u>	<u>(80,438)</u>	<u>5,085</u>	<u>(6,974)</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources (uses) on a budgetary basis	<u>317</u>			<u>317</u>
Other financing sources (uses) on GAAP basis	<u>317</u>			<u>317</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES ON A GAAP BASIS	<u>\$68,696</u>	<u>\$(80,438)</u>	<u>\$ 5,085</u>	<u>\$(6,657)</u>

NOTE 13:

RECEIVABLES

Assessments receivable consist of the following:

	2004	2003
Current	\$ 35,375	\$ 61,517
Delinquent	23,336	39,760
Deferred	128,989	241,375
In-Lieu-of Assessments	<u>41,301</u>	<u>20,265</u>
	<u>\$229,001</u>	<u>\$362,917</u>

Note 1 describes the revenue recognition for special assessments.

The General Fund allowance for uncollectibles for accounts receivable was \$- 0 -at September 30, 2004 and 2003.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**NOTE 14:
PENSION PLANS**

The City's total payroll for 2004 was \$5,628,002 and the City contributions were based on a payroll of \$4,999,252. 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 2004 was \$921,995 and the City contributions were based on a payroll of \$882,333. Both the City and the covered employees made the required contributions, amounting to \$52,940 (retirement rate of 6.0% of covered payroll) for the City and \$52,940 (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 2004 was \$975,083 and the City's contributions were based on a payroll of \$865,138. Both the City and the covered employees made the required contributions, amounting to \$112,468 (retirement rate of 13.0% of covered payroll) for the City and \$56,234 (6.5%) for the employees.

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

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

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 2004 was \$1,357,696 and the City's contributions were based on a payroll of \$990,500. Both the City and covered employees made required contributions, totaling \$59,430 (retirement rate of 6.0% of covered payroll) for the City and \$59,430 (6.0%) for the employees, plus \$13,278 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.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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 \$135,964 were made by the Board of Public Works to match required contributions for the year ended September 30, 2004. Contributions were based on wages totaling \$2,261,281 for the year ending September 30, 2004. Total wages paid by the Board of Public Works were \$2,373,228 for the year ended September 30, 2004. 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.

**NOTE 15:
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.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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

At September 30, 2004, the carrying amount of the City's deposits was \$6,332,059 and the bank balance was \$7,291,184. For purposes of classifying categories of custodial risk, the bank balances of the City's deposits as of September 30, 2004 are either entirely insured or collateralized with securities held by the City's agent in the City's name.

The City's cash and investments are categorized below to give an indication of the level of risk assumed by the entity. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured investments which are covered by securities held by agents of the depositories and pledged to the District in the form of joint safekeeping receipts. Category 3 includes uninsured investments which are not collateralized. Amounts at September 30, 2004, were as follows:

	Category 1	Category 2	Category 3	Total
Cash and investments - FDIC insured	1,500,000			1,500,000
Cash and investments - Pledged securities		5,538,342		5,538,342
Cash and investments - Treasury Notes		<u>252,842</u>	<u> </u>	<u>252,842</u>
Total	<u>1,500,000</u>	<u>5,791,184</u>	<u> </u>	<u>7,291,184</u>

Investments

The City's investments are categorized as either (1) insured or registered, with securities held by the City or its agent in the City's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name, (3) uninsured and unregistered, with securities held by the counterparty in the City's name, or by the Counterparty's trust department or agent, but not in the City's name.

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

	<u>1</u>	<u>Category 2</u>	<u>3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Government securities	<u>\$149,508</u>	<u>\$ </u>	<u>\$ </u>	<u>\$149,508</u>	<u>\$149,508</u>

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

The Pension Trust Fund of the City's employees (other than the Board of Public Works) is managed by Principal Mutual Life Insurance. They are not required to insure the funds entrusted to them. State Statutes require that not more than 50% of the pension funds be held in equity accounts. The City complied with this statute. The investments of the City's pension trust funds are pooled with those of other trust funds and they are separated by bookkeeping entries only. The carrying value and fair value are the same. The balance at September 30, 2004, was \$13,452,558.

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.

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**NOTE 16:
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, 2004, 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 \$2,146,227 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, 2004, investments of \$149,508 (\$149,508 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 17:
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>\$29,256</u>
Excess (Deficit) of Revenue over Expenditure, Exhibit 2	<u>\$29,256</u>

**NOTE 18:
DEFICIT FUND BALANCES**

The Debt Service Fund had a deficit fund balance for Unbonded Assessments of \$84,177 (GAAP Basis) at September 30, 2004. The Internal Service Fund had a deficit retained earnings of \$21,483 at September 30, 2004. The Special Revenue Fund had a deficit fund balance of \$738,115 at September 31, 2004. No other funds had deficit fund balances.

**NOTE 19:
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 City had no funds with expenditures or expenses exceeding appropriations for the year ended September 30, 2004.

**NOTE 20:
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).

**CITY OF BEATRICE, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

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

January 1, 2004 through June 30, 2004	\$68,500
---------------------------------------	----------

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, 2004 through October 31, 2004	\$19,300
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**NOTE 21:
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, 2004:

1.	Special Revenue	
	Reserved for Revolving Loan Fund	\$ 638,589
	Reserved for Economic Development	664,788
		<u>\$ 1,303,377</u>
2.	Debt Service	
	Reserved for debt service	\$ 370,480
		<u>\$ 370,480</u>
3.	Capital Projects	
	Reserved for library improvements	\$ 92,120
	Reserved for public safety equipment	109,613
		<u>\$ 207,925</u>
4.	Fiduciary Funds	
	Reserved for endowments	\$ 7,003
	Reserved for employees' retirement system	13,452,558
		<u>\$13,459,561</u>

**NOTE 22:
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.

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**CITY OF BEATRICE, NEBRASKA
EMPLOYEES' RETIREMENT SYSTEM-POLICE
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Required Supplementary Information Revenues by Source

<u>FISCAL YEAR</u>		<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER CONTRIBUTIONS</u>	<u>EARNINGS (LOSS)</u>	<u>TOTAL</u>
1995		\$ 34,447	\$ 34,448	\$ 78,015	\$ 146,910
1996	(1)	43,018	58,484	104,178	205,680
1997		37,310	65,447	115,422	218,179
1998		46,840 (a)	67,286	57,994	172,120
1999		42,564	70,702	108,846	222,112
2000		44,419	74,419	85,626	204,464
2001		50,383	75,520	(30,715)	95,188
2002	(2)	51,800	44,032	150,041	245,873
2003		53,450	33,647	104,675	191,772
2004		56,234	112,468	312,692	481,394

Required Supplementary Information Expenditures by Type

<u>FISCAL YEAR</u>		<u>BENEFITS AND OTHER DISTRIBUTIONS</u>	<u>ADMINISTRATION</u>	<u>TOTAL</u>
1995		3,891	\$ 3,692	\$ 7,583
1996	(1)	219,107	4,823	223,930
1997		19,607	4,255	23,862
1998		19,771	5,109	24,880
1999		26,732	5,227	31,959
2000		131,733	7,103	138,836
2001		18,354	5,377	23,731
2002		208,842	5,804	214,646
2003		15,789	5,551	21,340
2004		8,860	131,641	140,501

(1) State statutory change in City's fiscal year end, resulting in 14-month year for 1996

(2) Earnings are increased due to plan administrator company changed from a mutual fund to stock ownership

(a) Includes employee roll-over prior employment

**CITY OF BEATRICE, NEBRASKA
EMPLOYEES' RETIREMENT SYSTEM-FIRE
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Required Supplementary Information Revenues by Source

<u>FISCAL YEAR</u>		<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER CONTRIBUTIONS</u>	<u>EARNINGS (LOSS)</u>	<u>TOTAL</u>
1995		\$ 36,335	\$ 72,670	\$ 314,311	\$ 423,316
1996	(1)	47,595	95,191	377,825	520,611
1997		43,101	86,202	487,905	617,208
1998		44,606	89,212	212,980	346,798
1999		47,753	95,506	290,322	433,581
2000		50,392	100,785	229,964	381,141
2001		52,138	80,912	(165,379)	(32,329)
2002	(2)	52,738	105,476	373,806	532,020
2003		53,865	107,731	291,190	452,786
2004		52,940	49,010	109,653	211,603

Required Supplementary Information Expenditures by Type

<u>FISCAL YEAR</u>		<u>BENEFITS AND OTHER DISTRIBUTIONS</u>	<u>ADMINISTRATION</u>	<u>TOTAL</u>
1995		150,704	\$ 6,253	\$ 156,957
1996	(1)	162,897	7,876	170,773
1997		146,077	6,641	152,718
1998		139,626	7,542	147,168
1999		139,626	6,546	146,172
2000		162,631	9,417	172,048
2001		302,243	6,921	309,164
2002		139,626	8,206	147,832
2003		414,107	7,821	421,928
2004		344,548	5,259	349,807

(1) State statutory change in City's fiscal year end, resulting in 14-month year for 1996

(2) Earnings are increased due to plan administrator company changed from a mutual fund to stock ownership

**CITY OF BEATRICE, NEBRASKA
EMPLOYEES' RETIREMENT SYSTEM-CITY/GENERAL
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Required Supplementary Information Revenues by Source

<u>FISCAL YEAR</u>		<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER CONTRIBUTIONS</u>	<u>EARNINGS (LOSS)</u>	<u>TOTAL</u>
1995		\$ 32,042	\$ 30,041	\$ 73,146	\$ 135,229
1996	(1)	42,664	41,534	91,085	175,283
1997		37,424	31,096	113,762	182,282
1998		41,591	38,380	64,088	144,059
1999		43,272	40,937	92,509	176,718
2000		45,871	42,940	80,924	169,735
2001		45,545	37,487	(18,002)	65,030
2002	(2)	63,062	48,893	138,285	250,240
2003		70,635	61,520	95,594	227,749
2004		72,707	59,430	95,926	228,063

Required Supplementary Information Expenditures by Type

<u>FISCAL YEAR</u>		<u>BENEFITS AND OTHER DISTRIBUTIONS</u>	<u>ADMINISTRATION</u>	<u>TOTAL</u>
1995		2,905	\$ 3,138	\$ 6,043
1996	(1)	11,242	5,147	16,389
1997		99,387	4,558	103,945
1998		16,601	5,443	22,044
1999		89,408	5,833	95,241
2000		234,318	5,865	240,183
2001		190,140	5,731	195,871
2002		5,014	5,552	10,566
2003		19,385	5,818	25,203
2004		41,140	6,266	47,406

(1) State statutory change in City's fiscal year end, resulting in 14-month year for 1996

(2) Earnings are increased due to plan administrator company changed from a mutual fund to stock ownership

**CITY OF BEATRICE, NEBRASKA
EMPLOYEES' RETIREMENT SYSTEM-CITY/BPW
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Required Supplementary Information Revenues by Source

<u>FISCAL YEAR</u>		<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER CONTRIBUTIONS</u>	<u>EARNINGS</u>	<u>TOTAL</u>
1995		\$ 102,081	\$ 80,026	\$ 207,029	\$ 389,136
1996	(1)	117,547	90,045	279,669	487,261
1997		95,663	78,516	256,767	430,946
1998		108,008	94,215	209,484	411,707
1999		117,561	101,793	286,783	506,137
2000		129,648	109,116	321,250	560,014
2001		137,121	115,574	51,917	304,612
2002		140,538	119,975	204,410	464,923
2003		155,869	120,153	279,687	555,709
2004		195,410	135,964	296,900	628,274

Required Supplementary Information Expenditures by Type

<u>FISCAL YEAR</u>		<u>BENEFITS AND OTHER DISTRIBUTIONS</u>	<u>ADMINISTRATION</u>	<u>TOTAL</u>
1995		16,288	\$ 15,901	\$ 32,189
1996	(1)	25,787	16,413	42,200
1997		411,650	19,482	431,132
1998		184,837	24,192	209,029
1999		78,834	20,750	99,584
2000	(2)	255,551	0	255,551
2001	(2)	312,212	0	312,212
2002		391,634	780	392,414
2003		503,754	0	503,754
2004	(2)	390,235	0	390,235

(1) State statutory change in City's fiscal year end, resulting in 14-month year for 1996

(2) Breakdown for administration net in Earnings

GENERAL FUND

MAJOR FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Taxes	\$ 3,412,281	\$ 3,412,281	\$ 3,633,031	\$ 220,750	\$ 3,191,179
Licenses and Permits	88,050	88,050	98,084	10,034	75,169
Intergovernmental	733,994	733,994	802,121	68,127	945,509
Charges for Services	864,739	864,739	956,916	92,177	853,065
Miscellaneous	148,140	148,140	149,280	1,140	207,835
Total Revenues	<u>5,247,204</u>	<u>5,247,204</u>	<u>5,639,432</u>	<u>392,228</u>	<u>5,272,757</u>
Expenditures					
General Government	656,607	675,679	673,686	1,993	1,033,791
Public Safety	3,489,484	3,628,907	3,588,267	40,640	3,360,733
Culture and Recreation	1,085,149	1,118,149	1,055,237	62,912	1,097,953
Total Expenditures	<u>5,231,240</u>	<u>5,422,735</u>	<u>5,317,190</u>	<u>105,545</u>	<u>5,492,477</u>
Excess of Revenues Over Expenditures	<u>15,964</u>	<u>(175,531)</u>	<u>322,242</u>	<u>497,773</u>	<u>(219,720)</u>
Other Financing Sources (Uses)					
Operating Transfers In	33,400	33,400	33,400	-	31,800
Operating Transfers Out	(45,500)	(45,500)	(34,534)	10,966	(228,268)
Total Other Financing Sources (Uses)	<u>(12,100)</u>	<u>(12,100)</u>	<u>(1,134)</u>	<u>10,966</u>	<u>(196,468)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>3,864</u>	<u>(187,631)</u>	<u>321,108</u>	<u>508,739</u>	<u>(416,188)</u>
Fund Balance, Beginning of Year	<u>1,560,220</u>	<u>1,560,220</u>	<u>1,560,220</u>	<u>-</u>	<u>1,976,408</u>
Fund Balance, End of Year	<u>\$ 1,564,084</u>	<u>\$ 1,372,589</u>	<u>\$ 1,881,328</u>	<u>\$ 508,739</u>	<u>\$ 1,560,220</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND

Schedule A-2

MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004			Variance Favorable (Unfavorable)	2003 Totals
	Original Budget	Final Budget	Actual		
Revenues					
Taxes					
Sales Tax	\$ 512,500	\$ 512,500	\$ 560,882	\$ 48,382	\$ 481,960
County Road Levy	-	-	269	269	-
Total Taxes	<u>512,500</u>	<u>512,500</u>	<u>561,151</u>	<u>48,651</u>	<u>481,960</u>
Intergovernmental:					
Local Shared Revenue	-	-	-	-	22,834
Big Blue Trail Revenue	-	-	-	-	177,878
State Shared Revenue	1,497,165	1,497,165	1,082,403	(414,762)	1,452,495
Total Intergovernmental	<u>1,497,165</u>	<u>1,497,165</u>	<u>1,082,403</u>	<u>(414,762)</u>	<u>1,653,207</u>
Charges for Services	23,000	23,000	38,091	15,091	21,105
Interest	-	-	-	-	873
	<u>23,000</u>	<u>23,000</u>	<u>38,091</u>	<u>15,091</u>	<u>21,978</u>
Total Revenues	<u>2,032,665</u>	<u>2,032,665</u>	<u>1,681,645</u>	<u>(351,020)</u>	<u>2,157,145</u>
Expenditures					
Personal Services:					
Salaries	406,668	406,668	457,967	(51,299)	410,398
Social Security	24,912	24,912	28,188	(3,276)	26,503
Retirement	19,227	19,227	18,722	505	18,125
Health and Life Insurance	77,412	77,412	99,467	(22,055)	80,722
Workmen's Compensation	25,000	25,000	26,654	(1,654)	22,349
Total Personal Services	<u>553,219</u>	<u>553,219</u>	<u>630,998</u>	<u>(77,779)</u>	<u>558,097</u>
Supplies:					
Operating Supplies	78,550	78,550	64,205	14,345	67,094
Repairs and Maintenance Supplies	123,500	123,500	172,941	(49,441)	124,452
Total Supplies	<u>202,050</u>	<u>202,050</u>	<u>237,146</u>	<u>(35,096)</u>	<u>191,546</u>
Other Services and Charges:					
Insurance	29,500	29,500	32,444	(2,944)	19,455
Engineering Services	34,000	34,000	1,875	32,125	19,332
Utilities	1,715	1,715	1,715	-	1,715
Maintenance and Repairs	21,150	21,150	30,988	(9,838)	23,104
Rentals	41,800	41,800	62,860	(21,060)	36,123
Training and Transportation	1,500	1,500	2,045	(545)	2,202
Communications	2,300	2,300	2,752	(452)	3,020
Miscellaneous	1,920	1,920	607	1,313	355
Total Other Services and Charges	<u>133,885</u>	<u>133,885</u>	<u>135,286</u>	<u>(1,401)</u>	<u>105,306</u>

CITY OF BEATRICE, NEBRASKA
STREETS SPECIAL REVENUE FUND

Schedule A-2

MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Capital Outlay:					
Improvements Other Than Buildings	1,125,900	1,125,900	642,869	483,031	1,475,156
Machinery and Equipment	30,969	30,969	31,670	(701)	133,918
Total Capital Outlay	<u>1,156,869</u>	<u>1,156,869</u>	<u>674,539</u>	<u>482,330</u>	<u>1,609,074</u>
Total Expenditures	<u>2,046,023</u>	<u>2,046,023</u>	<u>1,677,969</u>	<u>368,054</u>	<u>2,464,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,358)</u>	<u>(13,358)</u>	<u>3,676</u>	<u>17,034</u>	<u>(306,878)</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	7,028
Operating Transfers Out	-	-	(317)	(317)	(60,481)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(317)</u>	<u>(317)</u>	<u>(53,453)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(13,358)</u>	<u>(13,358)</u>	<u>3,359</u>	<u>16,717</u>	<u>(360,331)</u>
Fund Balance, Beginning of Year	<u>(156,693)</u>	<u>(156,693)</u>	<u>(156,693)</u>	<u>-</u>	<u>203,638</u>
Fund Balance, End of Year	<u>\$ (170,051)</u>	<u>\$ (170,051)</u>	<u>\$ (153,334)</u>	<u>\$ 16,717</u>	<u>\$ (156,693)</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule A-3

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 23,843
Grants	505,000	505,000	-	(505,000)	581,759
Interest Earnings	4,000	4,000	5,185	1,185	3,753
Miscellaneous Revenue	-	-	9	9	150
Loan Payments	217,667	217,667	513,363	295,696	210,324
Total Revenues	<u>726,667</u>	<u>726,667</u>	<u>518,557</u>	<u>(208,110)</u>	<u>819,829</u>
Expenditures					
Administration	5,000	5,000	2,991	2,009	5,280
Professional Services	-	-	-	-	600
Grant Repayments	35,893	35,893	44,762	(8,869)	35,893
Reuse Loans	1,096,363	1,096,363	242,250	854,113	572,250
Demolition Expense	-	-	255	(255)	39,956
Other Services and Charges	-	-	-	-	2,831
Capital Outlay	-	-	-	-	56,560
Total Expenditures	<u>1,137,256</u>	<u>1,137,256</u>	<u>290,258</u>	<u>846,998</u>	<u>713,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,589)	(410,589)	228,299	638,888	106,459
Fund Balance, Beginning of Year	<u>414,922</u>	<u>414,922</u>	<u>414,922</u>	-	<u>308,463</u>
Fund Balance (Deficit), End of Year	<u>\$ 4,333</u>	<u>\$ 4,333</u>	<u>\$ 643,221</u>	<u>\$ 638,888</u>	<u>\$ 414,922</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule A-4

	2004			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
TIF Funds	\$ 60,000	\$ 60,000	\$ 57,483	\$ (2,517)
Capital Contributions	-	-	100,000	100,000
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>157,483</u>	<u>97,483</u>
Expenditures				
Redevelopment Improvements	560,000	2,876,000	2,171,342	704,658
Total Expenditures	<u>560,000</u>	<u>2,876,000</u>	<u>2,171,342</u>	<u>704,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500,000)</u>	<u>(2,816,000)</u>	<u>(2,013,859)</u>	<u>802,141</u>
Other Financing Sources (Uses)				
Interest Expense	-	-	(8,621)	8,621
Bond Proceeds	500,000	500,000	-	500,000
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>(8,621)</u>	<u>508,621</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(2,316,000)	(2,022,480)	293,520
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (2,316,000)</u>	<u>\$ (2,022,480)</u>	<u>\$ 293,520</u>

ELECTRIC ENTERPRISE FUND

MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004			Variance Favorable (Unfavorable)	2003 Totals
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for Services	\$ 10,372,300	\$ 10,372,300	\$ 10,066,889	\$ (305,411)	\$ 10,409,284
Operating Expenses					
Electric Energy Purchased	6,250,000	6,250,000	6,908,517	(658,517)	7,152,959
Operating and Maintenance Expense	816,010	816,010	790,763	25,247	801,299
Customer Accounting Expenses	189,100	189,100	181,750	7,350	162,464
Administrative and General Expense	877,270	877,270	816,718	60,552	656,060
Depreciation and Amortization	800,000	800,000	891,414	(91,414)	833,553
Municipal Expenses	356,777	356,777	350,106	6,671	345,685
Total Operating Expenses	<u>9,289,157</u>	<u>9,289,157</u>	<u>9,939,268</u>	<u>(650,111)</u>	<u>9,952,020</u>
Operating Income	<u>1,083,143</u>	<u>1,083,143</u>	<u>127,621</u>	<u>(955,522)</u>	<u>457,264</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	68,007	68,007	75,157
Interest Income	-	-	27,551	27,551	22,778
Miscellaneous	-	-	(73,245)	(73,245)	63,257
Interest Expense	(64,000)	(64,000)	(50,718)	13,282	(61,485)
Transfer to Other Fund	-	-	(141,350)	(141,350)	4,371
Amortization of Bond Issuance Cost	-	-	(2,375)	(2,375)	(2,375)
Total Non-Operating Revenues (Expenses)	<u>(64,000)</u>	<u>(64,000)</u>	<u>(172,130)</u>	<u>(108,130)</u>	<u>101,703</u>
Net Income (Loss)	<u>1,019,143</u>	<u>1,019,143</u>	<u>(44,509)</u>	<u>(1,063,652)</u>	<u>558,967</u>
Retained Earnings, Beginning of Year	<u>13,188,826</u>	<u>13,188,826</u>	<u>12,110,738</u>	<u>(1,078,088)</u>	<u>11,551,771</u>
Retained Earnings, End of Year	<u>\$ 14,207,969</u>	<u>\$ 14,207,969</u>	<u>\$ 12,066,229</u>	<u>\$ (2,141,740)</u>	<u>\$ 12,110,738</u>

WATER ENTERPRISE FUND

MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Operating Revenues					
Charges for Services	\$ 1,377,100	\$ 1,377,100	\$ 1,387,434	\$ 10,334	\$ 1,402,693
Operating Expenses					
Operating and Maintenance Expenses	614,630	614,630	697,067	(82,437)	664,411
Customer Accounting Expenses	83,425	83,425	103,416	(19,991)	94,274
Administrative and General Expenses	325,962	325,962	343,876	(17,914)	282,268
Depreciation and Amortization	450,000	450,000	435,845	14,155	436,257
Municipal Expenses	21,500	21,500	36,514	(15,014)	32,564
Total Operating Expenses	<u>1,495,517</u>	<u>1,495,517</u>	<u>1,616,718</u>	<u>(121,201)</u>	<u>1,509,774</u>
Operating Income (Loss)	<u>(118,417)</u>	<u>(118,417)</u>	<u>(229,284)</u>	<u>(110,867)</u>	<u>(107,081)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	90,395	90,395	59,684
Interest Income	-	-	1,311	1,311	2,751
Miscellaneous	-	-	5,910	5,910	7,818
Interest Expense	(57,087)	(57,087)	(44,903)	12,184	(42,475)
Transfer from Other Fund	-	-	22,146	22,146	(5,588)
Amortization of Bond Issuance Costs	-	-	(557)	(557)	(556)
Total Non-Operating Revenues (Expenses)	<u>(57,087)</u>	<u>(57,087)</u>	<u>74,302</u>	<u>131,389</u>	<u>21,634</u>
Net Income (Loss)	<u>(175,504)</u>	<u>(175,504)</u>	<u>(154,982)</u>	<u>20,522</u>	<u>(85,447)</u>
Retained Earnings, Beginning of Year	<u>3,390,421</u>	<u>3,390,421</u>	<u>3,390,421</u>	<u>-</u>	<u>3,475,868</u>
Retained Earnings, End of Year	<u>\$ 3,214,917</u>	<u>\$ 3,214,917</u>	<u>\$ 3,235,439</u>	<u>\$ 20,522</u>	<u>\$ 3,390,421</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule A-7

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Charges for Services	\$ 1,110,680	\$ 1,110,680	\$ 1,049,083	\$ (61,597)	\$ 1,077,881
Operating Expenses					
Operating and Maintenance Expenses	423,750	423,750	390,255	33,495	398,345
Customer Accounting Expenses	46,600	46,600	53,556	(6,956)	50,772
Administrative and General Expenses	197,700	197,700	192,628	5,072	169,812
Depreciation and Amortization	520,000	520,000	561,536	(41,536)	520,211
Municipal Expenses	7,100	7,100	8,963	(1,863)	84,020
Total Operating Expenses	<u>1,195,150</u>	<u>1,195,150</u>	<u>1,206,938</u>	<u>(11,788)</u>	<u>1,223,160</u>
Operating Income (Loss)	<u>(84,470)</u>	<u>(84,470)</u>	<u>(157,855)</u>	<u>(73,385)</u>	<u>(145,279)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	22,890	22,890	35,089
Interest Income	-	-	2,400	2,400	5,174
Miscellaneous	-	-	2,148	2,148	11,330
Interest Expense	(71,300)	(71,300)	(86,359)	(15,059)	(19,680)
Transfer from Other Fund	-	-	119,204	119,204	1,217
Amortization of Bond Issuance Costs	-	-	(788)	(788)	(788)
Total Non-Operating Revenues (Expenses)	<u>(71,300)</u>	<u>(71,300)</u>	<u>59,495</u>	<u>130,795</u>	<u>32,342</u>
Net Income (Loss)	<u>(155,770)</u>	<u>(155,770)</u>	<u>(98,360)</u>	<u>57,410</u>	<u>(112,937)</u>
Retained Earnings, Beginning of Year	1,142,204	1,142,204	1,142,204	-	1,094
Cumulative Effect of Change in Accounting Principles	-	-	-	-	1,254,047
Retained Earnings, End of Year	<u>\$ 986,434</u>	<u>\$ 986,434</u>	<u>\$ 1,043,844</u>	<u>\$ 57,410</u>	<u>\$ 1,142,204</u>

BASWA ENTERPRISE FUND

MAJOR FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				2003 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Operating Revenues					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ 1,748
Other Government User Fees	95,463	95,463	97,659	2,196	95,463
Gate Fees	215,000	215,000	229,159	14,159	300,120
Garbage Service Fees	569,360	569,360	574,610	5,250	558,866
Recycling Income	1,000	1,000	2,499	1,499	846
Total Operating Revenues	<u>880,823</u>	<u>880,823</u>	<u>903,927</u>	<u>23,104</u>	<u>957,043</u>
Operating Expenses					
Personal Services	185,002	185,002	187,128	(2,126)	182,495
Supplies	60,450	60,450	49,716	10,734	49,736
Other Services and Charges	265,182	265,182	172,040	93,142	247,553
Contractual Services	95,625	95,625	72,817	22,808	75,317
Depreciation and Amortization	250,000	250,000	269,890	(19,890)	234,590
Capital Outlay	857,607	857,607	-	857,607	-
Landfill Closure and Postclosure Care	-	-	-	-	-
Total Operating Expenses	<u>1,713,866</u>	<u>1,713,866</u>	<u>751,591</u>	<u>962,275</u>	<u>789,691</u>
Operating Income (Loss)	(833,043)	(833,043)	152,336	985,379	167,352
Non-Operating Revenues (Expenses)					
Miscellaneous Income	500	500	-	(500)	607
Interest Earnings	16,000	16,000	7,595	(8,405)	22,451
Interest Expense	(232,618)	(232,618)	(64,159)	168,459	(70,003)
Total Non-Operating Revenues (Expenses)	<u>(216,118)</u>	<u>(216,118)</u>	<u>(56,564)</u>	<u>159,554</u>	<u>(46,945)</u>
Net Income (Loss)	(1,049,161)	(1,049,161)	95,772	1,144,933	120,407
Retained Earnings, Beginning of Year	1,531,985	1,531,985	1,531,985	-	1,387,078
Prior Period Adjustments	-	-	-	-	24,500
Retained Earnings, End of Year	<u>\$ 482,824</u>	<u>\$ 482,824</u>	<u>\$ 1,627,757</u>	<u>\$ 1,144,933</u>	<u>\$ 1,531,985</u>

**CITY OF BEATRICE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004**

Schedule B-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 928,145	\$ 217,814	\$ 29,655	\$ 1,175,614
Investments	-	-	-	-
Cash on Deposit - County Treasurer	-	31,905	-	31,905
Accounts Receivable	-	-	69,861	69,861
Interest Receivable	-	22,971	-	22,971
Assessments Receivable	-	187,700	-	187,700
Restricted:				
Cash	-	-	124,840	124,840
Investments	-	-	92,120	92,120
In-Lieu-of Assessments	-	41,301	-	41,301
Due From Other Funds	-	144,648	-	144,648
Total Assets	<u>928,145</u>	<u>646,339</u>	<u>316,476</u>	<u>1,890,960</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	158,636	84,668	243,304
Accrued Interest Payable	-	31,110	-	31,110
Deferred Revenues	-	170,290	-	170,290
Total Liabilities	<u>-</u>	<u>360,036</u>	<u>84,668</u>	<u>444,704</u>
Fund Balances				
Reserved for Economic Development	664,788	-	-	664,788
Reserved for Debt Service	-	370,480	-	370,480
Reserved for Library Capital Improvements	-	-	92,120	92,120
Reserved for Public Safety Equipment	-	-	109,613	109,613
Unreserved, Undesignated	263,357	(84,177)	30,075	209,255
Total Fund Balances	<u>928,145</u>	<u>286,303</u>	<u>231,808</u>	<u>1,446,256</u>
Total Liabilities and Fund Balances	<u>\$ 928,145</u>	<u>\$ 646,339</u>	<u>\$ 316,476</u>	<u>\$ 1,890,960</u>

CITY OF BEATRICE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Schedule B-2

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 250,000	\$ 187,319	\$ -	\$ 437,319
Intergovernmental	1,670	883	401,388	403,941
Charges for Services	78,029	-	-	78,029
Keno Proceeds	172,674	-	-	172,674
Special Assessments	-	146,619	-	146,619
Interest	8,504	18,351	1,015	27,870
Donations and Miscellaneous Revenue	35,274	-	41,116	76,390
Lease Income	-	-	-	-
Total Revenues	<u>546,151</u>	<u>353,172</u>	<u>443,519</u>	<u>1,342,842</u>
Expenditures				
General Government	668,424	-	478	668,902
Public Safety	71,743	-	-	71,743
Capital Outlay	-	12,568	403,983	416,551
Debt Service:				
Principal	64,803	290,000	-	354,803
Interest	598	57,578	-	58,176
MFO Payments - Other Entities	-	-	118,336	118,336
Total Expenditures	<u>805,568</u>	<u>360,146</u>	<u>522,797</u>	<u>1,688,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(259,417)</u>	<u>(6,974)</u>	<u>(79,278)</u>	<u>(345,669)</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	540,043	-	-	540,043
Operating Transfers In	-	317	108,534	108,851
Operating Transfer Out	(107,400)	-	-	(107,400)
Lease Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>432,643</u>	<u>317</u>	<u>108,534</u>	<u>541,494</u>
Net Change in Fund Balances	173,226	(6,657)	29,256	195,825
Fund Balances, Beginning of Year	<u>754,919</u>	<u>292,960</u>	<u>202,552</u>	<u>1,250,431</u>
Fund Balances, End of Year	<u>\$ 928,145</u>	<u>\$ 286,303</u>	<u>\$ 231,808</u>	<u>\$ 1,446,256</u>

**CITY OF BEATRICE, NEBRASKA
NONMAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004**

Schedule C-1

ENTERPRISE FUNDS	Off-Street Parking	Sanitation	Total
Assets			
Current Assets			
Cash and Investments	\$ -	\$ 430	\$ 430
Accounts Receivable (Net)	-	70,125	70,125
Unbilled and Accrued Revenues	-	-	-
Prepaid Expenses	-	-	-
Interest Receivable	-	-	-
Total Current Assets	-	70,555	70,555
Property, Plant and Equipment			
Land and Land Rights	-	-	-
Machinery and Equipment	-	-	-
Less: Accumulated Depreciation	-	-	-
Construction in Progress	-	-	-
Net Property, Plant and Equipment	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 70,555</u>	<u>\$ 70,555</u>
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	\$ -	\$ 70,555	\$ 70,555
Accrued Expenses	-	-	-
Compensated Absences	-	-	-
Total Current Liabilities	-	70,555	70,555
Total Liabilities	-	70,555	70,555
Fund Equity			
Contributed Capital	-	-	-
Retained Earnings	-	-	-
Total Fund Equity	-	-	-
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ 70,555</u>	<u>\$ 70,555</u>

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, 2004

	Off-Street Parking	Sanitation	Total
Operating Revenues			
Charges for Services	\$ -	\$ 1,047,352	\$ 1,047,352
Operating Expenses			
Operating and Maintenance Expenses	-	1,047,352	1,047,352
Administrative and General Expense	-	-	-
Depreciation and Amortization	-	-	-
Total Operating Expenses	-	1,047,352	1,047,352
Operating Income (Loss)	-	-	-
Non-Operating Revenues (Expenses)			
Transfer to Other Fund	(356,829)	-	(356,829)
Total Non-Operating Revenues (Expenses)	(356,829)	-	(356,829)
Net Income (Loss)	(356,829)	-	(356,829)
Retained Earnings, Beginning of Year	356,829	-	356,829
Cumulative Effect of Change in Accounting Principles	-	-	-
Retained Earnings, End of Year	\$ -	\$ -	\$ -

**CITY OF BEATRICE, NEBRASKA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Schedule C-3

ENTERPRISE FUNDS	Off-Street Parking	Sanitation	Total
Cash Flows from Operating Activities			
Cash Received From Customers	\$ -	\$ 1,045,537	\$ 1,045,537
Cash Paid to Suppliers for Goods and Services	-	(1,045,587)	(1,045,587)
Cash Paid to Employees for Services	-	-	-
Net Cash Provided by Operating Activities	-	(50)	(50)
Net Increase (Decrease) in Cash and Cash Equivalents	-	(50)	(50)
Cash and Cash Equivalents, Beginning of Year	-	480	480
Cash and Cash Equivalents, End of Year	\$ -	\$ 430	\$ 430
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:			
Depreciation and Amortization	-	-	-
(Increase) Decrease in Accounts Receivable	-	(1,815)	(1,815)
Increase (Decrease) in Bank Overdraft	-	-	-
Increase (Decrease) in Accounts Payable	-	1,765	1,765
Increase (Decrease) in Accrued Expenses	-	-	-
Total Adjustments	-	(50)	(50)
Net Cash Provided by (Used in) Operating Activities	\$ -	\$ (50)	\$ (50)

CITY OF BEATRICE, NEBRASKA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004

Schedule D-1

	Economic Development	Keno	911 Surcharge	Total
Assets				
Cash and Investments	\$ 664,788	\$ 218,427	\$ 44,930	\$ 928,145
Total Assets	<u>664,788</u>	<u>218,427</u>	<u>44,930</u>	<u>928,145</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Reserved for:				
Economic Development	664,788	-	-	664,788
Unreserved:				
Undesignated	-	218,427	44,930	263,357
Total Fund Balance	<u>664,788</u>	<u>218,427</u>	<u>44,930</u>	<u>928,145</u>
Total Liabilities and Fund Balance	<u>\$ 664,788</u>	<u>\$ 218,427</u>	<u>\$ 44,930</u>	<u>\$ 928,145</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, 2004

	Economic Development	Keno	911 Surcharge	Total
Revenues				
Taxes	\$ 250,000	\$ -	\$ -	\$ 250,000
Intergovernmental	-	-	1,670	1,670
Charges for Services	-	-	78,029	78,029
Keno Proceeds	-	172,674	-	172,674
Interest	8,504	-	-	8,504
Other Revenue	35,274	-	-	35,274
Total Revenues	<u>293,778</u>	<u>172,674</u>	<u>79,699</u>	<u>546,151</u>
Expenditures				
General Government	635,950	32,474	-	668,424
Public Safety	-	-	71,743	71,743
Debt Service:				
Principal	64,803	-	-	64,803
Interest	598	-	-	598
Total Expenditures	<u>701,351</u>	<u>32,474</u>	<u>71,743</u>	<u>805,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(407,573)</u>	<u>140,200</u>	<u>7,956</u>	<u>(259,417)</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	540,043	-	-	540,043
Lease Proceeds	-	-	-	-
Operating Transfer Out	-	(74,000)	(33,400)	(107,400)
Total Other Financing Sources (Uses)	<u>540,043</u>	<u>(74,000)</u>	<u>(33,400)</u>	<u>432,643</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>132,470</u>	<u>66,200</u>	<u>(25,444)</u>	<u>173,226</u>
Fund Balances, Beginning of Year	<u>532,318</u>	<u>152,227</u>	<u>70,374</u>	<u>754,919</u>
Fund Balances, End of Year	<u>\$ 664,788</u>	<u>\$ 218,427</u>	<u>\$ 44,930</u>	<u>\$ 928,145</u>

**CITY OF BEATRICE, NEBRASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule E-1

	<u>2004</u>	<u>2003</u>
Assets		
Unrestricted Cash	\$ 788,331	\$ 533,072
Investments	600,000	600,000
Cash on Deposit - County Treasurer	194,298	152,486
Accounts Receivable	421,693	354,494
Taxes Receivable	<u>41,242</u>	<u>49,501</u>
Total Assets	<u>\$ 2,045,564</u>	<u>\$ 1,689,553</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 138,694	\$ 97,582
Deferred Revenues	<u>25,542</u>	<u>31,751</u>
Total Liabilities	<u>164,236</u>	<u>129,333</u>
Fund Balance		
Unreserved:		
Designated for Subsequent Years' Expenditures	570,000	570,000
Undesignated	<u>1,311,328</u>	<u>990,220</u>
Total Fund Balance	<u>1,881,328</u>	<u>1,560,220</u>
Total Liabilities and Fund Balance	<u>\$ 2,045,564</u>	<u>\$ 1,689,553</u>

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Taxes	\$ 3,412,281	\$ 3,412,281	\$ 3,633,031	\$ 220,750	\$ 3,191,179
Licenses and Permits	88,050	88,050	98,084	10,034	75,169
Intergovernmental	733,994	733,994	802,121	68,127	945,509
Charges for Services	864,739	864,739	956,916	92,177	853,065
Miscellaneous	148,140	148,140	149,280	1,140	207,835
Total Revenues	<u>5,247,204</u>	<u>5,247,204</u>	<u>5,639,432</u>	<u>392,228</u>	<u>5,272,757</u>
Expenditures					
General Government	656,607	675,679	673,686	1,993	1,033,791
Public Safety	3,489,484	3,628,907	3,588,267	40,640	3,360,733
Culture and Recreation	1,085,149	1,118,149	1,055,237	62,912	1,097,953
Total Expenditures	<u>5,231,240</u>	<u>5,422,735</u>	<u>5,317,190</u>	<u>105,545</u>	<u>5,492,477</u>
Excess of Revenues Over Expenditures	<u>15,964</u>	<u>(175,531)</u>	<u>322,242</u>	<u>497,773</u>	<u>(219,720)</u>
Other Financing Sources (Uses)					
Operating Transfers In	33,400	33,400	33,400	-	31,800
Operating Transfers Out	(45,500)	(45,500)	(34,534)	10,966	(228,268)
Total Other Financing Sources (Uses)	<u>(12,100)</u>	<u>(12,100)</u>	<u>(1,134)</u>	<u>10,966</u>	<u>(196,468)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>3,864</u>	<u>(187,631)</u>	<u>321,108</u>	<u>508,739</u>	<u>(416,188)</u>
Fund Balance, Beginning of Year	<u>1,560,220</u>	<u>1,560,220</u>	<u>1,560,220</u>	<u>-</u>	<u>1,976,408</u>
Fund Balance, End of Year	<u>\$ 1,564,084</u>	<u>\$ 1,372,589</u>	<u>\$ 1,881,328</u>	<u>\$ 508,739</u>	<u>\$ 1,560,220</u>

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				2003 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
General Government					
Management and Budget:					
Personal Services	\$ 221,138	\$ 221,138	\$ 220,490	\$ 648	\$ 213,898
Supplies	5,200	5,200	4,249	951	5,593
Other Services and Charges	74,640	72,640	65,923	6,717	129,307
Capital Outlay	-	-	-	-	26,466
Contingency	50,000	50,000	42,600	7,400	132,746
County Treasurer's Fee	-	-	10,512	(10,512)	9,511
Contractual Services	116,895	137,967	135,467	2,500	294,859
Total Management and Budget	<u>467,873</u>	<u>486,945</u>	<u>479,241</u>	<u>7,704</u>	<u>812,380</u>
Legal:					
Personal Services	86,883	86,883	74,923	11,960	80,417
Supplies	450	450	197	253	480
Other Services and Charges	7,810	7,810	15,875	(8,065)	5,596
Capital Outlay	-	-	-	-	1,723
Total Legal	<u>95,143</u>	<u>95,143</u>	<u>90,995</u>	<u>4,148</u>	<u>88,216</u>
Inspection:					
Personal Services	86,491	86,491	98,148	(11,657)	127,473
Supplies	1,615	1,615	402	1,213	1,259
Other Services and Charges	5,485	5,485	4,900	585	3,864
Capital Outlay	-	-	-	-	599
Total Inspection	<u>93,591</u>	<u>93,591</u>	<u>103,450</u>	<u>(9,859)</u>	<u>133,195</u>
Total General Government	<u>656,607</u>	<u>675,679</u>	<u>673,686</u>	<u>1,993</u>	<u>1,033,791</u>

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP)

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Public Safety					
Police:					
Personal Services	1,678,229	1,705,439	1,681,064	24,375	1,606,144
Supplies	43,454	50,254	50,001	253	42,845
Other Services and Charges	126,397	134,837	125,888	8,949	117,073
Capital Outlay	7,864	24,283	22,578	1,705	32,247
Contingencies	20,641	20,641	9,000	11,641	4,000
Contractual Services	10,850	18,717	18,527	190	10,760
Total Police	<u>1,887,435</u>	<u>1,954,171</u>	<u>1,907,058</u>	<u>47,113</u>	<u>1,813,069</u>
Fire:					
Personal Services	1,367,808	1,394,699	1,389,523	5,176	1,305,363
Supplies	39,640	46,040	44,745	1,295	35,345
Other Services and Charges	183,749	223,145	236,236	(13,091)	193,977
Capital Outlay	5,500	5,500	5,354	146	7,758
Contractual Services	5,352	5,352	5,351	1	5,221
Total Fire	<u>1,602,049</u>	<u>1,674,736</u>	<u>1,681,209</u>	<u>(6,473)</u>	<u>1,547,664</u>
Total Public Safety	<u>3,489,484</u>	<u>3,628,907</u>	<u>3,588,267</u>	<u>40,640</u>	<u>3,360,733</u>
Culture and Recreation					
Public Properties:					
Personal Services	470,217	470,217	446,553	23,664	461,191
Supplies	87,400	87,400	66,468	20,932	76,558
Other Services and Charges	90,917	90,917	84,687	6,230	82,001
Capital Outlay	10,500	10,500	9,278	1,222	23,420
Contractual Services	5,500	5,500	4,908	592	8,326
Total Public Properties	<u>664,534</u>	<u>664,534</u>	<u>611,894</u>	<u>52,640</u>	<u>651,496</u>
Library:					
Personal Services	262,777	270,510	268,704	1,806	264,683
Supplies	8,920	8,920	7,018	1,902	9,079
Other Services and Charges	61,896	61,896	56,532	5,364	61,854
Capital Outlay	87,022	112,289	111,089	1,200	110,841
Total Library	<u>420,615</u>	<u>453,615</u>	<u>443,343</u>	<u>10,272</u>	<u>446,457</u>
Total Culture and Recreation	<u>1,085,149</u>	<u>1,118,149</u>	<u>1,055,237</u>	<u>62,912</u>	<u>1,097,953</u>
Total Expenditures	<u>\$ 5,231,240</u>	<u>\$ 5,422,735</u>	<u>\$ 5,317,190</u>	<u>\$ 105,545</u>	<u>\$ 5,492,477</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule E-4

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Taxes:					
Property Taxes	\$ 955,281	\$ 955,281	\$ 987,015	\$ 31,734	\$ 897,098
Homestead Exemption Allocation	50,000	50,000	54,474	4,474	49,039
Interest on Delinquent Taxes	5,000	5,000	7,970	2,970	4,390
City Sales Tax	1,800,000	1,800,000	1,993,527	193,527	1,678,471
Utilities Occupation Tax	586,000	586,000	574,788	(11,212)	546,536
Beer and Liquor Occupation Tax	13,000	13,000	12,687	(313)	12,640
Insurance Company Occupation Tax	100	100	90	(10)	95
Miscellaneous Occupation Tax	2,900	2,900	2,480	(420)	2,910
	<u>3,412,281</u>	<u>3,412,281</u>	<u>3,633,031</u>	<u>220,750</u>	<u>3,191,179</u>
Licenses and Permits:					
Bicycle Licenses	500	500	190	(310)	190
Dog Licenses	4,700	4,700	4,591	(109)	4,281
Plumbers' Licenses	850	850	1,569	719	525
Electricians' Licenses	-	-	-	-	-
Building Permits	70,000	70,000	82,315	12,315	60,181
Electrical Permits	-	-	-	-	-
Plumbing Permits	5,000	5,000	4,339	(661)	4,578
Mechanical Permits	2,000	2,000	1,049	(951)	1,095
Miscellaneous Permits	5,000	5,000	4,031	(969)	4,319
	<u>88,050</u>	<u>88,050</u>	<u>98,084</u>	<u>10,034</u>	<u>75,169</u>
Intergovernmental:					
County Library Aid	20,893	20,893	18,804	(2,089)	20,893
Motor Vehicle Tax	180,000	180,000	197,175	17,175	184,832
County Ambulance Aid	134,611	134,611	134,611	-	131,328
Interlocal 911 Dispatch Aid	53,644	53,644	53,647	3	52,477
Governmental Sub/State Aid	111,389	111,389	111,322	(67)	123,887
Victim Assist. Coordinator/OJT	38,135	38,135	33,980	(4,155)	34,500
Local Match - SEADE	36,414	36,414	36,414	-	44,924
State Library Aid	2,763	2,763	2,461	(302)	2,763
Prorate Motor Vehicle Tax	5,000	5,000	4,692	(308)	5,001
Federal Library Aid	-	-	-	-	-
Municipal Equilization Funds	-	-	7,428	7,428	50,272
Federal Crime Commission	104,313	104,313	91,900	(12,413)	91,903
State Highway Safety	-	-	-	-	5,400
Other Intergovernmental	42,400	42,400	86,530	44,130	21,325
Federal Project Impact	-	-	12,292	12,292	165,000
Federal Law Enforcement Block Grant	4,432	4,432	10,865	6,433	11,004
	<u>733,994</u>	<u>733,994</u>	<u>802,121</u>	<u>68,127</u>	<u>945,509</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule E-4

	2004				2003 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Charges for Services:					
Publication Cost Income	2,500	2,500	427	(2,073)	2,037
Vending Machine Receipts	1,000	1,000	52	(948)	397
Management and Budget Miscellaneous Charges	5,000	5,000	18,196	13,196	1,167
Accounting Services	10,042	10,042	10,042	-	9,797
BASWA Management Services	16,000	16,000	16,000	-	16,000
Legal Services	33,022	33,022	32,377	(645)	32,217
Legal Miscellaneous Charges	100	100	158	58	421
Inspection Miscellaneous Charges	550	550	1,128	578	142
Police Charges	3,000	3,000	2,370	(630)	2,308
Fire Charges	20,000	20,000	20,579	579	14,117
STOP Program Proceeds	-	-	-	-	5,030
Hazardous Materials Cleanup	500	500	25	(475)	50
Fire Inspections	2,600	2,600	1,863	(737)	2,708
Ambulance Charges	507,000	507,000	591,409	84,409	520,065
Public Safety Miscellaneous Charges	12,000	12,000	11,563	(437)	12,588
Auditorium Use Fee	7,000	7,000	6,597	(403)	6,560
Water Park Admissions	52,000	52,000	62,908	10,908	82,235
Camping Receipts	20,000	20,000	55,089	35,089	23,301
Water Park Concessions and Sales	68,000	68,000	22,154	(45,846)	25,493
Public Properties Miscellaneous Charges	5,500	5,500	6,312	812	8,637
Park Building Use Fees	1,200	1,200	1,133	(67)	946
BASWA Administration Charges	65,000	65,000	65,000	-	60,000
BASWA Facility Maintenance	5,125	5,125	5,125	-	5,000
Library Use Fees	11,500	11,500	10,395	(1,105)	10,912
Library Copying Fees	3,000	3,000	2,991	(9)	3,057
Library Miscellaneous Charges	1,000	1,000	943	(57)	531
NHC Program Grant	300	300	-	(300)	304
Interlibrary Loan Revenue	400	400	360	(40)	360
Parking Fines and Rents	5,400	5,400	6,390	990	
Pet Cemetery Burial Fees	6,000	6,000	5,330	(670)	6,685
	<u>864,739</u>	<u>864,739</u>	<u>956,916</u>	<u>92,177</u>	<u>853,065</u>

CITY OF BEATRICE, NEBRASKA
SUPPORTING SCHEDULE - GENERAL FUND REVENUES - BUDGET (GAAP) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule E-4

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Miscellaneous:					
Interest Earnings	50,000	50,000	19,117	(30,883)	40,655
Reimbursements	5,890	5,890	3,108	(2,782)	23,710
General Donations	12,000	12,000	10,659	(1,341)	3,977
Police Donations	-	-	2,433	2,433	32,317
Fire Donations	500	500	649	149	950
Public Properties Donations - Water Park	2,500	2,500	-	(2,500)	5,000
Public Properties Donations	3,000	3,000	5,137	2,137	14,549
Library Donations	5,000	5,000	30,629	25,629	22,772
Library Donations/Foundation	25,250	25,250	39,490	14,240	26,089
Lease Income - BASWA	34,000	34,000	34,000	-	34,000
Sales of General Fixed Assets	10,000	10,000	4,058	(5,942)	3,816
	<u>148,140</u>	<u>148,140</u>	<u>149,280</u>	<u>1,140</u>	<u>207,835</u>
Total Revenues	<u>\$ 5,247,204</u>	<u>\$ 5,247,204</u>	<u>\$ 5,639,432</u>	<u>\$ 392,228</u>	<u>\$ 5,272,757</u>

CITY OF BEATRICE, NEBRASKA
SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004

Schedule F-1

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	2004						2003
	Streets	Economic Development	CDBG	Keno	911 Surcharge	Community Redevelopment Authority	Totals
Assets							
Cash and Investments	\$ 85,880	\$ 664,788	\$ 643,221	\$ 218,427	\$ 44,930	\$ 3,884	\$ 910,615
Accounts Receivable	232,728	-	-	-	-	-	650,588
Due from Electric Fund	-	-	-	-	-	-	12,647
Loans Receivable	-	-	1,979,860	-	-	-	1,885,178
Total Assets	<u>\$ 318,608</u>	<u>\$ 664,788</u>	<u>\$ 2,623,081</u>	<u>\$ 218,427</u>	<u>\$ 44,930</u>	<u>\$ 3,884</u>	<u>\$ 3,459,028</u>
Liabilities and Fund Balance							
Liabilities							
Accounts Payable	\$ 327,294	\$ -	\$ -	\$ -	\$ -	\$ 901,988	416,054
Due to Other Funds	144,648	-	-	-	-	-	144,648
Registered Warrants Payable	-	-	-	-	-	1,115,755	-
Interest Accrued	-	-	-	-	-	8,621	-
Revolving Loan Fund Payable	-	-	1,979,860	-	-	-	1,885,178
Total Liabilities	<u>471,942</u>	<u>-</u>	<u>1,979,860</u>	<u>-</u>	<u>-</u>	<u>2,026,364</u>	<u>2,445,880</u>
Fund Balance							
Reserved for:							
Revolving Loan Fund	-	-	639,589	-	-	-	410,553
Economic Development	-	664,788	-	-	-	-	532,318
Unreserved:							
Undesignated	(153,334)	-	3,632	218,427	44,930	(2,022,480)	70,277
Total Fund Balance	<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>
Total Liabilities and Fund Balance	<u>\$ 318,608</u>	<u>\$ 664,788</u>	<u>\$ 2,623,081</u>	<u>\$ 218,427</u>	<u>\$ 44,930</u>	<u>\$ 3,884</u>	<u>\$ 3,459,028</u>

CITY OF BEATRICE, NEBRASKA

Schedule F-2

SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

	2004						2003
	Streets	Economic Development	CDBG	Keno	911 Surcharge	Community Redevelopment Authority	Totals
Revenues							
Taxes	\$ 561,151	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 731,960
Intergovernmental	1,082,403	-	-	-	-	57,483	1,733,759
Grants	-	-	-	-	1,670	-	595,204
Capital Contributions	-	-	-	-	-	100,000	100,000
Charges for Services	38,091	-	-	-	78,029	-	63,382
Keno Proceeds	-	-	-	172,674	-	-	179,889
Loan Payments	-	-	513,363	-	-	-	210,324
Interest	-	8,504	5,185	-	-	-	12,270
Other Revenue	-	35,274	9	-	-	-	46,005
Total Revenues	<u>1,681,645</u>	<u>293,778</u>	<u>518,557</u>	<u>172,674</u>	<u>79,699</u>	<u>157,483</u>	<u>3,572,793</u>
Expenditures							
General Government	-	635,950	290,258	32,474	-	-	891,229
Public Safety	-	-	-	-	71,743	-	307,017
Highways and Streets	1,677,969	-	-	-	-	-	2,464,023
Capital Outlay	-	-	-	-	-	2,171,342	113,269
Debt Service:							
Principal	-	64,803	-	-	-	-	39,372
Interest	-	598	-	-	-	8,621	2,587
Total Expenditures	<u>1,677,969</u>	<u>701,351</u>	<u>290,258</u>	<u>32,474</u>	<u>71,743</u>	<u>2,179,963</u>	<u>3,817,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,676</u>	<u>(407,573)</u>	<u>228,299</u>	<u>140,200</u>	<u>7,956</u>	<u>(2,022,480)</u>	<u>(244,704)</u>
Other Financing Sources (Uses)							
Sale of Fixed Assets	-	540,043	-	-	-	-	40,000
Lease Proceeds	-	-	-	-	-	-	299,990
Operating Transfers In	-	-	-	-	-	-	7,028
Operating Transfer Out	(317)	-	-	(74,000)	(33,400)	-	(292,281)
Total Other Financing Sources (Uses)	<u>(317)</u>	<u>540,043</u>	<u>-</u>	<u>(74,000)</u>	<u>(33,400)</u>	<u>-</u>	<u>54,737</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>3,359</u>	<u>132,470</u>	<u>228,299</u>	<u>66,200</u>	<u>(25,444)</u>	<u>(2,022,480)</u>	<u>(189,967)</u>
Fund Balances, Beginning of Year	<u>(156,693)</u>	<u>532,318</u>	<u>414,922</u>	<u>152,227</u>	<u>70,374</u>	<u>-</u>	<u>1,203,115</u>
Fund Balances, End 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>

See Accompanying Notes to Financial Statements.

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

Schedule F-3

BALANCE SHEET

SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash	\$ 85,880	\$ (261,755)
Accounts Receivable	232,728	650,588
Due from Electric Fund	-	12,647
Total Assets	<u>\$ 318,608</u>	<u>\$ 401,480</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 327,294	\$ 413,525
Due to Debt Service Fund	144,648	144,648
Total Liabilities	<u>471,942</u>	<u>558,173</u>
Fund Balance		
Unreserved		
Undesignated	(153,334)	(156,693)
Total Fund Balance	<u>(153,334)</u>	<u>(156,693)</u>
Total Liabilities and Fund Balance	<u>\$ 318,608</u>	<u>\$ 401,480</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-4

	2004			2003 Totals
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Sales Tax	\$ 512,500	\$ 512,500	\$ 560,882	\$ 48,382
County Road Levy	-	-	269	269
Total Taxes	<u>512,500</u>	<u>512,500</u>	<u>561,151</u>	<u>48,651</u>
Intergovernmental:				
Local Shared Revenue	-	-	-	-
Big Blue Trail Revenue	-	-	-	-
State Shared Revenue	1,497,165	1,497,165	1,082,403	(414,762)
Total Intergovernmental	<u>1,497,165</u>	<u>1,497,165</u>	<u>1,082,403</u>	<u>(414,762)</u>
Charges for Services	23,000	23,000	38,091	15,091
Interest	-	-	-	-
	<u>23,000</u>	<u>23,000</u>	<u>38,091</u>	<u>15,091</u>
Total Revenues	<u>2,032,665</u>	<u>2,032,665</u>	<u>1,681,645</u>	<u>(351,020)</u>
Expenditures				
Personal Services:				
Salaries	406,668	406,668	457,967	(51,299)
Social Security	24,912	24,912	28,188	(3,276)
Retirement	19,227	19,227	18,722	505
Health and Life Insurance	77,412	77,412	99,467	(22,055)
Workmen's Compensation	25,000	25,000	26,654	(1,654)
Total Personal Services	<u>553,219</u>	<u>553,219</u>	<u>630,998</u>	<u>(77,779)</u>
Supplies:				
Operating Supplies	78,550	78,550	64,205	14,345
Repairs and Maintenance Supplies	123,500	123,500	172,941	(49,441)
Total Supplies	<u>202,050</u>	<u>202,050</u>	<u>237,146</u>	<u>(35,096)</u>
Other Services and Charges:				
Insurance	29,500	29,500	32,444	(2,944)
Engineering Services	34,000	34,000	1,875	32,125
Utilities	1,715	1,715	1,715	-
Maintenance and Repairs	21,150	21,150	30,988	(9,838)
Rentals	41,800	41,800	62,860	(21,060)
Training and Transportation	1,500	1,500	2,045	(545)
Communications	2,300	2,300	2,752	(452)
Miscellaneous	1,920	1,920	607	1,313
Total Other Services and Charges	<u>133,885</u>	<u>133,885</u>	<u>135,286</u>	<u>(1,401)</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-4

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Capital Outlay:					
Improvements Other Than Buildings	1,125,900	1,125,900	642,869	483,031	1,475,156
Machinery and Equipment	30,969	30,969	31,670	(701)	133,918
Total Capital Outlay	<u>1,156,869</u>	<u>1,156,869</u>	<u>674,539</u>	<u>482,330</u>	<u>1,609,074</u>
Total Expenditures	<u>2,046,023</u>	<u>2,046,023</u>	<u>1,677,969</u>	<u>368,054</u>	<u>2,464,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,358)</u>	<u>(13,358)</u>	<u>3,676</u>	<u>17,034</u>	<u>(306,878)</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	7,028
Operating Transfers Out	-	-	(317)	(317)	(60,481)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(317)</u>	<u>(317)</u>	<u>(53,453)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(13,358)</u>	<u>(13,358)</u>	<u>3,359</u>	<u>16,717</u>	<u>(360,331)</u>
Fund Balance, Beginning of Year	<u>(156,693)</u>	<u>(156,693)</u>	<u>(156,693)</u>	<u>-</u>	<u>203,638</u>
Fund Balance, End of Year	<u>\$ (170,051)</u>	<u>\$ (170,051)</u>	<u>\$ (153,334)</u>	<u>\$ 16,717</u>	<u>\$ (156,693)</u>

**CITY OF BEATRICE, NEBRASKA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule F-5

	<u>2004</u>	<u>2003</u>
Assets		
Cash and Investments	\$ 664,788	\$ 534,847
Total Assets	<u>\$ 664,788</u>	<u>\$ 534,847</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ 2,529
Fund Balance		
Reserved for Economic Development	<u>664,788</u>	<u>532,318</u>
Total Fund Balance	<u>664,788</u>	<u>532,318</u>
Total Liabilities and Fund Balance	<u>\$ 664,788</u>	<u>\$ 534,847</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-6

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Taxes					
Sales Tax	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Interest Earnings	-	5,000	8,504	3,504	7,644
Loans/Rents Revenue	-	2,682	34,274	31,592	45,855
Other Revenue	-	-	1,000	1,000	-
	-	7,682	43,778	36,096	53,499
Total Revenues	-	257,682	293,778	36,096	303,499
Expenditures					
Industrial Development	-	2,213,631	635,950	1,577,681	200,562
Debt Service:					
Loan Principal	-	40,570	64,803	(24,233)	39,372
Interest	-	1,389	598	791	2,587
Total Expenditures	-	2,255,590	701,351	1,554,239	242,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,997,908)	(407,573)	1,590,335	60,978
Other Financing Sources (Uses)					
Sale of Fixed Assets	-	-	540,043	540,043	40,000
Bond Proceeds	-	1,500,000	-	(1,500,000)	-
Total Other Financing Sources (Uses)	-	1,500,000	540,043	(959,957)	40,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(497,908)	132,470	630,378	100,978
Fund Balance, Beginning of Year	532,318	532,318	532,318	-	431,340
Fund Balance, End of Year	\$ 532,318	\$ 34,410	\$ 664,788	\$ 630,378	\$ 532,318

CITY OF BEATRICE, NEBRASKA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule F-7

	2004	2003
Assets		
Cash	\$ 643,221	\$ 414,922
Loans Receivable	<u>1,979,860</u>	<u>1,885,178</u>
Total Assets	<u>\$ 2,623,081</u>	<u>\$ 2,300,100</u>
Liabilities and Fund Balance		
Liabilities		
Revolving Loan Fund Payable	<u>1,979,860</u>	<u>1,885,178</u>
Total Liabilities	<u>1,979,860</u>	<u>1,885,178</u>
Fund Balance		
Reserved for Revolving Loan Fund	639,589	410,553
Unreserved	<u>3,632</u>	<u>4,369</u>
Total Fund Balance	<u>643,221</u>	<u>414,922</u>
Total Liabilities and Fund Balance	<u>\$ 2,623,081</u>	<u>\$ 2,300,100</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-8

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 23,843
Grants	505,000	505,000	-	(505,000)	581,759
Interest Earnings	4,000	4,000	5,185	1,185	3,753
Miscellaneous Revenue	-	-	9	9	150
Loan Payments	217,667	217,667	513,363	295,696	210,324
Total Revenues	<u>726,667</u>	<u>726,667</u>	<u>518,557</u>	<u>(208,110)</u>	<u>819,829</u>
Expenditures					
Administration	5,000	5,000	2,991	2,009	5,280
Professional Services	-	-	-	-	600
Grant Repayments	35,893	35,893	44,762	(8,869)	35,893
Reuse Loans	1,096,363	1,096,363	242,250	854,113	572,250
Demolition Expense	-	-	255	(255)	39,956
Other Services and Charges	-	-	-	-	2,831
Capital Outlay	-	-	-	-	56,560
Total Expenditures	<u>1,137,256</u>	<u>1,137,256</u>	<u>290,258</u>	<u>846,998</u>	<u>713,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(410,589)	(410,589)	228,299	638,888	106,459
Fund Balance, Beginning of Year	<u>414,922</u>	<u>414,922</u>	<u>414,922</u>	-	<u>308,463</u>
Fund Balance (Deficit), End of Year	<u>\$ 4,333</u>	<u>\$ 4,333</u>	<u>\$ 643,221</u>	<u>\$ 638,888</u>	<u>\$ 414,922</u>

CITY OF BEATRICE, NEBRASKA
KENO/LOTTERY SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule F-9

	<u>2004</u>	<u>2003</u>
Assets		
Cash and Investments	<u>\$ 218,427</u>	<u>\$ 152,227</u>
Total Assets	<u><u>\$ 218,427</u></u>	<u><u>\$ 152,227</u></u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Unreserved	<u>218,427</u>	<u>152,227</u>
Total Fund Balance	<u><u>218,427</u></u>	<u><u>152,227</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 218,427</u></u>	<u><u>\$ 152,227</u></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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-10

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Keno/Lottery Proceeds	\$ 187,825	\$ 187,825	\$ 172,674	\$ (15,151)	\$ 179,889
Total Revenues	<u>187,825</u>	<u>187,825</u>	<u>172,674</u>	<u>(15,151)</u>	<u>179,889</u>
Expenditures					
Other Services and Charges	36,988	36,988	32,474	4,514	33,857
Total Expenditures	<u>36,988</u>	<u>36,988</u>	<u>32,474</u>	<u>4,514</u>	<u>33,857</u>
Excess of Revenues Over Expenditures	<u>150,837</u>	<u>150,837</u>	<u>140,200</u>	<u>(10,637)</u>	<u>146,032</u>
Other Financing Sources (Uses)					
Operating Transfer Out	(100,000)	(100,000)	(74,000)	26,000	(200,000)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(74,000)</u>	<u>26,000</u>	<u>(200,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	50,837	50,837	66,200	15,363	(53,968)
Fund Balance, Beginning of Year	<u>152,227</u>	<u>152,227</u>	<u>152,227</u>	<u>-</u>	<u>206,195</u>
Fund Balance, End of Year	<u>\$ 203,064</u>	<u>\$ 203,064</u>	<u>\$ 218,427</u>	<u>\$ 15,363</u>	<u>\$ 152,227</u>

CITY OF BEATRICE, NEBRASKA
 911 SURCHARGE SPECIAL REVENUE FUND
 BALANCE SHEET
 SEPTEMBER 30, 2004
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule F-11

	<u>2004</u>	<u>2003</u>
Assets		
Cash	\$ 44,930	\$ 70,374
Total Assets	<u>\$ 44,930</u>	<u>\$ 70,374</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Unreserved	<u>44,930</u>	<u>70,374</u>
Total Liabilities and Fund Balance	<u>\$ 44,930</u>	<u>\$ 70,374</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-12

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
911 Service Surcharge	\$ 77,000	\$ 77,000	\$ 78,029	\$ 1,029	\$ 42,277
Federal Grant	-	-	1,670	1,670	13,445
Total Revenues	<u>77,000</u>	<u>77,000</u>	<u>79,699</u>	<u>2,699</u>	<u>55,722</u>
Expenditures					
Machinery and Equipment	22,133	22,133	19,097	3,036	307,017
Lease Payments	52,646	52,646	52,646	-	-
Total Expenditures	<u>74,779</u>	<u>74,779</u>	<u>71,743</u>	<u>3,036</u>	<u>307,017</u>
Excess of Revenues Over Expenditures	<u>2,221</u>	<u>2,221</u>	<u>7,956</u>	<u>5,735</u>	<u>(251,295)</u>
Other Financing Sources (Uses)					
Lease Proceeds	-	-	-	-	299,990
Operating Transfers Out	(33,400)	(33,400)	(33,400)	-	(31,800)
Total Other Financing Sources (Uses)	<u>(33,400)</u>	<u>(33,400)</u>	<u>(33,400)</u>	<u>-</u>	<u>268,190</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(31,179)	(31,179)	(25,444)	5,735	16,895
Fund Balance, Beginning of Year	<u>70,374</u>	<u>70,374</u>	<u>70,374</u>	<u>-</u>	<u>53,479</u>
Fund Balance, End of Year	<u>\$ 39,195</u>	<u>\$ 39,195</u>	<u>\$ 44,930</u>	<u>\$ 5,735</u>	<u>\$ 70,374</u>

CITY OF BEATRICE, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule F-13

	2004	2003
Assets		
Cash	\$ 3,884	\$ -
Cash on deposit - County Treasurer	-	-
Total Assets	<u>\$ 3,884</u>	<u>\$ -</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 901,988	\$ -
Registered Warrants Payable	1,115,755	-
Interest Accrued	8,621	-
Total Liabilities	<u>2,026,364</u>	<u>-</u>
Fund Balance		
Unreserved	(2,022,480)	-
Total Liabilities and Fund Balance	<u>\$ 3,884</u>	<u>\$ -</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule F-14

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
TIF Funds	\$ 60,000	\$ 60,000	\$ 57,483	\$ (2,517)	\$ 56,709
Capital Contributions	-	-	100,000	100,000	-
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>157,483</u>	<u>97,483</u>	<u>56,709</u>
Expenditures					
Redevelopment Improvements	<u>560,000</u>	<u>2,876,000</u>	<u>2,171,342</u>	<u>704,658</u>	<u>56,709</u>
Total Expenditures	<u>560,000</u>	<u>2,876,000</u>	<u>2,171,342</u>	<u>704,658</u>	<u>56,709</u>
Excess of Revenues Over (Under) Expenditures	<u>(500,000)</u>	<u>(2,816,000)</u>	<u>(2,013,859)</u>	<u>802,141</u>	<u>-</u>
Other Financing Sources (Uses)					
Interest Expense	-	-	(8,621)	8,621	-
Bond Proceeds	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>(8,621)</u>	<u>508,621</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(2,316,000)	(2,022,480)	293,520	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (2,316,000)</u>	<u>\$ (2,022,480)</u>	<u>\$ 293,520</u>	<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004

Schedule G-1

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	2004					2003
	Public Safety	Water Park	Bonded Districts	Unbonded Assessments	Total	Totals
Assets						
Cash	\$ -	\$ 23,517	\$ 171,332	\$ 22,965	\$ 217,814	\$ 339,634
Cash on Deposit - County Treasurer	-	31,905	-	-	31,905	25,785
Assessments Receivable:						
Current	-	-	9,692	25,683	35,375	61,517
Delinquent (Note 12)	-	-	6,114	17,222	23,336	39,760
Deferred	-	-	31,019	97,970	128,989	227,319
Assessments in Progress	-	-	-	-	-	20,265
Accrued Interest Receivable	-	-	4,881	18,090	22,971	32,096
In-Lieu-of Assessments	-	-	41,301	-	41,301	41,301
Due from Street Fund	-	-	123,039	21,609	144,648	144,648
Total Assets	<u>\$ -</u>	<u>\$ 55,422</u>	<u>\$ 387,378</u>	<u>\$ 203,539</u>	<u>\$ 646,339</u>	<u>\$ 932,325</u>
Liabilities and Fund Balance						
Liabilities						
Accrued Interest Payable	\$ -	\$ -	\$ -	\$ 31,110	\$ 31,110	\$ 39,926
Registered Warrants Payable	-	-	-	158,636	158,636	296,498
Deferred Revenues	-	-	72,320	97,970	170,290	302,941
Total Liabilities	<u>-</u>	<u>-</u>	<u>72,320</u>	<u>287,716</u>	<u>360,036</u>	<u>639,365</u>
Fund Balance						
Reserved for Debt Service	-	55,422	315,058	-	370,480	492,957
Unreserved	-	-	-	(84,177)	(84,177)	(199,997)
Total Fund Balance (Deficit)	<u>-</u>	<u>55,422</u>	<u>315,058</u>	<u>(84,177)</u>	<u>286,303</u>	<u>292,960</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 55,422</u>	<u>\$ 387,378</u>	<u>\$ 203,539</u>	<u>\$ 646,339</u>	<u>\$ 932,325</u>

CITY OF BEATRICE, NEBRASKA

Schedule G-2

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	2004					2003
	Public Safety	Water Park	Bonded Districts	Unbonded Assessments	Total	Totals
Revenues						
Property Taxes	\$ 26,145	\$ 161,174	\$ -	\$ -	\$ 187,319	\$ 179,433
Intergovernmental Revenues	883	-	-	-	883	943
Special Assessments	-	-	31,926	114,693	146,619	575,503
Interest on Assessments	-	-	4,973	13,378	18,351	30,346
Total Revenues	<u>27,028</u>	<u>161,174</u>	<u>36,899</u>	<u>128,071</u>	<u>353,172</u>	<u>786,225</u>
Expenditures						
Capital Projects:						
Improvements	-	-	-	-	-	505,394
Interest on Registered Warrants	-	-	-	12,568	12,568	41,357
Debt Service:						
Interest	2,990	30,565	24,023	-	57,578	73,605
Principal	130,000	100,000	60,000	-	290,000	250,000
Total Expenditures	<u>132,990</u>	<u>130,565</u>	<u>84,023</u>	<u>12,568</u>	<u>360,146</u>	<u>870,356</u>
Deficiency of Revenues Over (Under) Expenditures	<u>(105,962)</u>	<u>30,609</u>	<u>(47,124)</u>	<u>115,503</u>	<u>(6,974)</u>	<u>(84,131)</u>
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	317	317	160,481
Operating Transfers Out	-	-	-	-	-	(7,028)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>317</u>	<u>317</u>	<u>153,453</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	<u>(105,962)</u>	<u>30,609</u>	<u>(47,124)</u>	<u>115,820</u>	<u>(6,657)</u>	<u>69,322</u>
Fund Balances (Deficit), Beginning of Year	<u>105,962</u>	<u>24,813</u>	<u>362,182</u>	<u>(199,997)</u>	<u>292,960</u>	<u>223,638</u>
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ 55,422</u>	<u>\$ 315,058</u>	<u>\$ (84,177)</u>	<u>\$ 286,303</u>	<u>\$ 292,960</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule G-3

	2004			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
				2003 Totals
Revenues				
Property Taxes	\$ 50,140	\$ 50,140	\$ 26,145	\$ (23,995)
Intergovernmental Revenues	850	850	883	33
Total Revenues	<u>50,990</u>	<u>50,990</u>	<u>27,028</u>	<u>(23,962)</u>
Expenditures				
Debt Service:				
Principal	130,000	130,000	130,000	-
Interest	2,990	2,990	2,990	-
Total Expenditures	<u>132,990</u>	<u>132,990</u>	<u>132,990</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	(82,000)	(82,000)	(105,962)	(23,962)
Fund Balance, Beginning of Year	<u>105,962</u>	<u>105,962</u>	<u>105,962</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 23,962</u>	<u>\$ 23,962</u>	<u>\$ -</u>	<u>\$ (23,962)</u>

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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule G-4

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Property Taxes	\$ 130,565	\$ 130,565	\$ 161,174	\$ 30,609	\$ 46,561
Total Revenues	<u>130,565</u>	<u>130,565</u>	<u>161,174</u>	<u>30,609</u>	<u>46,561</u>
Expenditures					
Capital Projects:					
Bond Issue Costs	-	-	-	-	14,623
Debt Service:					
Principal	100,000	100,000	100,000	-	70,000
Interest	<u>30,565</u>	<u>30,565</u>	<u>30,565</u>	-	<u>37,999</u>
Total Expenditures	<u>130,565</u>	<u>130,565</u>	<u>130,565</u>	<u>-</u>	<u>122,622</u>
Deficiency of Revenues Under Revenues	<u>-</u>	<u>-</u>	<u>30,609</u>	<u>30,609</u>	<u>(76,061)</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	100,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>30,609</u>	<u>30,609</u>	<u>23,939</u>
Fund Balance, Beginning of Year	<u>24,813</u>	<u>24,813</u>	<u>24,813</u>	<u>-</u>	<u>874</u>
Fund Balance (Deficit), End of Year	<u>\$ 24,813</u>	<u>\$ 24,813</u>	<u>\$ 55,422</u>	<u>\$ 30,609</u>	<u>\$ 24,813</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule G-5

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Special Assessments	\$ 24,598	\$ 24,598	\$ 41,109	\$ 16,511	\$ 50,213
Interest on Assessments	9,600	9,600	7,280	(2,320)	12,323
Total Revenues	<u>34,198</u>	<u>34,198</u>	<u>48,389</u>	<u>14,191</u>	<u>62,536</u>
Expenditures					
Bond Principal Payments	60,000	60,000	60,000	-	55,000
Interest on Registered Warrants	<u>24,023</u>	<u>24,023</u>	<u>24,022</u>	<u>(1)</u>	<u>26,813</u>
Total Expenditures	<u>84,023</u>	<u>84,023</u>	<u>84,022</u>	<u>(1)</u>	<u>81,813</u>
Excess of Revenues Over Expenditures	(49,825)	(49,825)	(35,633)	14,192	(19,277)
Fund Balance, Beginning of Year	<u>206,965</u>	<u>206,965</u>	<u>206,965</u>	-	<u>226,242</u>
Fund Balance, End of Year	<u>\$ 157,140</u>	<u>\$ 157,140</u>	<u>\$ 171,332</u>	<u>\$ 14,192</u>	<u>\$ 206,965</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule G-6

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Revenues					
Special Assessments	\$ 74,559	\$ 74,559	\$ 134,017	\$ 59,458	\$ 537,528
Interest on Assessments	30,998	30,998	20,197	(10,801)	23,596
Total Revenues	<u>105,557</u>	<u>105,557</u>	<u>154,214</u>	<u>48,657</u>	<u>561,124</u>
Expenditures					
Capital Projects					
Interest on Registered Warrants	19,884	19,884	21,383	(1,499)	21,863
Principal on Registered Warrants	96,750	146,750	137,862	8,888	610,387
Improvements	-	-	-	-	505,394
Total Expenditures	<u>116,634</u>	<u>166,634</u>	<u>159,245</u>	<u>7,389</u>	<u>1,137,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,077)</u>	<u>(61,077)</u>	<u>(5,031)</u>	<u>56,046</u>	<u>(576,520)</u>
Other Financing Sources (Uses)					
Operating Transfers Out	-	-	-	-	(7,028)
Operating Transfers In	-	-	317	317	60,481
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>317</u>	<u>317</u>	<u>53,453</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,077)</u>	<u>(61,077)</u>	<u>(4,714)</u>	<u>56,363</u>	<u>(523,067)</u>
Fund Balances (Deficit), Beginning of Year	<u>(1,709,820)</u>	<u>(1,709,820)</u>	<u>(1,709,820)</u>	<u>-</u>	<u>(1,186,753)</u>
Fund Balance (Deficit), End of Year	<u>\$ (1,720,897)</u>	<u>\$ (1,770,897)</u>	<u>\$ (1,714,534)</u>	<u>\$ 56,363</u>	<u>\$ (1,709,820)</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule H-1

	Library Capital Improvements	Capital Improvements	Total	2003 Totals
Assets				
Cash	\$ -	\$ 29,655	\$ 29,655	\$ 60,569
Restricted:				
Cash	-	124,840	124,840	60,333
Investments	92,120	-	92,120	91,583
Accounts Receivable	-	69,861	69,861	57,997
Total Assets	<u>\$ 92,120</u>	<u>\$ 224,356</u>	<u>\$ 316,476</u>	<u>\$ 270,482</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ 84,668	\$ 84,668	67,930
Total Liabilities	<u>-</u>	<u>84,668</u>	<u>84,668</u>	<u>67,930</u>
Fund Balances				
Reserved for Library Capital Improvement	92,120	-	92,120	91,583
Reserved for Public Safety Equipment	-	109,613	109,613	47,106
Undesignated	-	30,075	30,075	63,863
Total Fund Balances	<u>92,120</u>	<u>139,688</u>	<u>231,808</u>	<u>202,552</u>
Total Liabilities and Fund Balances	<u>\$ 92,120</u>	<u>\$ 224,356</u>	<u>\$ 316,476</u>	<u>\$ 270,482</u>

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	Library Capital Improvements	Capital Improvements	Total	2003 Totals
Revenues				
Intergovernmental	\$ -	\$ 401,388	\$ 401,388	444,178
Donations and Miscellaneous Revenue	-	41,116	41,116	34,390
Lease Income	-	-	-	110,145
Interest	1,015	-	1,015	1,541
Total Revenues	<u>1,015</u>	<u>442,504</u>	<u>443,519</u>	<u>590,254</u>
Expenditures				
Repairs and Maintenance	478	-	478	-
Other Services and Charges	-	-	-	20
Lease Payment	-	-	-	110,145
Capital Projects	-	403,983	403,983	577,459
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	105,000
MFO Payments - Other Entities	-	118,336	118,336	5,145
Total Expenditures	<u>478</u>	<u>522,319</u>	<u>522,797</u>	<u>797,769</u>
Deficiency of Revenues Under Expenditures	<u>537</u>	<u>(79,815)</u>	<u>(79,278)</u>	<u>(207,515)</u>
Other Financing Sources (Uses)				328,268
Operating Transfers In	-	108,534	108,534	(121,332)
Total Other Financing Sources (Uses)	<u>-</u>	<u>108,534</u>	<u>108,534</u>	<u>(121,332)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	537	28,719	29,256	(579)
Fund Balances, Beginning of Year	<u>91,583</u>	<u>110,969</u>	<u>202,552</u>	<u>203,131</u>
Fund Balances, End of Year	<u>\$ 92,120</u>	<u>\$ 139,688</u>	<u>\$ 231,808</u>	<u>\$ 202,552</u>

CITY OF BEATRICE, NEBRASKA
LIBRARY CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule H-3

	<u>2004</u>	<u>2003</u>
Assets		
Cash	\$ -	\$ -
Restricted:		
Investments	<u>92,120</u>	<u>91,583</u>
Total Assets	<u>\$ 92,120</u>	<u>\$ 91,583</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Reserved for Library Capital Improvement	<u>92,120</u>	<u>91,583</u>
Total Liabilities and Fund Balance	<u>\$ 92,120</u>	<u>\$ 91,583</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule H-4

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 28,737
Interest	-	1,000	1,015	15	1,230
Total Revenues	-	1,000	1,015	15	29,967
Expenditures					
Repairs and Maintenance	-	500	478	22	-
Other Services and Charges	-	-	-	-	20
Capital Outlay	-	28,000	-	28,000	110,145
Total Expenditures	-	28,500	478	28,022	110,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(27,500)	537	28,037	(80,198)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	81,518
Total Other Financing Sources (Uses)	-	-	-	-	81,518
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(27,500)	537	28,037	1,320
Fund Balance, Beginning of Year	89,793	89,793	91,583	1,790	90,263
Fund Balance, End of Year	<u>\$ 89,793</u>	<u>\$ 62,293</u>	<u>\$ 92,120</u>	<u>\$ 29,827</u>	<u>\$ 91,583</u>

CITY OF BEATRICE, NEBRASKA
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2004

Schedule H-5

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash	\$ 29,655	\$ 60,569
Restricted:		
Cash	124,840	60,333
Accounts Receivable	<u>69,861</u>	<u>57,997</u>
Total Assets	<u>\$ 224,356</u>	<u>\$ 178,899</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	<u>\$ 84,668</u>	<u>\$ 67,930</u>
Fund Balance		
Reserved for Public Safety Equipment	109,613	47,106
Unreserved	<u>30,075</u>	<u>63,863</u>
Total Fund Balance	<u>139,688</u>	<u>110,969</u>
Total Liabilities and Fund Balance	<u>\$ 224,356</u>	<u>\$ 178,899</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule H-6

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Revenues					
Donations and Miscellaneous Revenue	\$ 11,750	\$ 11,750	\$ 41,116	\$ 29,366	\$ 34,390
Intergovernmental	387,000	387,000	401,388	14,388	415,441
Interest	-	-	-	-	311
Total Revenues	<u>398,750</u>	<u>398,750</u>	<u>442,504</u>	<u>43,754</u>	<u>450,142</u>
Expenditures - Capital Projects					
Park Improvements	74,370	74,370	45,059	29,311	51,796
Chautauqua Park and Campground	12,000	12,000	-	12,000	13,653
Rotary Park	25,000	39,388	39,388	-	-
Beatrice Plus	17,500	17,500	7,324	10,176	-
Trailhead Project	-	-	750	(750)	85,294
Municipal Auditorium Renovation	9,200	9,200	17,068	(7,868)	20,707
Building Improvements	24,400	24,400	19,289	5,111	98,591
Police Equipment and Facilities Improvements	3,751	3,751	15,196	(11,445)	37,080
Fire Equipment and Facilities Improvements	313,649	313,649	214,036	99,613	221,736
Senior Center	3,500	21,066	21,038	28	-
Riverside Restroom	-	-	-	-	18,742
Library Equipment	11,750	11,750	9,750	2,000	10,100
Public Properties Equipment	2,000	2,000	-	2,000	19,760
Computer Equipment	15,000	15,000	15,085	(85)	-
MFO Payments - Other Entities	122,000	122,000	118,336	3,664	121,332
Total Expenditures - Capital Projects	<u>634,120</u>	<u>666,074</u>	<u>522,319</u>	<u>143,755</u>	<u>698,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(235,370)</u>	<u>(267,324)</u>	<u>(79,815)</u>	<u>187,509</u>	<u>(248,649)</u>
Other Financing Sources (Uses)					
Operating Transfers In	145,500	145,500	108,534	(36,966)	246,750
Total Other Financing Sources (Uses)	<u>145,500</u>	<u>145,500</u>	<u>108,534</u>	<u>(36,966)</u>	<u>246,750</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(89,870)</u>	<u>(121,824)</u>	<u>28,719</u>	<u>150,543</u>	<u>(1,899)</u>
Fund Balance, Beginning of Year	<u>110,969</u>	<u>110,969</u>	<u>110,969</u>	<u>-</u>	<u>112,868</u>
Fund Balance, End of Year	<u>\$ 21,099</u>	<u>\$ (10,855)</u>	<u>\$ 139,688</u>	<u>\$ 150,543</u>	<u>\$ 110,969</u>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-1

ENTERPRISE FUNDS	2004						2003 Totals	
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA		
Total								
Assets								
Current Assets								
Cash and Investments	\$ 888,262	\$ 792,199	\$ 398,970	\$ -	\$ 430	\$ 135,418	\$ 2,215,279	\$ 3,248,351
Accounts Receivable (Net)	1,274,423	137,179	142,500	-	70,125	122,460	1,746,687	1,469,124
Unbilled and Accrued Revenues	399,999	81,255	53,920	-	-	-	535,174	514,483
Materials and Supplies Inventories	395,294	140,926	-	-	-	-	536,220	498,673
Prepaid Expenses	3,959	2,045	1,099	-	-	-	7,103	7,103
Interest Receivable	4,239	643	911	-	-	-	5,793	6,876
Total Current Assets	2,966,176	1,154,247	597,400	-	70,555	257,878	5,046,256	5,744,610
Restricted Cash								
Employee Benefits	32,911	-	-	-	-	-	32,911	10,837
Debt Service Reserve Account	88,387	176,844	362,748	-	-	149,508	777,487	857,818
Total Restricted Cash	121,298	176,844	362,748	-	-	149,508	810,398	868,655
Restricted Investments								
Customer Deposits	116,505	-	-	-	-	-	116,505	113,105
Closure/Postclosure Maintenance and Care	-	-	-	-	-	251,919	251,919	447,521
Total Restricted Investments	116,505	-	-	-	-	251,919	368,424	560,626
Total Restricted Assets	237,803	176,844	362,748	-	-	401,427	1,178,822	1,429,281
Property, Plant and Equipment								
Land and Land Rights	17,432	59,832	16,588	-	-	-	93,852	460,343
Buildings and Improvements	1,138,560	68,735	-	-	-	-	1,207,295	1,203,793
Improvements Other Than Buildings	20,890,793	10,778,002	15,206,009	-	-	3,584,215	50,459,019	47,576,609
Machinery and Equipment	3,075,197	782,875	688,032	-	-	552,266	5,098,370	4,877,836
	25,121,982	11,689,444	15,910,629	-	-	4,136,481	56,858,536	54,118,581
Less: Accumulated Depreciation	12,511,280	6,880,922	7,570,614	-	-	1,453,916	28,416,732	26,277,077
	12,610,702	4,808,522	8,340,015	-	-	2,682,565	28,441,804	27,841,504
Construction in Progress	117,070	20,652	-	-	-	-	137,722	186,089
Net Property, Plant and Equipment	12,727,772	4,829,174	8,340,015	-	-	2,682,565	28,579,526	28,027,593
Deferred Charges								
Unamortized Bond Issuance Cost	16,824	3,895	5,517	-	-	18,232	44,468	49,618
Total Assets	15,948,575	6,164,160	9,305,680	-	70,555	3,360,102	34,849,072	35,251,102

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-1

ENTERPRISE FUNDS	2004						2003 Totals
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	
Liabilities and Fund Equity							
Current Liabilities							
Accounts Payable	1,600,788	92,776	32,004	-	70,555	-	1,796,123
Due to Other Funds	-	-	-	-	-	-	12,647
Accrued Expenses	265,317	179,632	85,429	-	-	4,135	534,513
Compensated Absences	32,911	-	-	-	-	5,147	38,058
Current Maturities of Long-Term Debt	-	-	-	-	-	180,000	180,000
Total Current Liabilities	<u>1,899,016</u>	<u>272,408</u>	<u>117,433</u>	<u>-</u>	<u>70,555</u>	<u>189,282</u>	<u>2,548,694</u>
Non-Current Liabilities Payable from Restricted Cash							
Customer Deposits	116,505	-	-	-	-	-	116,505
Current Portion of Revenue Bonds	175,588	73,399	127,966	-	-	-	376,953
Total Non-Current Liabilities Payable From Restricted Cash	<u>292,093</u>	<u>73,399</u>	<u>127,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,458</u>
Long-Term Liabilities							
Revenue Bonds	1,126,952	231,785	304,310	-	-	1,235,000	2,898,047
Notes Payable	-	759,239	1,602,353	-	-	102,490	2,464,082
Estimated Current Cost of Closure and Postclosure	-	-	-	-	-	205,573	205,573
Total Long-Term Liabilities	<u>1,126,952</u>	<u>991,024</u>	<u>1,906,663</u>	<u>-</u>	<u>-</u>	<u>1,543,063</u>	<u>5,567,702</u>
Total Liabilities	<u>3,318,061</u>	<u>1,336,831</u>	<u>2,152,062</u>	<u>-</u>	<u>70,555</u>	<u>1,732,345</u>	<u>8,609,854</u>
Fund Equity							
Contributions in Aid of Construction	384,187	1,272,985	5,394,192	-	-	-	7,051,364
Contributed Capital	180,098	318,905	715,582	-	-	-	1,225,970
Retained Earnings	12,066,229	3,235,439	1,043,844	-	-	1,627,757	17,973,269
Total Fund Equity	<u>12,630,514</u>	<u>4,827,329</u>	<u>7,153,618</u>	<u>-</u>	<u>-</u>	<u>1,627,757</u>	<u>26,239,218</u>
Total Liabilities and Fund Equity	<u>\$ 15,948,575</u>	<u>\$ 6,164,160</u>	<u>\$ 9,305,680</u>	<u>\$ -</u>	<u>\$ 70,555</u>	<u>\$ 3,360,102</u>	<u>\$ 34,849,072</u>
							<u>\$ 35,251,102</u>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-2

	2004							2003
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	Totals
Operating Revenues								
Charges for Services	\$ 10,066,889	\$ 1,387,434	\$ 1,049,083	\$ -	\$ 1,047,352	\$ 903,927	\$ 14,454,685	\$ 14,900,891
Operating Expenses								
Electric Energy Purchased	6,908,517	-	-	-	-	-	6,908,517	7,152,959
Operating and Maintenance Expenses	790,763	697,067	390,255	-	1,047,352	-	2,925,437	2,890,995
Customer Accounting Expenses	181,750	103,416	53,556	-	-	-	338,722	307,510
Administrative and General Expense	816,718	343,876	192,628	-	-	408,884	1,762,106	1,612,024
Municipal Expenses	350,106	36,514	8,963	-	-	-	395,583	462,269
Depreciation and Amortization	891,414	435,845	561,536	-	-	269,890	2,158,685	2,025,361
Landfill Operating Contracts	-	-	-	-	-	72,817	72,817	75,317
Total Operating Expenses	<u>9,939,268</u>	<u>1,616,718</u>	<u>1,206,938</u>	<u>-</u>	<u>1,047,352</u>	<u>751,591</u>	<u>14,561,867</u>	<u>14,526,435</u>
Operating Income (Loss)	<u>127,621</u>	<u>(229,284)</u>	<u>(157,855)</u>	<u>-</u>	<u>-</u>	<u>152,336</u>	<u>(107,182)</u>	<u>374,456</u>
Non-Operating Revenues (Expenses)								
Interest Income	27,551	1,311	2,400	-	-	7,595	38,857	53,154
Merchandising, Etc.	68,007	90,395	22,890	-	-	-	181,292	169,930
Miscellaneous	(73,245)	5,910	2,148	-	-	-	(65,187)	83,012
Interest Expense	(50,718)	(44,903)	(86,359)	-	-	(64,159)	(246,139)	(193,643)
Transfer to Other Fund	(141,350)	22,146	119,204	(356,829)	-	-	(356,829)	-
Amortization of Bond Issuance Cost	(2,375)	(557)	(788)	-	-	-	(3,720)	(3,719)
Total Non-Operating Revenues (Expenses)	<u>(172,130)</u>	<u>74,302</u>	<u>59,495</u>	<u>(356,829)</u>	<u>-</u>	<u>(56,564)</u>	<u>(451,726)</u>	<u>108,734</u>
Net Income (Loss)	<u>(44,509)</u>	<u>(154,982)</u>	<u>(98,360)</u>	<u>(356,829)</u>	<u>-</u>	<u>95,772</u>	<u>(558,908)</u>	<u>483,190</u>
Retained Earnings, Beginning of Year	12,110,738	3,390,421	1,142,204	356,829	-	1,531,985	18,532,177	16,770,440
Cumulative Effect of Change in Accounting Principles	-	-	-	-	-	-	-	1,278,547
Retained Earnings, End 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>

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CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-3

ENTERPRISE FUNDS	2004							2003 Totals
	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	
Cash Flows from Operating Activities								
Cash Received from Customers	\$ 9,770,049	\$ 1,474,443	\$ 1,085,946	\$ -	\$ 1,045,537	\$ 896,561	\$ 14,272,536	\$ 15,526,313
Cash Paid to Suppliers for Goods and Services	(7,563,614)	(655,460)	(309,041)	-	(1,045,587)	(299,473)	(9,873,175)	(10,778,985)
Cash Paid to Employees for Services	(800,849)	(482,092)	(330,900)	-	-	(185,879)	(1,799,720)	(1,760,671)
Net Cash Provided by (Used in) Operating Activities	<u>1,405,586</u>	<u>336,891</u>	<u>446,005</u>	<u>-</u>	<u>(50)</u>	<u>411,209</u>	<u>2,599,641</u>	<u>2,986,657</u>
Cash Flows From Capital and Related Financing Activities								
Principal Payments on Long-Term Debt	(188,162)	(70,901)	(123,684)	-	-	(175,000)	(557,747)	(459,599)
Principal Advances on Long-Term Debt	-	-	-	-	-	(46,778)	(46,778)	(44,026)
Bond Issuance Cost	-	-	-	-	-	-	-	(200)
Transfers (to) from Other Funds	(141,350)	22,146	119,204	-	-	-	-	-
Interest Paid on Revenue Bond Maturities	(50,718)	(44,903)	(86,359)	-	-	(64,159)	(246,139)	(193,643)
Contribution in Aid to Construction	-	4,137	1,056	-	-	-	5,193	-
Capital Expenditures	(1,477,545)	(201,400)	(565,553)	-	-	(833,143)	(3,077,641)	(2,141,944)
Net Cash Used in Capital and Related Financing Activities	<u>(1,857,775)</u>	<u>(290,921)</u>	<u>(655,336)</u>	<u>-</u>	<u>-</u>	<u>(1,119,080)</u>	<u>(3,923,112)</u>	<u>(2,839,412)</u>
Cash Flows from Investing Activities								
Interest Received	28,619	1,311	2,415	-	-	7,595	39,940	49,712
Net Cash Provided by Investing Activities	<u>28,619</u>	<u>1,311</u>	<u>2,415</u>	<u>-</u>	<u>-</u>	<u>7,595</u>	<u>39,940</u>	<u>49,712</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(423,570)	47,281	(206,916)	-	(50)	(700,276)	(1,283,531)	196,957
Cash and Cash Equivalents, Beginning of Year	<u>1,549,635</u>	<u>921,762</u>	<u>968,634</u>	<u>-</u>	<u>480</u>	<u>1,237,121</u>	<u>4,677,632</u>	<u>4,480,675</u>
Cash and Cash Equivalents, End 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>

CITY OF BEATRICE, NEBRASKA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-3

	2004							
ENTERPRISE FUNDS	Electric	Water	Water Pollution Control	Off-Street Parking	Sanitation	BASWA	Total	2003 Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ 127,621	\$ (229,284)	\$ (157,855)	\$ -	\$ -	\$ 152,336	\$ (107,182)	\$ 374,456
Adjustments to Reconcile Net Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation and Amortization	891,414	435,845	561,536	-	-	269,890	2,158,685	2,025,361
Merchandise and Miscellaneous Revenue	(5,238)	96,305	25,038	-	-	-	116,105	252,942
(Increase) Decrease in Unbilled and Accrued Revenues	(8,201)	(11,843)	(647)	-	-	-	(20,691)	53,582
(Increase) Decrease in Accounts Receivable	(283,401)	2,547	12,472	-	(1,815)	(7,366)	(277,563)	318,898
(Increase) Decrease in Inventory	(21,732)	(15,815)	-	-	-	-	(37,547)	(6,616)
Increase (Decrease) in Bank Overdraft	-	-	-	-	-	-	-	(2,386)
Increase (Decrease) in Accounts Payable	675,402	50,456	(1,309)	-	1,765	(4,900)	721,414	51,181
Increase (Decrease) in Accrued Expenses	26,321	8,680	6,770	-	-	1,249	43,020	(94,444)
Increase (Decrease) in Customer Deposits	3,400	-	-	-	-	-	3,400	13,683
Total Adjustments	1,277,965	566,175	603,860	-	(50)	258,873	2,706,823	2,612,201
Net Cash Provided by (Used in) Operating Activities	\$ 1,405,586	\$ 336,891	\$ 446,005	\$ -	\$ (50)	\$ 411,209	\$ 2,599,641	\$ 2,986,657

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-4

	2004	2003
Assets		
Current Assets		
Cash	\$ 888,262	\$ 1,318,356
Accounts Receivable (Net)	1,274,423	991,022
Unbilled and Accrued Revenues	399,999	391,798
Materials and Supplies Inventories	395,294	373,562
Prepaid Expenses	3,959	3,959
Interest Receivable	4,239	5,307
Total Current Assets	<u>2,966,176</u>	<u>3,084,004</u>
Restricted Cash		
Employee Benefits	32,911	10,837
Debt Service Reserve Account	88,387	107,337
Total Restricted Cash	<u>121,298</u>	<u>118,174</u>
Restricted Investments		
Customer Deposits	116,505	113,105
Total Restricted Investments	<u>116,505</u>	<u>113,105</u>
Total Restricted Assets	<u>237,803</u>	<u>231,279</u>
Property, Plant and Equipment		
Land and Land Rights	17,432	17,432
Buildings and Improvements	1,138,560	1,138,560
Improvements Other Than Building	20,890,793	19,577,763
Machinery and Equipment	3,075,197	2,843,956
	<u>25,121,982</u>	<u>23,577,711</u>
Less: Accumulated Depreciation	12,511,280	11,619,866
	<u>12,610,702</u>	<u>11,957,845</u>
Construction in Progress	117,070	183,796
Net Property, Plant and Equipment	<u>12,727,772</u>	<u>12,141,641</u>
Deferred Charges		
Unamortized Bond Issuance Cost	16,824	19,199
Total Assets	<u>\$ 15,948,575</u>	<u>\$ 15,476,123</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-4

	<u>2004</u>	<u>2003</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 1,600,788	\$ 920,727
Accrued Expenses	265,317	
Due to Street Fund	-	12,647
Compensated Absences	32,911	263,919
Total Current Liabilities	<u>1,899,016</u>	<u>1,197,293</u>
Current Liabilities Payable From Restricted Cash		
Customer Deposits	116,505	113,105
Current Portion of Revenue Bonds	175,588	188,162
Total Current Liabilities Payable From Restricted Cash	<u>292,093</u>	<u>301,267</u>
Long-Term Liabilities		
Revenue Bonds (Net)	<u>1,126,952</u>	<u>1,302,540</u>
Total Liabilities	<u>3,318,061</u>	<u>2,801,100</u>
Fund Equity		
Contributions in Aid of Construction	384,187	384,187
Contributed Capital	180,098	180,098
Retained Earnings	12,066,229	12,110,738
Total Fund Equity	<u>12,630,514</u>	<u>12,675,023</u>
Total Liabilities and Fund Equity	<u>\$ 15,948,575</u>	<u>\$ 15,476,123</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-5

	2004			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
				2003 Totals
Operating Revenues				
Charges for Services	\$ 10,372,300	\$ 10,372,300	\$ 10,066,889	\$ (305,411)
Operating Expenses				
Electric Energy Purchased	6,250,000	6,250,000	6,908,517	(658,517)
Operating and Maintenance Expense	816,010	816,010	790,763	25,247
Customer Accounting Expenses	189,100	189,100	181,750	7,350
Administrative and General Expense	877,270	877,270	816,718	60,552
Depreciation and Amortization	800,000	800,000	891,414	(91,414)
Municipal Expenses	356,777	356,777	350,106	6,671
Total Operating Expenses	<u>9,289,157</u>	<u>9,289,157</u>	<u>9,939,268</u>	<u>(650,111)</u>
Operating Income	<u>1,083,143</u>	<u>1,083,143</u>	<u>127,621</u>	<u>(955,522)</u>
Non-Operating Revenues (Expenses)				
Merchandising, Etc.	-	-	68,007	68,007
Interest Income	-	-	27,551	27,551
Miscellaneous	-	-	(73,245)	(73,245)
Interest Expense	(64,000)	(64,000)	(50,718)	13,282
Transfer to Other Fund	-	-	(141,350)	(141,350)
Amortization of Bond Issuance Cost	-	-	(2,375)	(2,375)
Total Non-Operating Revenues (Expenses)	<u>(64,000)</u>	<u>(64,000)</u>	<u>(172,130)</u>	<u>(108,130)</u>
Net Income (Loss)	<u>1,019,143</u>	<u>1,019,143</u>	<u>(44,509)</u>	<u>(1,063,652)</u>
Retained Earnings, Beginning of Year	<u>12,110,738</u>	<u>12,110,738</u>	<u>12,110,738</u>	<u>-</u>
Retained Earnings, End of Year	<u>\$ 13,129,881</u>	<u>\$ 13,129,881</u>	<u>\$ 12,066,229</u>	<u>\$ (1,063,652)</u>

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**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-6

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 9,770,049	\$ 10,540,321
Cash Paid to Suppliers for Goods and Services	(7,563,614)	(8,207,776)
Cash Paid to Employees for Services	(800,849)	(804,000)
Net Cash Provided by Operating Activities	<u>1,405,586</u>	<u>1,528,545</u>
Cash Flows From Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(188,162)	(200,835)
Bond Issuance Cost	-	(200)
Transfers to Other Funds	(141,350)	4,371
Interest Paid on Revenue Bond Maturities	(50,718)	(61,485)
Capital Expenditures	(1,477,545)	(1,517,821)
Net Cash Used in Capital and Related Financing Activities	<u>(1,857,775)</u>	<u>(1,775,970)</u>
Cash Flows From Investing Activities		
Interest Received	28,619	19,943
Net Cash Provided by Investing Activities	<u>28,619</u>	<u>19,943</u>
Net Increase (Decrease) in Cash and Restricted Cash	(423,570)	(227,482)
Cash and Restricted Cash, Beginning of Year	<u>1,549,635</u>	<u>1,777,117</u>
Cash and Restricted Cash, End of Year	<u>\$ 1,126,065</u>	<u>\$ 1,549,635</u>

**CITY OF BEATRICE, NEBRASKA
ELECTRIC ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-6

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 127,621	\$ 457,264
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	891,414	833,553
Merchandise and Miscellaneous Revenue	(5,238)	138,414
(Increase) Decrease in Unbilled and Accrued Revenues	(8,201)	38,749
(Increase) Decrease in Accounts Receivable	(283,401)	(46,126)
(Increase) Decrease in Inventory	(21,732)	(4,723)
Increase (Decrease) in Accounts Payable	675,402	83,091
Increase (Decrease) in Customer Deposits	3,400	13,683
Increase (Decrease) in Accrued Expenses	26,321	14,640
Total Adjustments	<u>1,277,965</u>	<u>1,071,281</u>
Net Cash Provided by Operating Activities	<u>\$ 1,405,586</u>	<u>\$ 1,528,545</u>
Summary of Non-Cash Transactions: None		

**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-7

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash	\$ 792,199	\$ 727,611
Accounts Receivable (Net)	137,179	139,726
Unbilled and Accrued Revenue	81,255	69,412
Materials and Supplies Inventories	140,926	125,111
Prepaid Expenses	2,045	2,045
Interest Receivable	643	643
Total Current Assets	<u>1,154,247</u>	<u>1,064,548</u>
Restricted Cash		
Debt Service Reserve Account	<u>176,844</u>	<u>194,151</u>
Property, Plant and Equipment		
Land and Land Rights	59,832	59,832
Buildings and Improvements	68,735	65,233
Improvements Other Than Buildings	10,778,002	10,599,006
Machinery and Equipment	<u>782,875</u>	<u>782,332</u>
	11,689,444	11,506,403
Less Accumulated Depreciation	<u>6,880,922</u>	<u>6,445,077</u>
	4,808,522	5,061,326
Construction in Progress	<u>20,652</u>	<u>2,293</u>
Net Property, Plant and Equipment	<u>4,829,174</u>	<u>5,063,619</u>
Deferred Charges		
Unamortized Bond Issuance Costs	<u>3,895</u>	<u>4,452</u>
Total Assets	<u>\$ 6,164,160</u>	<u>\$ 6,326,770</u>

CITY OF BEATRICE, NEBRASKA

WATER ENTERPRISE FUND

BALANCE SHEET

SEPTEMBER 30, 2004

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-7

	2004	2003
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 92,776	\$ 42,320
Accrued Expenses	179,632	170,952
Total Current Liabilities	<u>272,408</u>	<u>213,272</u>
Restricted Cash		
Current Portion of Revenue Bonds	73,399	70,901
Total Restricted Cash	<u>73,399</u>	<u>70,901</u>
Long-Term Liabilities		
Revenue Bonds (Net)	231,785	273,927
Notes Payable	759,239	790,496
Total Restricted Cash	<u>991,024</u>	<u>1,064,423</u>
Total Liabilities	<u>1,336,831</u>	<u>1,348,596</u>
Fund Equity		
Contributions in Aid of Construction	1,272,985	1,268,848
Contributed Capital	318,905	318,905
Retained Earnings	3,235,439	3,390,421
Total Fund Equity	<u>4,827,329</u>	<u>4,978,174</u>
Total Liabilities and Fund Equity	<u>\$ 6,164,160</u>	<u>\$ 6,326,770</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-8

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Operating Revenues					
Charges for Services	\$ 1,377,100	\$ 1,377,100	\$ 1,387,434	\$ 10,334	\$ 1,402,693
Operating Expenses					
Operating and Maintenance Expenses	614,630	614,630	697,067	(82,437)	664,411
Customer Accounting Expenses	83,425	83,425	103,416	(19,991)	94,274
Administrative and General Expenses	325,962	325,962	343,876	(17,914)	282,268
Depreciation and Amortization	450,000	450,000	435,845	14,155	436,257
Municipal Expenses	21,500	21,500	36,514	(15,014)	32,564
Transfer to Other Fund	-	-	-	-	5,588
Total Operating Expenses	<u>1,495,517</u>	<u>1,495,517</u>	<u>1,616,718</u>	<u>(121,201)</u>	<u>1,515,362</u>
Operating Income (Loss)	<u>(118,417)</u>	<u>(118,417)</u>	<u>(229,284)</u>	<u>(110,867)</u>	<u>(112,669)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	90,395	90,395	59,684
Interest Income	-	-	1,311	1,311	2,751
Miscellaneous	-	-	5,910	5,910	7,818
Interest Expense	(57,087)	(57,087)	(44,903)	12,184	(42,475)
Transfer from Other Fund	-	-	22,146	22,146	-
Amortization of Bond Issuance Costs	-	-	(557)	(557)	(556)
Total Non-Operating Revenues (Expenses)	<u>(57,087)</u>	<u>(57,087)</u>	<u>74,302</u>	<u>131,389</u>	<u>27,222</u>
Net Income (Loss)	<u>(175,504)</u>	<u>(175,504)</u>	<u>(154,982)</u>	<u>20,522</u>	<u>(85,447)</u>
Retained Earnings, Beginning of Year	<u>3,390,421</u>	<u>3,390,421</u>	<u>3,390,421</u>	<u>-</u>	<u>3,475,868</u>
Retained Earnings, End of Year	<u>\$ 3,214,917</u>	<u>\$ 3,214,917</u>	<u>\$ 3,235,439</u>	<u>\$ 20,522</u>	<u>\$ 3,390,421</u>

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**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-9

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,474,443	\$ 1,862,566
Cash Paid to Suppliers For Goods and Services	(655,460)	(795,352)
Cash Paid to Employees for Services	(482,092)	(445,143)
Net Cash Provided by Operating Activities	<u>336,891</u>	<u>622,071</u>
Cash Flows from Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(70,901)	(76,119)
Transfers from Other Funds	22,146	-
Contribution in Aid to Construction	4,137	-
Interest Paid on Revenue Bond Maturities	(44,903)	(42,475)
Capital Expenditures	(201,400)	(132,675)
Net Cash Used in Capital and Related Financing Activities	<u>(290,921)</u>	<u>(251,269)</u>
Cash Flows From Investing Activities		
Interest Received	<u>1,311</u>	<u>2,751</u>
Net Cash Provided by Investing Activities	<u>1,311</u>	<u>2,751</u>
Net Increase (Decrease) in Cash and Restricted Cash	47,281	373,553
Cash and Restricted Cash, Beginning of Year	<u>921,762</u>	<u>548,209</u>
Cash and Restricted Cash, End of Year	<u>\$ 969,043</u>	<u>\$ 921,762</u>

**CITY OF BEATRICE, NEBRASKA
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-9

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ (229,284)	\$ (112,669)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	435,845	436,257
Merchandise and Miscellaneous Revenue	96,305	67,502
(Increase) Decrease in Accounts Receivable	2,547	380,537
(Increase) Decrease in Unbilled and Accrued Expenses	(11,843)	11,834
(Increase) Decrease in Inventory	(15,815)	(1,893)
Increase (Decrease) in Accounts Payable	50,456	(45,229)
Increase (Decrease) in Accrued Expenses	8,680	(114,268)
Total Adjustments	<u>566,175</u>	<u>734,740</u>
Net Cash Provided by Operating Activities	<u>\$ 336,891</u>	<u>\$ 622,071</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-10

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash	\$ 398,970	\$ 558,394
Accounts Receivable (Net)	142,500	154,972
Unbilled and Accrued Revenues	53,920	53,273
Prepaid expenses	1,099	1,099
Interest Receivable	911	926
Total Current Assets	<u>597,400</u>	<u>768,664</u>
Restricted Cash		
Debt Service Reserve Account	<u>362,748</u>	<u>410,240</u>
Property, Plant and Equipment		
Land and Land Rights	16,588	16,588
Improvements Other Than Buildings	15,206,009	14,640,893
Machinery and Equipment	<u>688,032</u>	<u>687,595</u>
	15,910,629	15,345,076
Less: Accumulated Depreciation	<u>7,570,614</u>	<u>7,009,078</u>
Net Property, Plant and Equipment	<u>8,340,015</u>	<u>8,335,998</u>
Deferred Charges		
Unamortized Debt Expense	<u>5,517</u>	<u>6,305</u>
Total Assets	<u>\$ 9,305,680</u>	<u>\$ 9,521,207</u>

CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-10

	<u>2004</u>	<u>2003</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ 32,004	\$ 33,313
Accrued Expenses	85,429	78,659
Total Current Liabilities	<u>117,433</u>	<u>111,972</u>
Restricted Cash		
Current Portion of Revenue Bonds	127,966	123,683
Total Restricted Cash	<u>127,966</u>	<u>123,683</u>
Long-Term Liabilities		
Revenue Bonds (Net)	304,310	364,747
Notes Payable	1,602,353	1,669,883
Total Long-Term Liabilities	<u>1,906,663</u>	<u>2,034,630</u>
Total Liabilities	<u>2,152,062</u>	<u>2,270,285</u>
Fund Equity		
Contribution in Aid of Construction	5,394,192	5,393,136
Contributed Capital	715,582	715,582
Retained Earnings	1,043,844	1,142,204
Total Fund Equity	<u>7,153,618</u>	<u>7,250,922</u>
Total Liabilities and Fund Equity	<u>\$ 9,305,680</u>	<u>\$ 9,521,207</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-11

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Operating Revenues					
Charges for Services	\$ 1,110,680	\$ 1,110,680	\$ 1,049,083	\$ (61,597)	\$ 1,077,881
Operating Expenses					
Operating and Maintenance Expenses	423,750	423,750	390,255	33,495	398,345
Customer Accounting Expenses	46,600	46,600	53,556	(6,956)	50,772
Administrative and General Expenses	197,700	197,700	192,628	5,072	169,812
Depreciation and Amortization	520,000	520,000	561,536	(41,536)	520,211
Municipal Expenses	7,100	7,100	8,963	(1,863)	84,020
Transfer to Other Fund	-	-	-	-	(1,217)
Total Operating Expenses	<u>1,195,150</u>	<u>1,195,150</u>	<u>1,206,938</u>	<u>(11,788)</u>	<u>1,221,943</u>
Operating Income (Loss)	<u>(84,470)</u>	<u>(84,470)</u>	<u>(157,855)</u>	<u>(73,385)</u>	<u>(144,062)</u>
Non-Operating Revenues (Expenses)					
Merchandising, Etc.	-	-	22,890	22,890	35,089
Interest Income	-	-	2,400	2,400	5,174
Miscellaneous	-	-	2,148	2,148	11,330
Interest Expense	(71,300)	(71,300)	(86,359)	(15,059)	(19,680)
Transfer from Other Fund	-	-	119,204	119,204	-
Amortization of Bond Issuance Costs	-	-	(788)	(788)	(788)
Total Non-Operating Revenues (Expenses)	<u>(71,300)</u>	<u>(71,300)</u>	<u>59,495</u>	<u>130,795</u>	<u>31,125</u>
Net Income (Loss)	<u>(155,770)</u>	<u>(155,770)</u>	<u>(98,360)</u>	<u>57,410</u>	<u>(112,937)</u>
Retained Earnings, Beginning of Year	1,142,204	1,142,204	1,142,204	-	1,094
Cumulative Effect of Change in Accounting Principle	-	-	-	-	1,254,047
Retained Earnings, End of Year	<u>\$ 986,434</u>	<u>\$ 986,434</u>	<u>\$ 1,043,844</u>	<u>\$ 57,410</u>	<u>\$ 1,142,204</u>

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**CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-12

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,085,946	\$ 1,107,225
Cash Paid to Suppliers for Goods and Services	(309,041)	(373,298)
Cash Paid to Employees for Services	(330,900)	(310,975)
Net Cash Provided by Operating Activities	<u>446,005</u>	<u>422,952</u>
Cash Flows From Capital and Related Financing Activities		
Principal Payments on Long-Term Debt	(123,684)	(122,645)
Transfers from Other Funds	119,204	-
Interest Paid On Revenue Bond Maturities	(86,359)	(19,680)
Capital Expenditures	(565,553)	(323,704)
Contribution in Aid of Construction	1,056	-
Net Cash Used in Capital and Related Financing Activities	<u>(655,336)</u>	<u>(466,029)</u>
Cash Flows from Investing Activities		
Interest Received	<u>2,415</u>	<u>4,567</u>
Net Cash Provided by Investing Activities	<u>2,415</u>	<u>4,567</u>
Net Increase (Decrease) in Cash	(206,916)	(38,510)
Cash and Restricted Cash, Beginning of Year	<u>968,634</u>	<u>1,007,144</u>
Cash and Restricted Cash, End of Year	<u>\$ 761,718</u>	<u>\$ 968,634</u>

**CITY OF BEATRICE, NEBRASKA
WATER POLLUTION CONTROL ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-12

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (157,855)	\$ (144,062)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	561,536	520,211
Merchandise and Miscellaneous Revenue	25,038	46,419
(Increase) Decrease in Accounts Receivable	12,472	(20,074)
(Increase) Decrease in Unbilled and Accrued Revenues	(647)	2,999
Increase (Decrease) in Accounts Payable	(1,309)	12,324
Increase (Decrease) in Accrued Expenses	6,770	5,135
Total Adjustments	<u>603,860</u>	<u>567,014</u>
Net Cash Provided by Operating Activities	<u>\$ 446,005</u>	<u>\$ 422,952</u>
Summary of Non-Cash Transactions: None		

**CITY OF BEATRICE, NEBRASKA
OFF-STREET PARKING ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-13

	<u>2004</u>	<u>2003</u>
Assets		
Property and Equipment		
Land and Land Rights	-	366,491
Machinery and Equipment	-	<u>19,562</u>
	-	386,053
Less: Accumulated Depreciation	-	<u>17,600</u>
Net Property and Equipment	-	<u>368,453</u>
Total Assets	<u>\$ -</u>	<u>\$ 368,453</u>
Liabilities and Fund Equity		
Current Liabilities		
Compensated Absences	<u>\$ -</u>	<u>\$ 239</u>
Total Current Liabilities	<u>-</u>	<u>239</u>
Total Liabilities	<u>-</u>	<u>239</u>
Fund Equity		
Contributed Capital	-	11,385
Retained Earnings	-	<u>356,829</u>
Total Fund Equity	<u>-</u>	<u>368,214</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ 368,453</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-14

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Stall Lease Income	\$ -	\$ -	\$ -	\$ -	\$ 4,675
Meter Collections	-	-	-	-	5,275
Miscellaneous Charges	-	-	-	-	7,928
Meter Sales	-	-	-	-	8,710
Meter Fines	-	-	-	-	3,794
Total Operating Revenues	-	-	-	-	30,382
Operating Expenses					
Salaries	-	-	-	-	18,107
Social Security	-	-	-	-	1,378
Retirement	-	-	-	-	1,013
Health and Life Insurance	-	-	-	-	3,120
Insurance	-	-	-	-	482
Vehicle Maintenance and Repairs	-	-	-	-	152
Other Services and Charges	-	-	-	-	2,480
Regular Office Supplies	-	-	-	-	79
Equipment Repair and Maintenance Supplies	-	-	-	-	139
Vehicle Repairs and Maintenance Supplies	-	-	-	-	482
Depreciation	-	-	-	-	750
Total Operating Expenses	-	-	-	-	28,182
Operating Income (Loss)	-	-	-	-	2,200
Non-Operating Revenues (Expenses)					
Transfers Out	-	-	(356,829)	(356,829)	-
Net Income (Loss)	-	-	(356,829)	(356,829)	2,200
Retained Earnings, Beginning of Year	356,829	356,829	356,829	-	354,629
Retained Earnings, End of Year	\$ 356,829	\$ 356,829	\$ -	\$ (356,829)	\$ 356,829

**CITY OF BEATRICE, NEBRASKA
OFF-STREET PARKING ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-15

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ -	\$ 30,517
Cash Paid to Suppliers for Goods and Services	-	(11,711)
Cash Paid to Employees for Services	-	(18,806)
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	-	-
Cash, Beginning of Year	<u>-</u>	<u>-</u>
Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ -	\$ 2,200
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	-	750
(Increase) Decrease in Accounts Receivable	-	135
Increase (Decrease) in Bank Overdraft	-	(2,386)
Increase (Decrease) in Accrued Expenses	-	(699)
Total Adjustments	<u>-</u>	<u>(2,200)</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, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-16

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash	\$ 430	\$ 480
Accounts Receivable (Net)	<u>70,125</u>	<u>68,310</u>
Total Assets	<u>\$ 70,555</u>	<u>\$ 68,790</u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable	<u>\$ 70,555</u>	<u>\$ 68,790</u>
Total Liabilities	<u>70,555</u>	<u>68,790</u>
Fund Equity		
Retained Earnings	<u>-</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 70,555</u>	<u>\$ 68,790</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, 2004
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-17

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Totals
Operating Revenues					
Garbage Service Fees	\$ 1,041,700	\$ 1,041,700	\$ 1,047,352	\$ 5,652	\$ 1,023,608
Operating Expenses					
Bad Debt Expense	2,200	2,200	2,281	(81)	2,743
Garbage Disposal Contract	470,140	477,140	477,097	43	558,518
Garbage Hauler Contract	569,360	573,360	567,974	5,386	462,347
Total Operating Expenses	<u>1,041,700</u>	<u>1,052,700</u>	<u>1,047,352</u>	<u>5,348</u>	<u>1,023,608</u>
Net Income (Loss)	-	(11,000)	-	11,000	-
Retained Earnings, Beginning of Year	-	-	-	-	-
Retained Earnings (Deficit), End of Year	<u>\$ -</u>	<u>\$ (11,000)</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ -</u>

CITY OF BEATRICE, NEBRASKA
 BEATRICE SANITATION
 ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2004
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-18

	2004	2003
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 1,045,537	\$ 1,021,301
Cash Paid to Supplies for Goods and Services	<u>(1,045,587)</u>	<u>(1,020,844)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(50)</u>	<u>457</u>
Net Increase (Decrease) in Cash	(50)	457
Cash, Beginning of Year	<u>480</u>	<u>23</u>
Cash, End of Year	<u>\$ 430</u>	<u>\$ 480</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	(1,815)	(2,307)
Increase (Decrease) in Accounts Payable	<u>1,765</u>	<u>2,764</u>
Total Adjustments	<u>(50)</u>	<u>457</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (50)</u>	<u>\$ 457</u>
Summary of Non-Cash Transactions: None		

CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
BALANCE SHEET
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule I-19

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash and Investments	\$ 135,418	\$ 643,510
Accounts Receivable (Net)	<u>122,460</u>	<u>115,094</u>
Total Current Assets	<u>257,878</u>	<u>758,604</u>
Restricted Cash		
Debt Service Reserve Account	<u>149,508</u>	<u>146,090</u>
Restricted Investments		
Closure/Postclosure Maintenance Account	<u>251,919</u>	<u>447,521</u>
Total Restricted Investments	<u>251,919</u>	<u>447,521</u>
Property, Plant and Equipment		
Improvements Other Than Buildings	3,584,215	2,758,947
Machinery and Equipment	<u>552,266</u>	<u>544,391</u>
	4,136,481	3,303,338
Less: Accumulated Depreciation	<u>1,453,916</u>	<u>1,185,456</u>
Net Property, Plant and Equipment	<u>2,682,565</u>	<u>2,117,882</u>
Deferred Charges		
Bond Issue Costs, Net of Amortization of \$3,218 and \$1,788 for 2004 and 2003	<u>18,232</u>	<u>19,662</u>
Total Assets	<u>\$ 3,360,102</u>	<u>\$ 3,489,759</u>
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	\$ -	\$ 4,900
Compensated Absences	5,147	4,628
Accrued Compensation	4,135	3,405
Current Maturities of Long-Term Debt	<u>180,000</u>	<u>175,000</u>
Total Current Liabilities	<u>189,282</u>	<u>187,933</u>
Long-Term Liabilities		
Revenue Bonds Payable	1,235,000	1,415,000
Notes Payable	102,490	149,268
Estimated Current Cost of Closure and Postclosure	<u>205,573</u>	<u>205,573</u>
Total Long-Term Liabilities	<u>1,543,063</u>	<u>1,769,841</u>
Total Liabilities	<u>1,732,345</u>	<u>1,957,774</u>
Fund Equity		
Retained Earnings	<u>1,627,757</u>	<u>1,531,985</u>
Total Liabilities and Fund Equity	<u>\$ 3,360,102</u>	<u>\$ 3,489,759</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule I-20

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ 1,748
Other Government User Fees	95,463	95,463	97,659	2,196	95,463
Gate Fees	215,000	215,000	229,159	14,159	300,120
Garbage Service Fees	569,360	569,360	574,610	5,250	558,866
Recycling Income	1,000	1,000	2,499	1,499	846
Total Operating Revenues	<u>880,823</u>	<u>880,823</u>	<u>903,927</u>	<u>23,104</u>	<u>957,043</u>
Operating Expenses					
Personal Services	185,002	185,002	187,128	(2,126)	182,495
Supplies	60,450	60,450	49,716	10,734	49,736
Other Services and Charges	265,182	265,182	172,040	93,142	247,553
Contractual Services	95,625	95,625	72,817	22,808	75,317
Depreciation and Amortization	250,000	250,000	269,890	(19,890)	234,590
Capital Outlay	857,607	857,607	-	857,607	-
Landfill Closure and Postclosure Care	-	-	-	-	-
Total Operating Expenses	<u>1,713,866</u>	<u>1,713,866</u>	<u>751,591</u>	<u>962,275</u>	<u>789,691</u>
Operating Income (Loss)	(833,043)	(833,043)	152,336	985,379	167,352
Non-Operating Revenues (Expenses)					
Miscellaneous Income	500	500	-	(500)	607
Interest Earnings	16,000	16,000	7,595	(8,405)	22,451
Interest Expense	(232,618)	(232,618)	(64,159)	168,459	(70,003)
Total Non-Operating Revenues (Expenses)	<u>(216,118)</u>	<u>(216,118)</u>	<u>(56,564)</u>	<u>159,554</u>	<u>(46,945)</u>
Net Income (Loss)	(1,049,161)	(1,049,161)	95,772	1,144,933	120,407
Retained Earnings, Beginning of Year	1,531,985	1,531,985	1,531,985	-	1,387,078
Prior Period Adjustments	-	-	-	-	24,500
Retained Earnings, End of Year	<u>\$ 482,824</u>	<u>\$ 482,824</u>	<u>\$ 1,627,757</u>	<u>\$ 1,144,933</u>	<u>\$ 1,531,985</u>

**CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-21

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities		
Cash Received From Customers	\$ 896,561	\$ 964,383
Cash Paid to Suppliers for Goods and Services	(299,473)	(374,375)
Cash Paid to Employees for Services	(185,879)	(181,747)
Net Cash Provided by Operating Activities	<u>411,209</u>	<u>408,261</u>
Cash Flows from Capital and Related Financing Activities		
Bond Principal Repayments	(175,000)	(60,000)
Note Payable Advances (Repayments)	(46,778)	(44,026)
Interest Expenditures	(64,159)	(70,003)
Capital Expenditures	(833,143)	(167,744)
Net Cash Used in Capital and Related Financing Activities	<u>(1,119,080)</u>	<u>(341,773)</u>
Cash Flows from Investing Activities		
Interest Received	7,595	22,451
Net Cash Provided by Investing Activities	<u>7,595</u>	<u>22,451</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(700,276)	88,939
Cash and Cash Equivalents, Beginning of Year	<u>1,237,121</u>	<u>1,148,182</u>
Cash and Cash Equivalents, End of Year	<u>\$ 536,845</u>	<u>\$ 1,237,121</u>

**CITY OF BEATRICE, NEBRASKA
BASWA ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule I-21

	<u>2004</u>	<u>2003</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	<u>\$ 152,336</u>	<u>\$ 167,352</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	269,890	234,590
Other Revenue	-	607
(Increase) Decrease in Accounts Receivable	(7,366)	6,733
Increase (Decrease) in Accounts Payable	(4,900)	(1,769)
Increase (Decrease) in Accrued Expenses	<u>1,249</u>	<u>748</u>
Total Adjustments	<u>258,873</u>	<u>240,909</u>
Net Cash Provided by Operating Activities	<u><u>\$ 411,209</u></u>	<u><u>\$ 408,261</u></u>
Summary of Non-Cash Transactions: None		

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CITY OF BEATRICE
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule J-1

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,870	\$ 9,147
Total Assets	<u>\$ 6,870</u>	<u>\$ 9,147</u>
Liabilities		
Current Liabilities		
Claims Incurred But Not Reported	\$ 28,353	\$ 22,075
Total Current Liabilities	<u>28,353</u>	<u>22,075</u>
Total Liabilities	<u>28,353</u>	<u>22,075</u>
Net Assets		
Unrestricted	<u>(21,483)</u>	<u>(12,928)</u>
Total Net Assets	<u>\$ (21,483)</u>	<u>\$ (12,928)</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, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2003

Schedule J-2

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Totals
Operating Revenues					
Charges for Services	\$ 565,200	\$ 565,200	\$ 602,316	\$ 37,116	\$ 632,750
Reimbursements	10,000	10,000	20,917	10,917	15,643
Total Operating Revenues	<u>575,200</u>	<u>575,200</u>	<u>623,233</u>	<u>48,033</u>	<u>648,393</u>
Operating Expenses					
Health Insurance Claims Paid	427,240	467,240	493,487	(26,247)	467,950
Health and Life Insurance Premiums	88,200	88,200	80,781	7,419	83,515
Payflex Expenditures	34,800	34,800	33,445	1,355	21,866
Other Services and Charges	25,200	25,200	24,286	914	23,567
Total Operating Expenses	<u>575,440</u>	<u>615,440</u>	<u>631,999</u>	<u>(16,559)</u>	<u>596,898</u>
Operating Income	<u>(240)</u>	<u>(40,240)</u>	<u>(8,766)</u>	<u>64,592</u>	<u>51,495</u>
Non-Operating Revenues					
Interest	<u>240</u>	<u>240</u>	<u>211</u>	<u>(29)</u>	<u>320</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS		(40,000)	(8,555)	64,563	51,815
Transfers in					<u>60,000</u>
CHANGE IN NET ASSETS		(40,000)	(8,555)	64,563	111,815
TOTAL NET ASSETS, Beginning of Year	<u>(12,928)</u>	<u>(12,928)</u>	<u>(12,928)</u>		<u>(124,743)</u>
TOTAL NET ASSETS, End of Year	<u>\$ (12,928)</u>	<u>\$ (52,928)</u>	<u>\$ (21,483)</u>	<u>\$ 64,563</u>	<u>\$ (12,928)</u>

CITY OF BEATRICE
INTERNAL SERVICE FUND
SELF-INSURED GROUP INSURANCE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule J-3

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Receipts From Customers and Users	\$ 623,233	\$ 648,393
Payments to suppliers	<u>(625,721)</u>	<u>(645,825)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(2,488)</u>	<u>2,568</u>
Cash Flows From Investing Activities		
Interest Received	<u>211</u>	<u>320</u>
Net Cash Provided by Investing Activities	<u>211</u>	<u>320</u>
Net Increase in Cash	(2,277)	2,888
Cash, Beginning of Year	<u>9,147</u>	<u>6,259</u>
Cash, End of Year	<u>\$ 6,870</u>	<u>\$ 9,147</u>

CITY OF BEATRICE, NEBRASKA
FIDUCIARY FUND
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule K-1

	2004		
	Pension Trust Fund	Non- Expendable Trust Fund	
	Employees' Retirement System	Norcross/ Horner Fund	Total
			2003 Totals
Assets			
Investments	\$ -	\$ 7,003	\$ 7,003
Investments with Fiscal Agent	13,452,558	-	13,452,558
Total Assets	<u>13,452,558</u>	<u>7,003</u>	<u>13,459,561</u>
Net Assets			
Reserved for Endowments	-	7,003	7,003
Reserved for Employees' Retirement System	13,452,558	-	13,452,558
Total Net Assets	<u>\$ 13,452,558</u>	<u>\$ 7,003</u>	<u>\$ 13,459,561</u>

**CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

	2004					2003
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Assets						
Investments with Fiscal Agent	\$ 5,019,075	\$ 1,674,904	\$ 1,782,140	\$ 4,976,439	\$ 13,452,558	\$ 12,831,173
Total Assets	<u>\$ 5,019,075</u>	<u>\$ 1,674,904</u>	<u>\$ 1,782,140</u>	<u>\$ 4,976,439</u>	<u>\$ 13,452,558</u>	<u>\$ 12,831,173</u>
Net Assets						
Reserved for Employees' Retirement System	\$ 5,019,075	\$ 1,674,904	\$ 1,782,140	\$ 4,976,439	\$ 13,452,558	\$ 12,831,173
Total Net Assets	<u>\$ 5,019,075</u>	<u>\$ 1,674,904</u>	<u>\$ 1,782,140</u>	<u>\$ 4,976,439</u>	<u>\$ 13,452,558</u>	<u>\$ 12,831,173</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, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule K-3

	<u>2004</u>	<u>2003</u>
Additions:		
Contributions:		
Employer	\$ 356,872	\$ 323,051
Employee	<u>377,291</u>	<u>333,819</u>
Total Contributions	<u>734,163</u>	<u>656,870</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	<u>815,171</u>	<u>771,146</u>
Total Additions	<u>1,549,334</u>	<u>1,428,016</u>
Deductions:		
Benefit Payments	907,564	953,035
Administrative Costs	<u>20,385</u>	<u>19,190</u>
Total Deductions	<u>927,949</u>	<u>972,225</u>
Net Increase (Decrease)	621,385	455,791
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>12,831,173</u>	<u>12,375,382</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u><u>\$ 13,452,558</u></u>	<u><u>\$ 12,831,173</u></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, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

	2004					2003 Totals
	Firefighters	Police	General Government	Board of Public Works	Total	
Additions:						
Contributions:						
Employer	\$ 112,468	\$ 49,010	\$ 59,430	\$ 135,964	\$ 356,872	\$ 323,051
Employee	56,234	52,940	72,707	195,410	377,291	333,819
Total Contributions	<u>168,702</u>	<u>101,950</u>	<u>132,137</u>	<u>331,374</u>	<u>734,163</u>	<u>656,870</u>
Investment Income:						
Net Appreciation (Depreciation) in Fair Value of Investments	<u>312,692</u>	<u>109,653</u>	<u>95,926</u>	<u>296,900</u>	<u>815,171</u>	<u>771,146</u>
Total Additions	<u>481,394</u>	<u>211,603</u>	<u>228,063</u>	<u>628,274</u>	<u>1,549,334</u>	<u>1,428,016</u>
Deductions:						
Benefit Payments	131,641	344,548	41,140	390,235	907,564	953,035
Administrative Costs	<u>8,860</u>	<u>5,259</u>	<u>6,266</u>	<u>-</u>	<u>20,385</u>	<u>19,190</u>
Total Deductions	<u>140,501</u>	<u>349,807</u>	<u>47,406</u>	<u>390,235</u>	<u>927,949</u>	<u>972,225</u>
Net Increase (Decrease)	340,893	(138,204)	180,657	238,039	621,385	455,791
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>4,678,182</u>	<u>1,813,108</u>	<u>1,601,483</u>	<u>4,738,400</u>	<u>12,831,173</u>	<u>12,375,382</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 5,019,075</u>	<u>\$ 1,674,904</u>	<u>\$ 1,782,140</u>	<u>\$ 4,976,439</u>	<u>\$ 13,452,558</u>	<u>\$ 12,831,173</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule K-5

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash Contributions Received	\$ 734,163	\$ 656,870
Cash Terminations/Retirements Paid	(907,564)	(953,035)
Other Operating Charges Paid	(20,385)	(19,190)
Net Cash Used in Operating Activities	<u>(193,786)</u>	<u>(315,355)</u>
Cash Flows From Investing Activities		
Interest and Dividends on Investments	(815,171)	(771,146)
Purchase of Investments	1,008,957	1,086,501
Net Cash Provided by Investing Activities	<u>193,786</u>	<u>315,355</u>
Net Increase in Cash	-	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating Income (Loss)	\$ 621,385	\$ 455,791
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Interest and Dividends on Investments	(815,171)	(771,146)
Net Cash Used In Operating Activities	<u>\$ (193,786)</u>	<u>\$ (315,355)</u>

CITY OF BEATRICE, NEBRASKA
PENSION TRUST FUND - EMPLOYEES' RETIREMENT SYSTEM
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule K-6

	2004					2003
	Firefighters	Police	General Government	Board of Public Works	Total	Totals
Cash Flows From Operating Activities						
Cash Contributions Received	\$ 168,702	\$ 101,950	\$ 132,137	\$ 331,374	\$ 734,163	\$ 656,870
Cash Terminations/Retirements Paid	(131,641)	(344,548)	(41,140)	(390,235)	(907,564)	(953,035)
Other Operating Charges Paid	(8,860)	(5,259)	(6,266)	-	(20,385)	(19,190)
Net Cash Provided by (Used in) Operating Activities	<u>28,201</u>	<u>(247,857)</u>	<u>84,731</u>	<u>(58,861)</u>	<u>\$ (193,786)</u>	<u>(315,355)</u>
Cash Flows From Investing Activities						
Interest and Dividends on Investments	(312,692)	(109,653)	(95,926)	(296,900)	(815,171)	(771,146)
Sale (Purchase) of Investments	284,491	357,510	11,195	355,761	1,008,957	1,086,501
Net Cash Provided by (Used in) Investing Activities	<u>(28,201)</u>	<u>247,857</u>	<u>(84,731)</u>	<u>58,861</u>	<u>193,786</u>	<u>315,355</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)	\$ 340,893	\$ (138,204)	\$ 180,657	\$ 238,039	\$ 621,385	\$ 455,791
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:						
Interest and Dividends on Investments	(312,692)	(109,653)	(95,926)	(296,900)	(815,171)	(771,146)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 28,201</u>	<u>\$ (247,857)</u>	<u>\$ 84,731</u>	<u>\$ (58,861)</u>	<u>\$ (193,786)</u>	<u>\$ (315,355)</u>

See Accompanying Notes to Financial Statements.

CITY OF BEATRICE, NEBRASKA
NONEXPENDABLE TRUST FUND
NORCROSS/HORNER FUND
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule K-7

	Non-Expendable Trust Fund	
	Norcross/Horner Fund	
	2004	2003
Assets		
Investments	\$ 7,003	\$ 6,888
Total Assets	<u>7,003</u>	<u>6,888</u>
Net Assets		
Reserved for Endowments	<u>7,003</u>	<u>6,888</u>
Total Net Assets	<u>\$ 7,003</u>	<u>\$ 6,888</u>

**CITY OF BEATRICE, NEBRASKA
NON-EXPENDABLE TRUST FUND
NORCROSS/HORNER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule K-8

	<u>2004</u>	<u>2003</u>
Operating Revenues		
Interest	\$ 115	\$ 152
Operating Expenses		
Other Services and Charges	<u>-</u>	<u>500</u>
Net Income (Loss)	115	(348)
Net Assets, Beginning of Year	<u>6,888</u>	<u>7,236</u>
Net Assets, End of Year	<u>\$ 7,003</u>	<u>\$ 6,888</u>

**CITY OF BEATRICE, NEBRASKA
NON-EXPENDABLE TRUST FUND
NORCROSS/HORNER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003**

Schedule K-9

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Other Operating Charges Paid	\$ -	\$ (500)
Net Cash Used in Operating Activities	<u>-</u>	<u>(500)</u>
Cash Flows From Investing Activities		
Interest Received	115	152
Net Cash Provided by Investing Activities	<u>115</u>	<u>152</u>
Net Increase (Decrease) in Cash	<u>\$ 115</u>	<u>\$ (348)</u>
Cash and Cash Equivalents, Beginning of Year	<u>\$ 6,888</u>	<u>\$ 7,236</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,003</u>	<u>\$ 6,888</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 115	\$ (348)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used In) Operating Activities:		
Interest reported as operating income	<u>(115)</u>	<u>(152)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ (500)</u>

CITY OF BEATRICE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULES BY SOURCE
SEPTEMBER 30, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule L-1

	<u>2004</u>	<u>2003</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 2,191,565	\$ 2,274,512
Buildings	4,382,665	5,126,596
Improvements Other Than Buildings	3,421,417	3,074,314
Machinery and Equipment	5,485,688	5,225,750
Infrastructure	<u>18,507,478</u>	<u>16,222,892</u>
Total	<u><u>33,988,813</u></u>	<u><u>31,924,064</u></u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General Obligation Bonds	4,004,607	4,004,607
Federal and State Grants	5,448,830	5,448,830
General Fund Revenues	22,975,312	20,910,183
Donations	<u>1,560,064</u>	<u>1,560,444</u>
Total Investments in Governmental Funds Capital Assets	<u><u>\$ 33,988,813</u></u>	<u><u>\$ 31,924,064</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, 2004
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2003

Schedule L-2

Function and Activity	2004						2003 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	\$ 80,353
Legal	-	-	-	6,683	-	6,683	6,683
Inspection	-	-	-	22,495	-	22,495	24,617
Total General Government	<u>5,025</u>	<u>-</u>	<u>-</u>	<u>103,616</u>	<u>-</u>	<u>108,641</u>	<u>111,653</u>
PUBLIC SAFETY							
Police	76,500	62,748	147,480	1,274,182	-	1,560,910	1,541,300
Fire	-	-	-	1,686,229	-	1,686,229	1,519,117
Total Public Safety	<u>76,500</u>	<u>62,748</u>	<u>147,480</u>	<u>2,960,411</u>	<u>-</u>	<u>3,247,139</u>	<u>3,060,417</u>
CULTURE AND RECREATION							
Public Properties	2,009,463	2,199,239	3,191,733	676,224	-	8,076,659	8,546,754
Library	100,577	2,102,933	82,204	618,010	-	2,903,724	2,859,183
Total Culture and Recreation	<u>2,110,040</u>	<u>4,302,172</u>	<u>3,273,937</u>	<u>1,294,234</u>	<u>-</u>	<u>10,980,383</u>	<u>11,405,937</u>
STREETS	<u>-</u>	<u>17,745</u>	<u>-</u>	<u>1,127,427</u>	<u>17,584,402</u>	<u>18,729,574</u>	<u>16,422,981</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>\$ 2,191,565</u>	<u>\$ 4,382,665</u>	<u>\$ 3,421,417</u>	<u>\$ 5,485,688</u>	<u>\$ 18,507,478</u>	<u>\$ 33,988,813</u>	<u>\$ 31,924,064</u>

CITY OF BEATRICE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2004

Schedule L-3

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 10/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets 09/30/04</u>
GENERAL GOVERNMENT				
Management and Budget	\$ 80,353	\$ 3,000	\$ 3,890	\$ 79,463
Legal	6,683	-	-	6,683
Inspection	24,617	2,970	5,092	22,495
Total General Government	<u>111,653</u>	<u>5,970</u>	<u>8,982</u>	<u>108,641</u>
PUBLIC SAFETY				
Police	1,541,300	47,600	27,990	1,560,910
Fire	1,519,117	203,932	36,820	1,686,229
Total Public Safety	<u>3,060,417</u>	<u>251,532</u>	<u>64,810</u>	<u>3,247,139</u>
CULTURE AND RECREATION				
Public Properties	8,546,754	444,458	914,553	8,076,659
Library	2,859,183	45,191	650	2,903,724
Total Culture and Recreation	<u>11,405,937</u>	<u>489,649</u>	<u>915,203</u>	<u>10,980,383</u>
STREETS	<u>16,422,981</u>	<u>2,313,075</u>	<u>6,482</u>	<u>18,729,574</u>
SANITATION	<u>923,076</u>	<u>-</u>	<u>-</u>	<u>923,076</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 31,924,064</u>	<u>\$ 3,060,226</u>	<u>\$ 995,477</u>	<u>\$ 33,988,813</u>

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SECTION 3

STATISTICAL TABLES

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

Table 1

FISCAL YEAR		GENERAL GOVERNMENT	PUBLIC SAFETY	STREETS	CULTURE & RECREATION	DEBT SERVICE
1995	(1)	\$ 691,564	\$ 2,001,427	\$ 1,139,322	\$ 731,540	\$ 333,342
1996	(2)	1,142,363	2,732,532	1,490,546	890,268	85,222
1997	(3)	900,529	2,320,734	1,094,917	850,809	534,292
1998	(4)	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	(5)	713,478	2,787,449	1,393,513	946,926	1,025,429
2001	(6)	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	(7)	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

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

- (1) General Government-land acquisition \$162,592; Public Safety-increased personnel and related costs due to the addition of the ambulance service and the 911 communications center; Capital costs including new Sr. Citizens Center, industrial park land and improvements, and 911 equipment.
- (2) 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
- (3) Included in General Government is continued expense of repairs due to the Tornado of 96.
- (4) 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.
- (5) Increase in Economic Development due to one bond issue being retired early and a building addition constructed to attract a new industry.
- (6) 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.
- (7) 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>
\$ 36,936	\$ 798,361	\$ 1,194,507	\$ 236,113	\$ -	\$ 7,163,112
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

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**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
1995	(1)	\$ 2,975,590	\$ 43,084	\$ 1,594,979	\$ 526,569	\$ 714,586	\$ 5,854,808
1996	(2)	3,841,997	59,356	2,067,807	680,211	1,094,353	7,743,724
1997	(3)	3,417,686	52,034	1,563,750	617,941	928,119	6,579,530
1998	(4)	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	(5)	3,934,034	124,690	2,037,973	792,720	1,404,454	8,293,871
2001	(6)	4,245,375	89,054	3,339,746	729,622	1,155,117	9,558,914
2002	(7)	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

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

- (1) \$300,000 Grant for new Sr. Citizens Center; charges began for ambulance services
- (2) 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
- (3) Intergovernmental Revenue includes \$144,024 received for Tornado Disaster Relief, miscellaneous revenues includes \$144,111 in insurance reimbursement for tornado relief
- (4) 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
- (5) Taxes increase due to sales tax increase, misc. revenue increase includes special assessments and a loan receivable payoff in the Economic Development fund.
- (6) 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.
- (7) 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
1995		\$ 859,911	\$ 1,703,058	\$ 390,703	\$ 21,918	\$ 2,975,590
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		1,236,778	2,804,409	574,788	15,526	4,631,501

(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.

**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)
1995	\$ 820,360	\$ 802,390	97.81%	\$ 37,749	\$ 840,139	102.4%	-
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%	-

(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
1995	(1) \$	275,912,010	\$ 275,912,010	14.28%	1
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

(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
1995	(1)	0.2974	1.4762	0.4481	0.1728	0.0431	2.4376
1996	(2)	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	(3)	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

- (1) Residential properties were re-assessed as a result of State Board of Equalization ruling.
(2) 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.
(3) 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, 2004**

Table 6

TAXPAYER	TYPE OF BUSINESS	2003 ASSESSED VALUATION(a)	%OF TOTAL ASSESSED VALUATION
Wal-Mart Stores	Shopping Mall	\$ 6,269,140	1.43%
Beatrice Retirement Inc.	Retirement homes (2)	\$ 4,637,610	1.06%
Southeast Nebr Coop	Grain/Feed Elevator	4,173,475	0.95%
DDM Investments	Shopping Mall	\$ 3,162,500	0.72%
J.B. Warren Enterprises	Hotel	2,821,370 (1)	0.65%
Sea Breeze Land Development	Manufacturing	2,445,230	0.56%
Homestead Village	Retirement home/complex	2,072,110	0.47%
LTC Properties	Retirement home/assisted	2,019,560	0.46%
Beatrice Housing Partners	Apartment Complexes (2)	1,752,000	0.40%
Stanley T & Judy E Meyer	Shopping Mall plus other	1,700,000	0.39%
		<u>\$ 31,052,995</u>	<u>7.10%</u>

Source: 2003 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)
1995		\$ 69,247	\$ 67,513	97.50%	\$ 173,654
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

(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
1995	12,357	\$275,912,010	\$ 715,000	\$ -	\$ 715,000	0.26%	57.86
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

(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>
1995	\$ 140,000	\$ 36,557	\$ 176,557	\$ 7,163,112	2.46%
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%

(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, 2003**

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	\$ 1,172,043	100.00%	\$ 1,172,043
Airport Authority	\$ 403,660	100.00%	\$ 403,660
OVERLAPPING:			
School District #15	\$ 7,895,000	63.35%	\$ 5,001,483
Lower Big Blue Natural Resources District	\$ 289,080	20.44%	\$ 59,088
Gage County	\$ 960,000	33.53%	\$ 321,888

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

Table 11

FISCAL YEAR		OPERATING INCOME	TOTAL OPERATING EXPENSES(1)	TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COV- ERAGE
					PRINCIPAL	INTEREST	TOTAL	
1995	(a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1996		-	-	0	-	-	-	-
1997	(b)	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	c)	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

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

(a) Bonds retired September 1, 1994, leaving no further debt service requirements.

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

c) 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	SCHOOL ENROLLMENT(2)	UNEMPLOYMENT RATE(3)
1995	12,357	\$ 14,703	37.2	2,350	2.00%
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%

SOURCES:

- (1) Beatrice Chamber of Commerce,
226 S 6th, Beatrice, NE (1989-1998); 1990 Census
- (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		
1995	61	\$4,007,315	220	\$3,630,474	\$ 217,824	\$275,912,010
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

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

**CITY OF BEATRICE, NEBRASKA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2004**

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 86%	259.0 lane miles
Unpaved - 14%	33.96 lane miles
Bridges	11
Storm Sewers	25 miles
Fire Protection:	
Number of Stations	1
Number of full-time firefighters	23
Number of reserve firefighters	9
Fire losses (2003)	\$421,535
Number of Responses: EMS (2003)	1,687
Suppression (2003)	554
Police Protection:	
Number of Stations	1
Number of Police Officers	22
Number of law violations: Physical Arrests (2003)	746
Number of Patrol Citations (2003-9 mos)	1,216
Number of calls for service-Beatrice (2003)	22,819
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)	2,326
Teacher/Student Ratio: Elementary	1 to 18
Middle School	1 to 17
Senior High	1 to 20
Sewers:	
Sanitary Sewers	127 miles
Number of Treatment Plants	1
Daily Average of Treatment	1.45 million gallons

**CITY OF BEATRICE, NEBRASKA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2004**

Table 14

Municipal Water:

Number of consumers	634 Commercial 5003 Residential
Average daily consumption	4.06 million gallons
Miles of water main	119 miles
Number of Fire Hydrants	627

Municipal Electricity:

Number of customers	1417 Commercial 5899 Residential
Average daily usage	272.16 MWH Commercial 173.74 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	98
Part-time	25
Seasonal	54

Building Permits Issued (2003):

Number	264
Value	\$8,372,069

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	1
Total Volumes	97,859
Total Video/Audio	5,639
Computer Software/Electronic Media	31

**CITY OF BEATRICE, NEBRASKA
SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2004**

Table 15

Fire and Extended Coverage (replacement cost values-80%)	Replacement Cost Value
Municipal Auditorium, Building and Contents	2,794,700
City/BPW Administration Offices and contents	670,400
Garage/Shop Buildings (North 1st)	106,500
Police Facility, Building and Contents	1,413,150
Riverside Park Buildings, Contents, and Equipment	50,000
Chautauqua Park Buildings, Contents and Equipment	111,000
Hannibal Park Buildings, Contents and Equipment	61,672
Fencing-All Locations	52,000
Water Park Facility	820,255
Senior Citizens Center	438,700
New Library Building and Contents	2,778,600
Old Library Building	567,000
Landfill/Material Recovery Facility	671,660
Industrial Park Buildings	261,400
BPW Service Building and Contents, property in open	1,771,286
Substations and switching station	9,080,095
Reservoirs, Water pump houses	2,047,205
Sewer Treatment Plant and Contents	2,121,649
	<hr/>
	25,817,272
	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	1,000,000
Comprehensive	250 ded/scheduled
Collision	250 deductible
COMPREHENSIVE GENERAL LIABILITY	
Special Multi Peril Liability Insurance	1,000,000/2,000,000
Umbrella	5,000,000/5,000,000

**CITY OF BEATRICE, NEBRASKA
SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2004**

Table 15

ERRORS AND OMISSION LIABILITY

Elected and Appointed Officials	1,000,000/1,000,000
including City Attorney and City Engineer	2,500 retention

WORKERS' COMPENSATION

All Employees	Statutory
Bodily Injury by Accident/Disease	500,000/500,000

FIDELITY BONDS

All Employees (except Elected Officials)	50,000
Mayor and Councilmembers (each)	1,000
City Administrator/Treasurer - Custodian of Federal Securities for construction of City sewer, water, and electrical systems	500,000
City Clerk	500,000
Deputy City Clerk/Deputy City Treasurer	500,000
BPW Administrative Services Director	500,000

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**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, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 4, 2004. 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Lincoln, Nebraska
November 4, 2004