

**CITY OF YORK**  
York, Nebraska

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**  
September 30, 2014

**CITY OF YORK, NEBRASKA**

September 30, 2014

**TABLE OF CONTENTS**

**Independent Auditor's Report**

**Management's Discussion and Analysis**

**Basic Financial Statements**

Government-Wide Financial Statements:

Exhibit A – Statement of Net Position

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 Position

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 Position – Proprietary Fund

Exhibit H – Statement of Revenues, Expenses and Changes in Net Position - 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

Exhibit K – Budgetary Comparison Schedule – Street Fund

Exhibit L – Budgetary Comparison Schedule – Debt Service Fund

Exhibit M – Budgetary Comparison Schedule – Aviation Fund

Exhibit N – Budgetary Comparison Schedule – Fire/EMS Fund

Exhibit O – Budgetary Comparison Schedule – Proprietary Fund

Exhibit P – Schedule of Expenditures of Federal Awards

Notes to the Required Supplementary Information

**Supplementary Information**

Exhibit Q – Balance Sheet – Non-Major Governmental Funds

Exhibit R – Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds

Exhibit S – Balance Sheet – Solid Waste Fund

Exhibit T – Statement of Revenues, Expenses and Changes in Retained Earnings – Solid Waste Fund

Exhibit U – Statement of Cash Flows – Solid Waste Fund

Exhibit V – Balance Sheet – Water Fund

Exhibit W – Statement of Revenues, Expenses and Changes in Retained Earnings – Water Fund

Exhibit X – Statement of Cash Flows – Water Fund

Exhibit Y – Balance Sheet – Wastewater Fund

Exhibit Z – Statement of Revenues, Expenses and Changes in Retained Earnings – Wastewater Fund

Exhibit AA – Statement of Cash Flows – Wastewater Fund

**CITY OF YORK, NEBRASKA**

September 30, 2014

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

**GAO Government Auditing Standards**

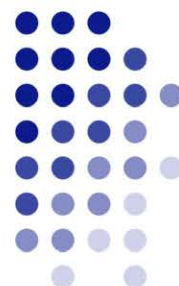
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Schedule of Findings and Questioned Costs

# Mierau & Co., P.C.

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York, NE 68467  
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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America for the government wide and proprietary fund financial statements and the modified cash basis of accounting for the governmental fund financial statements as described in Note A; this includes determining the basis of accounting used is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note A. Also, in our opinion, the business-type activity financial statements referred to above present fairly, in all material respects, the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The governmental fund financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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 fund financial statements and the departmental proprietary statements 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 do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2015 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* in considering the City's internal control over financial reporting and compliance.

*Muirau & Co., P.C.*

York, Nebraska  
April 17, 2015

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

September 30, 2014

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, 2014. It should be read in conjunction with the City's financial statements, which follow.

**Financial Highlights**

The City's net position on September 30, 2014 was \$48,321,046.06. Of this amount, \$12,631,444.72 is unrestricted and may be used to meet the City's ongoing obligations.

The net position of the City increased by \$8,297,041.05; up from \$40,024,005.01 in the prior fiscal year.

The Governmental Fund revenues were \$8,729,710.03 more than the prior year and expenses were \$2,511,629.47 more than the prior year.

The Proprietary Fund revenues were \$461,333.28 more than the prior year and expenses were \$211,407.88 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 Position 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 other unaudited supplementary information that details the departmental revenues and expenditures/expenses of the governmental and proprietary funds.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2014

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

Revenues for the City's activities were \$24,209,836.64, while expenses were \$15,912,795.59.

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 position is comprised of funds to be used for capital projects, economic development, the Community Development Block Grant, RAP program, 911 operations, police and fire employee pensions, keno, closure and post-closure landfill costs, water operations and debt repayment.

The following table summarizes the City's Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	11,201,174.27	14,058,094.09	10,216,050.92	8,841,895.04	21,417,225.19	22,899,989.13
Capital assets	23,599,659.82	14,395,031.34	24,873,714.93	24,755,547.41	48,473,374.75	39,150,578.75
<b>Total Assets</b>	<b>34,800,834.09</b>	<b>28,453,125.43</b>	<b>35,089,765.85</b>	<b>33,597,442.45</b>	<b>69,890,599.94</b>	<b>62,050,567.88</b>
Long term liabilities	8,434,485.05	8,400,316.52	10,106,259.30	9,838,257.42	18,540,744.35	18,238,573.94
Other liabilities	1,846,324.38	2,332,456.57	1,182,485.15	1,027,007.46	3,028,809.53	3,359,464.03
<b>Total Liabilities</b>	<b>10,280,809.43</b>	<b>10,732,773.09</b>	<b>11,288,744.45</b>	<b>10,865,264.88</b>	<b>21,569,553.88</b>	<b>21,598,037.97</b>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	14,565,463.19	5,209,514.50	16,000,495.92	16,171,285.72	30,565,959.11	21,380,800.22
Restricted	2,657,446.25	3,942,098.36	2,466,195.98	2,093,607.98	5,123,642.23	6,035,706.34
Unrestricted	7,297,115.22	8,568,739.48	5,334,329.50	4,467,283.87	12,631,444.72	13,036,023.35
<b>Total Net Position</b>	<b>\$ 24,520,024.66</b>	<b>\$ 17,720,352.34</b>	<b>\$ 23,801,021.40</b>	<b>\$ 22,732,177.57</b>	<b>\$ 48,321,046.06</b>	<b>\$ 40,452,529.91</b>



**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2014

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

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues-						
Charges for services	\$ 908,493.92	\$ 1,162,000.83	\$ 4,333,049.32	\$ 4,012,000.38	\$ 5,241,543.24	\$ 5,174,001.21
Operating grants and contributions	102,420.05	247,337.73			102,420.05	247,337.73
Capital grants and contributions	9,302,131.74	179,704.66	-	-	9,302,131.74	179,704.66
Other Revenues-						
Property taxes	554,680.02	545,564.93			554,680.02	545,564.93
Sales taxes	3,482,923.84	3,351,688.14			3,482,923.84	3,351,688.14
Other taxes	2,311,667.28	2,175,040.63			2,311,667.28	2,175,040.63
Interest income	38,742.42	48,362.20	35,726.99	39,421.11	74,469.41	87,783.31
Intergovernmental revenues	1,877,987.27	1,131,618.28			1,877,987.27	1,131,618.28
Other receipts	883,984.58	2,126,054.44	-	-	883,984.58	2,126,054.44
<b>Total Revenues</b>	<b>19,463,031.12</b>	<b>10,967,371.84</b>	<b>4,368,776.31</b>	<b>4,051,421.49</b>	<b>23,831,807.43</b>	<b>15,018,793.33</b>
<b>Expenses:</b>						
General government	3,025,662.76	2,930,642.06			3,025,662.76	2,930,642.06
Public safety	2,964,863.85	2,693,145.39			2,964,863.85	2,693,145.39
Streets and public works	1,578,454.29	1,604,634.90			1,578,454.29	1,604,634.90
Culture and recreation	2,486,958.64	1,749,087.01			2,486,958.64	1,749,087.01
Economic development	724,021.76	531,296.35			724,021.76	531,296.35
Capital outlay	1,417,180.02	122,053.40			1,417,180.02	122,053.40
Debt service	271,743.33	326,396.07			271,743.33	326,396.07
Solid waste division			1,006,112.06	818,865.56	1,006,112.06	818,865.56
Water division			1,435,034.93	1,479,112.16	1,435,034.93	1,479,112.16
Wastewater division			1,002,763.95	934,525.34	1,002,763.95	934,525.34
<b>Total Expenses</b>	<b>12,468,884.65</b>	<b>9,957,255.18</b>	<b>3,443,910.94</b>	<b>3,232,503.06</b>	<b>15,912,795.59</b>	<b>13,189,758.24</b>
Change in net assets before special item before transfers	6,994,146.47	1,010,116.66	924,865.37	818,918.43	7,919,011.84	1,829,035.09
Special item - Debt proceeds	234,050.75	-	143,978.46		378,029.21	-
Change in net position	7,228,197.22	1,010,116.66	1,068,843.83	818,918.43	8,297,041.05	1,829,035.09
Beginning Net Position	17,720,352.34	16,710,235.68	22,732,177.57	21,913,259.14	40,452,529.91	38,623,494.82
Prior Period Adjustment	(428,524.90)	-			(428,524.90)	-
Net Position - Beginning of Year, as restated	17,291,827.44	16,710,235.68	22,732,177.57	21,913,259.14	40,024,005.01	38,623,494.82
<b>Ending Net Position</b>	<b>\$ 24,520,024.66</b>	<b>\$ 17,720,352.34</b>	<b>\$ 23,801,021.40</b>	<b>\$ 22,732,177.57</b>	<b>\$ 48,321,046.06</b>	<b>\$ 40,452,529.91</b>
Invested in capital assets, net of related debt	14,565,463.19	5,209,514.50	16,000,495.92	16,171,285.72	30,565,959.11	21,380,800.22
Restricted	2,657,446.25	3,942,098.36	2,466,195.98	2,093,607.98	5,123,642.23	6,035,706.34
Unrestricted	7,297,115.22	8,568,739.48	5,334,329.50	4,467,283.87	12,631,444.72	13,036,023.35
<b>Total Net Position</b>	<b>\$ 24,520,024.66</b>	<b>\$ 17,720,352.34</b>	<b>\$ 23,801,021.40</b>	<b>\$ 22,732,177.57</b>	<b>\$ 48,321,046.06</b>	<b>\$ 40,452,529.91</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, 2014

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

A summary of the City's fund balances follows:

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
General Fund Balance	\$ 4,148,185.03	\$ 4,773,979.17	\$ (625,794.14)
Special Revenue Fund Balance	5,000,422.89	6,166,199.44	(1,165,776.55)
Debt Service Fund Balance	491,277.63	1,297,741.76	(806,464.13)
Proprietary Fund Balance	<u>23,801,021.40</u>	<u>22,732,177.57</u>	<u>1,068,843.83</u>
Total Fund Balances	<u>\$ 33,440,906.95</u>	<u>\$ 34,970,097.94</u>	<u>\$ (1,529,190.99)</u>

**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 \$10,424,274.00 in available resources and \$10,436,274.00 in disbursements. Actual receipts were \$724,970.21 more than budget. Actual disbursements were \$640,204.77 less than budget, due mainly to less than expected spending in multiple areas.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$48,473,374.45 (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>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2014</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	4,695,255.80	12,619,110.80	5,548,231.89	5,340,725.47	10,243,487.69	17,959,836.27
Equipment	738,986.19	1,126,910.22	1,078,720.40	997,744.19	1,817,706.59	2,124,654.41
Vehicles	936,348.14	816,076.65	67,683.96	54,810.96	1,004,032.10	870,887.61
Infrastructure	6,237,274.23	5,757,842.23	16,872,685.09	17,863,832.69	23,109,959.32	23,621,674.92
Construction in Progress	<u>221,666.98</u>	<u>1,714,219.92</u>	<u>882,890.08</u>	<u>311,265.63</u>	<u>1,104,557.06</u>	<u>2,025,485.55</u>
Total	<u>\$ 14,395,031.34</u>	<u>\$ 23,599,659.82</u>	<u>\$ 24,755,547.41</u>	<u>\$ 24,873,714.93</u>	<u>\$ 39,150,578.75</u>	<u>\$ 48,473,374.75</u>

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

September 30, 2014

**Capital Assets (cont'd)**

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

Holthus Convention Center	\$ 8,200,000.00
Convention Center Equipment	309,837.85
North Division Avenue	269,595.93

The following capital projects are completed and moved from construction in progress to depreciable assets:

Chlorination project	\$ 1,148,436.21
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Additional information on the City's capital assets can be found in the Notes to the Financial Statements.

**Debt Administration**

As of September 30, 2014, the City had governmental activity outstanding bonded indebtedness of \$9,034,196.63 as compared to \$9,185,516.84 on September 30, 2013. The change in balance is a result of principal payments of \$916,320.21, along with bond proceeds of \$3,400,000.00 and bonds paid off of \$2,635,000.00. The City also had business-type activity outstanding bonded indebtedness of \$8,873,219.01 as compared to \$8,584,261.69 the prior fiscal year. The change in balance is a result of \$691,042.68 in principal payments, along with a bond payoff of \$4,755,000.00 and bond proceeds of \$5,735,000.00.

**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 POSITION**

September 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 2,116,365.17	\$ 1,507,588.98	\$ 3,623,954.15
Certificates of deposit	7,283,723.67	6,960,180.35	14,243,904.02
Accounts receivable	1,120,082.83	297,625.69	1,417,708.52
Sales tax receivable	681,002.60		681,002.60
Inventories		43,489.14	43,489.14
Restricted assets:			
Cash and cash equivalents		1,407,166.76	1,407,166.76
Land	1,565,500.00	305,335.99	1,870,835.99
Construction in progress	1,714,219.92	311,265.63	2,025,485.55
Capital assets, net of accum. depreciation	20,319,939.90	24,257,113.31	44,577,053.21
<b>Total Assets</b>	<b>34,800,834.09</b>	<b>35,089,765.85</b>	<b>69,890,599.94</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable	853,240.57	226,584.67	1,079,825.24
Accrued interest payable	62,724.71	27,180.24	89,904.95
Accrued wages, taxes and benefits	155,169.24	30,646.60	185,815.84
Accrued sales tax payable	811.91		811.91
Registered warrants	27,045.55		27,045.55
Due within one year:			
Revenue bonds payable		898,073.64	898,073.64
General obligation bonds	657,000.00		657,000.00
Various purpose bonds	90,332.40		90,332.40
Noncurrent liabilities:			
Due in more than one year:			
Revenue bonds payable		7,975,145.37	7,975,145.37
General obligation bonds	7,643,000.00		7,643,000.00
Various purpose bonds	643,864.23		643,864.23
Accrued closure/post closure costs		2,106,415.40	2,106,415.40
Compensated absences and benefits	147,620.82	24,698.53	172,319.35
<b>Total Liabilities</b>	<b>10,280,809.43</b>	<b>11,288,744.45</b>	<b>21,569,553.88</b>
<b><u>Net Position</u></b>			
Invested in capital assets, net of related debt	14,565,463.19	16,000,495.92	30,565,959.11
Restricted for:			
Aviation projects	8,175.60		8,175.60
Debt service	647,298.33	789,088.57	1,436,386.90
Economic development	1,096,199.37		1,096,199.37
Keno	22,368.01		22,368.01
Landfill closure & post-closure costs		1,409,939.75	1,409,939.75
Operations		267,167.66	267,167.66
Pensions	324,379.15		324,379.15
Public safety	28,013.96		28,013.96
Streets	531,011.83		531,011.83
Unrestricted	7,297,115.22	5,334,329.50	12,631,444.72
<b>Total Net Position</b>	<b>\$ 24,520,024.66</b>	<b>\$ 23,801,021.40</b>	<b>\$ 48,321,046.06</b>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2014

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government -				
Government activities -				
General government	\$ 3,025,662.76	\$ 280,878.32		\$ 735,032.35
Public safety	2,964,863.85	507,460.72		331,747.00
Streets	1,578,454.29	11,474.43		
Culture and recreation	2,486,958.64	15,848.49	\$ 88,221.60	\$ 35,352.39
Economic development	724,021.76		14,198.45	
Capital outlay	1,417,180.02			8,200,000.00
Debt service	271,743.33	92,831.96		
Total governmental activities	12,468,884.65	908,493.92	102,420.05	9,302,131.74
Business type activities -				
Solid Waste Fund	1,006,112.06	1,236,233.19		
Water Fund	1,435,034.93	1,950,927.59		
Wastewater Fund	1,002,763.95	1,145,888.54		
Total business-type activities	3,443,910.94	4,333,049.32	-	-
Total Primary Government	\$ 15,912,795.59	\$ 5,241,543.24	\$ 102,420.05	\$ 9,302,131.74

**General Revenues:**

Property taxes  
Sales taxes  
Other taxes  
Occupation and franchise fees  
Intergovernmental receipts  
Licenses and permits  
Interest income  
Other receipts  
  
Total General Revenue  
  
Change in Net Assets  
Before Special Items

**Special Items:**

Lease purchase proceeds

Change in Net Position

Net Position - Beginning of Year  
Adjustment to Prior Period

Net Position - End of Year

See accompanying notes to the financial statements

Exhibit B

Net (Expense) Revenue  
and Changes in Net Position

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (2,009,752.09)		\$ (2,009,752.09)
(2,125,656.13)		(2,125,656.13)
(1,566,979.86)		(1,566,979.86)
(2,347,536.16)		(2,347,536.16)
(709,823.31)		(709,823.31)
6,782,819.98		6,782,819.98
<u>(178,911.37)</u>		<u>(178,911.37)</u>
<u>(2,155,838.94)</u>		<u>(2,155,838.94)</u>
	\$ 230,121.13	230,121.13
	515,892.66	515,892.66
	<u>143,124.59</u>	<u>143,124.59</u>
	<u>889,138.38</u>	<u>889,138.38</u>
<u>(2,155,838.94)</u>	<u>889,138.38</u>	<u>(1,266,700.56)</u>
554,680.02		554,680.02
3,482,923.84		3,482,923.84
234,892.04		234,892.04
2,076,775.24		2,076,775.24
1,877,987.27		1,877,987.27
86,348.43		86,348.43
38,742.42	35,726.99	74,469.41
797,636.15		797,636.15
<u>9,149,985.41</u>	<u>35,726.99</u>	<u>9,185,712.40</u>
6,994,146.47	924,865.37	7,919,011.84
<u>234,050.75</u>	<u>143,978.46</u>	<u>378,029.21</u>
<u>234,050.75</u>	<u>143,978.46</u>	<u>378,029.21</u>
7,228,197.22	1,068,843.83	8,297,041.05
17,720,352.34	22,732,177.57	40,452,529.91
<u>(428,524.90)</u>		<u>(428,524.90)</u>
<u>\$ 24,520,024.66</u>	<u>\$ 23,801,021.40</u>	<u>\$ 48,321,046.06</u>

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2014

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 754,666.19	\$ 192,376.59	\$ 82,525.91
Investments	3,859,231.83	961,045.02	408,751.72
Accounts receivable	675.50	28,754.68	
 Total Assets	 <u>4,614,573.52</u>	 <u>1,182,176.29</u>	 <u>491,277.63</u>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts payable	439,342.94	132,064.79	
Registered warrants	27,045.55		
 Total Liabilities	 <u>466,388.49</u>	 <u>132,064.79</u>	 <u>-</u>
Fund Balances:			
Restricted for:			
Aviation projects			
Debt service			491,277.63
Economic development			
Keno			
Pension			
Street		1,050,111.50	
Public safety			
Assigned			
Unassigned	4,148,185.03		
 Total Fund Balances	 <u>4,148,185.03</u>	 <u>1,050,111.50</u>	 <u>491,277.63</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,614,573.52</u>	 <u>\$ 1,182,176.29</u>	 <u>\$ 491,277.63</u>

See accompanying notes to the financial statements

Aviation Fund	Fire/EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ 133,871.09	\$ 12,281.79	\$ 940,643.60	\$ 2,116,365.17
		2,054,695.10	7,283,723.67
126,383.01	178,369.78	785,899.86	1,120,082.83
<u>260,254.10</u>	<u>190,651.57</u>	<u>3,781,238.56</u>	<u>10,520,171.67</u>
103,101.70	19,499.10	159,232.04	853,240.57
			27,045.55
<u>103,101.70</u>	<u>19,499.10</u>	<u>159,232.04</u>	<u>880,286.12</u>
8,175.60			8,175.60
			491,277.63
		1,084,588.78	1,084,588.78
		22,230.01	22,230.01
		324,379.15	324,379.15
			1,050,111.50
		28,013.96	28,013.96
148,976.80	171,152.47	2,162,794.62	2,482,923.89
			4,148,185.03
<u>157,152.40</u>	<u>171,152.47</u>	<u>3,622,006.52</u>	<u>9,639,885.55</u>
<u>\$ 260,254.10</u>	<u>\$ 190,651.57</u>	<u>\$ 3,781,238.56</u>	<u>\$ 10,520,171.67</u>



**CITY OF YORK, NEBRASKA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
September 30, 2014

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

Total Fund Balance - Governmental Funds	\$ 9,639,885.55
Revenues that provide current financial resources for governmental activities	681,002.60
Infrastructure, property and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	23,599,659.82
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(218,705.86)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(9,181,817.45)</u>
Total Net Position - Governmental Activities	<u><u>\$ 24,520,024.66</u></u>

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

For the Year Ended September 30, 2014

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Revenues</u></b>			
Taxes	\$ 3,871,930.63	\$ 273,046.97	
Intergovernmental	52,012.74	883,097.21	
Assessments			\$ 92,831.96
Occupation and Franchise fees	2,076,775.24		
Licenses and permits	86,348.43		
Operational revenues	234,298.52	10,212.93	
Charges for services		11,474.43	
Grants and contributions	35,352.39		
Interest income	25,756.51	5,586.72	
Miscellaneous	73,551.96	21,040.82	
<b>Total Revenues</b>	<b>6,456,026.42</b>	<b>1,204,459.08</b>	<b>92,831.96</b>
<b><u>Expenditures</u></b>			
General government	1,373,565.19		
Public safety	1,466,952.20		
Streets		1,056,863.71	
Culture and recreation	1,637,923.34		
Economic development			
Capital projects	312,159.57	623,268.46	
Debt service			3,804,827.09
<b>Total Expenditures</b>	<b>4,790,600.30</b>	<b>1,680,132.17</b>	<b>3,804,827.09</b>
Excess (deficiency) of revenues over expenditures	1,665,426.12	(475,673.09)	(3,711,995.13)
<b><u>Other Financing Sources (Uses)</u></b>			
Proceeds from the sale of assets			
Proceeds from bond sales			1,875,000.00
Transfers in (out)	(2,291,220.26)	195,072.00	1,030,531.00
<b>Total Other Financing Sources (Uses)</b>	<b>(2,291,220.26)</b>	<b>195,072.00</b>	<b>2,905,531.00</b>
<b>Net Change in Fund Balance</b>	<b>(625,794.14)</b>	<b>(280,601.09)</b>	<b>(806,464.13)</b>
Fund Balance, Beginning	4,773,979.17	1,330,712.59	1,297,741.76
Adjustment to prior period fund balance			
<b>Fund Balance, Ending</b>	<b>\$ 4,148,185.03</b>	<b>\$ 1,050,111.50</b>	<b>\$ 491,277.63</b>

See accompanying notes to the financial statements

Aviation Fund	Fire/EMS Fund	Other Governmental Funds	Total Governmental Funds
		\$ 70,129.86	\$ 4,215,107.46
		942,877.32	1,877,987.27
			92,831.96
			2,076,775.24
			86,348.43
		198,934.17	443,445.62
\$ 280,878.32	\$ 507,460.72	15,848.49	815,661.96
735,032.35	331,747.00	102,420.05	1,204,551.79
509.75	4.49	6,884.95	38,742.42
250.00	18,627.05	5,720.70	119,190.53
<u>1,016,670.42</u>	<u>857,839.26</u>	<u>1,342,815.54</u>	<u>10,970,642.68</u>
449,455.80		1,151,527.35	2,974,548.34
	1,223,726.98	71,245.63	2,761,924.81
			1,056,863.71
		512,773.28	2,150,696.62
		735,632.35	735,632.35
873,827.06	1,676,303.40	16,215.00	3,501,773.49
		22,936.94	3,827,764.03
<u>1,323,282.86</u>	<u>2,900,030.38</u>	<u>2,510,330.55</u>	<u>17,009,203.35</u>
(306,612.44)	(2,042,191.12)	(1,167,515.01)	(6,038,560.67)
50,000.00		185,000.00	235,000.00
	1,759,050.75		3,634,050.75
150,309.96	290,344.65	624,962.65	-
<u>200,309.96</u>	<u>2,049,395.40</u>	<u>809,962.65</u>	<u>3,869,050.75</u>
(106,302.48)	7,204.28	(357,552.36)	(2,169,509.92)
263,454.88	592,473.09	3,979,558.88	12,237,920.37
	(428,524.90)		(428,524.90)
<u>\$ 157,152.40</u>	<u>\$ 171,152.47</u>	<u>\$ 3,622,006.52</u>	<u>\$ 9,639,885.55</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, 2014

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

Net Change in Fund Balance - Total Governmental Funds	\$ (2,169,509.92)
<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. Depreciation expense was lower than capital outlays in the current year as follows:</p>	
Depreciation expense	\$ (1,079,964.99)
Expenditures for capital assets	<u>10,284,593.47</u>
	9,204,628.48
Revenues reported in the funds that are not available to provide current financial resources:	57,388.44
Accrued interest expense that does not require current financial resources:	16,311.08
Accrued sales tax expense that does not require current financial resources:	148.04
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:	(16,500.93)
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:	(15,588.18)
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:	(3,400,000.00)
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:	3,551,320.21
Change in Net Position - Governmental Activities	<u><u>\$ 7,228,197.22</u></u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
September 30, 2014

	<u>Enterprise Funds</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash in bank	\$ 1,507,588.98
Certificate of deposit	6,960,180.35
Accounts receivable	297,625.69
Inventories	43,489.14
	<u>8,808,884.16</u>
Total Current Assets	
Non-Current Assets:	
Restricted assets:	
Restricted cash	1,407,166.76
Land	305,335.99
Construction in progress	311,265.63
Capital assets, net of accumulated depreciation	24,257,113.31
	<u>26,280,881.69</u>
Total Non-Current Assets	
Total Assets	<u>35,089,765.85</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts payable	226,584.67
Accrued interest expense	27,180.24
Accrued wages	30,646.60
Notes payable - current portion	898,073.64
	<u>1,182,485.15</u>
Total Current Liabilities	
Non-Current Liabilities:	
Accrued compensated absences	24,698.53
Accrued closure and post-closure costs	2,106,415.40
Notes payable - long-term portion	7,975,145.37
	<u>10,106,259.30</u>
Total Non-Current Liabilities	
Total Liabilities	<u>11,288,744.45</u>
<b><u>Net Position</u></b>	
Invested in capital assets, net of related debt	16,000,495.92
Restricted:	
Debt service	789,088.57
Landfill closure & post-closure costs	1,409,939.75
Operations	267,167.66
Unrestricted	5,334,329.50
	<u>23,801,021.40</u>
Total Net Position	<u>\$ 23,801,021.40</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION - PROPRIETARY FUND**  
For the Year Ended September 30, 2014

	<u>Enterprise Funds</u>
<b><u>Operating Revenues</u></b>	
Charges for services:	
Solid waste	\$ 1,236,233.19
Water	1,759,084.24
Wastewater	<u>1,145,888.54</u>
 Total Operating Revenues	 <u>4,141,205.97</u>
<b><u>Operating Expenses</u></b>	
Wages and benefits	885,901.71
Operating expenses	826,930.65
Repairs and maintenance	235,403.05
Depreciation	<u>805,377.13</u>
 Total Operating Expenses	 <u>2,753,612.54</u>
 Operating Income (Loss)	 <u>1,387,593.43</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Lease purchase proceeds	143,978.46
Interest income	35,726.99
Well field farm income(expense)	85,764.22
Bond fees	(71,597.50)
Interest expense	(330,103.63)
Other expenses	<u>(182,518.14)</u>
 Total Non-Operating Revenue (Expenses)	 <u>(318,749.60)</u>
 Change in Net Position	 1,068,843.83
Total Net Position, Beginning	<u>22,732,177.57</u>
Total Net Position, Ending	<u><u>\$ 23,801,021.40</u></u>

See accompanying notes to the financial statements

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

For the Year Ended September 30, 2014

	<u>Enterprise Funds</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Cash received from customers for services	\$ 4,228,055.79
Payments to suppliers for goods and services	(1,057,619.68)
Payments to employees for services	<u>(879,646.02)</u>
Net Cash Provided by Operating Activities	<u>2,290,790.09</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on cash and investments	35,726.99
Gain (loss) on well field farm	<u>85,764.22</u>
Net Cash Provided by Investing Activities	<u>121,491.21</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Acquisition and construction of capital assets	(923,544.65)
Proceeds from capital debt	143,978.46
Proceeds from debt issued	1,055,000.00
Retirement of debt	(779,230.18)
Bond refinancing fees	(58,410.00)
Interest paid on bonds	<u>(392,283.18)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(954,489.55)</u>
Net Increase in Cash and Cash Equivalents	1,457,791.75
Balance, Beginning of Year	<u>8,417,144.34</u>
Balance, End of Year	<u>\$ 9,874,936.09</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u></b>	
Operating income (loss)	\$ 1,387,593.43
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	805,377.13
(Increase) decrease in accounts receivable	86,823.82
(Increase) decrease in other receivables	26.00
(Increase) decrease in inventories	(3,213.95)
Increase (decrease) in other liabilities and accrued costs	<u>14,183.66</u>
Net Cash Provided by Operating Activities	<u>\$ 2,290,790.09</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**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, as amended by Statements 34 and 61, which meet the criteria to be included in the City's reporting entity.

The City has the following related organization not considered to have a significant operation or financial relationship:

The Kilgore Memorial Library Foundation receives donations to be used for various library projects.

**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 position and the disbursing activity reflecting the transfer as a decrease to net position. 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.

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



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

September 30, 2014

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

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:

- a. Total assets, liabilities, revenues or expenses of that individual governmental fund are at least 10 percent of the corresponding total for government-wide 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, Debt Service Fund and Proprietary Fund. The City's non-major funds are: CDBG Fund, Keno Fund, Sinking Fund, Aviation Fund, Fire/EMS Fund, Library Fund, RAP 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:

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 and the Government-Wide Statement of Net Position, this 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 and the Government-Wide Statement of Net Position, this balance is restricted.

Keno Fund - Receipts and disbursements generated from Keno operations within the City are reported within this department. For purposes of the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position, this balance is restricted.

Sinking Fund – This fund accounts for revenues set aside for future purposes. For purposes of the Governmental Funds Balance Sheet, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

Aviation Fund – This fund accounts for revenues and expenditures specifically earmarked for aviation purposes. For purposes of the Governmental Funds Balance Sheet, the majority of this balance is assigned and for the Government-Wide Statement of Net Position, the majority of this balance is unrestricted. However, this fund does have a portion of its fund balance that is restricted on both statements.

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, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

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, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

RAP Fund – This fund accounts for specific revenues and expenditures allocated for the Rural Apprehension Program. For purposes of the Governmental Funds Balance Sheet, this balance is assigned and for the Government-Wide Statement of Net Position, this 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 and the Government-Wide Statement of Net Position, this 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 and the Government-Wide Statement of Net Position, this 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, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

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 and the Government-Wide Statement of Net Position, this 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 and the Government-Wide Statement of Net Position, this 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.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

Solid Waste Fund – This department accounts for the operation of the York Area Solid Waste Association. The YASWA is a landfill jointly-owned by the City and York County, which provides services to the residents of the County.

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

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

**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 position 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 position 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 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.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

**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, 2007. Depreciation on all assets is provided on the straight-line basis over the estimated life of the asset as follows:

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

Buildings	40 years
Vehicles	7 years
Equipment	10 years
Water and Wastewater lines	40 years
Water tower and extensions	60 years
Water wells	20 years
Wastewater 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.

**Equity Classifications**

**Government-Wide Financial Statements** - Equity is classified as net position and is displayed as two components:

*Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* – All other net position that does not meet the definition of restricted.

**Governmental Fund Financial Statements** - Equity is classified as fund balance and is displayed as the following components:

*Non-Spendable Fund Balance* – Amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts restricted to specific purposes when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, or state or federal laws; or (2) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Amounts to be used for specific purposes pursuant to constraints imposed by formal action of the City Council (the City's highest level of decision-making authority). The City does not currently have any committed fund balances.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

*Assigned Fund Balance* – Amounts the City Council intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed.

*Unassigned Fund Balance* –Residual classification for the City’s general fund and includes all spendable amounts not contained in other classifications. Amounts also included are deficit funds, if any, from other non-general funds.

**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.

The City had cash balances at September 30, 2014 of the following amounts in the following banks:

	<u>Bank Balance</u>
Cornerstone Bank	\$ 13,055,282.83
Henderson State Bank	6,045,390.08
York State Bank	31,397.47

**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, \$541,157.88 was insured through the Federal Depository Insurance Corporation (FDIC). Another \$18,590,912.50 was collateralized with securities held by the financial institution but not in the City’s name.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2014 was as follows:

	Balance 9/29/2013	Additions	Deletions	Balance 9/30/2014
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,565,500.00			\$ 1,565,500.00
Construction in progress	221,666.98	\$ 1,492,552.94		1,714,219.92
Total capital assets not being depreciated	1,787,166.98	1,492,552.94	\$ -	3,279,719.92
Capital assets being depreciated:				
Buildings	8,879,250.80	8,200,000.00		17,079,250.80
Equipment	2,104,635.26	556,110.18		2,660,745.44
Vehicles	3,150,500.10	35,930.35		3,186,430.45
Infrastructure	7,484,879.23			7,484,879.23
Total capital assets being depreciated	21,619,265.39	8,792,040.53	-	30,411,305.92
Less: Accumulated depreciation for:				
Buildings	4,183,995.00	276,145.00		4,460,140.00
Equipment	1,365,649.07	168,186.15		1,533,835.22
Vehicles	2,214,151.96	156,201.84		2,370,353.80
Infrastructure	1,247,605.00	479,432.00		1,727,037.00
Total accumulated depreciation	9,011,401.03	1,079,964.99	-	10,091,366.02
Total capital assets being depreciated, net	12,607,864.36	7,712,075.54	-	20,319,939.90
Governmental activities capital assets, net	\$ 14,395,031.34	\$ 9,204,628.48	\$ -	\$ 23,599,659.82
	Balance 9/29/2013	Additions	Deletions	Balance 9/30/2014
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 305,335.99			\$ 305,335.99
Construction in progress	882,890.08	\$ 311,265.63	\$ 882,890.08	311,265.63
Total capital assets not being depreciated	1,188,226.07	311,265.63	882,890.08	616,601.62
Capital assets being depreciated:				
Buildings	10,814,641.82			10,814,641.82
Equipment	2,347,102.77	33,152.50		2,380,255.27
Vehicles	429,006.29			429,006.29
Water pumping and distribution system	15,687,366.08	43,984.46		15,731,350.54
Wastewater collection system	7,766,701.01	1,418,032.14		9,184,733.15
Total capital assets being depreciated	37,044,817.97	1,495,169.10	-	38,539,987.07
Less: Accumulated depreciation for:				
Buildings	5,266,409.93	207,506.42		5,473,916.35
Equipment	1,268,382.37	114,128.71		1,382,511.08
Vehicles	361,322.33	12,873.00		374,195.33
Water pumping and distribution system	4,103,888.00	309,795.00		4,413,683.00
Wastewater collection system	2,477,494.00	161,074.00		2,638,568.00
Total accumulated depreciation	13,477,496.63	805,377.13	-	14,282,873.76
Total capital assets being depreciated, net	23,567,321.34	689,791.97	-	24,257,113.31
Business-type activities capital assets, net	\$ 24,755,547.41	\$ 1,001,057.60	\$ 882,890.08	\$ 24,873,714.93

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**NOTE C – CAPITAL ASSETS (cont'd)**

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

**Governmental Activities:**

Culture and recreation	\$ 334,895.25
General government	50,904.84
Public safety	179,736.90
Streets	514,428.00
Total depreciation expense - governmental activities	\$ 1,079,964.99

**Business-Type Activities:**

Solid Waste	\$ 163,087.13
Water	372,400.00
Wastewater	269,890.00
Total depreciation expense - business-type activities	\$ 805,377.13

Reconciliation of Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 1,565,500.00	\$ 305,335.99
Construction in progress	1,714,219.92	311,265.63
Capital assets (Net of accumulated depreciation)	20,319,939.90	24,257,113.31
Less: General obligation bonds payable	6,775,000.00	
Various purpose bonds payable	734,196.63	
Public safety bonds payable	1,525,000.00	
Revenue bonds payable		8,873,219.01
Invested in capital assets, net of related debt	\$ 14,565,463.19	\$ 16,000,495.92

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

Changes in bonds payable and other long-term obligations for the period ended September 30, 2014 were as follows:

	Balance 9/30/2013	Additions	Reductions	Balance 9/30/2014	Due within one year
<b>Governmental Activities:</b>					
General obligation bond, matures 2029	\$ 1,345,000.00		\$ 1,345,000.00	\$ -	\$ -
Various purpose bonds, matures 2012 and 2022	135,516.84		11,320.21	124,196.63	12,332.40
Public safety bonds, matures 2014	50,000.00		50,000.00	-	-
Highway Allocation bonds, matures 2024	1,540,000.00		1,540,000.00	-	-
General obligation bonds, matures 2025	3,090,000.00		425,000.00	2,665,000.00	435,000.00
General obligation bonds, matures 2028	3,025,000.00		180,000.00	2,845,000.00	185,000.00
Highway Allocation bonds, matures 2024	-	\$ 1,265,000.00		1,265,000.00	40,000.00
General obligation bonds, matures 2022	-	610,000.00		610,000.00	75,000.00
Public safety bonds, matures 2030	-	1,525,000.00		1,525,000.00	-
Registered warrants	847,750.76		820,705.21	27,045.55	
<b>Total governmental activities</b>	<b>10,033,267.60</b>	<b>3,400,000.00</b>	<b>4,372,025.42</b>	<b>9,061,242.18</b>	<b>747,332.40</b>
<b>Business-Type Activities:</b>					
Revenue bonds, various maturities through 2031	8,584,261.69	5,735,000.00	5,446,042.68	8,873,219.01	691,042.68
<b>Total business-type activities</b>	<b>8,584,261.69</b>	<b>5,735,000.00</b>	<b>5,446,042.68</b>	<b>8,873,219.01</b>	<b>691,042.68</b>
<b>Total bonds payable</b>	<b>\$ 18,617,529.29</b>	<b>\$ 9,135,000.00</b>	<b>\$ 9,818,068.10</b>	<b>\$ 17,934,461.19</b>	<b>\$ 1,438,375.08</b>

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



**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

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

Annual debt service requirements as of September 30, 2014 for governmental and business-type activities are as follows:

Fiscal Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 747,332.40	\$ 183,248.52	\$ 898,073.64	\$ 148,767.90
2016	883,409.85	176,607.09	755,145.42	170,354.79
2017	899,634.11	165,774.08	962,258.84	161,891.37
2018	900,942.61	152,643.08	904,414.75	147,827.97
2019	787,368.10	137,148.84	586,613.98	131,936.23
2020	688,911.17	123,185.77	373,857.42	122,675.29
2021	695,611.98	107,553.71	381,145.96	115,706.76
2022	700,986.41	90,174.47	388,480.49	107,939.72
2023	630,000.00	73,186.25	400,861.95	99,348.27
2024	465,000.00	55,953.75	408,291.27	89,918.95
2025	385,000.00	44,537.50	415,769.43	79,745.78
2026	325,000.00	33,405.00	428,297.40	68,952.82
2027	340,000.00	23,762.50	440,876.17	57,374.04
2028	350,000.00	13,357.50	453,506.79	44,823.43
2029	115,000.00	6,066.25	866,190.27	31,419.94
2030	120,000.00	2,070.00	138,927.70	3,497.52
2031			70,507.53	705.08
	<u>\$ 9,034,196.63</u>	<u>\$ 1,388,674.31</u>	<u>\$ 8,873,219.01</u>	<u>\$ 1,582,885.86</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,		
	2015	2016	Payments
New Ambulance	\$ 60,210.65	\$ 60,207.45	\$ 120,418.10
Ambulance Remount	20,544.25	20,472.55	41,016.80
Baseball Park Lighting	35,095.80		35,095.80
Track Loader	49,633.00	49,618.20	99,251.20
	<u>\$ 165,483.70</u>	<u>\$ 130,298.20</u>	<u>\$ 295,781.90</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, 2014 was \$1,698,562.97XX.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**NOTE F – 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 years ending September 30 were as follows:

	<u>2014</u>	<u>2013</u>
General employees	\$ 119,163.78	\$ 130,417.67
Police Department	50,070.67	51,441.52
Fire Department	<u>96,463.84</u>	<u>91,505.24</u>
	<u>\$ 265,698.29</u>	<u>\$ 273,364.43</u>

**NOTE G – 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 \$2,106,415.40 reported as landfill closure and post-closure care liability at September 30, 2014 represents the cumulative amount reported to date based on the use of 61% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$1,346,724.60 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 2014. The City expects to close the landfill in the year 2065. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**NOTE G – CLOSURE AND POST-CLOSURE CARE COSTS (cont'd)**

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, 2014, separate bank accounts, the "Closure and Post-Closure" accounts and the "Construction and Demolition Site Closure and Post-Closure" accounts, in the amount of \$1,346,118.24 and \$49,807.71 respectively, were held for these purposes at Cornerstone 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 Cornerstone Bank has a balance at September 30, 2014 of \$11,240.81 and is reported as a restricted asset on the balance sheet.

**NOTE H – BOND RESERVES**

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

Section 7

	<u>Water Fund</u>
Balances in accounts allocated by the City Treasurer at September 30, 2014:	
Debt service reserve fund	<u>\$ 468,000.00</u>
Funds available to meet these requirements at September 30, 2014:	
Certificates of deposit	<u>\$ 468,000.00</u>

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 I – 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2014

**NOTE J – PRIOR PERIOD ADJUSTMENT**

During the fiscal year it was discovered that many small ambulance bills that were outstanding in accounts receivable had been paid in prior years. When the bills were paid, they were recorded as income instead of received on account therefore overstating the accounts receivable balance and income in the EMS Fund. The amount of the bills was \$428,524.90 and is shown on the financial statements as a prior period adjustment fund balance and net position in the governmental funds.

**NOTE K – SELECTED FINANCIAL INFORMATION**

The following financial information with respect to the City will be reported on by the City in accordance with the continuing disclosure undertaking of the City set forth in the ordinance:

Total Taxable Valuation	\$423,279,697.00
Total General Obligation and Limited Tax Obligation Debt	9,034,196.63
Total Revenue Debt	8,873,219.01
Total Sales Tax Revenues	3,482,923.84

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

For the Year Ended September 30, 2014

	Final Budget	Actual	Variance
Beginning Fund Balance	\$ 1,702,732.00	\$ 4,936,409.49	\$ 3,233,677.49
<b><u>Receipts</u></b>			
Property tax	537,871.00	500,990.27	(36,880.73)
Sales tax	2,750,000.00	3,152,488.43	402,488.43
Motor vehicle tax	145,000.00	167,911.06	22,911.06
Carline		226.16	226.16
In lieu		50,314.71	50,314.71
Pro rate		1,161.94	1,161.94
Homestead exemption		17,298.92	17,298.92
Property tax credit		18,269.14	18,269.14
Municipal equalization	15,193.00	15,282.74	89.74
NPPD lease payments	1,600,000.00	1,698,562.97	98,562.97
Occupation tax	279,500.00	378,212.27	98,712.27
Contributions received		10,635.78	10,635.78
Grant revenue	24,000.00	24,716.61	716.61
Interest income	17,500.00	25,756.51	8,256.51
Licenses and permits	57,600.00	86,348.43	28,748.43
Operational revenue	188,500.00	179,796.52	(8,703.48)
Rent	51,120.00	54,502.00	3,382.00
Transfers from other funds	3,048,558.00	2,990,213.22	(58,344.78)
Miscellaneous	6,700.00	73,824.53	67,124.53
Total Receipts	8,721,542.00	9,446,512.21	724,970.21
Total Available Resources	10,424,274.00	14,382,921.70	3,958,647.70
<b><u>Disbursements</u></b>			
General Government:			
Personnel services	495,508.00	540,796.86	45,288.86
Materials and supplies	932,700.00	556,803.78	(375,896.22)
Other Capital outlay	44,000.00	85,397.40	41,397.40
	1,472,208.00	1,182,998.04	(289,209.96)
Auditorium:			
Personnel services	52,007.00	49,729.60	(2,277.40)
Materials and supplies	89,850.00	58,257.54	(31,592.46)
Capital outlay	54,500.00		(54,500.00)
	196,357.00	107,987.14	(88,369.86)

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, 2014

	Final Budget	Actual	Variance
Park:			
Personnel services	\$ 181,406.00	\$ 159,614.46	\$ (21,791.54)
Materials and supplies	98,143.00	89,866.47	(8,276.53)
Other capital outlay	216,000.00	191,124.29	(24,875.71)
	<u>495,549.00</u>	<u>440,605.22</u>	<u>(54,943.78)</u>
Police:			
Personnel services	1,356,675.00	1,328,504.31	(28,170.69)
Materials and supplies	175,100.00	138,447.89	(36,652.11)
Other capital outlay		22,867.88	22,867.88
	<u>1,531,775.00</u>	<u>1,489,820.08</u>	<u>(41,954.92)</u>
Community Center:			
Personnel services	306,708.00	311,344.51	4,636.51
Materials and supplies	172,110.00	186,260.98	14,150.98
Other capital outlay	55,375.00	12,770.00	(42,605.00)
	<u>534,193.00</u>	<u>510,375.49</u>	<u>(23,817.51)</u>
Swimming Pool:			
Personnel services	134,283.00	107,488.37	(26,794.63)
Materials and supplies	137,510.00	111,864.98	(25,645.02)
Other capital outlay	13,200.00		(13,200.00)
	<u>284,993.00</u>	<u>219,353.35</u>	<u>(65,639.65)</u>
Senior Center:			
Personnel services	538.00	281.02	(256.98)
Materials and supplies	13,500.00	10,705.33	(2,794.67)
	<u>14,038.00</u>	<u>10,986.35</u>	<u>(3,051.65)</u>
Convention Center:			
Personnel services	73,873.00	34,320.00	(39,553.00)
Materials and supplies	46,200.00	35,153.38	(11,046.62)
Other capital outlay	150,000.00	483,036.70	333,036.70
	<u>270,073.00</u>	<u>552,510.08</u>	<u>282,437.08</u>

See accompanying notes to the required supplementary information

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Transfers to other funds	\$ 5,637,088.00	\$ 5,281,433.48	\$ (355,654.52)
Total Disbursements	<u>10,436,274.00</u>	<u>9,796,069.23</u>	<u>(922,641.85)</u>
Ending Fund Balance	<u>\$ (12,000.00)</u>	4,586,852.47	<u>\$ 4,881,289.55</u>
<u>Adjustments to Generally Accepted Accounting Principles</u>			
Revenue accruals		675.50	
Expenditure accruals		<u>(439,342.94)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 4,148,185.03</u>	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2014

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 125,000.00	\$ 1,332,455.88	\$ 1,207,455.88
<b><u>Receipts</u></b>			
Sales tax	230,000.00	273,046.97	43,046.97
Intergovernmental revenues	869,187.00	883,097.21	13,910.21
Operational revenues	28,627.00	28,676.03	49.03
Interest income	2,750.00	5,586.72	2,836.72
Grants and contributions	892,030.00	-	(892,030.00)
Miscellaneous	10,000.00	21,040.82	11,040.82
Transfers	195,072.00	195,072.00	-
Total Receipts	<u>2,227,666.00</u>	<u>1,406,519.75</u>	<u>(821,146.25)</u>
Total Available Resources	<u>2,352,666.00</u>	<u>2,738,975.63</u>	<u>386,309.63</u>
<b><u>Disbursements</u></b>			
Personnel services	603,836.00	517,742.56	(86,093.44)
Materials and supplies	658,300.00	444,543.00	(213,757.00)
Other capital outlay		19,600.00	19,600.00
Capital outlay	<u>1,090,530.00</u>	<u>603,668.46</u>	<u>(486,861.54)</u>
Total Disbursements	<u>2,352,666.00</u>	<u>1,585,554.02</u>	<u>(767,111.98)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 1,153,421.61</u>	<u>\$ 1,153,421.61</u>
<b><u>Adjustments to Generally Accepted Accounting Principles</u></b>			
Revenue accruals		28,754.68	
Expenditure accruals		<u>(132,064.79)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 1,050,111.50</u>	

See accompanying notes to the required supplementary information



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

For the Year Ended September 30, 2014

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 168,274.00	\$ 1,297,741.76	\$ 1,129,467.76
<b>Receipts</b>			
Assessments	20,820.00	92,831.96	72,011.96
Bond proceeds	2,625,000.00	1,875,000.00	(750,000.00)
Transfers	1,030,531.00	1,030,781.76	250.76
Total Receipts	3,676,351.00	2,998,613.72	(677,737.28)
Total Available Resources	3,844,625.00	4,296,355.48	451,730.48
<b>Disbursements</b>			
Principal paid	3,530,000.00	3,540,000.00	10,000.00
Interest paid	312,125.00	243,077.09	(69,047.91)
Other expenditures	2,500.00	21,750.00	19,250.00
Transfers		250.76	(250.76)
Total Disbursements	3,844,625.00	3,805,077.85	(40,048.67)
Ending Fund Balance	\$ -	\$ 491,277.63	\$ 491,779.15
<b>Adjustments to Generally Accepted Accounting Principles</b>			
Revenue accruals		-	
Expenditure accruals		(6,050.00)	
Ending Fund Balance (GAAP basis)		\$ 485,227.63	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2014

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 100,000.00	\$ 156,916.23	\$ 56,916.23
<b><u>Receipts</u></b>			
Charges for services	308,400.00	276,352.25	(32,047.75)
Interest	150.00	509.75	359.75
Grants	900,000.00	735,032.35	(164,967.65)
Sale of assets		50,000.00	50,000.00
Transfers	150,310.00	150,309.96	(0.04)
Miscellaneous		250.00	250.00
Total Receipts	<u>1,358,860.00</u>	<u>1,212,454.31</u>	<u>(146,405.69)</u>
Total Available Resources	<u>1,458,860.00</u>	<u>1,369,370.54</u>	<u>(89,489.46)</u>
<b><u>Disbursements</u></b>			
Personnel services	104,455.00	125,468.90	21,013.90
Materials and supplies	434,405.00	236,203.49	(198,201.51)
Other capital outlay		46,432.36	46,432.36
Capital outlay	920,000.00	827,394.70	92,605.30
Total Disbursements	<u>1,458,860.00</u>	<u>1,235,499.45</u>	<u>(38,149.95)</u>
Ending Fund Balance	<u>\$ -</u>	\$ 133,871.09	<u>\$ (51,339.51)</u>
<b><u>Adjustments to Generally Accepted Accounting Principles</u></b>			
Revenue accruals		121,856.94	
Expenditure accruals		<u>(103,101.70)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 152,626.33</u>	

See accompanying notes to the required supplementary information

**CITY OF YORK, NEBRASKA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**FIRE/EMS FUND**

For the Year Ended September 30, 2014

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ -	\$ 10,372.45	\$ 10,372.45
<b><u>Receipts</u></b>			
Charges for services	540,000.00	496,704.81	(43,295.19)
Interest		4.49	4.49
Grants and allocations	421,822.00	331,747.00	(90,075.00)
Debt proceeds	1,500,000.00	1,759,050.75	259,050.75
Transfers	561,359.00	290,344.65	(271,014.35)
Miscellaneous	2,000.00	18,627.05	16,627.05
Total Receipts	<u>3,025,181.00</u>	<u>2,896,478.75</u>	<u>(128,702.25)</u>
Total Available Resources	<u>3,025,181.00</u>	<u>2,906,851.20</u>	<u>(118,329.80)</u>
<b><u>Disbursements</u></b>			
Personnel services	1,039,081.00	1,020,335.63	(18,745.37)
Materials and supplies	209,900.00	197,930.38	(11,969.62)
Other capital outlay	1,776,200.00	1,676,303.40	(99,896.60)
Capital outlay			-
Total Disbursements	<u>3,025,181.00</u>	<u>2,894,569.41</u>	<u>(130,611.59)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 12,281.79</u>	<u>\$ 12,281.79</u>
<b><u>Adjustments to Generally Accepted Accounting Principles</u></b>			
Revenue accruals		178,369.78	
Expenditure accruals		<u>(19,499.10)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 171,152.47</u>	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2014

	Final Budget	Actual	Variance
Beginning Fund Balance	\$ 1,310,351.00	\$ 8,417,144.34	\$ 7,106,793.34
<b>Receipts</b>			
Operational revenues	3,748,900.00	4,419,899.14	670,999.14
Interest income	17,875.00	35,726.99	17,851.99
Debt proceeds		1,198,978.46	1,198,978.46
Grants and contributions	50,000.00	-	(50,000.00)
Miscellaneous	11,000.00	-	(11,000.00)
Total Receipts	<u>3,827,775.00</u>	<u>5,654,604.59</u>	<u>1,826,829.59</u>
Total Available Resources	<u>5,138,126.00</u>	<u>14,071,748.93</u>	<u>8,933,622.93</u>
<b>Disbursements</b>			
Personnel services	1,107,270.00	879,646.02	(227,623.98)
Materials and supplies	2,297,492.00	1,163,698.81	(1,133,793.19)
Capital outlay	868,938.00	923,544.65	54,606.65
Debt service	990,926.00	1,229,923.36	238,997.36
Total Disbursements	<u>5,264,626.00</u>	<u>4,196,812.84</u>	<u>(1,067,813.16)</u>
Ending Fund Balance	<u>\$ (126,500.00)</u>	\$ 9,874,936.09	<u>\$ 10,001,436.09</u>
<b>Adjustments to Generally Accepted Accounting Principles</b>			
Prior year ending non-cash assets		14,315,033.23	
Revenue accruals		(86,849.82)	
Changes for bond proceeds, payments, interest		(226,777.77)	
Expenditure accruals		(193,487.85)	
Removal of capitalized disbursements		923,544.65	
Depreciation expense		<u>(805,377.13)</u>	
Ending Net Assets (GAAP basis)		<u>\$ 23,801,021.40</u>	

See accompanying notes to the required supplementary information

**CITY OF YORK, NEBRASKA**  
York, Nebraska  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended September 30, 2014

<u>Federal Grantor/Pass- Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>
<u>U.S. Department of Transportation</u>		
Passed through State Department of Roads:		
Federal Highway Aid Program	20.205	\$ 50,882.38
Passed through State Department of Aeronautics:		
Airport Improvement Program	20.106	<u>735,032.35</u> *
TOTAL FEDERAL ASSISTANCE		<u><u>\$ 785,914.73</u></u>

\* Major Program

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 modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
September 30, 2014

**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 modified 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.

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**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
September 30, 2014

	Keno Fund	CDBG Fund	Sinking Fund	Library Fund	RAP Fund
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 22,230.01	\$ 99,064.60	\$ 84,271.26	\$ 30,506.72	\$ 9,760.41
Investments			421,055.28		
Accounts receivable			785,631.66		
<b>Total Assets</b>	<b>22,230.01</b>	<b>99,064.60</b>	<b>1,290,958.20</b>	<b>30,506.72</b>	<b>9,760.41</b>
<b><u>Liabilities and Fund Balances</u></b>					
Liabilities:					
Accounts Payable			112,550.00	30,467.04	
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>112,550.00</b>	<b>30,467.04</b>	<b>-</b>
Fund Balances:					
Restricted:					
Aviation projects		99,064.60			
Economic development					
Keno	22,230.01				
Pension					
Public safety					
Assigned			1,178,408.20	39.68	9,760.41
<b>Total Fund Balances</b>	<b>22,230.01</b>	<b>99,064.60</b>	<b>1,178,408.20</b>	<b>39.68</b>	<b>9,760.41</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,230.01</b>	<b>\$ 99,064.60</b>	<b>\$ 1,290,958.20</b>	<b>\$ 30,506.72</b>	<b>\$ 9,760.41</b>



911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
\$ 44,228.96	\$ 163,919.55 821,604.63	\$ 162,551.14 812,035.19	\$ 324,110.95 268.20	\$ 940,643.60 2,054,695.10 785,899.86
<u>44,228.96</u>	<u>985,524.18</u>	<u>974,586.33</u>	<u>324,379.15</u>	<u>3,781,238.56</u>
16,215.00				159,232.04
<u>16,215.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,232.04</u>
	985,524.18			- 1,084,588.78 22,230.01
28,013.96			324,379.15	324,379.15 28,013.96
		974,586.33		2,162,794.62
<u>28,013.96</u>	<u>985,524.18</u>	<u>974,586.33</u>	<u>324,379.15</u>	<u>3,622,006.52</u>
<u>\$ 44,228.96</u>	<u>\$ 985,524.18</u>	<u>\$ 974,586.33</u>	<u>\$ 324,379.15</u>	<u>\$ 3,781,238.56</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2014

	Keno Fund	CDBG Fund	Sinking Fund	Library Fund	RAP Fund
<b><u>Revenues</u></b>					
Taxes					
Intergovernmental					
Operational revenues	\$ 9,345.19	\$ 116,083.98			\$ 73,505.00
Charges for services				\$ 15,848.49	
Grants and contributions		14,198.45		88,221.60	
Interest income	68.23	157.96	\$ 1,615.74	35.73	
Miscellaneous			3,350.42	2,370.28	
<b>Total Revenues</b>	<b>9,413.42</b>	<b>130,440.39</b>	<b>4,966.16</b>	<b>106,476.10</b>	<b>73,505.00</b>
<b><u>Expenditures</u></b>					
General government					
Public safety					71,245.63
Culture and recreation	1,651.26			511,122.02	
Economic development		512,313.11	51,494.15		
Capital outlay					
Debt service					
<b>Total Expenditures</b>	<b>1,651.26</b>	<b>512,313.11</b>	<b>51,494.15</b>	<b>511,122.02</b>	<b>71,245.63</b>
Excess (deficiency) of revenues over expenditures	7,762.16	(381,872.72)	(46,527.99)	(404,645.92)	2,259.37
<b><u>Other Financing Sources (Uses)</u></b>					
Proceeds from the sale of assets			185,000.00		
Transfers in (out)				404,681.65	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>185,000.00</b>	<b>404,681.65</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>7,762.16</b>	<b>(381,872.72)</b>	<b>138,472.01</b>	<b>35.73</b>	<b>2,259.37</b>
<b>Fund Balance, Beginning</b>	<b>14,467.85</b>	<b>480,937.32</b>	<b>1,039,936.19</b>	<b>3.95</b>	<b>7,501.04</b>
<b>Fund Balance, Ending</b>	<b>\$ 22,230.01</b>	<b>\$ 99,064.60</b>	<b>\$ 1,178,408.20</b>	<b>\$ 39.68</b>	<b>\$ 9,760.41</b>

911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
\$ 16,440.11	\$ 53,689.75	\$ 942,877.32		\$ 70,129.86
				942,877.32
				198,934.17
				15,848.49
				102,420.05
131.87	89.64	3,664.28	\$ 1,121.50	6,884.95
				5,720.70
<u>16,571.98</u>	<u>53,779.39</u>	<u>946,541.60</u>	<u>1,121.50</u>	<u>1,342,815.54</u>
		953,248.40	198,278.95	1,151,527.35
				71,245.63
				512,773.28
16,215.00	171,825.09			735,632.35
	22,936.94			16,215.00
<u>16,215.00</u>	<u>194,762.03</u>	<u>953,248.40</u>	<u>198,278.95</u>	<u>2,510,330.55</u>
356.98	(140,982.64)	(6,706.80)	(197,157.45)	(1,167,515.01)
				185,000.00
			220,281.00	624,962.65
<u>-</u>	<u>-</u>	<u>-</u>	<u>220,281.00</u>	<u>809,962.65</u>
356.98	(140,982.64)	(6,706.80)	23,123.55	(357,552.36)
27,656.98	1,126,506.82	981,293.13	301,255.60	3,979,558.88
<u>\$ 28,013.96</u>	<u>\$ 985,524.18</u>	<u>\$ 974,586.33</u>	<u>\$ 324,379.15</u>	<u>\$ 3,622,006.52</u>

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

September 30, 2014

With Comparative Figures For September 30, 2013

<b><u>Assets</u></b>	2014	2013
Current Assets:		
Cash in bank	\$ 170,230.13	\$ 92,247.60
Investments	853,047.07	656,127.91
Accounts receivable	6,081.00	6,107.00
Total Current Assets	1,029,358.20	754,482.51
Restricted Assets:		
Cash in bank - closure	499,589.96	395,248.01
Cash in bank - post closure	846,528.28	799,521.60
Cash in bank - closure of construction & demolition site	41,583.18	36,434.09
Cash in bank - post closure of construction & demolition site	8,224.53	7,811.16
Cash in bank - old landfill	11,240.81	11,190.01
Total Restricted Assets	1,407,166.76	1,250,204.87
Fixed Assets:		
Land	263,712.44	263,712.44
Landfill & buildings	5,120,649.76	5,120,649.76
Equipment	934,813.20	934,813.20
	6,319,175.40	6,319,175.40
Less: Accumulated depreciation	1,955,443.32	1,792,356.19
Total Fixed Assets	4,363,732.08	4,526,819.21
Total Assets	\$ 6,800,257.04	\$ 6,531,506.59
<b><u>Liabilities and Equity</u></b>		
Current Liabilities:		
Accounts payable	\$ 27,847.51	\$ 29,435.69
Accrued interest payable	1,024.21	1,189.23
Accrued wages	7,587.29	6,544.31
Other current liabilities		5,118.00
Current maturities of long-term debt	310,000.00	295,000.00
Total Current Liabilities	346,459.01	337,287.23
Long-Term Liabilities:		
Accrued compensated absences	3,110.80	649.66
Accrued closure and post-closure costs	2,106,415.40	1,923,897.26
Bonds and notes payable net of current portion	835,000.00	1,145,000.00
Total Long-Term Liabilities	2,944,526.20	3,069,546.92
City of York Solid Waste Fund:		
Retained earnings	3,509,271.83	3,124,672.44
Total Liabilities and Equity	\$ 6,800,257.04	\$ 6,531,506.59

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

For the Year Ended September 30, 2014  
 With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Operating Revenues</u></b>		
Solid waste receipts	\$ 1,225,033.19	\$ 935,007.16
Land rent	11,200.00	11,200.00
	<hr/>	<hr/>
Total Operating Revenue	1,236,233.19	946,207.16
	<hr/>	<hr/>
<b><u>Operating Expenses</u></b>		
Wages	171,156.55	149,993.39
Payroll taxes	12,980.24	11,523.88
Pension plan	6,693.08	8,024.49
Employee insurance	44,582.29	32,915.88
Compensated absences	2,461.14	(490.73)
Dues and subscriptions		195.00
Education	644.24	408.00
Equipment purchases	49,381.12	4,076.56
Equipment leases	49,704.69	
Fiscal fees	500.00	500.00
Fuel & oil	68,333.02	53,387.10
Insurance	14,013.00	14,622.00
Legal & accounting	2,650.00	2,400.00
Licensing fees	38,889.77	35,583.69
Maintenance	16,356.36	13,471.76
Miscellaneous expense	6,828.94	3,746.18
Planning & engineering	83,787.37	90,909.31
Power	15,770.31	16,658.36
Recycling costs	236.52	19,299.37
Repairs - labor	14,856.03	19,342.42
Repairs - parts	20,914.44	30,699.68
Supplies	3,444.31	1,999.64
Telephone	189.72	
Testing	6,444.28	13,134.00
Tire disposal	624.51	881.28
Utilities	529.88	608.18
Depreciation	163,087.13	155,178.14
	<hr/>	<hr/>
Total Operating Expenses	795,058.94	679,067.58
	<hr/>	<hr/>
Net Operating Income	\$ 441,174.25	\$ 267,139.58

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

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Other Income</u></b>		
Interest income	\$ 10,499.80	\$ 12,911.64
Lease purchase proceeds	143,978.46	-
Total Other Income	154,478.26	12,911.64
<b><u>Other Expenses</u></b>		
Landfill closure and post-closure costs	182,518.14	107,980.16
Interest expense	28,534.98	31,817.82
Total Other Expenses	211,053.12	139,797.98
Net Revenue	384,599.39	140,253.24
Retained Earnings, Beginning of Year	3,124,672.44	2,984,419.20
Retained Earnings, End of Year	\$ 3,509,271.83	\$ 3,124,672.44

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - SOLID WASTE FUND**  
For the Year Ended September 30, 2014  
With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 1,236,259.19	\$ 948,257.16
Payments to suppliers for goods and services	(400,804.69)	(300,428.63)
Payments to employees for services	(234,369.18)	(203,038.80)
Net Cash Provided (Used) by Operating Activities	601,085.32	444,789.73
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	10,499.80	12,911.64
Net Cash Provided (Used) by Investing Activities	10,499.80	12,911.64
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	-	(219,869.00)
Proceeds from capital debt	143,978.46	-
Retirement of debt	(295,000.00)	(295,000.00)
Interest paid on bonds	(28,700.00)	(31,945.00)
Net Cash Provided (Used) by Capital and Related Financing Activities	(179,721.54)	(546,814.00)
Net Increase in Cash and Cash Equivalents	431,863.58	(89,112.63)
Balance, Beginning of Year	1,998,580.38	2,087,693.01
Balance, End of Year	\$ 2,430,443.96	\$ 1,998,580.38
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 441,174.25	\$ 267,139.58
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	163,087.13	155,178.14
(Increase) decrease in other receivables	26.00	2,050.00
Increase (decrease) in other liabilities	(3,202.06)	20,422.01
Total Adjustments	159,911.07	177,650.15
Net Cash Provided by Operating Activities	\$ 601,085.32	\$ 444,789.73

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

September 30, 2014

With Comparative Figures For September 30, 2013

<b><u>Assets</u></b>	2014	2013
Current Assets:		
Cash and cash equivalents	\$ 848,928.76	\$ 1,275,201.21
Investments	3,745,751.56	3,074,426.56
Investments - debt service reserve	468,000.00	536,000.00
Accounts receivable	160,111.72	218,660.64
Inventory - materials and supplies	43,489.14	40,275.19
Total Current Assets	5,266,281.18	5,144,563.60
Fixed Assets:		
Land	24,625.00	24,625.00
Buildings	234,450.11	234,450.11
Pumping equipment	691,663.76	691,663.76
Distribution system	15,039,686.78	14,995,702.32
Consumers meter to keep	1,020,183.96	987,031.46
Office furniture	82,612.22	82,612.22
Trucks and automobiles	157,726.94	157,726.94
Tools	319,627.52	319,627.52
Construction in progress	153,505.62	
	17,724,081.91	17,493,439.33
Less: Accumulated depreciation	5,540,725.90	5,168,325.90
Total Fixed Assets	12,183,356.01	12,325,113.43
Total Assets	\$ 17,449,637.19	\$ 17,469,677.03
<b><u>Liabilities and Equity</u></b>		
Current Liabilities:		
Customer deposits	\$ 83,606.52	\$ 80,941.52
Accounts payable	48,545.65	67,186.76
Accrued interest payable	23,087.74	88,170.56
Accrued wages	9,977.20	10,210.91
Other current liabilities	8,579.84	10,293.63
Current maturities of long-term debt	383,073.64	396,042.68
Total Current Liabilities	556,870.59	652,846.06
Long-Term Liabilities:		
Accrued compensated absences	14,224.10	15,272.41
Bonds and notes payable	6,290,145.37	6,748,219.01
Total Long-Term Liabilities	6,304,369.47	6,763,491.42
City of York Water Fund:		
Retained earnings	10,588,397.13	10,053,339.55
Total Liabilities and Equity	\$ 17,449,637.19	\$ 17,469,677.03



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

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Operating Revenues</u></b>		
Sales of water	\$ 1,729,959.93	\$ 1,676,292.34
Sundry sales - materials	1,968.75	1,003.40
Wastewater collection cost	25,000.08	25,000.08
Other income	2,155.48	13,305.52
Total Operating Revenues	<u>1,759,084.24</u>	<u>1,715,601.34</u>
<b><u>Operating Expenses</u></b>		
Plant salaries	231,975.22	193,564.95
Supervision and office salaries	96.91	51,917.42
Payroll taxes	16,691.05	17,608.24
Pension plan	13,485.74	15,537.85
Employee insurance	53,139.86	48,484.13
Compensated absences	(1,048.31)	2,247.86
Accounting and legal	2,650.00	2,450.00
Bad debts	20,075.79	
Data processing	5,917.60	3,621.57
Dues and subscriptions	1,252.00	2,161.00
Education and training	2,102.97	1,234.50
Equipment purchases	2,392.58	1,230.33
Fiscal fees	21,691.27	22,686.74
Fuel	8,128.15	9,855.63
Insurance	28,223.00	26,606.00
Inventory expense	1,848.55	(1,923.01)
Maintenance - building	2,859.90	1,090.96
Maintenance - distribution system	23,768.26	16,278.43
Maintenance - equipment	60,043.25	198,589.48
Maintenance - trucks	729.07	1,810.20
Miscellaneous expense	6,024.82	10,122.10
Office supplies	5,987.17	4,879.99
Postage	3,263.52	6,485.10
Power	108,037.71	113,349.55
Repairs - labor	1,554.18	1,866.82
Repairs - parts	2,075.42	5,659.95
Sales tax	1,263.22	1,563.30
Telephone	1,117.68	639.84
Testing	8,440.54	12,933.00
Tool expense	1,283.40	10.99
Depreciation	372,400.00	313,356.00
Total Operating Expenses	<u>1,007,470.52</u>	<u>1,085,918.92</u>
Net Operating Income	<u>751,613.72</u>	<u>629,682.42</u>

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

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Other Income</u></b>		
Well field farm income	\$ 191,843.35	\$ 233,599.84
Interest income	19,164.92	18,092.79
	<u>211,008.27</u>	<u>251,692.63</u>
<b><u>Other Expenses</u></b>		
Well field farm expense	106,079.13	100,789.97
Bond refinancing fees	58,410.00	
Interest expense	263,075.28	292,403.27
	<u>427,564.41</u>	<u>393,193.24</u>
Net Revenue	535,057.58	488,181.81
Retained Earnings, Beginning of Year	<u>10,053,339.55</u>	<u>9,565,157.74</u>
Retained Earnings, End of Year	<u>\$ 10,588,397.13</u>	<u>\$ 10,053,339.55</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - WATER FUND**

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 1,817,633.16	\$ 1,731,748.72
Payments to suppliers for goods and services	(341,633.90)	(430,845.64)
Payments to employees for services	(315,622.49)	(327,901.00)
	1,160,376.77	973,002.08
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	19,164.92	18,092.79
Gain (loss) on well field farm	85,764.22	132,809.87
	104,929.14	150,902.66
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(230,642.58)	(68,658.98)
Retirement of debt	(471,042.68)	(389,051.74)
Bond refinancing fees	(58,410.00)	-
Interest paid on bonds	(328,158.10)	(277,900.97)
	(1,088,253.36)	(735,611.69)
Net Increase (Decrease) in Cash and Cash Equivalents	177,052.55	388,293.05
Balance, Beginning of Year	4,885,627.77	4,497,334.72
Balance, End of Year	\$ 5,062,680.32	\$ 4,885,627.77
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 751,613.72	\$ 629,682.42
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	372,400.00	313,356.00
(Increase) decrease in accounts receivable	58,548.92	16,147.38
(Increase) decrease in inventory	(3,213.95)	(4,722.20)
Increase (decrease) in customer deposits	2,665.00	1,675.00
Increase (decrease) in other liabilities	(21,636.92)	16,863.48
Total Adjustments	408,763.05	343,319.66
Net Cash Provided by Operating Activities	\$ 1,160,376.77	\$ 973,002.08

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

September 30, 2014

With Comparative Figures For September 30, 2013

<b><u>Assets</u></b>	2014	2013
Current Assets:		
Cash and cash equivalents	\$ 488,430.09	\$ 413,892.77
Investments	1,893,381.72	1,119,043.42
Accounts receivable	131,432.97	159,707.87
	2,513,244.78	1,692,644.06
Fixed Assets:		
Land	16,998.55	16,998.55
Vehicles	271,279.35	271,279.35
Office equipment	23,018.37	23,018.37
Plant equipment	5,459,541.95	5,459,541.95
Collection system	9,184,733.15	7,766,701.01
Construction in progress	157,760.01	882,890.08
	15,113,331.38	14,420,429.31
Less: Accumulated depreciation	6,786,704.54	6,516,814.54
Total Fixed Assets	8,326,626.84	7,903,614.77
Total Assets	\$ 10,839,871.62	\$ 9,596,258.83
 <b><u>Liabilities and Equity</u></b>		
Current Liabilities:		
Accounts payable	\$ 51,392.16	\$ 18,694.55
Accrued interest payable	3,068.29	
Accrued wages	13,082.11	11,193.07
Other current liabilities	6,612.99	6,986.55
Current maturities of long-term debt	205,000.00	
Total Current Liabilities	279,155.55	36,874.17
Long-Term Liabilities:		
Accrued compensated absences	7,363.63	5,219.08
Bonds payable	850,000.00	
Total Long-Term Liabilities	857,363.63	5,219.08
City of York Wastewater Fund:		
Retained earnings	5,796,689.34	5,647,502.48
Contributions	3,906,663.10	3,906,663.10
Total Equity	9,703,352.44	9,554,165.58
Total Liabilities and Equity	\$ 10,839,871.62	\$ 9,596,258.83

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

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Operating Revenues</u></b>		
Sales of service	\$ 944,903.86	\$ 913,356.46
Sales of service - industrial	199,731.70	201,794.80
Other income	1,252.98	1,440.78
Total Operating Revenues	<u>1,145,888.54</u>	<u>1,116,592.04</u>
<b><u>Operating Expenses</u></b>		
Wages	242,678.95	200,721.17
Supervision and office wages	96.92	51,917.16
Payroll taxes	17,253.41	17,910.49
Pension plan expense	14,557.56	16,283.51
Employee insurance	56,956.55	56,570.18
Compensated absences	2,144.55	(596.96)
Accounting and legal	2,650.00	2,400.00
Bad Debt	16,196.46	
Chemicals and fertilizer	10,356.98	
Collection and billing	25,000.08	25,000.08
Data processing	5,522.59	3,621.56
Dues and subscriptions	1,138.00	1,056.00
Education and training	1,785.02	1,173.69
Equipment purchases	819.99	4,110.54
Fiscal fees	3,250.00	
Gasoline	14,064.35	15,898.23
Insurance	30,693.00	27,065.00
Laboratory expense	8,303.20	4,744.46
Maintenance - building	7,083.34	15,608.53
Maintenance - collection system	5,517.83	6,203.94
Maintenance - equipment	50,474.43	57,372.26
Maintenance - vehicles	4,262.41	5,845.81
Miscellaneous expense	8,872.96	7,202.26
Office supplies	5,908.77	3,855.65
Planning and engineering	17,342.90	4,769.40
Postage	3,429.16	6,535.54
Power	97,864.27	94,506.93
Repairs - labor	4,356.45	11,273.68
Repairs - parts	7,729.32	14,819.66
Telephone	902.85	672.20
Testing	5,211.84	2,894.82
Tool expense	2,770.54	1,686.86

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

For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Operating Expenses (cont'd)</u></b>		
Uniforms	\$ 827.16	\$ 699.72
Water	5,171.24	5,687.97
Depreciation	269,890.00	267,015.00
Total Operating Expenses	<u>951,083.08</u>	<u>934,525.34</u>
Net Operating Income	<u>194,805.46</u>	<u>182,066.70</u>
<b><u>Other Income</u></b>		
Interest income	6,062.27	8,416.68
Total Other Income	<u>6,062.27</u>	<u>8,416.68</u>
<b><u>Other Expenses</u></b>		
Bond origination fees	13,187.50	
Interest expense	38,493.37	-
Total Other Expense	<u>51,680.87</u>	<u>-</u>
Net Revenue	149,186.86	190,483.38
Retained Earnings, Beginning of Year	<u>5,647,502.48</u>	<u>5,457,019.10</u>
Retained Earnings, End of Year	<u>\$ 5,796,689.34</u>	<u>\$ 5,647,502.48</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - WASTEWATER FUND**

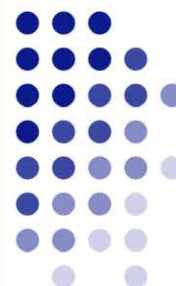
For the Year Ended September 30, 2014

With Comparative Figures For The Year Ended September 30, 2013

	2014	2013
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers for services	\$ 1,174,163.44	\$ 1,095,091.48
Payments to suppliers for goods and services	(315,181.09)	(337,326.40)
Payments to employees for services	(329,654.35)	(343,177.43)
	529,328.00	414,587.65
<b><u>Cash Flows from Investing Activities</u></b>		
Interest on cash and investments	6,062.27	8,416.68
	6,062.27	8,416.68
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(692,902.07)	(879,976.18)
Debt issued	1,055,000.00	
Bond fees	(13,187.50)	-
Interest paid	(35,425.08)	
	313,485.35	(879,976.18)
Net Increase (Decrease) in Cash and Cash Equivalents	848,875.62	(456,971.85)
Balance, Beginning of Year	1,532,936.19	1,989,908.04
Balance, End of Year	\$ 2,381,811.81	\$ 1,532,936.19
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 194,805.46	\$ 182,066.70
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	269,890.00	267,015.00
(Increase) decrease in accounts receivable	28,274.90	(21,500.56)
Increase (decrease) in other liabilities	36,357.64	(12,993.49)
	334,522.54	232,520.95
Total Adjustments	334,522.54	232,520.95
Net Cash Provided by Operating Activities	\$ 529,328.00	\$ 414,587.65

# Mierau & Co., P.C.

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## **INDEPENDENT AUDITOR'S 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, 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon, dated April 17, 2015. Our report disclosed that, as described in Note A to the financial statements, the City prepared its governmental financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

### **Purpose of this Report**

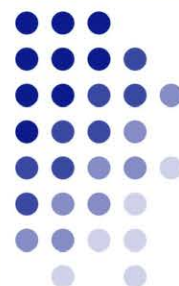
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Misaw & Co., A.C.*

York, Nebraska  
April 17, 2015

# Mierau & Co., P.C.

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

### **Report on Compliance for Each Major Federal Program**

We have audited the City of York's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2014. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.



## Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been indentified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Muirau & Co., A.C.*

York, Nebraska  
April 17, 2015

**CITY OF YORK, NEBRASKA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
September 30, 2014

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expressed an unmodified opinion on the financial statements of the City of York.
2. No significant deficiencies were 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:

Airport Improvement Program	20.106
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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**

NONE

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

NONE