

CITY OF CRETE, NEBRASKA

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**MARVIN E. JEWELL & CO., P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Independent Auditor's Report

The Honorable Mayor and City Council  
City of Crete, 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 Crete, Nebraska (the City), as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the City of Crete, Nebraska prepares its financial statements of the governmental activities, each major fund and the aggregate remaining fund information on a basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund and the aggregate remaining fund information of the City of Crete, Nebraska, as of September 30, 2007, and the respective changes in financial position – modified cash basis thereof for the year then ended on the basis of accounting described in Note 1.

In our opinion, the business-type activities financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the City of Crete, Nebraska, as of September 30, 2007, 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 our report dated February 22, 2008 on our consideration of the City of Crete, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The City of Crete, Nebraska, has not presented the management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison schedule, on pages 30 through 32, is not a required part of the basic financial statements but is 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.

*Marvin E. Jewell + Co., P.C.*

Lincoln, Nebraska  
February 22, 2008

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – The City of Crete, Nebraska (the City) is a governmental entity established under and governed by the laws of the State of Nebraska. As a political subdivision of the State, the City is exempt from State and Federal income taxes. The City has considered all potential component units for which it is financially accountable and other organizations which are fiscally dependent on the City or the significance of their relationship with the City is such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City of Crete Leasing Corporation (Leasing Corporation) has been identified as a component unit. The Leasing Corporation serves all the citizens of the City and is governed by a board comprised of the City's elected council and Mayor. Budgeting, accounting and administrative functions are performed by the City. The Leasing Corporation is a duly and validly existing nonprofit corporation created pursuant to Nebraska Revenue Statute. The Leasing Corporation is reported with the non-major funds in Other Governmental Funds in the accompanying financial statements. The City is not includable as a component unit within another reporting entity.

**Basis of Presentation** – The accompanying basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information for the City have been prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units.

The business-type activities financial statements have been prepared in conformity with generally accepted accounting principles. These financials include all relevant GASB pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements issued after November 30, 1989.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

#### FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts/revenues and expenditures/expenses. Fund financial statements are provided for governmental, proprietary and fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (a) Total assets, liabilities, receipts/revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type and
- (b) Total assets, liabilities, receipts/revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

#### Governmental Funds

##### General Fund

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

##### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The only Special Revenue Fund reported as major is the Sales Tax Fund, which accounts for the city sales tax receipts and budgeted transfers out to various funds. The City's other Special Revenue Funds are reported as non-major funds in the "Other Governmental Funds" column.

##### Capital Project Funds

Capital Project Funds are used to account for resources designated for the acquisition or construction of specific capital projects or items. The City's Capital Project Funds are reported as non-major funds in the "Other Governmental Funds" column.

##### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs. The Debt Service Fund is reported as a major fund.

#### Proprietary Funds

##### Enterprise Funds

Enterprise funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The reporting entity includes the following enterprise funds that are reported as major funds:

<u>Fund</u>	<u>Brief Description</u>
<i>Major Funds</i>	
Electric	Accounts for the activities of the City's electric distribution operations.
Water	Accounts for the activities of the City's water distribution operations.
Sewer	Accounts for the activities of the City's sewer system operations.

Fiduciary Funds

Agency Funds

The agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others.

**Basis of Accounting, Measurement Focus** – Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the activities' basis of accounting, as defined in item (b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- (a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### BASIS OF ACCOUNTING

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, receipts/revenues and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, business-type activities are presented using the accrual method of accounting, which is a comprehensive basis of accounting generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Revenues from user fees and sale of labor, material and water are reported as operating revenues. Transactions which are capital, financing or investing related are reported as non-operating revenues. All expenses related to operating the proprietary funds are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

#### **ASSETS, LIABILITIES AND EQUITY**

**Cash and Cash Equivalents** – All cash of the City is insured by the FDIC or covered by collateral held by correspondent bank's trust departments as required by Nebraska statute, except as noted in Note 3. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**Investments** – Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

**Allowance for Doubtful Accounts** – Estimated allowances for uncollectible amounts in the proprietary funds are determined based upon past collection experience and current economic conditions.

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories** – In the proprietary funds inventories are valued at cost using the first in/first out (FIFO) method.

**Prepaid Expenses** – Prepaid expenses in the proprietary funds consist of insurance costs that have been prepaid for the next fiscal year. These costs will be recognized as expenditures in the subsequent year.

**Capital Assets** – Capital assets resulting from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the proprietary funds, capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value on the date received. Support received from federal and state grants and from the municipality and others to pay for a portion of the utility plant are considered contributions in aid of construction and are classified in the income statement as contributions and recognized when earned.

Maintenance and repairs are expended as incurred. When properties are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is included in income.

Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the respective classes of assets as follows:

Buildings and improvements .....	25-40 years
Plant .....	10-40 years
Equipment .....	5-10 years

**Accrued Expenses** – Accrued expenses represent the proprietary funds' liability for accrued salaries, retirement, vacation and sick leave. The City pays wages every two weeks. The cost of unused employee vacation time payable in the event of employee termination is also accrued. No accruals are made in the governmental funds as they are using the modified cash basis of accounting. In accordance with the provisions of SFAS No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive vacation and sick leave benefits.

**Long-term Debt** – Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The face amount of the bond is reported as other financing sources and payment of principal and interest reported as expenditures. Bond premiums, discounts and other bond issuance costs are recognized during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Long-term debts of proprietary funds are reported as liabilities in the government-wide and proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.



CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classification** – In the government-wide statements, equity is classified as net assets and displayed in three components:

- (a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- (b) Restricted net assets – Consists of net assets with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the City's policy to first use restricted net assets prior to use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Governmental fund equity is classified as a fund balance. In the fund financial statements, governmental funds report fund balances as either a reserved fund balance or an unreserved fund balance.

- (a) Reserved fund balance – That portion of fund balance which is not available for appropriation or which has been legally segregated for a specific purpose.
- (b) Unreserved fund balance – Composed of designated and undesignated portions. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods. Designated fund balance represents tentative plans for future use of financial resources.

Proprietary fund equity is classified the same as in the government-wide statements.

**Receipts, Revenues, Expenditures and Expenses –**

**PROGRAM RECEIPTS/REVENUES**

In the Statement of Activities, modified cash basis revenues that are derived directly from each governmental activity or from parties outside the City's taxpayers are reported as program receipts/revenues. The City has the following program receipts/revenues in each activity:

General Government	Fees, rents, permits, licenses, specific donations, and specific grants
Public Safety	Fire and rescue service calls, specific grants, specific donations, other charges and Rural Fire District payments
Streets	Reimbursements, labor and materials sold, and highway allocation and incentive payments

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Welfare	Cemetery lot sales and specific donations
Culture and Recreation	Admission and registration fees, specific grants and specific donations
Lottery	Keno receipts
Assessments	Paving and storm sewer assessment receipts
Capital Projects	Grant and contribution receipts for specific capital projects

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose. Property taxes attach as an enforceable lien on property as of January 1<sup>st</sup>. Taxes are payable in two installments on May 1<sup>st</sup> and September 1<sup>st</sup>. The County bills and collects property taxes and remits to the City monthly. City property tax revenues are recognized when received by the County Treasurer.

#### OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, non-capital financing or investing activities.

**Internal and Interfund Balances and Activities** – In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

#### FUND FINANCIAL STATEMENTS

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- (a) Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- (b) Interfund services – Sales or purchases of goods and services between funds are reported as receipts/revenues and expenditures/expenses.
- (c) Interfund reimbursements – Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures/expenses in the respective funds.
- (d) Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (a) Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- (b) Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

**Use of Estimates** – The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Accordingly, actual results could differ from those estimates.

**Accounting Changes** – In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. Statement No. 50, *Pension Disclosures – an amendment of GASB Statements Nos. 25 and 27*, was issued in May 2007 and Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, was issued in June of 2007. The City adopted all three of these GASB statements. The statements did not effect the City's statements of net assets, activities or cash flows.

In November of 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as an Investment by Endowments*. This statement is not expected to effect the City's statement of net assets, activities or cash flows.

**Reclassifications** – Certain prior year amounts have been reclassified to conform to the current year presentation.

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state and local laws and contractual regulations. Other than the issue of noncompliance discussed in Note 3, no additional instances of noncompliance considered material to the financial statements were noted.

### NOTE 3 – CASH

The statutes of the State of Nebraska authorize the City to invest in certificates of deposit and time deposits of banks or capital stock financial institutions, obligations of the United States government and agencies thereof any securities as provided in the Public Funds Deposit Security Act.

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 3 – CASH (CONTINUED)

No deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) shall be allowed to accumulate in the bank unless:

- (a) The bank gives a surety bond;
- (b) The bank can give the City securities as collateral on the excess of funds;
- (c) The bank can issue a joint custody receipt to the benefit of the City where a third party bank actually holds the security.

The City's funds were invested in demand checking accounts, money market checking accounts and/or certificates of deposit. The fair market value of these investments is the same as cost.

As of September 30, 2007, the City's funds were not entirely insured or collateralized by the depository banks. The City's deposits at September 30, 2007 were secured by \$400,000 from the FDIC and \$9,783,580 in securities held by pledging financial institutions or trust departments but not in the entity's name. However, the City had unsecured deposits at September 30, 2007 of \$1,806,569 at Pinnacle Bank. According to State legislation, the City is required to secure 102% of the deposits over the FDIC coverage. During the fiscal year ended September 30, 2007, the City was not in compliance with the provisions of its enabling State legislation and the City's cash management and investment policy due to this amount.

### NOTE 4 – RECEIVABLES

Management considers all accounts receivable to be collectible, accordingly, no allowance for doubtful accounts has been deemed necessary.

# CITY OF CRETE, NEBRASKA

## Notes to Financial Statements

September 30, 2007

### NOTE 10 – RETIREMENT PLANS

The City sponsors a defined contribution plan with Principal Mutual Life Insurance Company. It covers all full time employees who have reached age 19 and who have put in one year of service except firemen personnel. The plan was established and is amended by Board resolution. Enrollment in the plan is mandatory. Each participant shall have 6% of their regular earnings deferred. Employees in the police department shall have 6% of all earnings deferred. The City matches 100% of the deferred contribution. Employer contributions vest at a rate of 20% per year. These requirements were established and may be amended by Board Resolution.

The City's required 6% contribution amounted to \$130,494 for the year ended September 30, 2007. The employee contributions also totaled \$130,494 for the year ended September 30, 2007.

The City is required to remit employee contributions as soon as it is administratively feasible. The timing of matching contribution remittances should be made consistently. The City typically remits employee withholdings and employer matches within a few days of the corresponding payroll. The delinquent retirement contributions at September 30, 2007 were \$312.

The City also sponsors a non-qualified deferred compensation 457 plan with Principal and Hartford. The plan was established and is amended by Board Resolution. Enrollment in the plan is voluntary and no participation is required. The City does not match any portion of this plan. These requirements were established and may be amended by Board Resolution. The total accumulative pension contributions transferred to the plan's trustees for the year ended September 30, 2007 were \$35,976.

In addition to providing pension benefits, the City sponsors a flexible spending plan to cover medical expenses not reimbursed by other health insurance plans. All employees are eligible to participate with the exception of firemen personnel. Participants designate an amount to be withheld from each paycheck and then submit vouchers for reimbursement of allowable expenses. The reimbursement may not exceed the amount in the individual participants' account. The participant has ninety days after the end of the plan year to zero out his account before the money is remitted to the City Treasurer.

### NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss from torts; theft of; damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. The City manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
(a) Torts, errors and omissions	Purchased commercial insurance	None
(b) Workers compensation, health and life	Purchased commercial insurance	Health insurance claims not exceeding \$20,000/covered person
(c) Physical property loss and natural disasters	Purchased commercial insurance	None

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

**NOTE 11 – RISK MANAGEMENT (CONTINUED)**

The City entered into a contract with Regional Care, Inc. (RCI) effective July 1, 2005. This contract establishes RCI as the third party claims administrator of the self funded insurance plan. Insurance is provided by Midlands Choice to cover claims exceeding \$20,000 per covered person. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three years.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**Sale of Hospital** – On May 8, 2007, the City sold to Tabitha, Inc. several parcels of real estate including all structural components for \$1,355,000 due on September 27, 2017, with no interest accrual. For each year that Tabitha, Inc. uses the real estate for any health care related services, the City shall forgive one-tenth of the principal. If the real estate is used for such purposes for the entire ten year term of the note, the entire note shall be forgiven.

**Capital Lease** – On April 15, 2005, the City entered into a lease with John Deere for the purpose of leasing a John Deere front mower. The lease agreement requires three annual payments of \$3,351 beginning April 15, 2005. The city can and does plan on purchasing the equipment at the end of the lease term for \$1.

On September 20, 2005, the City entered into a lease with City Bank & Trust Company for the purpose of leasing a maintenance facility for use by the Park and Recreation Department. The lease agreement requires four annual payments of \$6,000 beginning October 17, 2006 with a final lump sum payment of \$48,344 due October 17, 2010. The City will receive title to the structure after all amounts due under the lease agreement have been paid.

On October 5, 2006, the City entered into a lease with City Bank & Trust Company for the purchase and installation of new windows for the City Hall, the Public Library and the Fire Station. The lease agreement requires five annual payments of \$11,479 beginning April 15, 2007. The lease will mature on April 15, 2011. The City will receive title to the improvements after all amounts due under the lease agreement have been paid.

Although these leases are capital leases, the City uses the modified cash basis of accounting in the general funds and will recognize the lease expenses as the cash is expended.

Minimum future obligations on operating leases in effect September 30, 2007 are:

Year Ending September 30,	
2008	\$ 13,205
2009	13,894
2010	14,627
2011	57,740
	<u>\$ 99,466</u>

**Concentration of Credit Risk** – The City provides water and sewer services to residents of the City of Crete, Nebraska. In the course of providing these services, the City extends credit to its customers, which is uncollateralized.

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

**NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)**

**Purchase Power Contract** – On May 29, 1986 the City entered into a contract with Municipal Energy Agency of Nebraska (MEAN) for total power requirement. This agreement states that the City will purchase its power needs in excess of the power supplied by the United States Department of Energy, Western Area Power Administration directly from MEAN. To ensure that MEAN had adequate power to supply their municipal customers, MEAN participated in the building of certain power plants. The City committed to purchase power directly from MEAN for the longer of ten years or when the bonds to build the power plant had been paid in full. The power plant bonds are scheduled to be paid in full in the year 2017. The City has agreed to participate in MEAN CB4 Project which includes a new electric generating station. The estimated Project construction cost to MEAN is 76 million dollars to be funded through issuing electric revenue bonds with an anticipated payoff date of 2037. The City plans to commit to purchase power directly from MEAN until the bonds are paid in full. The dollar amount of power purchased from MEAN was \$4,315,210 for the year ended September 30, 2007. As part of this agreement, the City has agreed to maintain its facility in working order so that if additional power is needed by MEAN it can use the City's facility to generate such power. MEAN has agreed to pay the City a fee for maintaining its power plant in working condition. The amount paid to the City was \$564,120 for the year ended September 30, 2007. The City has the option to assign its rights and commitments in this contract if the entity to which it is assigning such rights and commitments is acceptable to MEAN.

**Compliance Audits** – In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Litigation** – The City is subject to claims and other actions arising in the ordinary course of business. Some of these claims and actions have resulted in lawsuits where the City is a defendant. Management believes that the ultimate obligations, if any, which may result from unfavorable outcomes of such lawsuits, will not have a material adverse effect on the financial position, results of operations or cash flows of the City and such obligations, if any, would be adequately covered by insurance.

# CITY OF CRETE, NEBRASKA

## Notes to Budgetary Comparison Schedule (Required Supplementary Information)

September 30, 2007

### ***Basis of Accounting***

The budget is prepared on the cash basis of accounting. Revenues and expenditures are reported when they result from cash transactions. Because state law requires that a municipality's annual budget be prepared on the cash basis of accounting, the budget adopted by the City Council is inconsistent with generally accepted accounting principles.

### ***Budget Law***

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

- (a) The City Council shall prepare a proposed all-purpose operating budget statement in writing and file with the secretary or clerk.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) A copy of the adopted budget must be filed with the levying board and the State Auditor's office. Proof of publication shall be attached.
- (d) Budgets are adopted on a cash basis. Amendments that alter the total expenditures require that an additional public hearing be held.

Revenues are budgeted in the year receipt is expected and expenditures are budgeted in the year expenses are expected to be paid. Appropriations for budgeted funds lapse at fiscal year end.



**MARVIN E. JEWELL & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**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 Crete, 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 Crete, Nebraska (the City) as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 22, 2008. Our report discloses that the City prepares its financial statements of the governmental activities, each major fund and the aggregate remaining fund information on a basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Crete's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting:

Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Authorization or approval of transactions, recording of

transactions, and custody of the assets should normally be segregated activities. Adequate personnel are not available to assign responsibilities in such a way that different employees handle different parts of the same transaction.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response - The City will segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

Conclusion - Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

#### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City in a separate letter dated February 22, 2008.

The City of Crete's response to the findings identified in our audit is described above. We did not audit the City's response and, accordingly, we express no opinion on it.

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

*Marvin E. Jewell & Co., P.C.*

Lincoln, Nebraska  
February 22, 2008

**CITY OF CRETE, NEBRASKA**

**Statement of Net Assets – Modified Cash Basis**

**September 30, 2007**

	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,586,646	92,926	1,679,572
Cash held by County Treasurer	75,778	-	75,778
Investments	97,419	7,135,602	7,233,021
Accounts receivable, less allowance for doubtful accounts	-	857,796	857,796
Employee advances, cafeteria plan	857	-	857
Assessments receivable	-	153,912	153,912
Interest receivable	-	34,034	34,034
Inventory	-	337,929	337,929
Internal balances	(29,476)	29,476	-
Prepaid expenses	-	48,815	48,815
<b>TOTAL CURRENT ASSETS</b>	<u>1,731,224</u>	<u>8,690,490</u>	<u>10,421,714</u>
<b>RESTRICTED ASSETS</b>			
Cash	977,543	542,325	1,519,868
Cash held by County Treasurer	11,317	-	11,317
Investments	111,115	606,225	717,340
Interest receivable	-	1,123	1,123
<b>TOTAL RESTRICTED ASSETS</b>	<u>1,099,975</u>	<u>1,149,673</u>	<u>2,249,648</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>-</u>	<u>12,756,678</u>	<u>12,756,678</u>
<b>OTHER ASSETS</b>	<u>-</u>	<u>41,682</u>	<u>41,682</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,831,199</u>	<u>22,638,523</u>	<u>25,469,722</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of bonds payable	\$ -	270,990	270,990
Accounts payable	-	531,004	531,004
Accrued expenses	-	155,725	155,725
Payroll withholdings	23,868	-	23,868
Consumer deposits	-	98,013	98,013
<b>TOTAL CURRENT LIABILITIES</b>	<u>23,868</u>	<u>1,055,732</u>	<u>1,079,600</u>
<b>LONG-TERM LIABILITIES</b>	<u>-</u>	<u>3,180,727</u>	<u>3,180,727</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	9,290,923	9,290,923
Restricted for:			
Debt service	994,411	1,051,660	2,046,071
Capital projects	50,401	-	50,401
Other purposes	32,000	-	32,000
Unrestricted	1,730,519	8,059,481	9,790,000
<b>TOTAL NET ASSETS</b>	<u>2,807,331</u>	<u>18,402,064</u>	<u>21,209,395</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,831,199</u>	<u>22,638,523</u>	<u>25,469,722</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRETE, NEBRASKA**

**Statement of Activities – Modified Cash Basis**

**For the Year Ended September 30, 2007**

Functions/Programs	Program Receipts/Revenues				Net Receipts / Revenues (Disbursements/ Expenses) and Changes in Net Assets		
	Cash Disbursements/ Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ (1,010,296)	1,080,699	-	-	70,403	-	70,403
Public Safety	(1,019,295)	172,346	22,477	103,875	(720,597)	-	(720,597)
Streets	(417,289)	21,954	437,071	-	41,736	-	41,736
Public Welfare	(185,442)	134,111	-	-	(51,331)	-	(51,331)
Culture and Recreation	(617,318)	71,641	51,763	34,450	(459,464)	-	(459,464)
Lottery	(19,367)	80,077	-	-	60,710	-	60,710
Assessments	-	64,961	-	-	64,961	-	64,961
Capital Projects	(1,244,835)	-	-	268,516	(976,319)	-	(976,319)
Principal, Interest and Charges on Debt	(664,832)	136,870	-	-	(527,962)	-	(527,962)
<b>Total Governmental Activities</b>	<b>(5,178,674)</b>	<b>1,762,659</b>	<b>511,311</b>	<b>406,841</b>	<b>(2,497,863)</b>	<b>-</b>	<b>(2,497,863)</b>
<b>Business-Type Activities</b>							
Electric	(6,710,483)	6,699,059	-	-	-	(11,424)	(11,424)
Water	(775,242)	943,206	-	-	-	167,964	167,964
Sewer	(690,906)	508,609	-	-	-	(182,297)	(182,297)
<b>Total Business-Type Activities</b>	<b>(8,176,631)</b>	<b>8,150,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,757)</b>	<b>(25,757)</b>
<b>Total Primary Government</b>	<b>\$ (13,355,305)</b>	<b>9,913,533</b>	<b>511,311</b>	<b>406,841</b>	<b>(2,497,863)</b>	<b>(25,757)</b>	<b>(2,523,620)</b>
<b>General Receipts/Revenues:</b>							
Property Tax					812,627	-	812,627
Motor Vehicle Tax					125,953	-	125,953
Sales and Use Tax					674,813	-	674,813
State Aid and Equalization					313,272	-	313,272
Occupation Tax					20,302	-	20,302
Investment Earnings					28,750	368,849	397,599
Miscellaneous General Revenues					9,746	-	9,746
Net Bond/Note Proceeds					2,319,000	-	2,319,000
Contributions - Internal Activities					(196,853)	196,853	-
<b>Total General Receipts/Revenues and Contributions</b>					<b>4,107,610</b>	<b>565,702</b>	<b>4,673,312</b>
Change in Net Assets					1,609,747	539,945	2,149,692
Net Assets - Beginning					1,197,584	17,862,119	19,059,703
Net Assets - Ending					<b>\$ 2,807,331</b>	<b>18,402,064</b>	<b>21,209,395</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRETE, NEBRASKA**

**Balance Sheet – Modified Cash Basis  
Governmental Funds**

September 30, 2007

	General	Debt		Other	
	Fund	Service	Sales Tax	Funds	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ -	-	190,144	1,650,231	1,840,375
Cash held by County Treasurer	75,778	-	-	-	75,778
Investments	-	-	-	97,419	97,419
Employee advances, cafeteria plan	-	-	-	857	857
Interfund loans	1,279	-	-	-	1,279
<b>TOTAL CURRENT ASSETS</b>	<u>77,057</u>	<u>-</u>	<u>190,144</u>	<u>1,748,507</u>	<u>2,015,708</u>
<b>RESTRICTED ASSETS</b>					
Cash	2,000	925,142	-	50,401	977,543
Cash held by County Treasurer	-	11,317	-	-	11,317
Investments	-	81,115	-	30,000	111,115
<b>TOTAL RESTRICTED ASSETS</b>	<u>2,000</u>	<u>1,017,574</u>	<u>-</u>	<u>80,401</u>	<u>1,099,975</u>
<b>TOTAL ASSETS</b>	<u>\$ 79,057</u>	<u>1,017,574</u>	<u>190,144</u>	<u>1,828,908</u>	<u>3,115,683</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Cash overdraft	\$ 129,852	-	-	123,877	253,729
Interfund loans	-	23,163	-	7,592	30,755
Payroll withholdings	-	-	-	23,868	23,868
<b>TOTAL CURRENT LIABILITIES</b>	<u>129,852</u>	<u>23,163</u>	<u>-</u>	<u>155,337</u>	<u>308,352</u>
<b>FUND BALANCE</b>					
Invested in capital assets, net of related debt					
Reserved for:					
Capital projects	-	-	-	50,401	50,401
Debt service	-	994,411	-	-	994,411
Other purposes	2,000	-	-	30,000	32,000
Unreserved reported in:					
General fund	(52,795)	-	-	-	(52,795)
Capital projects funds:					
Undesignated	-	-	-	94,628	94,628
Designated for subsequent years expenditures	-	-	-	235,970	235,970
Special revenue funds:					
Undesignated	-	-	190,144	502,842	692,986
Designated for subsequent years expenditures	-	-	-	759,730	759,730
<b>TOTAL FUND BALANCE</b>	<u>(50,795)</u>	<u>994,411</u>	<u>190,144</u>	<u>1,673,571</u>	<u>2,807,331</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 79,057</u>	<u>1,017,574</u>	<u>190,144</u>	<u>1,828,908</u>	<u>3,115,683</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRETE, NEBRASKA**

**Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis  
Governmental Funds**

**For the Year Ended September 30, 2007**

	<b>General</b>	<b>Debt</b>		<b>Other</b>	
	<b>Fund</b>	<b>Service</b>	<b>Sales Tax</b>	<b>Governmental</b>	<b>Total</b>
				<b>Funds</b>	
<b>REVENUES</b>					
Taxes	\$ 822,933	91,389	674,813	44,560	1,633,695
Intergovernmental	313,272	-	-	456,748	770,020
Charges for services	639,908	201,831	-	920,920	1,762,659
Investment income	2,830	14,468	1,968	9,484	28,750
Grants and donations	2,400	-	-	459,004	461,404
Miscellaneous	2,278	-	-	7,468	9,746
<b>TOTAL REVENUES</b>	<u>1,783,621</u>	<u>307,688</u>	<u>676,781</u>	<u>1,898,184</u>	<u>4,666,274</u>
<b>EXPENDITURES</b>					
General Government	165,110	-	21,119	824,067	1,010,296
Public Safety	849,293	-	-	170,002	1,019,295
Streets	-	-	-	417,289	417,289
Public Welfare	116,630	-	-	68,812	185,442
Culture and Recreation	-	-	-	617,318	617,318
Lottery	-	-	-	19,367	19,367
Capital Projects	-	457,337	-	787,498	1,244,835
Principal, interest and charges on debt	-	595,344	-	69,488	664,832
<b>TOTAL EXPENDITURES</b>	<u>1,131,033</u>	<u>1,052,681</u>	<u>21,119</u>	<u>2,973,841</u>	<u>5,178,674</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>652,588</u>	<u>(744,993)</u>	<u>655,662</u>	<u>(1,075,657)</u>	<u>(512,400)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	663,328	89,132	-	2,004,035	2,756,495
Transfers out	(1,124,923)	(267,500)	(502,332)	(861,740)	(2,756,495)
Issuance of debt	-	2,319,000	-	-	2,319,000
Capital contributions	-	(96,021)	-	(100,832)	(196,853)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(461,595)</u>	<u>2,044,611</u>	<u>(502,332)</u>	<u>1,041,463</u>	<u>2,122,147</u>
<b>NET CHANGE IN FUND BALANCES</b>	190,993	1,299,618	153,330	(34,194)	1,609,747
<b>FUND BALANCES - BEGINNING</b>	<u>(241,788)</u>	<u>(305,207)</u>	<u>36,814</u>	<u>1,707,765</u>	<u>1,197,584</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ (50,795)</u>	<u>994,411</u>	<u>190,144</u>	<u>1,673,571</u>	<u>2,807,331</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CRETE, NEBRASKA

Statement of Net Assets  
Proprietary Funds

September 30, 2007

	Business-Type Activities -- Enterprise Funds			
	Electric	Water	Sewer	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ -	450,448	-	450,448
Investments	7,093,527	-	42,075	7,135,602
Accounts receivable, less allowance for doubtful accounts	713,793	92,106	51,897	857,796
Assessments receivable	-	4,761	149,151	153,912
Interest receivable	33,771	-	263	34,034
Inventory	314,789	23,140	-	337,929
Interfund loans	669,355	10,169	17,203	696,727
Prepaid expenses	31,506	9,738	7,571	48,815
<b>TOTAL CURRENT ASSETS</b>	<b>8,856,741</b>	<b>590,362</b>	<b>268,160</b>	<b>9,715,263</b>
<b>RESTRICTED ASSETS</b>				
Cash	90,026	452,299	-	542,325
Investments	540,299	-	65,926	606,225
Interest receivable	1,123	-	-	1,123
<b>TOTAL RESTRICTED ASSETS</b>	<b>631,448</b>	<b>452,299</b>	<b>65,926</b>	<b>1,149,673</b>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>5,394,774</b>	<b>3,777,520</b>	<b>3,584,384</b>	<b>12,756,678</b>
<b>OTHER ASSETS</b>				
Deferred bond costs, less amortization	18,381	13,388	9,913	41,682
<b>TOTAL OTHER ASSETS</b>	<b>18,381</b>	<b>13,388</b>	<b>9,913</b>	<b>41,682</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,901,344</b>	<b>4,833,569</b>	<b>3,928,383</b>	<b>23,663,296</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Cash overdraft	\$ 285,167	-	72,355	357,522
Current portion of revenue bonds	119,850	87,140	64,000	270,990
Accounts payable	508,835	12,009	10,160	531,004
Accrued expenses	73,060	48,485	34,180	155,725
Interfund loans	-	663,663	3,588	667,251
Consumer deposits	98,013	-	-	98,013
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,084,925</b>	<b>811,297</b>	<b>184,283</b>	<b>2,080,505</b>
<b>LONG-TERM LIABILITIES</b>	<b>1,447,600</b>	<b>1,035,405</b>	<b>697,722</b>	<b>3,180,727</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,826,745	2,644,359	2,819,819	9,290,923
Restricted for debt service	533,435	452,299	65,926	1,051,660
Unrestricted	8,008,639	(109,791)	160,633	8,059,481
<b>TOTAL NET ASSETS</b>	<b>12,368,819</b>	<b>2,986,867</b>	<b>3,046,378</b>	<b>18,402,064</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,901,344</b>	<b>4,833,569</b>	<b>3,928,383</b>	<b>23,663,296</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRETE, NEBRASKA**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds**

For the Year Ended September 30, 2007

	Business-Type Activities -- Enterprise Funds			
	Electric	Water	Sewer	Total
<b>OPERATING REVENUES</b>				
User fees	\$ 5,779,725	913,045	496,571	7,189,341
User fees - interfund	164,454	13,488	2,654	180,596
MEAN - lease	564,120	-	-	564,120
Other	190,760	16,673	9,384	216,817
<b>TOTAL OPERATING REVENUES</b>	<u>6,699,059</u>	<u>943,206</u>	<u>508,609</u>	<u>8,150,874</u>
<b>OPERATING EXPENSES</b>				
<b>Production and Treatment:</b>				
Salaries	177,895	-	147,239	325,134
Fuel and natural gas	173,080	-	-	173,080
Depreciation	144,732	78,893	112,586	336,211
Supplies and maintenance	53,274	13,262	20,110	86,646
Power and utilities	46,572	41,404	66,262	154,238
Other	-	-	10,014	10,014
	<u>595,553</u>	<u>133,559</u>	<u>356,211</u>	<u>1,085,323</u>
<b>Power Purchased</b>	<u>4,554,965</u>	<u>-</u>	<u>-</u>	<u>4,554,965</u>
<b>Transmission -</b>				
Depreciation	3,925	-	-	3,925
<b>Distribution and Collection:</b>				
Depreciation	206,208	50,384	30,819	287,411
Maintenance and vehicle expense	184,627	236,861	32,234	453,722
Supplies	-	11,613	-	11,613
	<u>390,835</u>	<u>298,858</u>	<u>63,053</u>	<u>752,746</u>
<b>General and Administrative:</b>				
Salaries	205,513	110,945	86,499	402,957
Payroll taxes and employee benefits	114,965	95,592	75,154	285,711
Insurance, general	87,281	25,343	23,161	135,785
Professional fees	21,128	15,843	22,050	59,021
Office expense	16,058	12,501	9,783	38,342
Repairs and maintenance	5,942	3,675	6,382	15,999
Depreciation	12,184	1,818	2,011	16,013
In lieu of taxes	475,205	-	-	475,205
Franchise fee	116,600	-	-	116,600
Other	14,273	3,919	1,997	20,189
	<u>1,069,149</u>	<u>269,636</u>	<u>227,037</u>	<u>1,565,822</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>6,614,427</u>	<u>702,053</u>	<u>646,301</u>	<u>7,962,781</u>
<b>OPERATING INCOME (LOSS)</b>	<u>84,632</u>	<u>241,153</u>	<u>(137,692)</u>	<u>188,093</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Transfers in	60,974	124,080	2,074	187,128
Transfers out	(82,859)	(63,047)	(41,222)	(187,128)
Investment earnings	358,919	4,800	5,130	368,849
Interest expense	(71,423)	(55,838)	(34,128)	(161,389)
Amortization	(24,633)	(17,351)	(10,477)	(52,461)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>240,978</u>	<u>(7,356)</u>	<u>(78,623)</u>	<u>154,999</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>325,610</u>	<u>233,797</u>	<u>(216,315)</u>	<u>343,092</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>1,358</u>	<u>146,450</u>	<u>49,045</u>	<u>196,853</u>
<b>CHANGE IN NET ASSETS</b>	<u>326,968</u>	<u>380,247</u>	<u>(167,270)</u>	<u>539,945</u>
<b>NET ASSETS - BEGINNING</b>	<u>12,041,851</u>	<u>2,606,620</u>	<u>3,213,648</u>	<u>17,862,119</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 12,368,819</u>	<u>2,986,867</u>	<u>3,046,378</u>	<u>18,402,064</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF CRETE, NEBRASKA**

**Statement of Cash Flows  
Proprietary Funds**

**For the Year Ended September 30, 2007**

	<u>Business-Type Activities -- Enterprise Funds</u>			
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 5,645,023	909,565	492,405	7,046,993
Cash received for interfund services provided	165,160	14,213	1,223	180,596
Cash received from MEAN lease	564,120	-	-	564,120
Cash received from other operating revenues	188,656	14,569	12,867	216,092
Cash paid to suppliers for goods and services	(5,062,124)	(307,534)	(273,288)	(5,642,946)
Cash paid to employees and professional contractors for services, including benefits and taxes	(569,940)	(263,937)	(218,610)	(1,052,487)
Cash paid for in lieu of taxes	(475,205)	-	-	(475,205)
<b>Net cash provided by operating activities</b>	<u>455,690</u>	<u>366,876</u>	<u>14,597</u>	<u>837,163</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Cash received from tax collections	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and equipment	(271,412)	(179,898)	(98,902)	(550,212)
Bond proceeds	1,567,450	1,100,550	667,000	3,335,000
Principal payments on bonds	(1,718,575)	(1,210,635)	(721,165)	(3,650,375)
Interest payments on bonds	(45,244)	(37,474)	(23,028)	(105,746)
Loan (to) from other funds	(379,595)	3,742	7,629	(368,224)
Transfers in (out)	(21,885)	61,033	(39,148)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(869,261)</u>	<u>(262,682)</u>	<u>(207,614)</u>	<u>(1,339,557)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Loan fees	(19,264)	(13,526)	(8,198)	(40,988)
Sale of investments	-	4,874	300,659	305,533
Purchase of investments	(365,425)	-	-	(365,425)
Investment income	361,394	6,349	5,642	373,385
<b>Net cash provided (used) by investing activities</b>	<u>(23,295)</u>	<u>(2,303)</u>	<u>298,103</u>	<u>272,505</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(436,866)</u>	<u>101,891</u>	<u>105,086</u>	<u>(229,889)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>241,725</u>	<u>800,856</u>	<u>(177,441)</u>	<u>865,140</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ (195,141)</u>	<u>902,747</u>	<u>(72,355)</u>	<u>635,251</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CRETE, NEBRASKA

Statement of Cash Flows (continued)  
Proprietary Funds

September 30, 2007

	<u>Business-Type Activities -- Enterprise Funds</u>			
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Income (loss) from operations	\$ 84,632	241,153	(137,692)	188,093
Adjustments to reconcile income from operations to net cash provided (used) by operating activities:				
Depreciation	367,049	131,095	145,416	643,560
Adjustments for working capital changes:				
(Increase) decrease in:				
Receivables	(159,648)	(5,584)	(683)	(165,915)
Inventory	35,293	787	-	36,080
Prepaid expenses	(1,166)	(594)	438	(1,322)
Increase (decrease) in:				
Accounts payable and internal balances	92,996	(4,456)	599	89,139
Accrued expenses	12,986	4,475	6,519	23,980
Consumer deposits	23,548	-	-	23,548
Net cash provided by operating activities	<u>\$ 455,690</u>	<u>366,876</u>	<u>14,597</u>	<u>837,163</u>

CITY OF CRETE, NEBRASKA

Statement of Fiduciary Net Assets  
Fiduciary Funds

September 30, 2007

	Agency Funds		
	Fireman's Fund	Airport Authority	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 645	-	645
Cash at County Treasurer	-	3,943	3,943
<b>TOTAL CURRENT ASSETS</b>	<u>645</u>	<u>3,943</u>	<u>4,588</u>
<b>TOTAL ASSETS</b>	<u>\$ 645</u>	<u>3,943</u>	<u>4,588</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Due to other taxing units	\$ 645	3,943	4,588
<b>TOTAL CURRENT LIABILITIES</b>	<u>645</u>	<u>3,943</u>	<u>4,588</u>
<b>LONG-TERM LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 645</u>	<u>3,943</u>	<u>4,588</u>

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

NOTE 5 – PROPERTY AND EQUIPMENT

Major classes of property and equipment in the proprietary funds at September 30, 2007 consist of the following:

	CAPITAL ASSETS, NOT DEPRECIATED		CAPITAL ASSETS, DEPRECIATED			Totals
	Land	Construction in Progress	Buildings and Improvements	Equipment	Vehicles	
<b>Business-type Activities</b>						
<b>Electric</b>						
Balance September 30, 2006	\$ 103,232	-	8,652,496	529,937	761,953	10,047,618
Increases	-	-	215,491	13,471	-	228,962
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>103,232</u>	<u>-</u>	<u>8,867,987</u>	<u>543,408</u>	<u>761,953</u>	<u>10,276,580</u>
<b>Accumulated Depreciation</b>						
Balance September 30, 2006	-	-	3,733,483	300,560	480,714	4,514,757
Increases	-	-	269,252	36,153	61,644	367,049
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>-</u>	<u>-</u>	<u>4,002,735</u>	<u>336,713</u>	<u>542,358</u>	<u>4,881,806</u>
Capital assets, net	<u>103,232</u>	<u>-</u>	<u>4,865,252</u>	<u>206,695</u>	<u>219,595</u>	<u>5,394,774</u>
<b>Water</b>						
Balance September 30, 2006	\$ -	-	5,085,119	375,589	20,890	5,481,598
Increases	-	39,043	127,375	170,546	-	336,964
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>-</u>	<u>39,043</u>	<u>5,212,494</u>	<u>546,135</u>	<u>20,890</u>	<u>5,818,562</u>
<b>Accumulated Depreciation</b>						
Balance September 30, 2006	-	-	1,832,249	75,152	2,546	1,909,947
Increases	-	-	116,928	10,037	4,130	131,095
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>-</u>	<u>-</u>	<u>1,949,177</u>	<u>85,189</u>	<u>6,676</u>	<u>2,041,042</u>
Capital assets, net	<u>-</u>	<u>39,043</u>	<u>3,263,317</u>	<u>460,946</u>	<u>14,214</u>	<u>3,777,520</u>
<b>Sewer</b>						
Balance September 30, 2006	100,721	-	5,159,400	264,467	41,152	5,565,740
Increases	-	49,045	99,375	2,370	-	150,790
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>100,721</u>	<u>49,045</u>	<u>5,258,775</u>	<u>266,837</u>	<u>41,152</u>	<u>5,716,530</u>
<b>Accumulated Depreciation</b>						
Balance September 30, 2006	-	-	1,889,966	55,612	41,152	1,986,730
Increases	-	-	132,418	12,998	-	145,416
Decreases	-	-	-	-	-	-
Balance September 30, 2007	<u>-</u>	<u>-</u>	<u>2,022,384</u>	<u>68,610</u>	<u>41,152</u>	<u>2,132,146</u>
Capital assets, net	<u>100,721</u>	<u>49,045</u>	<u>3,236,391</u>	<u>198,227</u>	<u>-</u>	<u>3,584,384</u>
<b>Business-type Activities</b>						
Capital assets, net	<u>\$ 203,953</u>	<u>88,088</u>	<u>11,364,960</u>	<u>865,868</u>	<u>233,809</u>	<u>12,756,678</u>

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

NOTE 5 – PROPERTY AND EQUIPMENT (CONTINUED)

No depreciation expense is recognized in the governmental funds. Depreciation expense was charged to the business-type activities as follows:

Electric	\$ 367,049
Water	131,095
Sewer	<u>145,416</u>
Total depreciation expense	<u>\$ 643,560</u>

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

**NOTE 6 – LONG-TERM LIABILITIES**

As of September 30, 2007, the long-term debt payable from governmental fund resources consisted of the following:

	<u>Balance Sept. 30, 2006</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance Sept. 30, 2007</u>	<u>Amount Due Within One Year</u>
Leasehold revenue bonds: Dated April 1998, interest 3.7%-5.05%, final payment due April 2013.	\$ 405,000	-	(50,000)	355,000	50,000
General obligation various purpose bonds: Dated November 2001, interest 2.10%-5.00%, final payment due November 2021.	1,125,000	-	(50,000)	1,075,000	55,000
General obligation refunding bonds: Dated February 2003, interest 1.40%-4.50%, final payment due February 2016.	942,908	-	(109,625)	833,283	114,010
General obligation various purpose bonds: Dated September 2004, interest 1.00%-4.20%, final payment due September 2020.	3,105,000	-	(240,000)	2,865,000	240,000
Bond anticipation note: Dated July 2006, interest 4.25%, final payment due July 2008.	-	606,000	-	606,000	606,000
Bond anticipation note: Dated September 2007, interest 4.75%, final payment due September 2009.	-	1,713,000	-	1,713,000	-
	<u>\$ 5,577,908</u>	<u>2,319,000</u>	<u>(449,625)</u>	<u>7,447,283</u>	<u>1,065,010</u>

CITY OF CRETE, NEBRASKA

Notes to Financial Statements

September 30, 2007

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of bonds and notes payable in the proprietary funds at September 30, 2007:

	Balance Sept. 30, 2006	Bonds Issued	Bonds Redeemed	Balance Sept. 30, 2007	Amount Due Within One Year
<b>Electric:</b>					
Electric bonds: Dated April 2002, interest 1.90%-5.20%, redeemed April 2007.	\$ 1,718,575	-	(1,718,575)	-	-
Electric bonds: Dated April 2007, combined revenue refunding bond, series 2007, interest 3.6% - 4%, final payment due April 2017.	-	1,567,450	-	1,567,450	119,850
	<u>1,718,575</u>	<u>1,567,450</u>	<u>(1,718,575)</u>	<u>1,567,450</u>	<u>119,850</u>
<b>Water:</b>					
Water bonds: Dated February 2003, interest 1.40%-4.50%, final payment due February 2016.	24,870	-	(2,875)	21,995	2,990
Water bonds: Dated April 2002, interest 1.90%-5.20%redeemed April 2007.	1,207,760	-	(1,207,760)	-	-
Water bonds: Dated April 2007, combined revenue refunding bond, series 2007, interest 3.6% - 4%, final payment due April 2017.	-	1,100,550	-	1,100,550	84,150
	<u>1,232,630</u>	<u>1,100,550</u>	<u>(1,210,635)</u>	<u>1,122,545</u>	<u>87,140</u>
<b>Sewer:</b>					
Sewer bonds: Dated February 2003, interest 1.40%-4.50%, final payment due February 2016.	107,222	-	(12,500)	94,722	13,000
Sewer bonds: Dated April 2002, interest 1.90%-5.20%, redeemed April 2007.	708,665	-	(708,665)	-	-
Sewer bonds: Dated April 2007, combined revenue refunding bond, series 2007, interest 3.6% - 4%, final payment due April 2017.	-	667,000	-	667,000	51,000
	<u>815,887</u>	<u>667,000</u>	<u>(721,165)</u>	<u>761,722</u>	<u>64,000</u>
<b>Total</b>	<b>\$ 3,767,092</b>	<b>3,335,000</b>	<b>(3,650,375)</b>	<b>3,451,717</b>	<b>270,990</b>

**CITY OF CRETE, NEBRASKA**

**Notes to Financial Statements**

**September 30, 2007**

**NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)**

The aggregate schedule of maturities of long-term liabilities, including principal and interest, for the five years subsequent to September 30, 2007 is as follows:

Year ending September 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2008	1,065,010	322,299	270,990	128,929	1,787,228
2009	2,190,780	257,599	287,220	122,423	2,858,022
2010	497,780	161,318	292,220	111,975	1,063,293
2011	494,625	144,825	305,375	101,193	1,046,018
2012	460,775	128,079	304,225	89,839	982,918
2013-2017	1,763,313	393,732	1,991,687	262,212	4,410,944
2018-2022	975,000	101,520	-	-	1,076,520
	<u>\$ 7,447,283</u>	<u>1,509,372</u>	<u>3,451,717</u>	<u>816,571</u>	<u>13,224,943</u>

Interest of \$200,901 and \$161,389 was paid on governmental and proprietary bonds, respectively, during the year.

**NOTE 7 – INTERFUND BALANCES AND ACTIVITY**

Interfund loans at September 30, 2007 consist of the following:

Due To	Due From					Total
	Water	Sewer	Debt Service	Landfill	Payroll	
General	\$ -	-	-	-	1,279	1,279
Electric	663,663	3,588	-	2,104	-	669,355
Water	-	-	8,064	2,105	-	10,169
Sewer	-	-	15,099	2,104	-	17,203
Total	<u>\$ 663,663</u>	<u>3,588</u>	<u>23,163</u>	<u>6,313</u>	<u>1,279</u>	<u>698,006</u>

Interfund loans are recorded when funds overdraw their share of pooled cash. These balances are expected to be repaid within one year.



**CITY OF CRETE, NEBRASKA**

**Notes to Financial Statements**

**September 30, 2007**

**NOTE 7 – INTERFUND BALANCES AND ACTIVITY (CONTINUED)**

Transfers between funds for the year ended September 30, 2007 were as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds</b>						
General	\$ 663,328	1,124,923	-	-	663,328	1,124,923
Debt Service	89,132	267,500	-	-	89,132	267,500
Sales Tax	-	502,332	-	-	-	502,332
Electric	-	-	60,974	82,859	60,974	82,859
Water	-	-	124,080	63,047	124,080	63,047
Sewer	-	-	2,074	41,222	2,074	41,222
<b>Non-major Funds</b>	<u>2,004,035</u>	<u>861,740</u>	<u>-</u>	<u>-</u>	<u>2,004,035</u>	<u>861,740</u>
<b>Total</b>	<u>\$ 2,756,495</u>	<u>2,756,495</u>	<u>187,128</u>	<u>187,128</u>	<u>2,943,623</u>	<u>2,943,623</u>

The flow of assets from one fund to another where repayment is not expected is reported as transfers. Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 8 – RESTRICTED ASSETS**

Restricted assets are composed of amounts held by the debt service fund for the payment of general long-term principal, interest and related costs of \$994,411 and amounts held by the non-major special revenue funds of \$50,401 for capital projects, \$30,000 to be held as an endowment with the interest being used for cemetery maintenance and \$2,000 for public safety.

**NOTE 9 – DEFICIT NET ASSETS**

The following funds had a net asset or fund balance deficit as of September 30, 2007:

General fund	\$ (50,795)
Special Revenue Funds:	
Retirement	(2,557)
City Hall	(263)
Fire Equipment	(1,776)
Pool	(18,820)
Capital Improvements	(69,003)
CDBG 19th Street	(31,458)

CITY OF CRETE, NEBRASKA

Budgetary Comparison Schedule – Budget and Actual – Cash Basis  
(Required Supplementary Information)

For the Year Ended September 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
General			2,446,949	
Debt Service			2,715,820	
Sales Tax			676,781	
Other governmental funds			3,902,219	
Electric			8,552,777	
Water			2,177,942	
Sewer			1,489,499	
	<u>\$ 18,810,690</u>	<u>18,810,690</u>	<u>21,961,987</u>	<u>3,151,297</u>
<b>Disbursements</b>				
General			2,255,956	
Debt Service			1,416,202	
Sales Tax			523,451	
Other governmental funds			3,936,413	
Electric			8,989,643	
Water			2,076,051	
Sewer			1,384,413	
	<u>22,225,955</u>	<u>22,225,955</u>	<u>20,582,129</u>	<u>1,643,826</u>
	<u>\$ (3,415,265)</u>	<u>(3,415,265)</u>	<u>1,379,858</u>	<u>4,795,123</u>

CITY OF CRETE, NEBRASKA

Notes to Budgetary Comparison Schedule (continued)  
(Required Supplementary Information)

September 30, 2007

*Reconciliation of Proprietary Funds to Cash Basis for Budget Comparison*

	Electric	Water	Sewer	Total
Receipts - Accrual	\$ 7,120,310	1,218,536	564,858	8,903,704
Accounts receivable	(133,625)	(3,310)	(1,602)	(138,537)
Contributions in-kind	(1,358)	(146,450)	(49,045)	(196,853)
Sale of investments	-	4,874	300,659	305,533
Bond proceeds	1,567,450	1,100,550	667,000	3,335,000
Loans from other funds	-	3,742	7,629	11,371
Receipts - Cash	<u>8,552,777</u>	<u>2,177,942</u>	<u>1,489,499</u>	<u>12,220,218</u>
Disbursements - Accrual	6,793,342	838,289	732,128	8,363,759
Loans to other funds	379,595	-	-	379,595
Investment purchase	365,425	-	-	365,425
Bond payments	1,718,575	1,210,635	721,165	3,650,375
Property and equipment	271,412	179,898	98,902	550,212
Loan fees	19,264	13,526	8,198	40,988
Depreciation and amortization	(391,682)	(148,446)	(155,893)	(696,021)
Inventory	(35,293)	(787)	-	(36,080)
Prepaid expenses	1,166	594	(438)	1,322
Accounts payable	(92,996)	5,181	(2,030)	(89,845)
Accrued expenses	(39,165)	(22,839)	(17,619)	(79,623)
Disbursements - Cash	<u>8,989,643</u>	<u>2,076,051</u>	<u>1,384,413</u>	<u>12,450,107</u>
Net income - Cash	\$ <u>(436,866)</u>	<u>101,891</u>	<u>105,086</u>	<u>(229,889)</u>