

**CITY OF YORK**  
York, Nebraska

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**  
September 30, 2009

**TABLE OF CONTENTS**

**Independent Auditor's Report**

**Management's Discussion and Analysis**

**Basic Financial Statements**

Government-Wide Financial Statements:

- Exhibit A – Statement of Net Assets
- Exhibit B – Statement of Activities

Fund Financial Statements:

- Exhibit C – Balance Sheet - Governmental Funds
- Exhibit D – Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
- Exhibit E – Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
- Exhibit F – Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Exhibit G – Statement of Net Assets – Proprietary Fund
- Exhibit H – Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund
- Exhibit I – Statement of Cash Flows – Proprietary Fund

Notes to the Financial Statements

**Required Supplementary Information**

- Exhibit J – Budgetary Comparison Schedule – General Fund

Notes to the Required Supplementary Information

**Supplementary Information**

- Exhibit K – Balance Sheet – Non-Major Governmental Funds
- Exhibit L – Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds
- Exhibit M – Budgetary Comparison Schedule – Street Fund
- Exhibit N – Budgetary Comparison Schedule – Debt Service Fund
- Exhibit O – Balance Sheet – Solid Waste Fund
- Exhibit P – Statement of Revenues, Expenses and Changes in Retained Earnings – Solid Waste Fund
- Exhibit Q – Statement of Cash Flows – Solid Waste Fund
- Exhibit R – Balance Sheet – Water Fund
- Exhibit S – Statement of Revenues, Expenses and Changes in Retained Earnings – Water Fund
- Exhibit T – Statement of Cash Flows – Water Fund
- Exhibit U – Balance Sheet – Sewer Fund
- Exhibit V – Statement of Revenues, Expenses and Changes in Retained Earnings – Sewer Fund
- Exhibit W – Statement of Cash Flows – Sewer Fund
- Exhibit X – Schedule of Expenditures of Federal Awards

**CITY OF YORK, NEBRASKA**

September 30, 2009

**TABLE OF CONTENTS (cont'd)**

**GAO Government Auditing Standards**

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*

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Schedule of Findings and Questioned Costs

*Certified Public Accountants*  
424 North Grant Avenue  
York, Nebraska 68467  
402-362-3399

Lisa D. Riley  
Rachel A. Jacobsen  
Colin W. Wilson

## **Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of York, 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 York, Nebraska (the City) as of and for the year ended September 30, 2009, 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2010 on our consideration of the City'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 Management's Discussion and Analysis, the Budgetary Comparison Schedule (Exhibit J) and accompanying notes, 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The Non-Major Governmental Funds (Exhibits K-L), Budgetary Comparison Schedules (Exhibits M-N) and the Departmental Proprietary Statements (Exhibits O-W) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mierau & Co., P.C.*

York, Nebraska  
March 18, 2010

**CITY OF YORK, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2009

This discussion and analysis of the financial performance of the City of York (the City) provides an overview of the City's financial activities for the year ended September 30, 2009. It should be read in conjunction with the City's financial statements, which follow.

**Financial Highlights**

The City's net assets as of September 30, 2009 were \$30,698,826.96. Of this amount, \$9,930,012.50 is unrestricted and may be used to meet the City's ongoing obligations.

The net assets of the City increased by \$2,015,063.66, up from \$28,683,763.30 in the prior fiscal year.

The Governmental Fund revenues were \$1,248,838.65 more than the prior year and expenses were \$1,450,703.24 more than the prior year.

The Proprietary Fund revenues were \$152,044.61 more than the prior year and expenses were \$15,749.67 more than the prior year.

**Overview of the Financial Statements**

This financial report consists of four sections: management's discussion and analysis (this section), the basic financial statements, required supplementary information and unaudited supplementary information.

The basic financial statements include a series of statements that present different views of the City.

The government-wide financial statements are comprised of the Statement of Net Assets and the Statement of Activities, which provide information about the City's overall financial status.

The governmental fund financial statements focus on individual funds of the City, reporting the City's basic operations in more detail than the government-wide financial statements. Governmental funds are accountability units used to maintain control over resources segregated for specific activities or objectives. Major funds are separately reported.

The proprietary fund financial statements focus on the business-type activities of the City. These statements also provide more detail than the government-wide statements. Proprietary funds are used to maintain control over the utility services the City provides.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information, including notes, that further explains and supports the financial statements with a comparison of the City's budget for the year. Following the required supplementary information is a section of unaudited supplementary information that details the departmental revenues and expenditures/expenses of the governmental and proprietary funds.

**Financial Analysis of the City as a Whole**

Revenues for the City's activities were \$14,610,318.72, while expenses were \$12,595,255.06.

A portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The City's government-wide restricted net assets are comprised of funds to be used for street maintenance and improvements, capital projects, the Community Development Block Grant, 911 operations, insurance, police and fire employee pensions and debt repayment.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2009

**Financial Analysis of the City as a Whole (cont'd)**

The following table summarizes the City's Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	11,773,997.48	12,727,560.50	8,340,884.92	8,369,232.25	20,114,882.40	21,096,792.75
Capital assets	11,896,781.04	10,869,883.45	22,189,461.89	18,117,727.20	34,086,242.93	28,987,610.65
<b>Total Assets</b>	<b>23,670,778.52</b>	<b>23,597,443.95</b>	<b>30,530,346.81</b>	<b>26,486,959.45</b>	<b>54,201,125.33</b>	<b>50,084,403.40</b>
Long term liabilities	8,668,917.54	5,644,086.42	11,909,580.94	8,795,692.53	20,578,498.48	14,439,778.95
Other liabilities	1,894,304.38	6,187,005.40	1,029,495.51	773,855.75	2,923,799.89	6,960,861.15
<b>Total Liabilities</b>	<b>10,563,221.92</b>	<b>11,831,091.82</b>	<b>12,939,076.45</b>	<b>9,569,548.28</b>	<b>23,502,298.37</b>	<b>21,400,640.10</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	2,514,570.61	3,838,883.45	10,929,537.74	10,044,340.34	13,444,108.35	13,883,223.79
Restricted	5,162,674.80	2,856,963.54	2,162,031.31	1,709,675.58	7,324,706.11	4,566,639.12
Unrestricted	5,430,311.19	5,070,505.14	4,499,701.31	5,163,395.25	9,930,012.50	10,233,900.39
<b>Total Net Assets</b>	<b>\$ 13,107,556.60</b>	<b>\$ 11,766,352.13</b>	<b>\$ 17,591,270.36</b>	<b>\$ 16,917,411.17</b>	<b>\$ 30,698,826.96</b>	<b>\$ 28,683,763.30</b>

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2009

**Financial Analysis of the City as a Whole (cont'd)**

The following table summarizes the City's changes in net assets from revenues and expenses.

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program Revenues-						
Charges for services	\$ 1,258,923.33	\$ 1,043,752.08	\$ 3,298,717.53	\$ 3,092,318.87	\$ 4,557,640.86	\$ 4,136,070.95
Operating grants and contributions	223,665.24	307,937.75			223,665.24	307,937.75
Capital grants and contributions	531,000.36	536,746.05			531,000.36	536,746.05
Other Revenues-						
Property taxes	531,757.12	468,277.85			531,757.12	468,277.85
Sales taxes	3,835,073.19	3,219,711.11			3,835,073.19	3,219,711.11
Other taxes	21,676.95	22,675.51			21,676.95	22,675.51
Interest income	320,696.06	267,742.96	241,070.79	272,215.34	561,766.85	539,958.30
Intergovernmental revenues	1,595,844.76	1,498,387.94			1,595,844.76	1,498,387.94
Miscellaneous	2,751,893.39	2,456,460.50		23,209.50	2,751,893.39	2,479,670.00
<b>Total Revenues</b>	<b>11,070,530.40</b>	<b>9,821,691.75</b>	<b>3,539,788.32</b>	<b>3,387,743.71</b>	<b>14,610,318.72</b>	<b>13,209,435.46</b>
<b>Expenses:</b>						
General government	2,632,260.78	2,479,020.06			2,632,260.78	2,479,020.06
Public safety	2,500,641.27	2,369,696.31			2,500,641.27	2,369,696.31
Streets and public works	822,363.29	1,008,126.13			822,363.29	1,008,126.13
Culture and recreation	1,519,884.67	1,723,857.54			1,519,884.67	1,723,857.54
Economic development	1,020,238.38	482,211.27			1,020,238.38	482,211.27
Capital outlay	346,061.38	61,694.80			346,061.38	61,694.80
Debt service	887,876.16	154,016.58			887,876.16	154,016.58
Solid waste division			912,021.14	987,167.02	912,021.14	987,167.02
Water division			1,041,403.57	984,503.01	1,041,403.57	984,503.01
Sewer division			912,504.42	878,509.43	912,504.42	878,509.43
<b>Total Expenses</b>	<b>9,729,325.93</b>	<b>8,278,622.69</b>	<b>2,865,929.13</b>	<b>2,850,179.46</b>	<b>12,595,255.06</b>	<b>11,128,802.15</b>
<b>Change in net assets</b>	<b>1,341,204.47</b>	<b>1,543,069.06</b>	<b>673,859.19</b>	<b>537,564.25</b>	<b>2,015,063.66</b>	<b>2,080,633.31</b>
<b>Beginning Net Assets</b>	<b>11,766,352.13</b>	<b>10,164,928.87</b>	<b>16,917,411.17</b>	<b>16,379,846.92</b>	<b>28,683,763.30</b>	<b>26,544,775.79</b>
<b>Prior Period Adjustment</b>		<b>58,354.20</b>				<b>58,354.20</b>
<b>Net Assets - Beginning of Year, as restated</b>	<b>11,766,352.13</b>	<b>10,223,283.07</b>	<b>16,917,411.17</b>	<b>16,379,846.92</b>	<b>28,683,763.30</b>	<b>26,603,129.99</b>
<b>Ending Net Assets</b>	<b>\$ 13,107,556.60</b>	<b>\$ 11,766,352.13</b>	<b>\$ 17,591,270.36</b>	<b>\$ 16,917,411.17</b>	<b>\$ 30,698,826.96</b>	<b>\$ 28,683,763.30</b>
<b>Invested In capital assets, net of related debt</b>						
Restricted	2,514,570.61	3,838,883.45	10,929,537.74	10,044,340.34	13,444,108.35	13,883,223.79
Unrestricted	5,162,674.80	2,856,963.54	2,162,031.31	1,709,675.58	7,324,706.11	4,566,639.12
	5,430,311.19	5,070,505.14	4,499,701.31	5,163,395.25	9,930,012.50	10,233,900.39
<b>Total Net Assets</b>	<b>\$ 13,107,556.60</b>	<b>\$ 11,766,352.13</b>	<b>\$ 17,591,270.36</b>	<b>\$ 16,917,411.17</b>	<b>\$ 30,698,826.96</b>	<b>\$ 28,683,763.30</b>

The City is heavily reliant on taxes to support governmental activities and charges for services to support business-type activities.



**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2009

**Financial Analysis of the City's Funds**

A summary of the City's governmental fund balances follows:

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
General Fund Balance	\$ 4,795,170.20	\$ 4,452,586.18	\$ 342,584.02
Special Revenue Fund Balance	4,608,372.43	2,096,243.31	2,512,129.12
Debt Service Fund Balance	1,044,203.59	1,152,833.21	(108,629.62)
Proprietary Fund Balance	<u>17,591,270.36</u>	<u>16,917,411.17</u>	<u>673,859.19</u>
Total Fund Balances	<u>\$ 28,039,016.58</u>	<u>\$ 24,619,073.87</u>	<u>\$ 3,419,942.71</u>

The increase in fund balance was mainly attributed the Special Revenue Fund.

The General Fund Balance increase was due to an overall increase in revenue. The increase in the Proprietary Fund Balance was due to an increase in operating revenues, along with expenses less than total income. The increase in the Special Revenue Fund was due to bond proceeds received.

**Economic Factors**

Factors, such as property tax rates and valuation, sales tax collections, and charges for services have a major impact on the City's revenues each year. Capital outlay, energy and insurance costs heavily impact the City's expenses.

**General Fund Budget Analysis**

The City's general fund budget was not amended during the fiscal year and included \$8,510,387.00 in available resources and \$8,510,387.00 in disbursements. Actual receipts were \$494,169.43 more than budget. Actual disbursements were \$817,867.18 less than budget, due mainly to less than expected spending within the general government unit and transfers to other funds.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$34,086,242.93 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress. The summary of capital assets net of depreciation follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>9/30/2008</u>	<u>9/30/2009</u>	<u>9/30/2008</u>	<u>9/30/2009</u>	<u>9/30/2008</u>	<u>9/30/2009</u>
Land	\$ 1,565,500.00	1,565,500.00	305,335.99	\$ 305,335.99	1,870,835.99	1,870,835.99
Buildings	4,922,256.30	4,729,807.80	6,550,693.98	6,339,152.25	11,472,950.28	11,068,960.05
Equipment	502,403.05	723,262.44	676,991.42	689,710.28	1,179,394.47	1,412,972.72
Vehicles	1,056,122.97	975,510.35	17,693.09	6,425.00	1,073,816.06	981,935.35
Infrastructure	618,510.78	572,122.78	9,045,966.42	9,130,649.94	9,664,477.20	9,702,772.72
Construction in Progress	<u>2,205,090.35</u>	<u>3,330,577.67</u>	<u>1,521,046.30</u>	<u>5,718,188.43</u>	<u>3,726,136.65</u>	<u>9,048,766.10</u>
Total	<u>\$ 10,869,883.45</u>	<u>\$ 11,896,781.04</u>	<u>\$ 18,117,727.20</u>	<u>\$ 22,189,461.89</u>	<u>\$ 28,987,610.65</u>	<u>\$ 34,086,242.93</u>

**CITY OF YORK, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2009

**Capital Assets (cont'd)**

Major capital asset events during the current fiscal year included the following:

Runway Safety Zone	\$ 181,429.09
City Street Improvements	\$ 845,798.06
Karashaw Ridge sewer	\$ 323,729.13
Water System Improvement	\$ 116,085.95
East Ave Arbor Dr	\$ 178,034.38
Water Main Nobes & 10 <sup>th</sup> Street	\$ 332,023.94

Additional information on the City's capital assets can be found in the Notes to the Financial Statements.

**Debt Administration**

As of September 30, 2009, the City had governmental activity outstanding bonded indebtedness of \$9,382,210.43 as compared to \$7,031,000.00 on September 30, 2008. The change in balance is a result of principal payments of \$1,533,789.57, along with bond proceeds of \$3,885,000.00. The City also had business-type activity outstanding bonded indebtedness of \$10,250,000.00 as compared to \$7,070,000.00 the prior fiscal year. The change in balance is a result of \$640,000.00 in principal payments and \$3,820,000.00 in bond proceeds.

**Contacting the City's Financial Management**

This financial report is designed to provide the City's citizens, taxpayers, investors and creditors with a general overview of the City's finances and compliance with finance-related laws and regulations and to demonstrate the City's commitment to public accountability. If you have questions about this report or would like additional information, contact the City Clerk at:

City of York  
100 East 4<sup>th</sup> Street  
York, Nebraska 68467  
402 363-2600

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET ASSETS**

September 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 9,715,774.79	\$ 5,875,772.78	\$ 15,591,547.57
Certificates of deposit		899,610.76	899,610.76
Accounts receivable	554,578.15	270,912.87	825,491.02
Sales tax receivable	493,720.39		493,720.39
Due from other funds	1,009,924.15		1,009,924.15
Inventories		32,167.96	32,167.96
Restricted assets:			
Cash and cash equivalents		1,262,420.55	1,262,420.55
Land	1,565,500.00	305,335.99	1,870,835.99
Construction in progress	3,330,577.67	5,718,188.43	9,048,766.10
Capital assets, net of accumulated depreciation	7,000,703.37	16,165,937.47	23,166,640.84
<b>Total Assets</b>	<b>23,670,778.52</b>	<b>30,530,346.81</b>	<b>54,201,125.33</b>
<b>Liabilities</b>			
Accounts payable	264,724.22	132,282.39	397,006.61
Accrued interest payable	86,861.44	128,100.97	214,962.41
Accrued wages	126,872.78	29,112.15	155,984.93
Registered warrants	567,806.65		567,806.65
Noncurrent liabilities:			
Due within one year:			
Revenue bonds payable		740,000.00	740,000.00
General obligation bonds	690,000.00		690,000.00
Various purpose bonds	108,039.29		108,039.29
Bond anticipation notes	50,000.00		50,000.00
Due in more than one year:			
Due to street fund		1,009,924.15	1,009,924.15
Revenue bonds payable		9,510,000.00	9,510,000.00
General obligation bonds	7,955,000.00		7,955,000.00
Various purpose bonds	379,171.14		379,171.14
Bond anticipation notes	200,000.00		200,000.00
Accrued closure/post closure costs		1,368,465.99	1,368,465.99
Compensated absences and benefits	134,746.40	21,190.80	155,937.20
<b>Total Liabilities</b>	<b>10,563,221.92</b>	<b>12,939,076.45</b>	<b>23,502,298.37</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	2,514,570.61	10,929,537.74	13,444,108.35
Restricted for:			
Debt service	1,044,203.59	899,610.76	1,943,814.35
Other purposes	4,118,471.21	1,262,420.55	5,380,891.76
Unrestricted	5,430,311.19	4,499,701.31	9,930,012.50
<b>Total Net Assets</b>	<b>\$ 13,107,556.60</b>	<b>\$ 17,591,270.36</b>	<b>\$ 30,698,826.96</b>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2009

<b>Functions/Programs</b>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government -				
Government activities -				
General government	\$ 2,632,260.78	\$ 394,419.93	\$ 223,665.24	
Public safety	2,500,641.27	551,385.67		
Streets	822,363.29	9,634.49		
Culture and recreation	1,519,884.67	32,717.57		
Economic development	1,020,238.38			\$ 531,000.36
Capital outlay	346,061.38			
Debt service	887,876.16	270,765.67		
<b>Total governmental activities</b>	<b>9,729,325.93</b>	<b>1,258,923.33</b>	<b>223,665.24</b>	<b>531,000.36</b>
Business type activities -				
Solid Waste Fund	912,021.14	838,101.68		
Water Fund	1,041,403.57	1,446,556.11		
Sewer Fund	912,504.42	1,014,059.74		
<b>Total business-type activities</b>	<b>2,865,929.13</b>	<b>3,298,717.53</b>	-	-
<b>Total Primary Government</b>	<b>\$ 12,595,255.06</b>	<b>\$ 4,557,640.86</b>	<b>\$ 223,665.24</b>	<b>\$ 531,000.36</b>

**General Revenues:**

Property taxes  
Sales taxes  
Other taxes  
Occupation and franchise fees  
Intergovernmental receipts  
Licenses and permits  
Interest income  
Gain on sales of asset  
Other receipts

Total General Revenue

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

Exhibit B

Net (Expense) Revenue  
and Changes in Net Assets

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (2,014,175.61)		\$ (2,014,175.61)
(1,949,255.60)		(1,949,255.60)
(812,728.80)		(812,728.80)
(1,487,167.10)		(1,487,167.10)
(489,238.02)		(489,238.02)
(346,061.38)		(346,061.38)
(617,110.49)		(617,110.49)
<u>(7,715,737.00)</u>		<u>(7,715,737.00)</u>
	\$ (73,919.46)	(73,919.46)
	405,152.54	405,152.54
	101,555.32	101,555.32
	<u>432,788.40</u>	<u>432,788.40</u>
<u>(7,715,737.00)</u>	<u>432,788.40</u>	<u>(7,282,948.60)</u>
531,757.12		531,757.12
3,835,073.19		3,835,073.19
21,676.95		21,676.95
1,456,090.09		1,456,090.09
1,595,844.76		1,595,844.76
37,723.81		37,723.81
320,696.06	241,070.79	561,766.85
24,695.50		24,695.50
<u>1,233,383.99</u>		<u>1,233,383.99</u>
<u>9,056,941.47</u>	<u>241,070.79</u>	<u>9,298,012.26</u>
1,341,204.47	673,859.19	2,015,063.66
<u>11,766,352.13</u>	<u>16,917,411.17</u>	<u>28,683,763.30</u>
<u>\$ 13,107,556.60</u>	<u>\$ 17,591,270.36</u>	<u>\$ 30,698,826.96</u>

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2009

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 5,442,222.62	\$ 726,937.81	\$ 1,044,203.59
Accounts receivable	1,574.15	1,982.60	
Due from other funds		1,009,924.15	
<b>Total Assets</b>	<b>5,443,796.77</b>	<b>1,738,844.56</b>	<b>1,044,203.59</b>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts payable	80,819.92	67,545.94	
Registered warrants	567,806.65		
<b>Total Liabilities</b>	<b>648,626.57</b>	<b>67,545.94</b>	<b>-</b>
Fund Balances:			
Designated			1,044,203.59
Undesignated	4,795,170.20	1,671,298.62	
<b>Total Fund Balances</b>	<b>4,795,170.20</b>	<b>1,671,298.62</b>	<b>1,044,203.59</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,443,796.77</b>	<b>\$ 1,738,844.56</b>	<b>\$ 1,044,203.59</b>

See accompanying notes to the financial statements

Exhibit C

Other Governmental Funds	Total Governmental Funds
\$ 2,502,410.77	\$ 9,715,774.79
551,021.40	554,578.15
	1,009,924.15
<u>3,053,432.17</u>	<u>11,280,277.09</u>
116,358.36	264,724.22
	567,806.65
<u>116,358.36</u>	<u>832,530.87</u>
639,398.05	1,683,601.64
<u>2,297,675.76</u>	<u>8,764,144.58</u>
<u>2,937,073.81</u>	<u>10,447,746.22</u>
<u>\$ 3,053,432.17</u>	<u>\$ 11,280,277.09</u>

**CITY OF YORK, NEBRASKA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
 September 30, 2009

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Total Fund Balance - Governmental Funds	\$ 10,447,746.22
Revenues that provide current financial resources for governmental activities	493,720.39
Infrastructure, property and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	11,896,781.04
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(213,734.22)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(9,516,956.83)</u>
<b>Total Net Assets - Governmental Activities</b>	<b><u>\$ 13,107,556.60</u></b>



**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2009

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Revenues</u></b>			
Taxes	\$ 3,511,017.49	\$ 244,405.79	
Intergovernmental	234,286.63	735,132.13	
Assessments			\$ 270,765.67
Occupation and Franchise fees	1,456,090.09		
Licenses and permits	37,723.81		
Operational revenues	180,848.56	9,634.49	
Interest income	241,342.33	25,756.50	
Miscellaneous	134,418.37	14,654.83	
<b>Total Revenues</b>	<b>5,795,727.28</b>	<b>1,029,583.74</b>	<b>270,765.67</b>
<b><u>Expenditures</u></b>			
General government	1,237,934.93		
Public safety	1,343,508.34		
Streets		848,071.37	
Culture and recreation	955,630.99		
Economic development			
Capital outlay		1,290,119.61	
Debt service			1,720,004.71
<b>Total Expenditures</b>	<b>3,537,074.26</b>	<b>2,138,190.98</b>	<b>1,720,004.71</b>
Excess (deficiency) of revenues over expenditures	2,258,653.02	(1,108,607.24)	(1,449,239.04)
<b><u>Other Financing Sources (Uses)</u></b>			
Proceeds from the sale of land			
Proceeds from bond sales		2,957,085.63	927,914.37
Transfers in (out)	(1,916,069.00)	569,819.66	412,695.05
<b>Total Other Financing Sources (Uses)</b>	<b>(1,916,069.00)</b>	<b>3,526,905.29</b>	<b>1,340,609.42</b>
<b>Net Change In Fund Balance</b>	<b>342,584.02</b>	<b>2,418,298.05</b>	<b>(108,629.62)</b>
<b>Fund Balance, Beginning</b>	<b>4,452,586.18</b>	<b>(746,999.43)</b>	<b>1,152,833.21</b>
<b>Fund Balance, Ending</b>	<b>\$ 4,795,170.20</b>	<b>\$ 1,671,298.62</b>	<b>\$ 1,044,203.59</b>

See accompanying notes to the financial statements

Exhibit E

Other Governmental	Total Governmental Funds
\$ 21,676.95	\$ 3,777,100.23
815,032.68	1,784,451.44
	270,765.67
	1,456,090.09
	37,723.81
2,429,929.96	2,620,413.01
53,597.23	320,696.06
18,114.36	167,187.56
<u>3,338,351.18</u>	<u>10,434,427.87</u>
1,564,302.74	2,802,237.67
1,184,928.27	2,528,436.61
	848,071.37
433,300.51	1,388,931.50
1,020,238.38	1,020,238.38
	1,290,119.61
	1,720,004.71
<u>4,202,769.90</u>	<u>11,598,039.85</u>
(864,418.72)	(1,163,611.98)
24,695.50	24,695.50
	3,885,000.00
<u>933,554.29</u>	<u>-</u>
<u>958,249.79</u>	<u>3,909,695.50</u>
93,831.07	2,746,083.52
<u>2,843,242.74</u>	<u>7,701,662.70</u>
<u>\$ 2,937,073.81</u>	<u>\$ 10,447,746.22</u>

**CITY OF YORK, NEBRASKA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2009

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change In Fund Balance - Total Governmental Funds	\$ 2,746,083.52
<p>Governmental funds report capital outlays, including infrastructure, 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. Capital outlays exceeded depreciation expense in the current year as follows:</p>	
Depreciation expense	\$ (548,123.00)
Expenditures for capital assets	<u>1,575,020.59</u>
	1,026,897.59
Revenues reported in the funds that are not available to provide current financial resources	(74,343.28)
Accrued Interest expense that does not require current financial resources:	(15,910.71)
Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:	12,129.59
Long-term accrual of wages, taxes and benefits is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term accrual of wages, taxes and benefits for the year was:	(2,441.81)
The issuance of Indebtedness provides current financial resources to the governmental funds without affecting net assets. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt for the year was:	(3,885,000.00)
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	1,533,789.57
Change In Net Assets - Governmental Activities	<u><u>\$ 1,341,204.47</u></u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
September 30, 2009

	<u>Enterprise Funds</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash in bank	\$ 5,875,772.78
Certificate of deposit	899,610.76
Accounts receivable	270,912.87
Inventories	<u>32,167.96</u>
Total Current Assets	<u>7,078,464.37</u>
Non-Current Assets:	
Restricted assets:	
Restricted cash	1,262,420.55
Land	305,335.99
Construction in progress	5,718,188.43
Capital assets, net of accumulated depreciation	<u>16,165,937.47</u>
Total Non-Current Assets	<u>23,451,882.44</u>
Total Assets	<u>30,530,346.81</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts payable	132,282.39
Accrued interest expense	128,100.97
Accrued wages	29,112.15
Notes payable - current portion	<u>740,000.00</u>
Total Current Liabilities	<u>1,029,495.51</u>
Non-Current Liabilities:	
Accrued compensated absences	21,190.80
Accrued closure and post-closure costs	1,368,465.99
Due to street fund	1,009,924.15
Notes payable - long-term portion	<u>9,510,000.00</u>
Total Non-Current Liabilities	<u>11,909,580.94</u>
Total Liabilities	<u>12,939,076.45</u>
<b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	10,929,537.74
Restricted for debt service	899,610.76
Restricted for other purposes	1,262,420.55
Unrestricted	<u>4,499,701.31</u>
Total Net Assets	<u>\$ 17,591,270.36</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET ASSETS - PROPRIETARY FUND**

For the Year Ended September 30, 2009

	<u>Enterprise Funds</u>
<b><u>Operating Revenues</u></b>	
Charges for services:	
Water	\$ 1,446,556.11
Sewer	1,014,059.74
Solid waste	<u>838,101.68</u>
Total Operating Revenues	<u>3,298,717.53</u>
<b><u>Operating Expenses</u></b>	
Wages and benefits	914,917.98
Operating expenses	563,361.41
Repairs and maintenance	271,382.42
Depreciation	<u>615,008.69</u>
Total Operating Expenses	<u>2,364,670.50</u>
Operating Income (Loss)	<u>934,047.03</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Wellfield farm income(expense)	(43,304.91)
Interest expense	(343,425.98)
Interest income	241,070.79
Other expenses	<u>(114,527.74)</u>
Total Non-Operating Revenue (Expenses)	<u>(260,187.84)</u>
Change In Net Assets	673,859.19
Total Net Assets, Beginning	<u>16,917,411.17</u>
Total Net Assets, Ending	<u>\$ 17,591,270.36</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended September 30, 2009

	<u>Enterprise Funds</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Cash received from customers for services	\$ 3,330,907.25
Payments to suppliers for goods and services	(830,804.68)
Payments to employees for services	(913,666.25)
	<hr/>
Net Cash Provided by Operating Activities	1,586,436.32
	<hr/>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on cash and investments	241,070.79
Loss on wellfield farm	(43,304.91)
	<hr/>
Net Cash Provided by Investing Activities	197,765.88
	<hr/>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Acquisition and construction of capital assets	(4,686,743.38)
Proceeds from bonded debt	2,230,000.00
Change in advance from other funds	6,537.29
Retirement of debt	950,000.00
Interest paid on bonds	(271,339.46)
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,771,545.55)
	<hr/>
Net Increase In Cash and Cash Equivalents	12,656.65
Balance, Beginning of Year	8,025,147.44
	<hr/>
Balance, End of Year	\$ 8,037,804.09
	<hr/> <hr/>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u></b>	
Operating income (loss)	\$ 934,047.03
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	615,008.69
(Increase) decrease in accounts receivable	32,806.72
(Increase) decrease in other receivables	(617.00)
(Increase) decrease in inventories	8,814.26
Increase (decrease) in other liabilities and accrued costs	(3,623.38)
	<hr/>
Net Cash Provided by Operating Activities	\$ 1,586,436.32
	<hr/> <hr/>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

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

**Overview** – The significant accounting principles and practices followed by the City of York (the City) are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The financial statements presented represent all funds maintained by City authorities' incident to the operation, maintenance and management of City services, activities, projects and investments.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary fund, governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its proprietary operations. The more significant of the City's accounting policies are described below.

**Reporting Entity** – The City of York's Council (Council) is the basic level of government, which has the financial accountability and control over all activities related to the City. The Council receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Council is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the City's reporting entity.

**Government-Wide and Fund Financial Statements** - The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effects of inter-fund transfers (those within an activity) have been removed from these statements. However, transactions between Governmental Activities and Business-Type Activities are reflected as transfers with the receiving activity reflecting the transfer as an increase to net assets and the disbursing activity reflecting the transfer as a decrease to net assets. The City does not allocate indirect costs.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

- a. Total assets, liabilities, revenues or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined.
- b. Total assets, liabilities, revenues, or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The City's major funds are: General Fund, Street Fund and Debt Service Fund. The City's non-major funds are: CDBG Fund, Sinking Fund, Aviation Fund, Fire/EMS Fund, Library Fund, 911 Surcharge Fund, TIF Fund, Insurance Fund and Pension Fund.

**Governmental Fund Types**

General Fund – The General Fund is the main operating fund of the City and accounts for all revenues and expenditures of the City not encompassed within other funds. All property tax revenues and other revenues that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the new and replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund – The Special Revenue Fund is 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 Special Revenue Fund is comprised of the following sub-funds:

Sinking Fund – This fund accounts for revenues set aside for future purposes. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and designated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

Fire/EMS Fund – This fund accounts for the costs associated with the fire and emergency medical services for the City. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is unrestricted.

Street Fund – This fund accounts for highway allocation and motor vehicle fee revenues that are legally restricted by statute to street expenditures. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

CDBG Fund – Revenues and expenditures generated by the Community Development Block Grant are accounted for within this fund. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

Aviation Fund – This fund accounts for revenues and expenditures specifically earmarked for aviation purposes. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is unrestricted.



**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Library Fund – Contributions and grants received and expenditures associated with these revenues, which are restricted solely for library materials, are recorded in this fund. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is unrestricted.

911 Surcharge Fund – This fund accounts for specific revenues and expenditures allocated for 911-service enhancement. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

TIF Fund – Revenues and expenditures legally restricted for Tax Increment Financing projects are accounted for within this fund. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

Insurance Fund – This fund accounts for withholding and taxes restricted solely for the payment of employee insurance. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

Pension Fund – Withholding and taxes restricted solely for the payment of employee pensions are accounted for within this fund. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and undesignated. However, on the Government-Wide Statement of Net Assets, the same balance is restricted.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources and payment of general long-term debt including principal, interest, and related expenditures and is classified as a major fund. For purposes of the Governmental Funds Balance Sheet the ending fund balance is unreserved and designated. However, on the Government-Wide Statement of Net Assets, this same balance is restricted.

**Proprietary Fund Type**

Enterprise Fund – The Enterprise Fund is used to account for the operations of the utility sub-funds. This fund is used to account for operations, which are financed and operated in a manner similar to private business. The intent of the governing body is that the cost of providing the goods or services to the general public is funded or recovered primarily through user charges.

Solid Waste Fund – This department accounts for the operation of a municipally owned landfill, which provides services to the residents of the City.

Water Fund – This fund accounts for the operation of a municipally owned water system, which provides services to the residents of the City.

Sewer Fund – This fund accounts for the operation of a municipally owned sewer system, which provides services to the residents of the City.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Measurement Focus and Basis of Accounting** – Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statement and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statement presents increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

The measurement focus of the proprietary fund is recognizing operating revenue, changes in net assets and financial position. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services and administrative fees.

The governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due. Only current financial assets are included on their Balance Sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

The budgetary basis of accounting is used by the general fund and all major special revenue funds in the required supplementary information section of the financial statements. Under the budgetary basis of accounting, receipts are recognized when received and disbursements are recognized when paid. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles in the United States of America.

**Property and Equipment** – Assets with an initial individual cost of \$5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure will be reported prospectively beginning in fiscal year September 30, 2006. Depreciation on all assets is provided on the straight-line basis over the estimated life of the asset as follows:

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Property and Equipment (cont'd)**

Buildings	40 years
Vehicles	7 years
Equipment	10 years
Water and sewer lines	40 years
Water tower and extensions	60 years
Water wells	20 years
Sewer treatment, plant and lift stations	30-40 years

**Accrued Compensated Absences** – These amounts represent the unpaid vacation costs and related employee benefits as of the end of the period. All compensated amounts for governmental and proprietary fund types are accrued as liabilities on the government-wide statement for governmental funds and applicable enterprise funds respectively and are not recorded as expenditures of the current reporting period for governmental fund types because they do not represent amounts that are expected to be liquidated with expendable available financial resources.

**Net Asset Classifications** – On the Government-Wide Statements equity is classified as net assets and is displayed as three components:

Invested in capital assets, net of related debt- Consists of capital assets net of accumulated depreciation and related debt.

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 or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of restricted.

The City first uses restricted resources to finance qualifying activities.

**Property Taxes** – Real estate taxes are levied on October 15 each year and may be paid in two equal installments. These taxes are due December 31. The first and second halves of the taxes become delinquent on the following May 1 and September 1, respectively. Real estate taxes become a lien against the property on the levy date.

Personal property taxes are levied on October 15 each year, are due December 31 each year, and may be paid in two equal installments. The first and second halves of the taxes become delinquent on May 1 and September 1, respectively.

Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

**NOTE B – CASH AND INVESTMENTS**

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 and any securities as provided in the Public Funds Deposit Security Act. Nonnegotiable certificates of deposit with original maturity of more than three months are classified as cash equivalents within the governmental funds.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE B – CASH AND INVESTMENTS (cont'd)**

The City had cash balances at September 30, 2009 of the following amounts in the following banks:

	<u>Bank Balance</u>
Cornerstone Bank	\$ 16,158,659.97
Henderson State Bank	\$ 273,528.50
Midwest Bank	\$ 1,438,512.99
York State Bank	\$ 10,735.35

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

Of the total bank balance, \$760,735.35 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$17,120,701.46 was collateralized with securities held by the financial institution but not in the City's name.

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2009 was as follows:

	Balance 9/30/2008	Additions	Deletions	Balance 9/30/2009
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,565,500.00			\$ 1,565,500.00
Construction in progress	2,205,090.35	\$ 1,125,487.32		3,330,577.67
Total capital assets not being depreciated	3,770,590.35	1,125,487.32	\$ -	4,896,077.67
Capital assets being depreciated:				
Buildings	7,960,505.30	28,957.50		7,989,462.80
Equipment	1,189,928.05	334,141.39		1,524,069.44
Vehicles	2,491,161.94	86,434.38		2,577,596.32
Infrastructure	695,824.78			695,824.78
Total capital assets being depreciated	12,337,420.07	449,533.27	-	12,786,953.34
Less: Accumulated depreciation for:				
Buildings	3,038,249.00	221,406.00		3,259,655.00
Equipment	687,525.00	113,282.00		800,807.00
Vehicles	1,435,038.97	167,047.00		1,602,085.97
Infrastructure	77,314.00	46,388.00		123,702.00
Total accumulated depreciation	5,238,126.97	548,123.00	-	5,786,249.97
Total capital assets being depreciated, net	7,099,293.10	(98,589.73)	-	7,000,703.37
Governmental activities capital assets, net	\$ 10,869,883.45	\$ 1,026,897.59	\$ -	\$ 11,896,781.04

These notes are an integral part of the accompanying financial statements.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE C – CAPITAL ASSETS (cont'd)**

	Balance 9/30/2008	Additions	Deletions	Balance 9/30/2009
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 305,335.99			\$ 305,335.99
Construction In progress	1,521,046.30	\$ 4,555,520.20	358,378.07	5,718,188.43
Total capital assets not being depreciated	<u>1,826,382.29</u>	<u>4,555,520.20</u>	<u>\$ 358,378.07</u>	<u>6,023,524.42</u>
Capital assets being depreciated:				
Buildings	10,701,821.41	20,435.92		10,722,257.33
Equipment	1,479,390.13	104,000.81		1,583,390.94
Vehicles	319,555.33			319,555.33
Water pumping and distribution system	7,611,519.25	358,378.07		7,969,897.32
Sewer collection system	6,260,176.17	6,786.45		6,266,962.62
Total capital assets being depreciated	<u>26,372,462.29</u>	<u>489,601.25</u>	<u>-</u>	<u>26,862,063.54</u>
Less: Accumulated depreciation for:				
Buildings	4,151,127.43	231,977.65		4,383,105.08
Equipment	802,398.71	91,281.95		893,680.66
Vehicles	301,862.24	11,268.09		313,130.33
Water pumping and distribution system	3,050,661.00	155,953.00		3,206,614.00
Sewer collection system	1,775,068.00	124,528.00		1,899,596.00
Total accumulated depreciation	<u>10,081,117.38</u>	<u>615,008.69</u>	<u>-</u>	<u>10,696,126.07</u>
Total capital assets being depreciated, net	<u>16,291,344.91</u>	<u>(125,407.44)</u>	<u>-</u>	<u>16,165,937.47</u>
Business-type activities capital assets, net	<u>\$ 18,117,727.20</u>	<u>\$ 4,430,112.76</u>	<u>\$ 358,378.07</u>	<u>\$ 22,189,461.89</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 28,901.00
Public safety	156,963.00
Streets	138,960.00
Culture and recreation	223,299.00
Total depreciation expense - governmental activities	<u>\$ 548,123.00</u>
<b>Business-Type Activities:</b>	
Solid Waste	\$ 148,639.69
Water	208,389.05
Sewer	257,979.95
Total depreciation expense - business-type activities	<u>\$ 615,008.69</u>

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE C – CAPITAL ASSETS (cont'd)**

Reconciliation of Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 1,565,500.00	\$ 305,335.99
Construction in progress	3,330,577.67	5,718,188.43
Capital assets (Net of accumulated depreciation)	7,000,703.37	16,165,937.47
Less: General obligation bonds payable	7,801,000.00	
Various purpose bonds payable	1,331,210.43	
Bond anticipation notes payable	250,000.00	
Revenue bonds payable		10,250,000.00
Due to street fund		1,009,924.15
Invested in capital assets, net of related debt	<u>\$ 2,514,570.61</u>	<u>\$ 10,929,537.74</u>

**NOTE D – BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS**

Changes in bonds payable and other long-term obligations for the period ended September 30, 2009 were as follows:

	Balance 9/29/2008	Additions	Reductions	Balance 9/30/2009	Due within one year
<b>Governmental Activities:</b>					
General obligation bonds, various maturities through 2023	\$ 4,396,000.00	\$ 1,685,000.00	\$ 480,000.00	\$ 5,601,000.00	\$ 520,000.00
Various purpose bonds, matures 2012	1,435,000.00		103,789.57	1,331,210.43	108,039.29
Bond anticipation notes, matures 2014	300,000.00		50,000.00	250,000.00	50,000.00
Highway Allocation bonds, matures 2024	-	2,200,000.00		2,200,000.00	170,000.00
Highway allocation fund notes, matures 2009	900,000.00		900,000.00	-	
Registered warrants	2,275,327.52		1,707,520.87	567,806.65	
Total governmental activities	<u>9,306,327.52</u>	<u>3,885,000.00</u>	<u>3,241,310.44</u>	<u>9,950,017.08</u>	<u>848,039.29</u>
<b>Business-Type Activities:</b>					
Revenue bonds, various maturities through 2018	7,070,000.00	3,820,000.00	640,000.00	10,250,000.00	660,000.00
Total business-type activities	<u>7,070,000.00</u>	<u>3,820,000.00</u>	<u>640,000.00</u>	<u>10,250,000.00</u>	<u>660,000.00</u>
Total bonds payable	<u>\$ 16,376,327.52</u>	<u>\$ 7,705,000.00</u>	<u>\$ 3,881,310.44</u>	<u>\$ 20,200,017.08</u>	<u>\$ 1,508,039.29</u>

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE D – BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (cont'd)**

Annual debt service requirements as of September 30, 2009 for governmental and business-type activities are as follows:

Fiscal Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 848,039.29	\$ 358,002.65	\$ 660,000.00	\$ 443,555.00
2011	788,758.12	332,350.07	700,000.00	413,857.50
2012	809,505.08	306,670.61	720,000.00	387,987.50
2013	705,391.10	281,073.34	750,000.00	360,293.75
2014	711,320.21	256,192.98	775,000.00	330,502.50
2015	692,332.40	230,919.54	810,000.00	298,762.50
2016	603,409.85	204,642.09	845,000.00	264,442.50
2017	624,634.11	180,864.08	835,000.00	230,712.50
2018	635,942.61	155,621.83	560,000.00	194,040.00
2019	512,368.10	128,916.34	235,000.00	170,640.00
2020	413,911.17	109,844.52	245,000.00	161,475.00
2021	430,611.98	91,313.71	250,000.00	151,552.50
2022	435,986.41	71,375.72	265,000.00	141,052.50
2023	440,000.00	51,521.25	275,000.00	129,525.00
2024	250,000.00	31,045.00	285,000.00	117,150.00
2025	155,000.00	21,778.75	300,000.00	104,040.00
2026	85,000.00	14,266.25	315,000.00	88,740.00
2027	80,000.00	10,100.00	330,000.00	72,675.00
2028	80,000.00	6,060.00	350,000.00	55,845.00
2029	80,000.00	2,020.00	745,000.00	37,995.00
	<u>\$ 9,382,210.43</u>	<u>\$ 2,844,578.73</u>	<u>\$ 10,250,000.00</u>	<u>\$ 4,154,843.75</u>

**NOTE E – LEASES**

The City is liable for several lease purchase agreements. A schedule of lease purposes, balances and annual future payments are as follows:

	Year Ended September 30,				Total Payments
	2010	2011	2012	2013	
2006 Caterpillar Track Loader	\$ 42,991.42				\$ 42,991.42
2006 Street Sweeper	38,154.10				\$ 38,154.10
Various Purpose	82,848.15				\$ 82,848.15
Ambulance	39,571.00	39,552.00			\$ 79,123.00
Water Meters	103,826.42	103,826.42			\$ 207,652.84
Snow Plow/Sander	25,246.93	25,254.00	25,178.00	25,194.00	\$ 100,872.93
	<u>\$ 332,638.02</u>	<u>\$ 168,632.42</u>	<u>\$ 25,178.00</u>	<u>\$ 25,194.00</u>	<u>\$ 551,642.44</u>

The City entered into a Distribution System Lease with Nebraska Public Power District for lease of the City owned electrical system on January 1, 1989. The City is to receive semi-annual payments based on the gross retail electrical revenues minus, 1) any bad debt charge-offs, 2) revenues from tax supported agencies receiving a discount, 3) any revenues associated with application of production costs, 4) an amount equal to 10% of the retail revenues as adjusted. The amount received under the lease for the year ended September 30, 2009 was \$1,181,506.96.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2009

**NOTE F – FUND EQUITY**

Restricted Net Assets

The following table shows the net assets restricted as shown on the Statement of Net Assets:

Debt Service	\$ 1,943,814.35
Other Purposes:	
Closure and Post Closure Costs	1,262,420.55
Sinking Fund	639,398.05
Street	1,671,298.62
CDBG	138,133.09
911 Surcharge	(34,767.68)
TIF	854,662.70
Insurance	740,158.02
Pensions	<u>109,588.41</u>
Total Restricted Net Assets	<u>\$ 7,324,706.11</u>

**NOTE G – PENSION PLAN**

The City provides pension benefits for all of its full-time employees except police officers and firefighters, through a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of service. The employee must contribute 6% of compensation and the City contributes an amount equal to 100% of the employee contribution. The City's contributions for each employee (and interest allocated to the employee's account) are vested according to the following schedule:

<u>Years of Service</u>	<u>Vested Interest</u>
Less than two	0%
Two but less than three	20%
Three but less than four	40%
Four but less than five	60%
Five but less than six	80%
Six or more	100%

Police officers and firefighters participate in a Statewide Local Government Retirement System, a multiple-employer public employee's retirement system. Covered employees are required by Statute to contribute a percentage of their salary to the plan. The City is required by the same statute to contribute the remaining amounts necessary to pay benefits when due.

The City's contributions to the plans discussed above for the year ending September 30, 2009 were as follows:

	<u>2009</u>	<u>2008</u>
General employees	\$ 124,068.33	\$ 117,302.10
Police Department	42,361.51	42,099.10
Fire Department	<u>83,748.30</u>	<u>93,382.45</u>
	<u>\$ 250,178.14</u>	<u>\$ 252,783.65</u>



**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE H – CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require the City Landfill 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 post-closure 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 post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,368,465.99 reported as landfill closure and post-closure care liability at September 30, 2009 represents the cumulative amount reported to date based on the use of 45.80% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$1,619,451.01 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. The City expects to close the landfill in the year 2040. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

In accordance with the State of Nebraska Title 132 Solid Waste Regulations, the City must satisfy the requirements for a financial assurance mechanism (F.A.M). The City Council has passed resolution 96-24 to make annual contributions to a special fund to finance closure and post-closure care. The City landfill is in compliance with these requirements and, at September 30, 2009, separate bank accounts, the "Closure and Post-Closure" accounts and the "Construction and Demolition Site Closure and Post-Closure" accounts, in the amount of \$1,237,060.75 and \$14,713.45 respectively, were held for these purposes at the York State Bank. It is reported as a restricted asset on the balance sheet. The City landfill expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional 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 and from future tax revenues.

In addition, the City Council has passed resolution 96-25 establishing the "Old Landfill Post Closure Care Account" reserve for the specific purpose of assuring post-closure care of the old landfill. This account at York State Bank has a balance at September 30, 2009 of \$10,646.35 and is reported as a restricted asset on the balance sheet.

**NOTE I – BOND RESERVES**

In accordance with provisions of Ordinance No's 1328 and 1329, we make the following comments:

Section 7

	<u>Water Fund</u>	<u>Sewer Fund</u>
Balances in accounts allocated by the City Treasurer at September 30, 2009:		
Debt service reserve fund	<u>\$ 650,000.00</u>	<u>\$ 241,500.00</u>
Funds available to meet these requirements at September 30, 2009:		
Certificates of deposit	<u>\$ 650,000.00</u>	<u>\$ 249,610.76</u>

These notes are an integral part of the accompanying financial statements.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2009

**NOTE I – BOND RESERVES (cont'd)**

Section 10

- (c) All City property is insured through the Cornerstone Insurance Company
- (d) The City Treasurer has carried out the accounting instructions in accordance with Section 7.

**NOTE J – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the City carried commercial insurance for property, liability, automobile, worker's compensation and other risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF YORK, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**

For the Year Ended September 30, 2009

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 905,340.00	\$ 4,467,719.36	\$ 3,562,379.36
<b>Receipts</b>			
Property tax	495,076.00	531,757.12	36,681.12
Sales tax	2,550,000.00	3,057,310.45	507,310.45
Motor vehicle tax	150,000.00	147,312.80	(2,687.20)
Homestead exemption		16,469.06	16,469.06
State aid	71,205.00	70,504.77	(700.23)
NPPD lease payments	1,260,000.00	1,181,506.96	(78,493.04)
Occupation tax	257,000.00	274,583.13	17,583.13
Licenses and permits	57,000.00	38,656.79	(18,343.21)
Rent	34,000.00	22,992.50	(11,007.50)
Operational revenue	150,800.00	157,856.06	7,056.06
Grant revenue		32,110.00	32,110.00
Contributions received	3,500.00	2,948.56	(551.44)
Interest Income	150,000.00	241,342.33	91,342.33
Transfers from other funds	2,413,966.00	2,224,506.09	(189,459.91)
Miscellaneous	12,500.00	99,359.81	86,859.81
Total Receipts	7,605,047.00	8,099,216.43	494,169.43
Total Available Resources	8,510,387.00	12,566,935.79	4,056,548.79
<b>Disbursements</b>			
General Government:			
Personnel services	451,482.00	467,671.65	16,189.65
Materials and supplies	924,323.00	597,048.83	(327,274.17)
Capital outlay	35,000.00	24,840.97	(10,159.03)
	1,410,805.00	1,089,561.45	(321,243.55)
Auditorium:			
Personnel services	60,253.00	59,872.71	(380.29)
Materials and supplies	86,160.00	83,538.11	(2,621.89)
Capital outlay	8,150.00	8,084.40	(65.60)
	154,563.00	151,495.22	(3,067.78)
Park:			
Personnel services	159,409.00	149,685.40	(9,723.60)
Materials and supplies	119,897.00	75,782.71	(44,114.29)
Capital outlay	120,565.00	97,999.53	(22,565.47)
	399,871.00	323,467.64	(76,403.36)

See accompanying notes to the required supplementary information

**CITY OF YORK, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**

For the Year Ended September 30, 2009

	Original and Final Budget	Actual	Variance
Police:			
Personnel services	\$ 1,182,434.00	\$ 1,184,976.33	\$ 2,542.33
Materials and supplies	147,600.00	113,047.06	(34,552.94)
Capital outlay	38,000.00	43,249.99	5,249.99
	<u>1,368,034.00</u>	<u>1,341,273.38</u>	<u>(26,760.62)</u>
Community Center:			
Personnel services	285,160.00	281,066.69	(4,093.31)
Materials and supplies	142,503.00	137,708.23	(4,794.77)
Capital outlay	19,600.00	12,268.02	(7,331.98)
	<u>447,263.00</u>	<u>431,042.94</u>	<u>(16,220.06)</u>
Swimming Pool:			
Personnel services	121,185.00	100,388.11	(20,796.89)
Materials and supplies	104,850.00	96,732.30	(8,117.70)
Capital outlay	4,000.00	4,000.00	-
	<u>230,035.00</u>	<u>201,120.41</u>	<u>(28,914.59)</u>
DARE Program:			
Materials and supplies	2,235.00	2,234.96	(0.04)
	<u>2,235.00</u>	<u>2,234.96</u>	<u>(0.04)</u>
Senior Center:			
Personnel services		211.13	211.13
Materials and supplies		11,537.60	11,537.60
	<u>-</u>	<u>11,748.73</u>	<u>11,748.73</u>
Transfers to other funds	4,497,581.00	4,140,575.09	(357,005.91)
Total Disbursements	<u>8,510,387.00</u>	<u>7,692,519.82</u>	<u>(817,867.18)</u>
Ending Fund Balance	<u>\$ -</u>	4,874,415.97	<u>\$ 4,874,415.97</u>
<u>Adjustments to Generally Accepted Accounting Principles</u>			
Revenue accruals		1,574.15	
Expenditure accruals		<u>(80,819.92)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 4,795,170.20</u>	

See accompanying notes to the required supplementary information

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
September 30, 2009

**NOTE A - BUDGET PROCESS AND PROPERTY TAXES**

The City of York (the City) is required by state law to adopt annual budgets for all funds. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various disbursements and/or tax levy limitations.

In accordance with those provisions, the following process is used to adopt the annual budget:

1. As of August 1, or shortly thereafter, the City Clerk prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed disbursements and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the filing date, the City, through passage of an ordinance legally adopts the budget.
4. The adopted budget is filed with the State Auditor and the County Board on or before September 20.
5. Total actual disbursements may not legally exceed the total budget of disbursements. Appropriations of disbursements lapse at year-end and any revisions require a public hearing and any revisions require council approval.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which attaches as an enforceable lien on property within the City as of January 1.

STATE OF CALIFORNIA  
COUNTY OF [illegible]  
[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] This page intentionally left blank

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
September 30, 2009

	CDBG Fund	Sinking Fund	Aviation Fund	Fire/EMS Fund
<b><u>Assets</u></b>				
Cash in cash equivalents	\$ 138,133.09	\$ 438,857.26	\$ 226,769.51	\$ 19,622.93
Accounts receivable		245,540.79	47,032.32	258,448.29
Total Assets	<u>138,133.09</u>	<u>684,398.05</u>	<u>273,801.83</u>	<u>278,071.22</u>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts Payable		45,000.00	41,118.79	20,853.04
Total Liabilities	-	<u>45,000.00</u>	<u>41,118.79</u>	<u>20,853.04</u>
Fund Balances:				
Unreserved		639,398.05		
Designated			232,683.04	257,218.18
Undesignated	138,133.09			
Total Fund Balances	<u>138,133.09</u>	<u>639,398.05</u>	<u>232,683.04</u>	<u>257,218.18</u>
Total Liabilities and Fund Balances	<u>\$ 138,133.09</u>	<u>\$ 684,398.05</u>	<u>\$ 273,801.83</u>	<u>\$ 278,071.22</u>

Library Fund	911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
\$ 8,892.53	\$ (34,273.68)	\$ 854,662.70	\$ 740,158.02	\$ 109,588.41	\$ 2,502,410.77
					551,021.40
<u>8,892.53</u>	<u>(34,273.68)</u>	<u>854,662.70</u>	<u>740,158.02</u>	<u>109,588.41</u>	<u>3,053,432.17</u>
8,892.53	494.00				116,358.36
<u>8,892.53</u>	<u>494.00</u>				<u>116,358.36</u>
-	(34,767.68)	854,662.70	740,158.02	109,588.41	639,398.05
					2,297,675.76
<u>-</u>	<u>(34,767.68)</u>	<u>854,662.70</u>	<u>740,158.02</u>	<u>109,588.41</u>	<u>2,937,073.81</u>
\$ 8,892.53	\$ (34,273.68)	\$ 854,662.70	\$ 740,158.02	\$ 109,588.41	\$ 3,053,432.17



**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2009

	CDBG Fund	Sinking Fund	Aviation Fund	Fire/EMS Fund
<b><u>Revenues</u></b>				
Taxes				
Intergovernmental	\$ 333,426.00		\$ 188,606.68	\$ 233,000.00
Operational revenues	192,007.97		213,571.37	551,385.67
Interest income	670.11	\$ 13,331.72	10,101.93	
Miscellaneous		4,953.19		13,161.17
<b>Total Revenues</b>	<b>526,104.08</b>	<b>18,284.91</b>	<b>412,279.98</b>	<b>797,546.84</b>
<b><u>Expenditures</u></b>				
General government		1,413.68	470,550.19	
Public safety				1,049,992.70
Culture and recreation				
Economic development	544,426.00			
<b>Total Expenditures</b>	<b>544,426.00</b>	<b>1,413.68</b>	<b>470,550.19</b>	<b>1,049,992.70</b>
Excess (deficiency) of revenues over expenditures	(18,321.92)	16,871.23	(58,270.21)	(252,445.86)
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from the sale of land		18,045.50	6,650.00	
Transfers in (out)			28,635.96	373,218.35
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>18,045.50</b>	<b>35,285.96</b>	<b>373,218.35</b>
<b>Net Change In Fund Balance</b>	<b>(18,321.92)</b>	<b>34,916.73</b>	<b>(22,984.25)</b>	<b>120,772.49</b>
Fund Balance, Beginning	156,455.01	604,481.32	255,667.29	136,445.69
<b>Fund Balance, Ending</b>	<b>\$ 138,133.09</b>	<b>\$ 639,398.05</b>	<b>\$ 232,683.04</b>	<b>\$ 257,218.18</b>

Library Fund	911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
\$ 60,000.00	\$ 21,676.95				\$ 21,676.95
32,717.57		\$ 531,000.36	\$ 909,247.02		815,032.68
	2,563.70		24,799.05	\$ 2,130.72	2,429,929.96
					53,597.23
					18,114.36
92,717.57	24,240.65	531,000.36	934,046.07	2,130.72	3,338,351.18
			955,824.31	136,514.56	1,564,302.74
433,300.51	134,935.57				1,184,928.27
		475,812.38			433,300.51
					1,020,238.38
433,300.51	134,935.57	475,812.38	955,824.31	136,514.56	4,202,769.90
(340,582.94)	(110,694.92)	55,187.98	(21,778.24)	(134,383.84)	(864,418.72)
					24,695.50
340,582.94				191,117.04	933,554.29
340,582.94	-	-	-	191,117.04	958,249.79
-	(110,694.92)	55,187.98	(21,778.24)	56,733.20	93,831.07
-	75,927.24	799,474.72	761,936.26	52,855.21	2,843,242.74
\$ -	\$ (34,767.68)	\$ 854,662.70	\$ 740,158.02	\$ 109,588.41	\$ 2,937,073.81

**CITY OF YORK, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**STREET FUND**

For the Year Ended September 30, 2009

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 30,000.00	\$ (1,760,088.39)	\$ (1,790,088.39)
<b>Receipts</b>			
Sales tax	150,000.00	244,405.79	94,405.79
Intergovernmental revenues	1,856,000.00	735,132.13	(1,120,867.87)
Operational revenues	19,000.00	26,034.47	7,034.47
Assessments	86,985.00		(86,985.00)
Interest income	8,000.00	25,756.50	17,756.50
Bond proceeds	5,563,519.00	2,957,085.63	(2,606,433.37)
Transfers	393,903.00	783,261.01	389,358.01
Total Receipts	8,077,407.00	4,771,675.53	(3,305,731.47)
Total Available Resources	8,107,407.00	3,011,587.14	(5,095,819.86)
<b>Disbursements</b>			
Personnel services	558,363.00	416,493.52	141,869.48
Materials and supplies	551,150.00	421,356.63	129,793.37
Capital outlay	6,997,894.00	1,233,357.83	5,764,536.17
Transfers		213,441.35	(213,441.35)
Total Disbursements	8,107,407.00	2,284,649.33	5,822,757.67
Ending Fund Balance	\$ -	\$ 726,937.81	\$ 726,937.81

**CITY OF YORK, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**DEBT SERVICE FUND**

For the Year Ended September 30, 2009

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ -	\$ 1,152,833.21	\$ 1,152,833.21
<b>Receipts</b>			
Assessments	29,526.00	270,765.67	241,239.67
Bond proceeds		927,914.37	927,914.37
Transfers	836,242.00	588,611.71	(247,630.29)
Total Receipts	865,768.00	1,787,291.75	921,523.75
Total Available Resources	865,768.00	2,940,124.96	2,074,356.96
<b>Disbursements</b>			
Principal paid	530,000.00	1,430,000.00	(900,000.00)
Interest paid	333,268.00	279,920.21	53,347.79
Other expenditures	2,500.00	10,084.50	(7,584.50)
Transfers		175,916.66	(175,916.66)
Total Disbursements	865,768.00	1,895,921.37	(1,030,153.37)
Ending Fund Balance	\$ -	\$ 1,044,203.59	\$ 1,044,203.59

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET - SOLID WASTE FUND**

September 30, 2009

With Comparative Figures For September 30, 2008

<b><u>Assets</u></b>	2009	2008
<b>Current Assets:</b>		
Cash in bank	\$ 691,617.38	\$ 829,058.78
Accounts receivable	1,451.00	834.00
<b>Total Current Assets</b>	<b>693,068.38</b>	<b>829,892.78</b>
<b>Restricted Assets:</b>		
Cash in bank - closure	651,522.28	580,001.00
Cash in bank - post closure	585,538.47	529,731.10
Cash in bank - closure of construction & demolition site	12,285.35	
Cash in bank - post closure of construction & demolition site	2,428.10	
Cash in bank - old landfill	10,646.35	10,443.48
<b>Total Restricted Assets</b>	<b>1,262,420.55</b>	<b>1,120,175.58</b>
<b>Fixed Assets:</b>		
Land	263,712.44	263,712.44
Landfill & buildings	5,045,561.17	5,045,561.17
Equipment	542,525.35	542,525.35
Construction in progress	75,088.59	70,520.14
	5,926,887.55	5,922,319.10
Less: Accumulated depreciation	1,199,301.41	1,050,661.72
<b>Total Fixed Assets</b>	<b>4,727,586.14</b>	<b>4,871,657.38</b>
<b>Total Assets</b>	<b>\$ 6,683,075.07</b>	<b>\$ 6,821,725.74</b>
<b><u>Liabilities and Equity</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 12,295.93	\$ 20,785.36
Accrued interest payable	8,525.19	9,125.14
Accrued wages	8,184.30	8,925.36
Current maturities of long-term debt	230,000.00	140,000.00
<b>Total Current Liabilities</b>	<b>259,005.42</b>	<b>178,835.86</b>
<b>Long-Term Liabilities:</b>		
Accrued compensated absences	5,578.03	4,647.00
Accrued closure and post-closure costs	1,368,465.99	1,253,938.25
Bonds and notes payable net of current portion	2,235,000.00	2,555,000.00
<b>Total Long-Term Liabilities</b>	<b>3,609,044.02</b>	<b>3,813,585.25</b>
<b>City of York Solid Waste Fund:</b>		
Retained earnings	2,815,025.63	2,829,304.63
<b>Total Liabilities and Equity</b>	<b>\$ 6,683,075.07</b>	<b>\$ 6,821,725.74</b>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**SOLID WASTE FUND**

For the Year Ended September 30, 2009  
 With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Operating Revenues</u></b>		
Solid waste receipts	\$ 831,611.59	\$ 810,395.06
Land rent	6,490.09	1,890.00
Total Operating Revenue	<u>838,101.68</u>	<u>812,285.06</u>
<b><u>Operating Expenses</u></b>		
Wages	203,202.33	199,677.63
Payroll taxes	15,071.02	14,965.41
Pension plan	12,763.84	12,622.14
Employee insurance	25,950.20	23,394.66
Compensated absences	931.03	629.33
Power	11,101.63	10,685.23
Insurance	14,709.00	16,230.00
Miscellaneous expense	9,775.77	8,676.40
Fiscal fees	1,000.00	1,000.00
Gasoline	35,947.75	56,711.57
Licensing fees	33,413.11	49,371.97
Testing	16,220.28	6,732.23
Legal & accounting	2,000.00	2,000.00
Planning & engineering	39,325.10	27,683.13
Tire disposal	1,081.35	18,110.61
Equipment leases	42,991.41	42,991.42
Maintenance	26,074.30	33,195.86
Repairs - parts	31,988.97	22,410.72
Repairs - labor	11,314.07	12,092.98
Depreciation	148,639.69	148,639.69
Total Operating Expenses	<u>683,500.85</u>	<u>707,820.98</u>
Net Operating Income	<u>154,600.83</u>	<u>104,464.08</u>
<b><u>Other Income</u></b>		
Grant income		18,209.50
Interest income	59,640.46	71,309.83
Total Other Income	<u>59,640.46</u>	<u>89,519.33</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**SOLID WASTE FUND**

For the Year Ended September 30, 2009  
 With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Other Expenses</u></b>		
Landfill closure and post-closure costs	\$ 114,527.74	\$ 156,797.72
Interest expense	113,992.55	122,548.32
Total Other Expenses	228,520.29	279,346.04
Net Revenue	(14,279.00)	(85,362.63)
Retained Earnings, Beginning of Year	2,829,304.63	2,914,667.26
Retained Earnings, End of Year	\$ 2,815,025.63	\$ 2,829,304.63

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - SOLID WASTE FUND**  
For the Year Ended September 30, 2009  
With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 837,484.68	\$ 812,157.06
Payments to suppliers for goods and services	(285,432.17)	(296,236.93)
Payments to employees for services	(257,728.45)	(250,892.34)
Net Cash Provided (Used) by Operating Activities	294,324.06	265,027.79
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	59,640.46	71,309.83
Net Cash Provided (Used) by Investing Activities	59,640.46	71,309.83
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(4,568.45)	(39,050.99)
Proceeds from capital grant	-	18,209.50
Proceeds from bonded debt	2,230,000.00	2,230,000.00
Retirement of debt	(2,460,000.00)	(2,460,000.00)
Interest paid on bonds	(114,592.50)	(123,087.50)
Net Cash Provided (Used) by Capital and Related Financing Activities	(349,160.95)	(373,928.99)
Net Increase in Cash and Cash Equivalents	4,803.57	(37,591.37)
Balance, Beginning of Year	1,949,234.36	1,986,825.73
Balance, End of Year	\$ 1,954,037.93	\$ 1,949,234.36
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 154,600.83	\$ 104,464.08
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	148,639.69	148,639.69
(Increase) decrease in other receivables	(617.00)	(128.00)
Increase (decrease) in other liabilities	(8,299.46)	12,052.02
Total Adjustments	139,723.23	160,563.71
Net Cash Provided by Operating Activities	\$ 294,324.06	\$ 265,027.79



**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET - WATER FUND**

September 30, 2009

With Comparative Figures For September 30, 2008

<u>Assets</u>	2009	2008
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,435,159.27	\$ 2,997,133.57
Investments - debt service reserve	650,000.00	348,000.00
Accounts receivable	154,635.07	164,614.55
Inventory - materials and supplies	32,167.96	40,982.22
<b>Total Current Assets</b>	<b>3,271,962.30</b>	<b>3,550,730.34</b>
<b>Fixed Assets:</b>		
Land	24,625.00	24,625.00
Buildings	217,154.21	203,075.41
Pumping equipment	618,928.06	618,928.06
Distribution system	7,350,969.26	6,992,591.19
Consumers meter to keep	722,146.24	618,145.43
Office furniture	76,539.96	76,539.96
Trucks and automobiles	133,015.98	133,015.98
Tools	219,161.02	219,161.02
Construction in progress	4,809,468.86	667,635.30
	14,172,008.59	9,553,717.35
Less: Accumulated depreciation	4,042,610.44	3,834,221.39
<b>Total Fixed Assets</b>	<b>10,129,398.15</b>	<b>5,719,495.96</b>
<b>Total Assets</b>	<b>\$ 13,401,360.45</b>	<b>\$ 9,270,226.30</b>
<b><u>Liabilities and Equity</u></b>		
<b>Current Liabilities:</b>		
Customer deposits	\$ 74,335.00	\$ 73,880.00
Accounts payable	10,727.27	16,380.23
Accrued interest payable	95,918.79	21,091.68
Accrued wages	11,602.31	12,123.81
Other current liabilities	8,575.28	7,666.72
Current maturities of long-term debt	340,000.00	250,000.00
<b>Total Current Liabilities</b>	<b>541,158.65</b>	<b>381,142.44</b>
<b>Long-Term Liabilities:</b>		
Accrued compensated absences	11,028.47	9,903.34
Due to Street Fund	221,156.03	220,496.00
Bonds and notes payable	5,895,000.00	2,415,000.00
<b>Total Long-Term Liabilities</b>	<b>6,127,184.50</b>	<b>2,645,399.34</b>
<b>City of York Water Fund:</b>		
Retained earnings	6,733,017.30	6,243,684.52
<b>Total Liabilities and Equity</b>	<b>\$ 13,401,360.45</b>	<b>\$ 9,270,226.30</b>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**WATER FUND**

For the Year Ended September 30, 2009

With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Operating Revenues</u></b>		
Sales of water	\$ 1,410,485.78	\$ 1,203,540.09
Sundry sales - materials	3,568.76	1,010.41
Water main assessments	(2,103.40)	24,114.25
Sewer collection cost	25,000.00	25,000.08
Other income	9,604.97	779.87
	<hr/>	<hr/>
Total Operating Revenues	1,446,556.11	1,254,444.70
<b><u>Operating Expenses</u></b>		
Plant salaries	212,039.56	209,620.61
Supervision and office salaries	59,703.85	62,115.73
Payroll taxes	19,968.77	20,021.97
Pension plan	18,016.21	17,887.09
Employee insurance	40,310.00	45,289.77
Compensated absences	1,125.13	66.40
Office supplies	2,389.20	2,086.67
Telephone	769.70	610.49
Power	68,344.53	61,553.12
Accounting and legal	17,581.18	12,964.65
Dues and subscriptions	1,311.00	1,664.50
Insurance	18,919.00	18,459.00
Education and training	736.00	1,912.98
Miscellaneous expense	11,049.07	4,172.07
Fiscal fees	39,700.00	2,000.00
Publicity	7,499.94	6,790.91
Tool expense	1,130.33	432.96
Postage	4,296.84	5,661.17
Testing	10,621.00	7,798.00
Maintenance - building	2,065.89	1,240.56
Maintenance - trucks	14,297.16	20,349.01
Maintenance - pumping equipment	20,322.00	46,809.48
Maintenance - distribution system	63,971.68	80,874.13
Depreciation	208,389.05	207,111.00
	<hr/>	<hr/>
Total Operating Expenses	844,557.09	837,492.27
	<hr/>	<hr/>
Net Operating Income	601,999.02	416,952.43

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**WATER FUND**

For the Year Ended September 30, 2009  
 With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Other Income</u></b>		
Grant income		\$ 5,000.00
Wellfield farm income	\$ 3,250.00	
Interest Income	84,180.24	110,362.36
Total Other Income	87,430.24	115,362.36
<b><u>Other Expenses</u></b>		
Wellfield farm expense	46,554.91	
Interest expense	153,541.57	147,010.74
Total Other Expense	200,096.48	147,010.74
Net Revenue	489,332.78	385,304.05
Retained Earnings, Beginning of Year	6,243,684.52	5,858,380.47
Retained Earnings, End of Year	\$ 6,733,017.30	\$ 6,243,684.52

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - WATER FUND**  
For the Year Ended September 30, 2009  
With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 1,456,535.59	\$ 1,237,220.21
Payments to suppliers for goods and services	(280,479.66)	(198,713.48)
Payments to employees for services	(350,559.89)	(352,289.76)
Net Cash Provided (Used) by Operating Activities	825,496.04	686,216.97
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	84,180.24	110,362.36
Loss on wellfield farm	(43,304.91)	-
Net Cash Provided (Used) by Investing Activities	40,875.33	110,362.36
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(4,618,291.24)	(636,163.33)
Proceeds from capital grant	-	5,000.00
Change in advance from other funds	660.03	205,541.11
Retirement of debt	3,570,000.00	(200,000.00)
Interest paid on bonds	(78,714.46)	(170,579.32)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,126,345.67)	(796,201.54)
Net Increase (Decrease) in Cash and Cash Equivalents	(259,974.30)	377.79
Balance, Beginning of Year	3,345,133.57	3,344,755.78
Balance, End of Year	\$ 3,085,159.27	\$ 3,345,133.57
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 601,999.02	\$ 416,952.43
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	208,389.05	207,111.00
(Increase) decrease in accounts receivable	9,979.48	(17,224.49)
(Increase) decrease in inventory	8,814.26	63,205.39
Increase (decrease) in customer deposits	455.00	7,818.49
Increase (decrease) in other liabilities	(4,140.77)	8,354.15
Total Adjustments	223,497.02	269,264.54
Net Cash Provided by Operating Activities	\$ 825,496.04	\$ 686,216.97

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET - SEWER FUND**

September 30, 2009

With Comparative Figures For September 30, 2008

<u>Assets</u>	2009	2008
Current Assets:		
Cash and cash equivalents	\$ 2,748,996.13	\$ 2,489,279.51
Investments - debt service reserve	249,610.76	241,500.00
Accounts receivable	114,826.80	137,654.04
Total Current Assets	<u>3,113,433.69</u>	<u>2,868,433.55</u>
Fixed Assets:		
Land	16,998.55	16,998.55
Vehicles	186,539.35	186,539.35
Office equipment	23,018.37	23,018.37
Plant equipment	5,459,541.95	5,453,184.83
Collection system	6,266,962.62	6,260,176.17
Construction in progress	833,630.98	782,890.86
	<u>12,786,691.82</u>	<u>12,722,808.13</u>
Less: Accumulated depreciation	5,454,214.22	5,196,234.27
Total Fixed Assets	<u>7,332,477.60</u>	<u>7,526,573.86</u>
Total Assets	<u>\$ 10,445,911.29</u>	<u>\$ 10,395,007.41</u>
 <u>Liabilities and Equity</u>		
Current Liabilities:		
Accounts payable	\$ 20,556.61	\$ 12,572.69
Accrued interest payable	23,656.99	25,797.63
Accrued wages	9,325.54	9,634.63
Other current liabilities	5,792.30	5,872.50
Current maturities of long-term debt	170,000.00	160,000.00
Total Current Liabilities	<u>229,331.44</u>	<u>213,877.45</u>
Long-Term Liabilities:		
Accrued compensated absences	4,584.30	3,817.08
Due to Street Fund	788,768.12	782,890.86
Bonds payable	1,380,000.00	1,550,000.00
Total Long-Term Liabilities	<u>2,173,352.42</u>	<u>2,336,707.94</u>
City of York Sewer Fund:		
Retained earnings	4,136,564.33	3,937,758.92
Contributions	3,906,663.10	3,906,663.10
Total Equity	<u>8,043,227.43</u>	<u>7,844,422.02</u>
Total Liabilities and Equity	<u>\$ 10,445,911.29</u>	<u>\$ 10,395,007.41</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**SEWER FUND**

For the Year Ended September 30, 2009  
 With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Operating Revenues</u></b>		
Sales of service	\$ 851,956.12	\$ 844,140.47
Sales of service - industrial	153,536.72	161,483.13
Sewer main assessments	7,576.75	11,644.25
Other income	990.15	8,321.26
	<hr/>	<hr/>
Total Operating Revenues	1,014,059.74	1,025,589.11
<b><u>Operating Expenses</u></b>		
Wages	162,044.32	148,796.15
Supervision and office wages	59,703.74	62,116.23
Payroll taxes	16,275.05	15,511.56
Pension plan expense	14,897.90	13,084.12
Employee insurance	52,147.81	52,802.38
Compensated absences	767.22	(635.06)
Office supplies	2,203.94	1,648.16
Telephone	769.70	610.49
Power	77,460.21	73,367.45
Water	3,574.96	2,975.28
Accounting and legal	2,000.00	2,000.00
Dues and subscriptions	1,370.00	871.50
Insurance	22,311.00	22,956.00
Conferences and travel	841.71	1,254.29
Miscellaneous expense	9,799.47	4,729.93
Publicity	7,499.94	5,833.31
Testing	1,005.56	1,519.83
Collection and billing	28,037.00	27,892.75
Other expenses		1,809.68
Fees expense	1,000.00	1,000.00
Laboratory expense	3,415.34	4,240.29
Chemicals	468.88	
Tool expense	5,400.10	1,497.42
Postage	4,290.41	5,144.28
Maintenance - building	11,152.39	8,955.19
Maintenance - trucks	22,187.69	22,510.11
Maintenance - equipment	36,418.59	45,705.40
Maintenance - collection system	31,589.68	2,147.80
Depreciation	257,979.95	266,162.85
	<hr/>	<hr/>
Total Operating Expenses	836,612.56	796,507.39
	<hr/>	<hr/>
Net Operating Income	177,447.18	229,081.72

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**SEWER FUND**

For the Year Ended September 30, 2009  
 With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Other Income</u></b>		
Interest Income	\$ 97,250.09	\$ 90,543.15
Total Other Income	97,250.09	90,543.15
<b><u>Other Expenses</u></b>		
Interest expense	75,891.86	82,002.04
Net Revenue	198,805.41	237,622.83
Retained Earnings, Beginning of Year	3,937,758.92	3,700,136.09
Retained Earnings, End of Year	\$ 4,136,564.33	\$ 3,937,758.92

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - SEWER FUND**  
For the Year Ended September 30, 2009  
With Comparative Figures For The Year Ended September 30, 2008

	2009	2008
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers for services	\$ 1,036,886.98	\$ 1,022,262.80
Payments to suppliers for goods and services	(264,892.85)	(233,934.81)
Payments to employees for services	(305,377.91)	(290,639.57)
Net Cash Provided (Used) by Operating Activities	466,616.22	497,688.42
<b><u>Cash Flows from Investing Activities</u></b>		
Interest on cash and Investments	97,250.09	90,543.15
Net Cash Provided (Used) by Investing Activities	97,250.09	90,543.15
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(63,883.69)	(763,282.47)
Change In advance from other funds	5,877.26	757,132.47
Retirement of debt	(160,000.00)	(155,000.00)
Interest paid on bonds	(78,032.50)	(83,962.50)
Net Cash Provided (Used) by Capital and Related Financing Activities	(296,038.93)	(245,112.50)
Net Increase (Decrease) in Cash and Cash Equivalents	267,827.38	343,119.07
Balance, Beginning of Year	2,730,779.51	2,387,660.44
Balance, End of Year	\$ 2,998,606.89	\$ 2,730,779.51
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 177,447.18	\$ 229,081.72
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	257,979.95	266,162.85
(Increase) decrease in accounts receivable	22,827.24	(3,326.31)
Increase (decrease) in other liabilities	8,361.85	5,770.16
Total Adjustments	289,169.04	268,606.70
Net Cash Provided by Operating Activities	\$ 466,616.22	\$ 497,688.42



**CITY OF YORK, NEBRASKA**  
York, Nebraska  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended September 30, 2009

<u>Federal Grantor/Pass- Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>U.S. Department Housing and Urban Development</u> Passed through State Department of Economic Development Community Development Block Grants/ State's Program	14.228	\$ 333,426.00	\$ 333,426.00
<u>U.S. Department of Transportation</u> Passed through State Department of Aeronautics: Airport Improvement Program	20.106	188,606.68	188,606.68
<u>U.S. Department of Environmental Protection Agency</u> Passed through State Department of Environmental Quality: Capitalization Grants for Drinking Water State Revolving Funds	66.468	-	322,353.00
<b>TOTAL FEDERAL ASSISTANCE</b>		<u>\$ 522,032.68</u>	<u>\$ 844,385.68</u>

**NOTE: BASIS OF PRESENTATION OF EXPENDITURES OF FEDERAL AWARDS**

The preceding schedule of expenditures of federal awards includes the federal grant activity of the City of York, Nebraska and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

*Certified Public Accountants*  
424 North Grant Avenue  
York, Nebraska 68467  
402-362-3399

Lisa D. Riley  
Rachel A. Jacobsen  
Colin W. Wilson

**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**

Honorable Mayor and Members  
of the City Council  
City of York  
York, Nebraska

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of York (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon, dated March 18, 2010. Our report disclosed that, as described in Note A to the financial statements, the City prepared its financial statements on the basis of cash receipts and disbursements, that demonstrates compliance with the cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than generally accepted accounting principles 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'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 a deficiency 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 deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting as item 2009-1.

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 not 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*.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 use of the governing board, management and the Auditor of Public Accounts and is not intended to be and should not be used by anyone other than these specified parties.

*Mierau & Co., P.C.*

York, Nebraska  
March 18, 2010

*Certified Public Accountants*  
424 North Grant Avenue  
York, Nebraska 68467  
402-362-3399

Lisa D. Riley  
Rachel A. Jacobsen  
Colin W. Wilson

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

Honorable Mayor and Members  
of the City Council  
City of York  
York, Nebraska

Compliance

We have audited the compliance of the City of York, Nebraska (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

*Mierau & Co., P.C.*

York, Nebraska  
March 18, 2010

**CITY OF YORK, NEBRASKA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
September 30, 2009

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expressed an unqualified opinion on the financial statements of the City of York.
2. One significant deficiency was disclosed during our audit of the financial statements of the City of York.
3. No instances of noncompliance material to the financial statements of the City of York were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City of York expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the City of York are reported in Part C of this schedule.
7. The programs tested as major programs include:

Community Development Block Grants/ State's Program	14,228
Capitalization Grants for Drinking Water/ State Revolving Funds	66,468

8. The threshold for distinguishing Types A and B programs was \$300,000.00.
9. The City of York was determined to be a low risk auditee.

**B. FINDINGS**

SIGNIFICANT DEFICIENCY

2009-1 Internal Controls Over GASB 34 Model Financial Reporting

*Condition:* Due to limited knowledge, training and experience of City personnel and management to produce financial statements including footnote disclosures under the GASB 34 model, the City has engaged its independent auditor to produce draft GASB 34 model financial statements. The City is unable to produce GASB 34 model financial statements without the assistance of its independent auditor.

*Criteria:* The City is required to produce financial statements using the GASB 34 reporting model. Generally accepted auditing standards do not permit an independent auditor to be considered as part of the City's internal controls over financial reporting regarding drafting of financial statements.

*Recommendation:* Presently, there are significant costs associated with any alternative method of drafting GASB 34 model financial statements, with minimal benefit. Consequently, unless those costs could be reduced in the future, the City is using the most cost-effective process to produce GASB 34 model financial statements.

*Response:* We concur with the finding. We understand that our personnel and/or management do not have the required knowledge, training or experience to produce the required GASB 34 model financial statements including footnote disclosures. We have made all management decisions regarding the reporting, approved the draft and retained responsibility for the GASB 34 financial statements prepared with the assistance of our independent auditor.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE