



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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of York for the year ended September 30, 2022, and have issued our report thereon dated January 6, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of York are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2022. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Nine audit adjustments decreased the governmental fund balances by \$277,606. Ten audit adjustments increased the net position of the business-type funds by \$1,031,950. Two audit adjustments decreased the net position of the component unit by \$12,870. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Grants receivable and revenue were both increased \$29,305 on the Aviation Fund.
2. Grain inventory was decreased and farm expenses were increased \$66,857 on the Water Fund.
3. Accrued interest payable and interest expense were decreased \$39,800 on the business-type funds and were decreased \$36,157 on the governmental funds.
4. The liability for landfill closure/post-closure costs was increased \$339,491 with a corresponding increase to expense.
5. Accounts payable and expenses were increased \$327,898 on the Aviation Fund and \$12,984 on the Sewer Fund.
6. Capital assets were increased and expenses were decreased \$3,960,337 to capitalize assets on the utility funds.
7. Depreciation expense of \$2,563,522 was recorded on the utility funds.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 6, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the City of York as of September 30, 2022, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. The ambulance accounts receivable has increased \$34,182 (12.7 percent) over the prior year. All of the increase is attributable to balances greater than 120 days outstanding. We recommend monitoring the billing and collection of ambulance receivables to ensure timely collections of amounts due to the City and to minimize bad debts.
2. At September 30, 2022, bank balances at York State Bank exceeded FDIC coverage by \$428 for the Kilgore Library Foundation. We recommend requesting the bank to assign additional collateral or transferring excess cash to another financial institution.
3. During our authorized check signers test, we noted all checks were being signed by Amanda Ring and Amanda was also stamping the Mayor’s signature. This process eliminates the control of having dual signatures on checks. We recommend having the Mayor physically sign the checks to make the dual signature control effective.
4. The Kilgore Library Foundation component unit includes the checking account activity for the Friends of the Library effective for the year ended September 30, 2022. The Friends of the Library had \$16,352 of expenses during the year ended September 30, 2022; however, no invoices were provided for the audit. We recommend obtaining and retaining documentation to support all expenses in the future.

5. During our audit, we noted that one expense for \$740 was not included in the claims list presented to Council. We recommend that all expenses are included in the claims list for proper approval.
6. While auditing the self-insurance claims and reinsurance revenue, we noted a significant delay in the time between a large health claim and the time it was submitted to reinsurance. We recommend monitoring large claims in the future and ensuring that reinsurance claims are submitted timely.

### Other Matters

We were engaged to report on the nonmajor governmental funds combining statements and the statement of general fund departmental revenue and expenditures, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the management's discussion and analysis and budgetary comparison schedules, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the use of the City Council and management of the City of York and is not intended to be and should not be used by anyone other than these specified parties.

AMGL.P.C.

Grand Island, Nebraska  
January 6, 2023

**CITY OF YORK, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities - modified accrual basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified accrual basis for the governmental funds of the City of York, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities - modified accrual basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified accrual basis for the governmental funds of the City of York, Nebraska as of September 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note A.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of York, Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter—Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting for the governmental activities and governmental funds. The governmental financial statements are prepared on the modified accrual 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 this matter.



## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified accrual and accrual basis of accounting described in Note A, and for determining that the modified accrual and accrual basis of accounting are 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of York, Nebraska's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of York, Nebraska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of York, Nebraska's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of York, Nebraska's financial statements. The nonmajor governmental funds combining statements and the statement of general fund departmental revenue and expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2023, on our consideration of the City of York, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of York's 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 of York, Nebraska's internal control over financial reporting and compliance.

AMGL.P.C.

Grand Island, Nebraska  
January 6, 2023

**CITY OF YORK, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2022**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of York, we offer readers of the City of York financial statements this narrative overview and analysis of the financial activities of the City of York for the fiscal year ended September 30, 2022.

**Financial Highlights**

- The assets of the City of York exceeded its liabilities at the close of the most recent fiscal year by \$74,325,635 (*net position*). Of this amount, \$25,326,519 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of York's governmental funds reported combined ending net position of \$38,219,252, with an unrestricted net position balance of \$10,593,055.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,215,752, 37.0 percent of total General Fund expenditures for the year ended September 30, 2022.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of York's financial statements. The City of York's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary and other information in addition to the financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of York's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of York's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of York is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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Both of the government-wide financial statements distinguish functions of the City of York that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of York include general government, public safety, highways and streets, public works, and culture and recreation. The business-type activities of the City of York include the Water, Sewer, and Landfill Enterprise Funds.

The government-wide financial statements include not only the City of York itself (known as the *primary government*), but also the Kilgore Library Foundation for which the City of York is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15 and 16.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of York, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of York can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of York maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, CDBG Fund, Debt Service Fund, LB 357, and Capital Projects Fund all of which are considered to be major funds. Data from the other five governmental funds are combined into a single,

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City of York adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, CDBG, Debt Service, LB 357, and Capital Projects Funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 17-20 of this report.

**Proprietary funds.** The City of York maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of York uses enterprise funds to account for its Water, Sewer, and Landfill Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of York's various functions. The City of York uses an internal service fund to account for its employee health insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Landfill Funds, all of which are considered to be major funds of the City of York.

The proprietary fund financial statements can be found on pages 21-24 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-61 of this report.

**Other information.** In addition to the financial statements and accompanying notes, this report also presents certain *supplementary and other information* concerning the City of York's budgetary comparison schedules, combining nonmajor statements, and general fund departmental revenue and expenditures. Supplementary and other information can be found on pages 62-71 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of York, assets exceeded liabilities by \$74,325,635 at the close of the most recent fiscal year.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Summary Statements of Net Position**

	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 46,819,802	\$ 35,831,079	\$ 10,988,723
Capital Assets	87,800,401	83,794,819	4,005,582
Total Assets	134,620,203	119,625,898	14,994,305
Long-term Liabilities	52,104,905	45,878,310	6,226,595
Other Liabilities	8,189,663	5,140,577	3,049,086
Total Liabilities	60,294,568	51,018,887	9,275,681
 Net Position:			
Net Investment in Capital Assets	35,760,697	39,117,065	(3,356,368)
Restricted	13,238,419	6,800,858	6,437,561
Unrestricted	25,326,519	22,689,088	2,637,431
Total Net Position	\$ 74,325,635	\$ 68,607,011	\$ 5,718,624

A large portion of the City of York's net position (48.1 percent) reflects its investment in capital assets (land, infrastructure, buildings, distribution systems, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of York uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of York's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of York's net position (17.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$25,326,519) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of York is able to report positive balances in all three categories of net position for the government as a whole as well as for its separate governmental and business-type activities.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Expenses and Program Revenues – Governmental Activities**

<u>Function</u>	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 2,137,411	\$ 1,154,789	\$ 65,428	\$ 961,037
Economic Development	418,086	756,350	471,826	783,545
Public Safety	1,052,834	4,387,786	1,093,338	3,817,626
Public Works	880,964	2,063,529	889,014	2,211,496
Environment and Leisure	922,700	2,932,510	857,983	2,452,267
Airport	702,587	465,117	381,830	357,573
Interest and fees	-	307,296	82,616	470,690
Depreciation	-	2,572,283	-	2,594,603
Total	<u>\$ 6,114,582</u>	<u>\$ 14,639,660</u>	<u>\$ 3,842,035</u>	<u>\$ 13,648,837</u>

**Revenues by Source – Governmental Activities**

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
Charges for Services	\$ 1,873,289	9.83 %	\$ 1,589,511	10.13 %
Operating Grants and Contributions	854,912	4.49	932,256	5.94
Capital Grants and Contributions	3,386,381	17.77	1,320,268	8.41
Property Taxes	2,153,712	11.30	2,080,999	13.26
Motor Vehicle Taxes	210,870	1.11	216,083	1.38
Occupation/Franchise	2,634,669	13.83	2,467,360	15.73
Sales Tax	6,231,847	32.71	5,521,106	35.19
Special Assessments	54,053	0.28	38,357	0.24
TIF Proceeds	155,018	0.81	176,842	1.13
State Allocation	1,279,267	6.71	1,245,376	7.94
Keno Proceeds	1,489	0.01	5,842	0.04
Gain on Sale of Capital Assets	241,517	1.27	26,000	0.17
Miscellaneous	9,642	0.05	16,684	0.11
Interest	68,831	0.36	52,459	0.33
Interfund Transfers	(101,634)	(0.53)	-	-
Total	<u>\$ 19,053,863</u>	<u>100.00 %</u>	<u>\$ 15,689,143</u>	<u>100.00 %</u>

Net position of the governmental funds increased \$4,414,203 during the year ended September 30, 2022.

**Business-type activities.** Business-type activities increased the City of York’s net position by \$1,304,421. Key elements of this increase are as follows:

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

**Expenses and Program Revenues – Business-type Activities**

<u>Function</u>	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 2,649,270	\$ 1,976,555	\$ 2,308,231	\$ 1,781,751
Sewer	3,494,087	3,122,368	2,986,408	2,930,248
Landfill	1,784,905	1,690,125	1,564,309	2,008,345
Total	<u>\$ 7,928,262</u>	<u>\$ 6,789,048</u>	<u>\$ 6,858,948</u>	<u>\$ 6,720,344</u>

**Revenues by Source – Business-type Activities**

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2022</u>		<u>Year Ended September 30, 2021</u>	
Charges for Services	\$ 7,918,262	97.83 %	\$ 6,819,926	98.25 %
Capital Contributions and Grants	10,000	0.12	39,022	0.56
Special Assessments	-	-	15,885	0.23
Interfund Transfers	101,634	1.26	-	-
Interest	63,573	0.79	66,610	0.96
Total	<u>\$ 8,093,469</u>	<u>100.00 %</u>	<u>\$ 6,941,443</u>	<u>100.00 %</u>

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

As noted earlier, the City of York used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of York's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of York's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of York's governmental funds reported combined ending fund balances of \$22,361,954. The unassigned fund balance is \$4,215,752, indicating resources available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted for federal programs (\$1,491,166), 2) restricted for debt service (\$813,862), 3) restricted for economic development (\$398,308), 4) restricted for capital projects (\$7,649,671), 5) restricted



**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

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for community betterment (\$31,490), 6) restricted for police (\$91,425), 7) restricted for street improvements (\$2,446,839), 8) restricted for fire (\$44,316), 9) restricted for recreation (\$4,842), 10) assigned for budgetary stabilization (\$2,671,403), 11) assigned for storm repairs (\$140,534), 12) assigned for other purposes (\$2,214,817) or 13) put into a nonspendable prepaid asset (\$147,529).

The General Fund is the chief operating fund of the City of York. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,215,752, or 37.0 percent of annual expenditures. Total General Fund balance was \$8,365,387, or 73.5 percent of annual General Fund expenditures.

The fund balance of the City of York's General Fund increased by \$524,863 during the current fiscal year.

**Proprietary funds.** The City of York's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year were as follows: Water Fund – \$8,527,229, Sewer Fund – \$4,087,781, and Landfill Fund – \$2,118,454. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$798,183, Sewer Fund – increase of \$385,017, and Landfill Fund – increase of \$121,221. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of York's business-type activities.

### **General Fund Budgetary Highlights**

The City did not amend its budget during the year ended September 30, 2022.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of York's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$87,800,401 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, vehicles and equipment, and streets.

Major capital asset events (individually greater than \$50,000) during the current fiscal year included the following:

- Library roof - \$81,135
- Bi-fold door for shop at airport - \$64,797
- Ballpark complex playground surface - \$57,800
- Tot playground - \$154,082
- Library HVAC - \$377,950
- Siding at City office - \$114,000
- Construction in progress on City office roof - \$1,273,957
- Construction in progress on Convention Center roof - \$394,632
- 2022 Ford Interceptor and police accessories - \$51,401

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2022**

- Construction costs on Community Center remodeling project - \$832,206
- Traffic lights at US-81/David Drive - \$325,287 (\$149,282 of this was donated by NDOT)
- Construction in progress on Blackburn Bridge project - \$67,358
- Construction in progress on street improvement and ADA ramp project - \$598,765
- Motor grader for street department - \$189,125
- Airport snow moving equipment - \$368,248
- 2021 Caterpillar 627 scraper for landfill - \$928,600
- Construction in progress on landfill phase 6 – \$2,736,453
- Second half payment on sewer generator - \$62,182
- Water lead line replacement project \$105,310

**City of York's Capital Assets**  
**(net of depreciation)**

	<u>Year Ended September 30, 2022</u>			<u>Year Ended September 30, 2021</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 1,662,172	\$ 632,667	\$ 2,294,839	\$ 1,918,694	\$ 632,667	\$ 2,551,361
Construction in Progress	2,537,167	2,736,453	5,273,620	1,563,741	62,182	1,625,923
Infrastructure	6,706,309	-	6,706,309	7,263,056	-	7,263,056
Buildings and Improvements	22,573,024	3,149,358	25,722,382	20,383,408	3,281,048	23,664,456
Distribution Systems	-	41,646,368	41,646,368	-	43,453,513	43,453,513
Equipment	1,479,885	3,358,494	4,838,379	1,331,525	2,637,276	3,968,801
Vehicles	1,031,111	287,393	1,318,504	920,477	347,232	1,267,709
<b>Total</b>	<u>\$ 35,989,668</u>	<u>\$ 51,810,733</u>	<u>\$ 87,800,401</u>	<u>\$ 33,380,901</u>	<u>\$ 50,413,918</u>	<u>\$ 83,794,819</u>

Additional information on the City of York's capital assets can be found in Note C5 on pages 45-47 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of York had the following long-term debt outstanding:

**City of York's Outstanding Debt**

	<u>Year Ended September 30, 2022</u>			<u>Year Ended September 30, 2021</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Bonds Payable	\$ 21,145,000	\$ 6,675,000	\$ 27,820,000	\$ 16,400,000	\$ 2,615,000	\$ 19,015,000
Financing Contracts	-	139,467	139,467	-	273,108	273,108
Notes Payable	190,390	23,889,847	24,080,237	102,596	25,287,050	25,389,646
<b>Total</b>	<u>\$ 21,335,390</u>	<u>\$ 30,704,314</u>	<u>\$ 52,039,704</u>	<u>\$ 16,502,596</u>	<u>\$ 28,175,158</u>	<u>\$ 44,677,754</u>

**CITY OF YORK, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2022**

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The City of York’s total debt increased by \$7,361,950 (16.5 percent) during the current fiscal year as the City issued \$5,150,000 of Series 2021B Highway Allocation Bonds, \$375,000 of Series 2021C Highway Allocation Bonds, and \$4,360,000 of Series 2022 Solid Waste Revenue Bonds.

The City of York does not have a bond rating.

Additional information on the City of York’s long-term debt can be found in Note C6 on pages 48-52 of this report.

The following selected financial information is presented:

Total 2022 Taxable Valuation	\$639,756,195
Total General Obligation and Limited Tax Obligation Debt	21,335,390
Total Revenue Debt	30,704,314
Total Sales Tax Revenues	6,231,847

**Economic Factors and Next Year’s Budgets and Rates**

- Property tax asking for the year ending September 30, 2023 of \$1,983,244 is \$7,572 (0.4 percent) lower than last year.
- Storm damage repairs (from the June 14, 2022 hail storm) will continue, with \$10 million budgeted in the 2022-2023 fiscal year for insurance proceeds and repair expense.
- The City plans to conduct a rate study to determine increases to the landfill rates during the year ending September 30, 2023.
- The City has remaining contractual commitments of \$1,613,887 on the Blackburn Bridge project which is expected to be completed by September 2023.
- The City has remaining contractual commitments of \$4,390,283 on the 2022 street improvements and ADA ramp project which is expected to be completed by July 2024.
- The City has remaining contractual commitments of \$347,803 on the landfill Phase 6 project expected to be completed by January 2023.

**Request for Information**

This financial report is designed to provide a general overview of the City of York’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, City of York, P.O. Box 276, York, NE 68467.

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities (Modified Accrual Basis)	Business-type Activities (Accrual Basis)	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,135,592	\$ 6,230,387	\$ 9,365,979	\$ 168,126
Certificates of deposit	6,863,128	10,085,225	16,948,353	1,090,593
County treasurer cash	125,576	-	125,576	-
Accounts receivable	441,914	449,459	891,373	-
Unbilled revenue	-	555,414	555,414	-
Special assessments receivable	574,552	-	574,552	-
Due from other governments	1,639,283	10,000	1,649,283	-
Current portion of notes receivable	58,042	-	58,042	-
Accrued interest receivable	8,727	6,728	15,455	985
Prepaid expenses	147,529	38,541	186,070	-
Inventory	20,459	71,953	92,412	-
Total current assets	<u>13,014,802</u>	<u>17,447,707</u>	<u>30,462,509</u>	<u>1,259,704</u>
Noncurrent assets:				
Restricted cash and cash equivalents	5,804,852	109,600	5,914,452	-
Restricted certificates of deposit	7,394,008	3,017,791	10,411,799	-
Noncurrent portion of notes receivable	31,042	-	31,042	-
Capital assets:				
Land	1,662,172	632,667	2,294,839	35,840
Construction in progress	2,537,167	2,736,453	5,273,620	-
Other capital assets, net of depreciation	31,790,329	48,441,613	80,231,942	-
Net capital assets	<u>35,989,668</u>	<u>51,810,733</u>	<u>87,800,401</u>	<u>35,840</u>
Total noncurrent assets	<u>49,219,570</u>	<u>54,938,124</u>	<u>104,157,694</u>	<u>35,840</u>
<b>Total assets</b>	<u>62,234,372</u>	<u>72,385,831</u>	<u>134,620,203</u>	<u>1,295,544</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,407,409	1,194,015	2,601,424	-
Claims incurred but not paid	140,332	-	140,332	-
Accrued wages and vacation	300,646	54,915	355,561	-
Accrued interest	107,864	133,781	241,645	-
Sales tax payable	802	30,143	30,945	-
Customer deposits	250	109,600	109,850	-
Unavailable special assessments	556,863	-	556,863	-
Current portion of long-term obligations	2,023,318	2,129,725	4,153,043	-
Total current liabilities	<u>4,537,484</u>	<u>3,652,179</u>	<u>8,189,663</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent compensated absences	165,564	33,538	199,102	-
Accrued closure/post-closure costs	-	4,019,142	4,019,142	-
Noncurrent portion of long-term obligations	19,312,072	28,574,589	47,886,661	-
Total noncurrent liabilities	<u>19,477,636</u>	<u>32,627,269</u>	<u>52,104,905</u>	<u>-</u>
<b>Total liabilities</b>	<u>24,015,120</u>	<u>36,279,448</u>	<u>60,294,568</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,654,278	21,106,419	35,760,697	-
Restricted for:				
Street improvements	2,446,839	-	2,446,839	-
Debt service	813,862	266,500	1,080,362	-
Federal programs	1,491,166	-	1,491,166	-
Economic development	398,308	-	398,308	-
Capital projects	7,649,671	-	7,649,671	-
Community betterment	31,490	-	31,490	-
Public safety	135,741	-	135,741	-
Recreation	4,842	-	4,842	-
Unrestricted	<u>10,593,055</u>	<u>14,733,464</u>	<u>25,326,519</u>	<u>1,295,544</u>
<b>Total net position</b>	<u>\$ 38,219,252</u>	<u>\$ 36,106,383</u>	<u>\$ 74,325,635</u>	<u>\$ 1,295,544</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities</b>			
<b>(modified accrual basis):</b>			
General government	\$ 1,154,789	\$ 137,411	\$ -
Economic development	756,350	5,896	412,190
Public safety	4,387,786	620,048	412,835
Public works	2,063,529	9,890	12,387
Environment and leisure	2,932,510	727,137	17,500
Airport	465,117	372,907	-
Interest and fees on long-term debt	307,296	-	-
Depreciation - unallocated	2,572,283	-	-
Total governmental activities	14,639,660	1,873,289	854,912
<b>Business-type activities</b>			
<b>(accrual basis):</b>			
Water	1,976,555	2,639,270	-
Sewer	3,122,368	3,494,087	-
Landfill	1,690,125	1,784,905	-
Total business-type activities	6,789,048	7,918,262	-
<b>Total primary government</b>	\$ 21,428,708	\$ 9,791,551	\$ 854,912
<b>Component unit (accrual basis):</b>			
Kilgore Library Foundation	\$ 27,296	\$ 5,923	\$ 65,179

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities (Modified Accrual Basis)	Business-type Activities (Accrual Basis)	Total	
Capital Grants and Contributions				
\$ 2,000,000	\$ 982,622		\$ 982,622	
-	(338,264)		(338,264)	
19,951	(3,334,952)		(3,334,952)	
858,687	(1,182,565)		(1,182,565)	
178,063	(2,009,810)		(2,009,810)	
329,680	237,470		237,470	
-	(307,296)		(307,296)	
-	(2,572,283)		(2,572,283)	
<u>3,386,381</u>	<u>(8,525,078)</u>	\$ -	<u>(8,525,078)</u>	
10,000	-	672,715	672,715	
-	-	371,719	371,719	
-	-	94,780	94,780	
<u>10,000</u>	<u>-</u>	<u>1,139,214</u>	<u>1,139,214</u>	
<u>\$ 3,396,381</u>	<u>(8,525,078)</u>	<u>1,139,214</u>	<u>(7,385,864)</u>	
<u>\$ 1,000</u>				\$ 44,806
General revenues:				
Taxes:				
Property	2,153,712	-	2,153,712	-
Motor vehicle	210,870	-	210,870	-
Occupation/franchise	2,634,669	-	2,634,669	-
Sales tax	6,231,847	-	6,231,847	-
Special assessments	54,053	-	54,053	-
TIF proceeds	155,018	-	155,018	-
State allocation	1,279,267	-	1,279,267	-
Keno proceeds	1,489	-	1,489	-
Gain on sale of capital assets	241,517	-	241,517	-
Miscellaneous	9,642	-	9,642	-
Interest income	68,831	63,573	132,404	6,956
Interfund transfers	(101,634)	101,634	-	-
Total general revenues	<u>12,939,281</u>	<u>165,207</u>	<u>13,104,488</u>	<u>6,956</u>
Change in net position	4,414,203	1,304,421	5,718,624	51,762
Net position - September 30, 2021	<u>33,805,049</u>	<u>34,801,962</u>	<u>68,607,011</u>	<u>1,243,782</u>
Net position - September 30, 2022	<u>\$ 38,219,252</u>	<u>\$ 36,106,383</u>	<u>\$ 74,325,635</u>	<u>\$ 1,295,544</u>

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET - MODIFIED ACCRUAL BASIS -**  
**GOVERNMENTAL FUNDS**

**September 30, 2022**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,965,614	\$ 1,001,555	\$ 180,109	\$ 302,196
Certificates of deposit	4,594,004	1,640,198	142,029	533,929
County treasurer cash	125,576	-	-	-
Accounts receivable	381,606	2,924	-	-
Special assessments receivable	-	436,310	-	138,242
Due from other governments	875,556	97,100	23,963	-
Accrued interest receivable	2,812	1,004	87	327
Inventory	-	-	-	-
Prepaid insurance	122,080	18,643	-	-
	<b>Total assets</b>	<b>Total assets</b>	<b>Total assets</b>	<b>Total assets</b>
	<b>\$ 9,067,248</b>	<b>\$ 3,197,734</b>	<b>\$ 346,188</b>	<b>\$ 974,694</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 440,128	\$ 276,786	\$ -	\$ -
Accrued interest payable	-	1,759	-	22,590
Accrued wages and vacation	260,681	35,086	-	-
Customer deposits	250	-	-	-
Sales tax payable	802	-	-	-
Unavailable special assessments	-	418,621	-	138,242
	<b>Total liabilities</b>	<b>Total liabilities</b>	<b>Total liabilities</b>	<b>Total liabilities</b>
	<b>701,861</b>	<b>732,252</b>	<b>-</b>	<b>160,832</b>
Fund balances:				
Nonspendable:				
Prepaid assets	122,080	18,643	-	-
Restricted for:				
Street improvements	-	2,446,839	-	-
Debt service	-	-	-	813,862
Federal programs	1,144,978	-	346,188	-
Economic development	-	-	-	-
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Police	21,482	-	-	-
Fire	44,316	-	-	-
Recreation	4,842	-	-	-
Assigned for:				
Budgetary stabilization	2,671,403	-	-	-
Storm repairs	140,534	-	-	-
Other purposes	-	-	-	-
Unassigned	4,215,752	-	-	-
	<b>Total fund balances</b>	<b>Total fund balances</b>	<b>Total fund balances</b>	<b>Total fund balances</b>
	<b>8,365,387</b>	<b>2,465,482</b>	<b>346,188</b>	<b>813,862</b>
	<b>Total liabilities and fund balances</b>	<b>Total liabilities and fund balances</b>	<b>Total liabilities and fund balances</b>	<b>Total liabilities and fund balances</b>
	<b>\$ 9,067,248</b>	<b>\$ 3,197,734</b>	<b>\$ 346,188</b>	<b>\$ 974,694</b>

See notes to financial statements.

LB 357 <u>Fund</u>	Capital Projects <u>Fund</u>	Other <u>Funds</u>	Total Governmental <u>Funds</u>
\$ 844,484	\$ 2,071,497	\$ 1,036,900	\$ 8,402,355
1,382,971	3,384,723	1,698,078	13,375,932
-	-	-	125,576
55,000	-	2,384	441,914
-	-	-	574,552
319,814	-	322,850	1,639,283
847	2,072	1,039	8,188
-	-	20,459	20,459
-	-	6,806	147,529
<u>\$ 2,603,116</u>	<u>\$ 5,458,292</u>	<u>\$ 3,088,516</u>	<u>\$ 24,735,788</u>
\$ 268,368	\$ 59,854	\$ 362,273	\$ 1,407,409
83,515	-	-	107,864
-	-	4,879	300,646
-	-	-	250
-	-	-	802
-	-	-	556,863
<u>351,883</u>	<u>59,854</u>	<u>367,152</u>	<u>2,373,834</u>
-	-	6,806	147,529
-	-	-	2,446,839
-	-	-	813,862
-	-	-	1,491,166
-	-	398,308	398,308
2,251,233	5,398,438	-	7,649,671
-	-	31,490	31,490
-	-	69,943	91,425
-	-	-	44,316
-	-	-	4,842
-	-	-	2,671,403
-	-	-	140,534
-	-	2,214,817	2,214,817
-	-	-	4,215,752
<u>2,251,233</u>	<u>5,398,438</u>	<u>2,721,364</u>	<u>22,361,954</u>
<u>\$ 2,603,116</u>	<u>\$ 5,458,292</u>	<u>\$ 3,088,516</u>	<u>\$ 24,735,788</u>



**CITY OF YORK, NEBRASKA**

**RECONCILIATION OF THE BALANCE SHEET - MODIFIED  
ACCRUAL BASIS - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

**September 30, 2022**

**Total fund balances - governmental funds** \$ 22,361,954

Amounts reported for *governmental activities* in the statement of net position are different because:

Notes receivable are not financial resources and therefore are not reported as assets in the governmental funds. Notes receivable are reported as assets in the statement of net position. 89,084

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$60,579,853 and the accumulated depreciation is \$24,590,185. 35,989,668

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,279,500

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds payable	\$ (21,145,000)	
Note payable	(190,390)	
Noncurrent compensated absences	(165,564)	(21,500,954)

**Total net position - governmental activities** \$ 38,219,252

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - MODIFIED ACCRUAL BASIS - GOVERNMENTAL FUNDS**

**For the year ended September 30, 2022**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 2,153,712	\$ -	\$ -
Motor vehicle	210,870	-	-
Special assessments	-	49,107	-
Occupation/franchise	2,634,669	-	-
Sales tax	4,293,609	380,276	-
TIF proceeds	-	-	-
Intergovernmental	531,029	1,174,410	-
Charges for services	1,480,683	9,890	-
Grants	721,943	-	399,926
Keno proceeds	-	-	-
Loan collections	-	-	55,169
Contributions	31,660	-	-
Interest income	21,781	7,510	230
Loan/bond proceeds	-	-	-
Sale of property	-	-	-
Insurance proceeds	2,010,501	361	-
Other	8,116	4,892	-
Total revenues	14,098,573	1,626,446	455,325
<b>EXPENDITURES</b>			
General government	1,144,296	-	-
Economic development	-	-	427,429
Public safety	4,299,973	-	-
Public works	-	1,615,708	-
Environment and leisure	2,757,382	-	-
Airport	-	-	-
Capital outlay	3,178,104	217,693	-
Principal payments on debt	-	90,026	-
Interest on long-term debt	-	9,759	-
Bond fees	-	-	-
Total expenditures	11,379,755	1,933,186	427,429
Excess (deficiency) of revenues over expenses before transfers	2,718,818	(306,740)	27,896
<b>INTERFUND TRANSFERS</b>			
Transfer from (to) other funds	(2,193,955)	1,059,123	-
<b>Net change in fund balances</b>	524,863	752,383	27,896
Fund balances - September 30, 2021	7,840,524	1,713,099	318,292
Fund balances - September 30, 2022	\$ 8,365,387	\$ 2,465,482	\$ 346,188

See notes to financial statements.

Debt Service <u>Fund</u>	LB 357 <u>Fund</u>	Capital Projects <u>Fund</u>	Other <u>Funds</u>	Total Governmental <u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,153,712
-	-	-	-	210,870
4,947	-	-	-	54,054
-	-	-	-	2,634,669
-	1,557,962	-	-	6,231,847
-	-	-	166,323	166,323
-	-	-	-	1,705,439
-	-	-	383,347	1,873,920
-	-	159,502	329,680	1,611,051
-	-	-	1,489	1,489
-	-	-	-	55,169
-	-	-	75,583	107,243
848	6,163	19,786	8,025	64,343
-	-	5,525,000	-	5,525,000
-	-	-	498,039	498,039
-	-	-	-	2,010,862
-	-	-	4,000	17,008
<u>5,795</u>	<u>1,564,125</u>	<u>5,704,288</u>	<u>1,466,486</u>	<u>24,921,038</u>
-	-	-	13,651	1,157,947
-	-	-	328,922	756,351
-	-	-	-	4,299,973
-	-	457,636	-	2,073,344
-	177,607	-	-	2,934,989
-	-	-	456,026	456,026
-	640,033	666,123	397,212	5,099,165
565,000	215,000	-	11,305	881,331
73,920	168,368	-	511	252,558
53,987	750	-	-	54,737
<u>692,907</u>	<u>1,201,758</u>	<u>1,123,759</u>	<u>1,207,627</u>	<u>17,966,421</u>
(687,112)	362,367	4,580,529	258,859	6,954,617
<u>1,162,550</u>	<u>-</u>	<u>(106,082)</u>	<u>(23,270)</u>	<u>(101,634)</u>
475,438	362,367	4,474,447	235,589	6,852,983
<u>338,424</u>	<u>1,888,866</u>	<u>923,991</u>	<u>2,485,775</u>	<u>15,508,971</u>
<u>\$ 813,862</u>	<u>\$ 2,251,233</u>	<u>\$ 5,398,438</u>	<u>\$ 2,721,364</u>	<u>\$ 22,361,954</u>

**CITY OF YORK, NEBRASKA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2022**

<b>Total net change in fund balances - governmental funds</b>	\$ 6,852,983
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Loan collections on notes receivable are reported as revenue in the governmental funds. However, the collection of loan principal is reported as a reduction to notes receivable in the statement of activities.	(125,652)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$5,437,572) exceeded depreciation expense (\$2,572,283) and assets acquired through a financing agreement (\$189,125). Asset additions of \$149,282 were donated by Nebraska Department of Transportation.	2,676,164
Basis remaining on capital assets that are disposed of is not reported in the governmental funds. However, the remaining basis reduces the gain on sale of capital assets on the statement of activities.	(256,522)
Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the statement of activities.	(82,951)
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	(6,150)
Issuance of long-term debt is reported as revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(5,525,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	881,331
<b>Change in net position of governmental activities</b>	<u><u>\$ 4,414,203</u></u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**

**September 30, 2022**

	Enterprise Funds			Total	Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund		
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 3,165,010	\$ 1,408,834	\$ 1,656,543	\$ 6,230,387	\$ 538,089
Certificates of deposit	5,065,204	2,307,181	2,712,840	10,085,225	881,204
Accounts receivable	169,554	279,893	12	449,459	-
Unbilled revenue	284,779	270,635	-	555,414	-
Due from other governments	10,000	-	-	10,000	-
Accrued interest receivable	3,395	1,412	1,921	6,728	539
Prepaid expenses	7,957	21,256	9,328	38,541	-
Inventory	71,953	-	-	71,953	-
<b>Total current assets</b>	<b>8,777,852</b>	<b>4,289,211</b>	<b>4,380,644</b>	<b>17,447,707</b>	<b>1,419,832</b>
Noncurrent assets:					
Restricted cash	109,600	-	-	109,600	-
Restricted certificates of deposit	266,500	-	2,751,291	3,017,791	-
Capital assets:					
Land	24,625	344,330	263,712	632,667	-
Construction in progress	-	-	2,736,453	2,736,453	-
Distribution systems	21,404,853	35,570,751	-	56,975,604	-
Buildings and improvements	206,867	-	5,394,625	5,601,492	-
Equipment	1,221,684	5,469,496	3,084,140	9,775,320	-
Vehicles	104,250	570,000	-	674,250	-
Less accumulated depreciation	(8,914,809)	(12,137,636)	(3,532,608)	(24,585,053)	-
Net capital assets	14,047,470	29,816,941	7,946,322	51,810,733	-
<b>Total noncurrent assets</b>	<b>14,423,570</b>	<b>29,816,941</b>	<b>10,697,613</b>	<b>54,938,124</b>	<b>-</b>
<b>Total assets</b>	<b>23,201,422</b>	<b>34,106,152</b>	<b>15,078,257</b>	<b>72,385,831</b>	<b>1,419,832</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	165,860	68,876	959,279	1,194,015	-
Claims incurred but not paid	-	-	-	-	140,332
Accrued wages and vacation	23,212	14,075	17,628	54,915	-
Accrued interest payable	28,911	88,665	16,205	133,781	-
Sales tax payable	12,374	17,769	-	30,143	-
Customer deposits	109,600	-	-	109,600	-
Current portion of long-term obligations	609,633	1,115,625	404,467	2,129,725	-
<b>Total current liabilities</b>	<b>949,590</b>	<b>1,305,010</b>	<b>1,397,579</b>	<b>3,652,179</b>	<b>140,332</b>
Noncurrent liabilities:					
Noncurrent compensated absences	20,266	12,045	1,227	33,538	-
Accrued closure/post-closure costs	-	-	4,019,142	4,019,142	-
Noncurrent portion of long-term obligations	5,511,173	18,968,416	4,095,000	28,574,589	-
<b>Total noncurrent liabilities</b>	<b>5,531,439</b>	<b>18,980,461</b>	<b>8,115,369</b>	<b>32,627,269</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,481,029</b>	<b>20,285,471</b>	<b>9,512,948</b>	<b>36,279,448</b>	<b>140,332</b>
<b>NET POSITION</b>					
Net investment in capital assets	7,926,664	9,732,900	3,446,855	21,106,419	-
Restricted for debt service	266,500	-	-	266,500	-
Unrestricted	8,527,229	4,087,781	2,118,454	14,733,464	1,279,500
<b>Total net position</b>	<b>\$16,720,393</b>	<b>\$13,820,681</b>	<b>\$5,565,309</b>	<b>\$36,106,383</b>	<b>\$1,279,500</b>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS**

**For the year ended September 30, 2022**

	Enterprise Funds			Total	Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund		
<b>Operating revenues:</b>					
Sales	\$ 2,097,414	\$ 3,462,130	\$ 1,784,563	\$ 7,344,107	\$ -
Services charges	30,898	23,392	-	54,290	-
Rent income	423,864	-	342	424,206	-
Health insurance premiums	-	-	-	-	1,461,956
Other revenue	87,094	8,565	-	95,659	-
Total operating revenues	<u>2,639,270</u>	<u>3,494,087</u>	<u>1,784,905</u>	<u>7,918,262</u>	<u>1,461,956</u>
<b>Operating expenses:</b>					
Personnel	468,980	495,351	424,328	1,388,659	-
Insurance	17,789	39,025	19,393	76,207	-
Professional fees	24,919	48,997	63,780	137,696	-
Meetings, seminars, and dues	1,513	443	223	2,179	-
Repairs and maintenance	216,533	240,875	138,027	595,435	-
Contract services	5,947	24,089	45,255	75,291	-
Transportation	11,524	17,492	70,838	99,854	-
Utilities and telephone	85,432	211,486	23,016	319,934	-
Supplies	12,937	43,747	41,666	98,350	-
Closure/post-closure costs	-	-	339,491	339,491	-
Farm rental expenses	207,411	-	-	207,411	-
Other expenses	109,717	70,421	20,829	200,967	-
Depreciation	684,842	1,472,803	405,877	2,563,522	-
Insurance claims/health premiums	-	-	-	-	1,549,395
Total operating expenses	<u>1,847,544</u>	<u>2,664,729</u>	<u>1,592,723</u>	<u>6,104,996</u>	<u>1,549,395</u>
Operating income (loss)	791,726	829,358	192,182	1,813,266	(87,439)
<b>Nonoperating revenues (expenses):</b>					
Interest income	26,429	10,703	26,441	63,573	4,488
Grant income	10,000	-	-	10,000	-
Interest expense	(98,597)	(312,174)	(46,250)	(457,021)	-
Bond/DEQ loan fees	(30,414)	(145,465)	(51,152)	(227,031)	-
Total nonoperating revenues (expenses)	<u>(92,582)</u>	<u>(446,936)</u>	<u>(70,961)</u>	<u>(610,479)</u>	<u>4,488</u>
Income (loss) before interfund transfers	699,144	382,422	121,221	1,202,787	(82,951)
<b>Interfund transfers:</b>					
Transfer from other funds	99,039	2,595	-	101,634	-
<b>Change in net position</b>	<u>798,183</u>	<u>385,017</u>	<u>121,221</u>	<u>1,304,421</u>	<u>(82,951)</u>
Net position - September 30, 2021	<u>15,922,210</u>	<u>13,435,664</u>	<u>5,444,088</u>	<u>34,801,962</u>	<u>1,362,451</u>
Net position - September 30, 2022	<u>\$ 16,720,393</u>	<u>\$ 13,820,681</u>	<u>\$ 5,565,309</u>	<u>\$ 36,106,383</u>	<u>\$ 1,279,500</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

**For the year ended September 30, 2022**

	<u>Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 2,643,929
Receipts from employees and other funds	-
Payments to suppliers	(653,121)
Payments to employees	(466,589)
Net cash provided (used) by operating activities	<u>1,524,219</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers from other funds	99,039
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of property and equipment	(182,419)
Increase in accrued closure/post-closure costs	-
Payment of loan administration fees	(30,414)
Bond proceeds received on issuance of long-term debt	-
Principal payments on capital debt	(600,074)
Interest paid on capital debt	(100,339)
Net cash provided (used) by capital and related financing activities	<u>(913,246)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
(Increase) decrease in certificates of deposit	13,090
Increase in restricted cash	(8,790)
Increase in restricted certificates of deposit	-
Interest received	24,593
Net cash provided (used) by investing activities	<u>28,893</u>
Increase in cash and cash equivalents	738,905
Cash and cash equivalents - beginning of the year	<u>2,426,105</u>
Cash and cash equivalents - end of the year	<u>\$ 3,165,010</u>

Enterprise Funds			Internal Service Fund
Sewer Fund	Landfill Fund	Total	
\$ 3,516,445	\$ 1,784,893	\$ 7,945,267	\$ -
-	-	-	1,461,956
(701,992)	(703,025)	(2,058,138)	(1,541,063)
(486,085)	(416,030)	(1,368,704)	-
<u>2,328,368</u>	<u>665,838</u>	<u>4,518,425</u>	<u>(79,107)</u>
2,595	-	101,634	-
(112,865)	(2,850,857)	(3,146,141)	-
-	339,491	339,491	-
(145,465)	(51,152)	(227,031)	-
-	4,360,000	4,360,000	-
(1,097,128)	(133,642)	(1,830,844)	-
<u>(317,752)</u>	<u>(36,669)</u>	<u>(454,760)</u>	<u>-</u>
(1,673,210)	1,627,171	(959,285)	-
(265,613)	(1,264,900)	(1,517,423)	119,469
-	-	(8,790)	-
-	(110,815)	(110,815)	-
9,906	25,205	59,704	4,250
<u>(255,707)</u>	<u>(1,350,510)</u>	<u>(1,577,324)</u>	<u>123,719</u>
402,046	942,499	2,083,450	44,612
<u>1,006,788</u>	<u>714,044</u>	<u>4,146,937</u>	<u>493,477</u>
<u>\$ 1,408,834</u>	<u>\$ 1,656,543</u>	<u>\$ 6,230,387</u>	<u>\$ 538,089</u>



**CITY OF YORK, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS, Continued**

**For the year ended September 30, 2022**

	<u>Water Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 791,726
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	684,842
Change in assets and liabilities:	
Accounts receivable and unbilled revenue	(3,287)
Prepaid expenses	3,284
Inventories	65,741
Accounts payable	(28,424)
Claims incurred but not paid	-
Accrued expenses	2,391
Sales tax payable	(844)
Customer deposits	8,790
Net cash provided (used) by operating activities	<u>\$ 1,524,219</u>

See notes to financial statements.

<u>Enterprise Funds</u>				Internal
<u>Sewer</u>	<u>Landfill</u>		<u>Total</u>	<u>Service</u>
<u>Fund</u>	<u>Fund</u>			<u>Fund</u>
\$ 829,358	\$ 192,182		\$ 1,813,266	\$ (87,439)
1,472,803	405,877		2,563,522	-
21,403	(12)		18,104	-
(2,336)	(158)		790	-
-	-		65,741	-
(3,081)	59,651		28,146	(160)
-	-		-	8,492
9,266	8,298		19,955	-
955	-		111	-
-	-		8,790	-
<u>\$ 2,328,368</u>	<u>\$ 665,838</u>		<u>\$ 4,518,425</u>	<u>\$ (79,107)</u>

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS**

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**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

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

The financial statements of the City of York, Nebraska (City) are prepared in accordance with the modified accrual basis of accounting for governmental funds and the accrual basis for the proprietary funds and the discretely presented component unit. The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

**1. Financial Reporting Entity**

The City of York, Nebraska, was incorporated in 1883. The City operates under a City Council form of government with an elected chief executive, Mayor, and an elected legislative body, Council, composed of four members. The Mayor is elected at large for a four-year term, and the four members of the City Council are elected on four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Clerk. Services provided to residents include public safety; highways and streets; parks; recreation; electric, gas, water, and sanitary sewer systems; and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of York
Discretely Presented Component Unit:	Kilgore Library Foundation

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**1. Financial Reporting Entity, continued**

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following is the discretely presented component unit:

Brief Description of Activities  
and Relationship to the City

Kilgore Library Foundation	Created to provide for book purchases for the library.
----------------------------	--

York Area Solid Waste Agency (YASWA) is another discretely presented component unit that has no financial activity. The debt issued by YASWA is serviced by the City's Landfill Fund (Solid Waste Disposal Facilities Fund), as the Landfill Fund operates the YASWA landfill.

**2. Basis of Presentation**

**Government-wide Financial Statements**

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**2. Basis of Presentation, continued**

**Fund Financial Statements**

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

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

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

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

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

*Debt Service Fund*

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the general long-term debt of the City other than debt-service payments made by Enterprise Funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**2. Basis of Presentation, continued**

**Governmental Funds, continued**

*Capital Projects Fund*

The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of specific capital projects.

**Proprietary Funds**

*Enterprise Funds*

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

*Internal Service Fund*

The Internal Service Fund accounts for activities that provide goods and services to other funds, departments or agencies of the primary government on a cost-reimbursement basis.

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<i>Major:</i>	
Governmental:	
General Fund	See page 28 for description.
Street Fund	This Special Revenue Fund accounts for the City's share of highway allocation from the State of Nebraska.
CDBG Fund	This Special Revenue Fund accounts for the City's share of the Community Development Block Grant Program.
Debt Service Fund	See page 28 for description.
LB357 Fund	This Special Revenue Fund accounts for the additional ½ cent sales tax restricted for capital projects.

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Major, continued:</i>	
Proprietary:	
Enterprise:	
Water, Sewer, and Landfill	See page 29 for description.
<i>Nonmajor:</i>	
Governmental:	
Capital Projects Fund	See page 29 for description.
Aviation Fund	This Special Revenue Fund accounts for airport operations.
Keno Fund	This Special Revenue Fund accounts for keno proceeds held for community betterment.
Sinking Fund	This Special Revenue Fund accounts for land purchases and development.
E911 Fund	This Special Revenue Fund accounts for revenues and expenses related to the 911 surcharge.
TIF Fund	This Special Revenue Fund accounts for Tax Increment Financing projects.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**3. Measurement Focus and Basis of Accounting, continued**

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b, below.

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

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

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, except for property tax. Property tax revenue is recorded when the tax is received by the County Treasurer. Right of use assets and related lease liabilities, as defined by GASB 87, are not reflected in the accompanying modified accrual basis financial statements.

Business-type activities and the discretely presented component unit are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

**September 30, 2022**

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

**3. Measurement Focus and Basis of Accounting, continued**

**Basis of Accounting, continued**

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting using a flow of current financial resources measurement focus. Proceeds from issuance of long-term debt are recognized as revenue when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

**4. Assets, Liabilities, and Equity**

**Estimates**

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

**Cash and Certificates of Deposit**

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected not yet remitted to the City.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and certificate of deposit disclosures are presented in Notes B2, C1, and D2.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Business-type activities report utility billings as their major receivables.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**4. Assets, Liabilities, and Equity, continued**

**Receivables, continued**

In the fund financial statements, governmental and proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**Due from Other Governments**

The total due from other governments in the governmental funds consists of the following:

<u>Fund</u>	<u>Amount</u>	<u>Type of Revenue</u>
General	\$ 862,344	Sales Tax
General	13,212	Federal Grants
Street	97,100	Sales Tax
CDBG	23,963	Federal Grant
LB357	319,814	Sales Tax
Aviation	322,850	Federal Grant
	<u>\$1,639,283</u>	

**Inventory**

Inventories of parts and supplies are valued at cost using the first-in/first-out (FIFO) method. Unharvested grain inventory is valued at the cost of inputs.

**Restricted Assets**

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to cash and certificates of deposit that are restricted for debt service, federal programs, economic development, capital outlay, community betterment and other purposes.

**Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, property and equipment are accounted for as capital assets. The City has a \$5,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Assets, Liabilities, and Equity, continued**

**Capital Assets, continued**

*Government-wide Statements, continued*

Depreciation of governmental capital assets is recorded as an unallocated expense in the Statement of Activities. Depreciation for all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Infrastructure	15-30 years
Distribution Systems	10-50 years
Buildings and Improvements	10-50 years
Equipment	5-10 years
Vehicles	5-10 years

Prior to July 1, 1980, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Compensated Absences**

The City's policies regarding vacation and sick time permit employees to accumulate earned but unused leave. A portion of the liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the current compensated absence liability payable from expendable available financial resources, while the proprietary funds report the total liability.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Assets, Liabilities, and Equity, continued**

**Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-wide Statements*

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and bonds payable.

*Fund Financial Statements*

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements*

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

Effective October 1, 2010, the City adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

**Assigned**—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 17). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

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

**5. Revenues, Expenditures, and Expenses**

**Sales and Use Tax**

The City presently levies a two cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. Sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904. The non-motor-vehicle sales tax is allocated as follows: 1.5 cents to General property tax relief and 0.5 cents to LB357 to capital projects.

**Property Taxes**

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in York County are certified by the County Board on or before October 15. Real estate taxes are due on December 31, attach as an enforceable lien, and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2021-2022 are recorded as revenue when received by the County.

**Operating Revenues and Expenses**

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

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

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

**5. Revenues, Expenditures, and Expenses, continued**

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the City and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

**1. Fund Accounting Requirements**

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include Special Revenue, Debt Service, and Permanent Funds.

**2. Deposit Laws and Regulations**

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.



**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**3. Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

**4. Debt Restrictions and Covenants**

*Bonds Payable*

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are finance-related. These include covenants such as debt-service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

**5. Budgetary Data**

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides 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 expenditure and/or tax levy limitations.

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

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**5. Budgetary Data, continued**

- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of York adopts a budget by resolution for all funds.

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the financial statements for the City's various assets, liabilities, equity, revenues, and expenditures/expenses.

**1. Cash and Certificates of Deposit**

**Deposits**

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2022. The categories of collateral are defined as follows:

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**1. Cash and Certificates of Deposit, continued**

**Deposits, continued**

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name; or collateralized with no written or approved collateral agreement.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 45,444,103	\$ 2,013,009	\$ 43,430,666	\$ 428	\$ <u>43,899,302</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 9,365,979
Unrestricted certificates of deposit	16,948,353
Restricted cash and cash equivalents	5,914,452
Restricted certificates of deposit	<u>10,411,799</u>
Total primary government	42,640,583

Component Unit –

Unrestricted cash and cash equivalents	168,126
Unrestricted certificates of deposit	<u>1,090,593</u>
Total component unit	<u>1,258,719</u>

Total	\$ <u>43,899,302</u>
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**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**2. Restricted Assets**

The restricted assets as of September 30, 2022, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 5,804,852	\$ 109,600	\$ 5,914,452	\$ -
Certificates of deposit	<u>7,394,008</u>	<u>3,017,791</u>	<u>10,411,799</u>	<u>-</u>
	<u>\$ 13,198,860</u>	<u>\$ 3,127,391</u>	<u>\$ 16,326,251</u>	<u>\$ -</u>

The governmental restricted assets consist of the following: \$1,144,978 in the General Fund for Federal programs, \$65,798 in the General Fund for public safety, \$4,842 in the General Fund for recreation, \$2,641,753 in the Street Fund for street operations and improvements, \$322,138 in the CDBG Fund for federal programs, \$836,125 in the Debt Service Fund for debt service, \$2,227,455 in the LB 357 Fund for capital projects, \$31,478 in the Keno Fund for community betterment, \$69,916 in the E911 Fund for public safety, \$5,456,220 in the Capital Projects Fund for capital projects, and \$398,157 in the TIF Fund for economic development.

Restricted assets for business-type funds consist of \$109,600 restricted cash for customer deposits in the Water Fund, \$266,500 of Water Fund certificates of deposit restricted for debt service, and \$2,751,291 of Landfill Fund certificates of deposit restricted for closure and post-closure costs.

**3. Accounts and Other Receivables**

Governmental receivables detail at September 30, 2022, is as follows:

	<u>Governmental Activities</u>
Accounts receivable - ambulance	\$ 303,536
Hotel occupation tax receivable	64,650
Other governmental accounts receivable	<u>73,728</u>
Total governmental accounts receivable	<u>\$ 441,914</u>

Accounts receivable of the business-type activities consist of utilities receivables.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**4. Notes Receivable**

Notes receivable at September 30, 2022, consist of the following:

CDBG notes:

Note for \$35,000 to York Place Crown, Ltd. dated December 13, 2005; due in monthly installments of \$177 through December 1, 2025; bearing interest of 2.0 percent. \$ 6,680

Note for \$450,000 to Cyclonaire dated May 15, 2013; due in monthly installments of \$4,178 through June 15, 2023; bearing interest of 1.625 percent. 49,743

Total CDBG notes receivable 56,423

Economic Development notes:

Note for \$139,000 to York Urgent Care dated September 4, 2015; due in monthly installments of \$1,256 through September 1, 2025; bearing interest of 1.625 percent. -

Note for \$62,400 to Cindy Weber dated December 2016; due in annual installments of \$6,848 through December 2026; bearing interest of 1.875 percent. 32,661

Total Economic Development notes receivable 32,661

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**4. Notes Receivable, continued**

TIF notes:

See note described below.

	-
	\$ <u>89,084</u>
Current portion	\$ 58,042
Noncurrent portion	<u>31,042</u>
Total	\$ <u>89,084</u>

The City of York has undertaken a program for the redevelopment of blighted areas in the City. Under the program, various projects agree to create a minimum taxable valuation for real estate tax assessment purposes. The City receives the incremental real estate taxes paid by the projects. Estimated future receivables and payables under TIF agreements as of September 30, 2022, were as follows:

	<u>TIF Receivables</u>	<u>TIF Payables</u>
United Farmers Coop	\$ -	\$ - *

\*On August 17, 2007, the City borrowed \$176,000 from Cornerstone Bank to finance the United Farmers Coop TIF Project. The note bears interest of 8.75 percent and is due in semi-annual principal and interest payments of \$11,468 through December 15, 2021.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**5. Capital Assets**

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance at October 1, <u>2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2022</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 1,918,694	\$ -	\$ (256,522)	\$ -	\$ 1,662,172
Construction in progress	1,563,741	2,419,010	-	(1,445,584)	2,537,167
Total capital assets not being depreciated	3,482,435	2,419,010	(256,522)	(1,445,584)	4,199,339
Other capital assets being depreciated:					
Infrastructure	14,121,516	325,286	-	-	14,446,802
Buildings and improvements	30,043,728	1,911,030	-	1,409,751	33,364,509
Equipment	4,210,848	398,430	(233,519)	-	4,375,759
Vehicles	3,818,093	383,816	(44,298)	35,833	4,193,444
Total other capital assets at historical cost	52,194,185	3,018,562	(277,817)	1,445,584	56,380,514
Less accumulated depreciation for:					
Infrastructure	(6,858,460)	(882,033)	-	-	(7,740,493)
Buildings and improvements	(9,660,320)	(1,131,165)	-	-	(10,791,485)
Equipment	(2,879,323)	(250,070)	233,519	-	(2,895,874)
Vehicles	(2,897,616)	(309,015)	44,298	-	(3,162,333)
Total accumulated depreciation	(22,295,719)	(2,572,283) *	277,817	-	(24,590,185)
Other capital assets, net	29,898,466	446,279	-	1,445,584	31,790,329
Governmental activities capital assets, net	<u>\$ 33,380,901</u>	<u>\$ 2,865,289</u>	<u>\$ (256,522)</u>	<u>\$ -</u>	<u>\$ 35,989,668</u>

\*Depreciation expense was incurred by the following governmental activities:

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government:

Administration \$ 10,355

Public safety:

Police 45,618

Fire/EMS 216,403

Total public safety 262,021

Environment and leisure:

Auditorium 196,335

Ball Field Complex 494,857

Community Center 14,627

Convention Center 220,242

Library 30,417

Park 67,195

Pool 144,178

Senior Center 11,337

Total environment and leisure 1,179,188

Total General Fund 1,451,564

Special Revenue Funds:

Airport 129,903

Street 990,816

Total Governmental Activities  
depreciation expense \$ 2,572,283

Construction in progress at September 30, 2022, consists of \$185,515 of costs on the Blackburn Bridge project, \$598,765 of costs on the street improvements and ADA ramp project, \$1,273,957 of costs on the City office roof project, \$58,417 down payment on the Convention Center sign, \$394,633 of costs on the Convention Center roof project, and \$25,880 of costs on a picnic shelter. See Note D3 for details of commitments in place on these projects as of September 30, 2022.



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**5. Capital Assets, continued**

	Balance at October 1, <u>2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2022</u>
<b><u>Business-type Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 632,667	\$ -	\$ -	\$ -	\$ 632,667
Construction in progress	62,182	2,736,453	-	(62,182)	2,736,453
Total capital assets not being depreciated	694,849	2,736,453	-	(62,182)	3,369,120
Other capital assets being depreciated:					
Distribution systems	56,870,293	105,311	-	-	56,975,604
Buildings and improvements	5,601,492	-	-	-	5,601,492
Equipment	8,615,571	1,118,573	(21,006)	62,182	9,775,320
Vehicles	674,250	-	-	-	674,250
Total other capital assets at historical cost	71,761,606	1,223,884	(21,006)	62,182	73,026,666
Less accumulated depreciation for:					
Distribution systems	(13,416,780)	(1,912,456)	-	-	(15,329,236)
Buildings and improvements	(2,320,444)	(131,690)	-	-	(2,452,134)
Equipment	(5,978,295)	(459,537)	21,006	-	(6,416,826)
Vehicles	(327,018)	(59,839)	-	-	(386,857)
Total accumulated depreciation	(22,042,537)	(2,563,522) *	21,006	-	(24,585,053)
Other capital assets, net	49,719,069	(1,339,638)	-	62,182	48,441,613
Business-type capital assets, net	\$ 50,413,918	\$ 1,396,815	\$ -	\$ -	\$ 51,810,733

\*Depreciation expense was charged to functions as follows:

Water	\$ 684,842
Sewer	1,472,803
Landfill	<u>405,877</u>
Total Business-type Activities depreciation expense	\$ <u>2,563,522</u>

Construction in progress at September 30, 2022, consists of \$2,736,453 of costs incurred on the landfill phase 6 project. See Note D3 for details of commitments in place on this project as of September 30, 2022.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**6. Long-term Debt**

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Changes in Long-term Debt**

<u>Type of Debt</u>	Balance October 1, 2021	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2022	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds payable	\$ 16,400,000	\$ 5,525,000	\$ (780,000)	\$ 21,145,000	\$ 1,930,000
Notes payable	102,596	189,125	(101,331)	190,390	93,318
Total	<u>\$ 16,502,596</u>	<u>\$ 5,714,125</u>	<u>\$ (881,331)</u>	<u>\$ 21,335,390</u>	<u>\$ 2,023,318</u>
<b>Business-type Activities:</b>					
Bonds payable	\$ 2,615,000	\$ 4,360,000	\$ (300,000)	\$ 6,675,000	\$ 570,000
Notes payable	25,287,050	-	(1,397,203)	23,889,847	1,420,258
Financing agreement	273,108	-	(133,641)	139,467	139,467
Total	<u>\$ 28,175,158</u>	<u>\$ 4,360,000</u>	<u>\$ (1,830,844)</u>	<u>\$ 30,704,314</u>	<u>\$ 2,129,725</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

**Governmental Activities**

As of September 30, 2022, the governmental long-term liabilities consisted of the following:

Bonds payable:

Series 2021 Limited Sales Tax Supported Infrastructure Refunding Bonds for \$7,700,000 dated February 23, 2021 issued to refinance the Series 2015A and Series 2016 Limited Sales Tax Supported Infrastructure Bonds. The bonds bear interest ranging from 0.35 to 1.80 percent with final maturity October 1, 2035. Payments are made by the LB 357 Fund.

\$ 7,485,000

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**6. Long-term Debt, continued**

**Governmental Activities, continued**

Bonds payable, continued:

Series 2015B Limited Sales Tax Supported Infrastructure Bonds for \$5,380,000 dated August 3, 2021 issued for financing the auditorium and Community Center remodeling projects. The bonds bear interest ranging from 0.35 to 3.00 percent with final maturity October 1, 2040. Payments are made by the LB 357 Fund. 5,380,000

Series 2021 General Obligation Highway Allocation Refunding Bonds for \$1,710,000 dated November 21, 2012 issued for refinancing the Series 2012 General Obligation Highway Allocation Bonds. The bonds bear interest ranging from 0.30 to 0.85 percent with final maturity December 15, 2027. Payments are made by the Debt Service Fund. 1,515,000

Series 2021 Public Safety Equipment Tax Anticipation Refunding Bonds for \$945,000 dated April 26, 2021 issued for refinancing the Series 2014 Public Safety Equipment Tax Anticipation Bonds. The bonds bear interest ranging from 0.25 to 1.15 percent with final maturity December 1, 2029. Payments are made by the Debt Service Fund. 880,000

Series 2021B General Obligation Highway Allocation Refunding Bonds for \$5,150,000 dated October 4, 2021 issued to finance street projects. The bonds bear interest ranging from 0.30 to 1.30 percent with final maturity December 15, 2031. Payments are made by the Debt Service Fund. 5,150,000

Series 2021C General Obligation Highway Allocation Refunding Bonds for \$375,000 dated October 4, 2021 issued to finance the bridge project. The bonds bear interest ranging from 0.50 to 0.75 percent with final maturity December 15, 2024. Payments are made by the Debt Service Fund. 375,000

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**6. Long-term Debt, continued**

**Governmental Activities, continued**

Bonds payable, continued:

Series 2010 General Obligation Refunding Bonds for \$4,250,000 dated October 15, 2010 issued for refunding 1999, 2003 and 2005 bonds. The bonds bear interest ranging from 0.70 to 3.40 percent with final maturity April 15, 2025. Payments are made by the Debt Service Fund. 360,000

Notes payable:

Note payable of \$214,847 issued through York State Bank to finance the purchase of a street sweeper, bearing interest of 4.08 percent and due in five annual principal and interest installments of \$48,450 commencing July 6, 2019 through July 6, 2023. 46,681

Note payable of \$189,125 issued through Cat Financial to finance the purchase of a motor grader, bearing interest of 2.69 percent and due in four annual principal and interest installments of \$50,503 commencing June 4, 2022 through June 4, 2025. 143,709

Total governmental activities long-term debt \$ 21,335,390

Current portion \$ 2,023,318

Noncurrent portion 19,312,072

Total governmental long-term debt \$ 21,335,390

**Business-type Activities**

As of September 30, 2022, the long-term debt payable from proprietary fund resources consisted of the following:

Financing agreement:

Financing agreement for a trash compacter dated December 29, 2017, with original issue amount of \$785,250, bearing interest of 3.25 percent, with final maturity on December 29, 2022. Payments are made by the Landfill Fund. \$ 139,467

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**6. Long-term Debt, continued**

**Business-type Activities, continued**

Notes payable:

Water note payable to the Nebraska Department of Environment and Energy (NDEE), dated December 2009, with original issue amount of \$2,334,605, bearing interest of 2.0 percent. Semi-annual principal and interest payments of \$71,213 plus an administration fee of one percent are due commencing June 15, 2011 through December 15, 2030. 1,108,229

Water note payable to the NDEE, dated December 2009, with maximum available amount of \$3,655,000, bearing interest of 2.0 percent. Semi-annual principal and interest payments of \$118,404 plus an administration fee of one percent are due commencing December 15, 2020 through June 15, 2035. 2,697,577

Sewer note payable to the NDEE, dated December 2009, with original issue amount of \$23,043,162, bearing interest of 1.5 percent. Semi-annual principal and interest payments of \$668,947 plus an administration fee of 0.70 percent are due commencing June 15, 2020 through June 15, 2039. 20,010,050

Note payable of \$341,392 issued through York State Bank to finance the purchase of a sewer vac truck, bearing interest of 4.08 percent and due in five annual principal and interest installments of \$76,987 commencing May 18, 2019 through May 18, 2023. 73,991

Bonds payable:

Series 2022 York Area Solid Waste Agency Revenue Bonds for \$4,360,000 dated January 24, 2022, issued to finance landfill phase 6 and a scraper. The bonds bear interest ranging from 0.50 to 2.15 percent with final maturity January 15, 2037. 4,360,000

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**6. Long-term Debt, continued**

Series 2021 Water System Revenue Refunding Bonds for \$2,665,000 dated April 12, 2021, issued for refunding Series 2014 Water System Revenue Refunding Bonds. The bonds bear interest ranging from 0.30 to 1.25 percent with final maturity June 1, 2029.

	<u>2,315,000</u>
Total business-type activity debt	\$ <u>30,704,314</u>
Current portion	\$ 2,129,725
Noncurrent portion	<u>28,574,589</u>
Total	\$ <u>30,704,314</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2022, are as follows:

<u>September 30,</u>	Governmental Activities			
	Other Debt Issues		Direct Placement Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,930,000	\$ 233,810	\$ 93,318	\$ 5,635
2024	1,780,000	219,662	47,891	2,611
2025	1,725,000	209,922	49,181	1,323
2026	1,660,000	198,587	-	-
2027	1,685,000	187,620	-	-
2028-2032	7,360,000	713,069	-	-
2033-2037	3,725,000	335,650	-	-
2038-2041	1,280,000	78,300	-	-
	<u>\$ 21,145,000</u>	<u>\$ 2,176,620</u>	<u>\$ 190,390</u>	<u>\$ 9,569</u>

<u>September 30,</u>	Business-type Activities				
	Other Debt Issues		Direct Placement Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>
2023	\$ 570,000	\$ 80,933	\$ 1,559,725	\$ 378,388	\$ 166,008
2024	565,000	78,036	1,368,073	349,054	156,292
2025	715,000	73,715	1,390,239	326,888	146,419
2026	730,000	67,830	1,412,770	304,357	136,384
2027	735,000	61,034	1,435,672	281,455	126,185
2028-2032	2,025,000	203,264	7,319,548	1,052,449	473,100
2033-2037	1,335,000	71,106	6,916,929	481,056	220,957
2038-2039	-	-	2,626,358	49,428	23,066
	<u>\$ 6,675,000</u>	<u>\$ 635,918</u>	<u>\$ 24,029,314</u>	<u>\$ 3,223,075</u>	<u>\$ 1,448,411</u>

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**7. Landfill Closure and Post-closure Care Costs**

State and federal laws and regulations require the City of York to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities at the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount the landfill used during the year. The estimated liability for landfill closure is \$2,183,340, with post-closure care costs of \$1,468,514, for a total of \$3,651,854 as of September 30, 2022, which is based on 98.08 percent usage of Phases 1-5 of the landfill, with a remaining estimated life of 0.5 years for Phases 1-5 and 39.5 years for Phases 6-10. The estimated liability for construction and demolition landfill closure is \$249,421, with post-closure care costs of \$22,950 for a total of \$272,371 as of September 30, 2022. The estimated liability for the old landfill post-closure care costs is \$94,917 as of September 30, 2022.

It is estimated that an additional \$600,777 and \$80,077, respectively, will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care of \$4,699,996 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2022. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2022, restricted funds of \$2,751,291 are set aside to finance closure and post-closure care of the City's landfill. It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**8. Interfund Transactions and Balances**

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
To Street	\$ -	\$ 1,054,675
To Debt Service	-	1,162,550
From Sinking (nonmajor)	23,270	-
Total General Fund	23,270	2,217,225
Street Fund:		
From General	1,054,675	-
From Capital Projects	4,448	-
Total Street Fund	1,059,123	-
Debt Service Fund:		
From General	1,162,550	-
Nonmajor Governmental Funds:	70,626	199,978
Water Fund:		
From Capital Projects	99,039	-
Sewer Fund:		
From Capital Projects	2,595	-
	\$ 2,417,203	\$ 2,417,203



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES**

**1. Retirement Benefits**

City employees are covered by one of four retirement plans in effect, covering general city employees, firefighters, police officers and the City Administration, respectively.

**General City Employees** – General city employees are covered by a defined contribution plan. Under the terms of the plan, an employee must be age 21 or older. Participating employees are required to contribute 6.5 percent of their earnings, and may make additional voluntary contributions to the plan. The City is required to match the 6.5 percent contributions to the plan. Employees are 100 percent vested in the plan after they complete five years of service, reach normal retirement age (65), meet the requirements for early retirement date, become totally disabled, or die, whichever occurs first. The covered payroll was \$2,665,969, with the City contributing \$173,236 and the employees contributing \$174,429 for the year ended September 30, 2022.

**Firefighters** – Firefighters are covered by a defined contribution plan. Eligible employees are required to contribute 6.5 percent of their monthly salary to the plan, to which the City then contributes with 13 percent of the participant’s monthly salary. Employees are fully vested after seven years of service. Normal retirement benefit becomes nonforfeitable. A participant’s normal retirement age is the date he or she attains age 50 and completes 21 years of service. Nebraska state statutes govern the coverage afforded to participants under this plan. The covered payroll was \$1,099,867 with the City contributing \$109,435 and the employees contributing \$55,757 for the year ended September 30, 2022.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**1. Retirement Benefits, continued**

**Police Officers** - Under Nebraska statutes, the City is required to maintain a retirement plan for City policemen. The total contributions under this plan are deposited under a money purchase retirement plan. This plan requires that covered employees and the City contribute an amount equal to 7.0 percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. Total covered payroll was \$1,068,261. Both the City's contribution of \$74,778 and the employees' contributions of \$74,778 were made for the year ended September 30, 2022.

**City Administration** – The former City clerk and City attorney were covered by a defined contribution retirement plan. The employees' contribution to the plan is voluntary, with the City contributing 11 percent of covered payroll. The participants accounts are fully vested. Contributions totaled \$22,483 (\$8,850 employer and \$13,633 employee) on \$101,826 of covered payroll.

**Police and Firefighters Plan (Pre-1984)**

The City of York, Nebraska Police Pension (Police Plan) is administered as follows:

- (1) Employees who were hired prior to January 1, 1984, the date at which the Police Plan was amended from a defined benefit plan to its current status as a defined contribution plan, were assured of receiving retirement benefits under the new plan at least as great as those under the old defined benefit plan.
- (2) Employees hired after January 1, 1984, are covered by the defined contribution plan, which is administered by a third party.

The employees hired prior to January 1, 1984, participate in both plans and will receive either their benefit from the defined contribution plan or defined benefit plan, whichever is greater. The City has funded its portion of the respective Plan, in addition to the employee's portion, with the assets being held by a third party administrator of the current defined contribution plan. These assets are included in the total plan assets for the Police Retirement Plan when determining the pension benefit obligation.

The final pre-1984 police employee retired in July 2022. Therefore, it is anticipated that no additional contribution will be required.

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

NOTE D – OTHER NOTES, continued

2. **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. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2022, are held by banks in the name of the City. The City's investments consist of only certificates of deposit.

***Interest Rate Risk.*** As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The certificate of deposit maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
October 2022	\$ 9,814,587
December 2022	1,062,272
March 2023	4,599,120
April 2023	852,102
June 2023	3,613,146
July 2023	908,966
August 2023	960,657
September 2023	<u>5,549,302</u>
	\$ <u>27,360,152</u>

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

**Deposits and Investments, continued**

*Credit Risk.* Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investments consist of certificates of deposit, money-market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City’s investment portfolio.

*Concentration of Credit Risk.* The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2022, the City’s certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Cornerstone Bank	\$ 10,241,744
Midwest Bank	10,559,403
Henderson State Bank	<u>6,559,005</u>
	<u>\$ 27,360,152</u>

*Foreign Currency Risk.* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2022.

**3. Commitments**

**Lease Commitments**

The City had the following lease commitments at September 30, 2022:

<u>Leased Property</u>	<u>Term of Lease</u>	<u>Lease Payment/Period</u>
Copier	06/21/22 – 06/21/27	\$ 74/month
Copier	09/21/22 – 09/21/27	\$ 110/month
Copier	05/01/21 – 05/01/26	\$ 64/month
Postage Machine	07/11/22 – 07/11/27	\$ 229/month

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**3. Commitments, continued**

**Contractual Commitments**

At September 30, 2022, the City had the following commitments for capital assets:

	<u>Contract Amount</u>	<u>Incurred as of September 30, 2022</u>	<u>Remaining Commitment</u>	<u>Expected Completion</u>
<u>Blackburn Bridge project:</u>				
Engineering	\$ 201,616	\$ 63,269	\$ 138,347	
Contractor	1,475,540	-	1,475,540	
Total	<u>1,677,156</u>	<u>63,269</u>	<u>1,613,887</u>	September 2023
<u>Street improvements and ADA ramp project:</u>				
Engineer	481,087	49,569	431,518	
Contractor	3,958,765	-	3,958,765	
Total	<u>4,439,852</u>	<u>49,569</u>	<u>4,390,283</u>	July 2024
<u>Community Center sign:</u>				
Vendor	116,835	58,417	58,418	November 2022
<u>City office roof:</u>				
Contractor	2,232,348	1,116,174	1,116,174	December 2022
<u>Convention Center roof:</u>				
Contractor	789,265	394,632	394,633	Spring 2023
<u>Landfill Phase 6:</u>				
Engineering	237,200	216,666	20,534	
Contractor	3,084,156	2,756,887	327,269	
Total	<u>3,321,356</u>	<u>2,973,553</u>	<u>347,803</u>	January 2023
<u>Concrete pavement preservation project:</u>				
Contractor	1,080,665	943,028	137,637	December 2022
	<u>\$ 13,657,477</u>	<u>\$ 5,598,642</u>	<u>\$ 8,058,835</u>	

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements**

The City had the following interlocal agreements in effect as of September 30, 2022:

<u>Party to Agreement</u>	<u>Term of Agreement</u>	<u>Description</u>
York County	Continuous	Ambulance services
York County	Continuous	York Area Solid Waste Agency (YASWA)
York County	Continuous	Combined communications
York County	Continuous	Snow removal agreement
Law Enforcement Agencies in the following counties in Nebraska: Nuckolls, Saline, Fillmore, Hamilton, and York	Continuous	Rural Apprehension Program (RAP)
York Public School District	Life of sales tax	LB 357, ½% Sales Tax for infrastructure and recreation
York Rural Fire District	Continuous	Fire protection
Upper Big Blue Natural Resources District	July 2019 through June 2022	York flood mitigation and resiliency plan
York County	Continuous	York County Aging Services (Busy Wheels)

**5. CDBG Housing Loans**

At September 30, 2022, the City has 12 outstanding CDBG Down Payment Assistance (DPA) loans totaling \$156,498. The DPA loans are due when the related property sells. None of these loans are recorded as assets of the City.

**6. Tax Abatements**

The Community Development Agency (CDA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2022**

**NOTE D – OTHER NOTES, continued**

**6. Tax Abatements, continued**

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CDA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CDA for the year ended September 30, 2022 is as follows:

<u>TIF Project:</u>	Years Remaining on <u>TIF Agreements</u>	<u>2022 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2022</u>
United Farmers Coop	0	\$ -	\$ 17,426
Levander’s of York	11	447,294	8,213
Beaver Creek	11	485,399	4,673
Nutrition Service	12	2,184,282	40,132
Creekside Apartments	13	4,085,664	88,958
Bukaska Builders	13	376,853	<u>6,920</u>
			<u>\$ 166,322</u>

**7. Related Party Transactions**

The City purchased office supplies of \$41,704 and plumbing services of \$114,882 from businesses owned by two Council members during the year ended September 30, 2022.

**8. Subsequent Events**

Management has evaluated subsequent events through January 6, 2023, the date on which the financial statements were available for issue.

On October 6, 2022, Council approved an \$89,800 quote from Motorola Solutions for portable radios for the fire department.

On October 20, 2022, Council approved an agreement with Nebraska Department of Transportation committing the City to \$728,030 of the total estimated project cost of \$16,353,030 for a pedestrian trail system including a pedestrian overpass over Highway 81.

On November 3, 2022, Council approved a \$144,702 bid from Sargent Drilling for liner installation for Well #97-2.

**SUPPLEMENTARY AND OTHER INFORMATION**



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

**Year ended September 30, 2022**

	<u>Budget</u> (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,975,305	\$ 2,153,712	\$ 178,407
Motor vehicle	185,000	210,870	25,870
Occupation/franchise	2,332,500	2,634,669	302,169
Sales tax	3,681,000	4,138,940	457,940
Intergovernmental	605,246	531,029	(74,217)
Charges for services	1,311,570	1,441,563	129,993
Grants	619,000	721,943	102,943
Contributions	73,500	31,660	(41,840)
Interest income	30,000	20,393	(9,607)
Insurance proceeds	-	2,010,501	2,010,501
Other	12,100	8,116	(3,984)
	10,825,221	13,903,396	3,078,175
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Administrative	1,304,171	3,048,426	1,744,255
Public safety:			
Police	2,345,982	2,054,565	(291,417)
Fire/EMS	2,852,809	2,085,479	(767,330)
Police pension	72,797	75,218	2,421
Fire pension	200,349	160,876	(39,473)
Total public safety	5,471,937	4,376,138	(1,095,799)
Environment and leisure:			
Auditorium	307,716	120,948	(186,768)
Parks	741,854	477,715	(264,139)
Community center	1,034,365	482,442	(551,923)
Aquatic center	329,369	315,697	(13,672)
Ball park	596,268	422,938	(173,330)
Senior center	17,741	21,830	4,089
Convention center	655,250	1,456,688	801,438
Library	610,416	596,563	(13,853)
Total environment and leisure	4,292,979	3,894,821	(398,158)
Total charges to appropriations	11,069,087	11,319,385	250,298
Revenues over (under) charges to appropriations before transfers	(243,866)	2,584,011	2,827,877
<b>TRANSFERS TO OTHER FUNDS</b>	(2,005,842)	(2,193,955)	(188,113)
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND TRANSFERS</b>	\$ (2,249,708)	\$ 390,056	\$ 2,639,764

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -  
STREET FUND**

**Year ended September 30, 2022**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Special assessments	\$ 28,000	\$ 50,313	\$ 22,313
Sales tax	275,000	332,907	57,907
Intergovernmental	1,067,419	1,174,410	106,991
Charges for services	22,000	16,382	(5,618)
Grants	138,694	-	(138,694)
Interest income	6,000	6,891	891
Insurance proceeds	-	361	361
Other	10,000	4,892	(5,108)
	<hr/>	<hr/>	<hr/>
Total resources	1,547,113	1,586,156	39,043
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Street operations and maintenance	1,784,892	1,591,999	(192,893)
Capital outlay	819,844	217,693	(602,151)
Principal payments on debt	-	90,026	90,026
Interest expense	-	8,927	8,927
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,604,736	1,908,645	(696,091)
Revenues under charges to appropriations before transfers	(1,057,623)	(322,489)	735,134
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	1,057,623	1,059,123	1,500
<b>RESOURCES AND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 736,634	\$ 736,634

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -  
CDBG FUND**

**Year ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Grants	\$ 700,000	\$ 448,120	\$ (251,880)
Loan collections	50,136	55,169	5,033
Interest income	50	182	132
	<hr/>	<hr/>	<hr/>
Total resources	750,186	503,471	(246,715)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Economic development	999,310	427,429	(571,881)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ (249,124)	\$ 76,042	\$ 325,166

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -  
DEBT SERVICE FUND**

**Year ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Special assessments	\$ -	\$ 4,947	\$ 4,947
Interest income	-	592	592
	<hr/>	<hr/>	<hr/>
Total resources	-	5,539	5,539
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Principal payments	565,000	565,000	-
Interest expense	87,222	66,345	(20,877)
Bond fees	2,250	53,987	51,737
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	654,472	685,332	30,860
Revenues under charges to appropriations before transfers	(654,472)	(679,793)	(25,321)
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	654,472	1,162,550	508,078
<b>RESOURCES AND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 482,757	\$ 482,757
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -  
LB 357 FUND**

**Year ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Sales tax	\$ 1,254,500	\$ 1,440,021	\$ 185,521
Interest income	-	5,658	5,658
	<hr/>	<hr/>	<hr/>
Total resources	1,254,500	1,445,679	191,179
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Environment and leisure	149,800	177,607	27,807
Capital outlay	663,000	382,584	(280,416)
Principal payments	215,000	215,000	-
Interest expense	135,115	135,115	-
Bond fees	1,000	750	(250)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,163,915	911,056	(252,859)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<b>\$ 90,585</b>	<b>\$ 534,623</b>	<b>\$ 444,038</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -  
CAPITAL PROJECTS FUND**

**Year ended September 30, 2022**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Grants	\$ 160,000	\$ 159,502	\$ (498)
Interest income	31,000	17,902	(13,098)
Bond proceeds	5,400,000	5,525,000	125,000
	<hr/>	<hr/>	<hr/>
Total resources	5,591,000	5,702,404	111,404
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Public works	-	402,478	402,478
Capital outlay	2,020,000	666,123	(1,353,877)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,020,000	1,068,601	(951,399)
Revenues over charges to appropriations before transfers	3,571,000	4,633,803	1,062,803
<b>TRANSFERS TO OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	(6,253)	(106,082)	(99,829)
<b>RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ 3,564,747	\$ 4,527,721	\$ 962,974

**CITY OF YORK, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULES - CASH BASIS  
NOTE TO SUPPLEMENTARY INFORMATION**

**Year ended September 30, 2022**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and Modified Accrual Basis (MAB) Revenue and Expenditures**

	<u>General</u> <u>Fund</u>	<u>Street</u> <u>Fund</u>	<u>CDBG</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>LB 357</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>
<b>Sources/inflows of resources:</b>						
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 13,903,396	\$ 1,586,156	\$ 503,471	\$ 5,539	\$ 1,445,679	\$ 5,702,404
Differences - budget to MAB:						
Cash to MAB adjustments	<u>195,177</u>	<u>40,290</u>	<u>(48,146)</u>	<u>256</u>	<u>118,446</u>	<u>1,884</u>
Total revenues as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u><u>\$ 14,098,573</u></u>	<u><u>\$ 1,626,446</u></u>	<u><u>\$ 455,325</u></u>	<u><u>\$ 5,795</u></u>	<u><u>\$ 1,564,125</u></u>	<u><u>\$ 5,704,288</u></u>
<b>Uses/outflows of resources:</b>						
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 11,319,385	\$ 1,908,645	\$ 427,429	\$ 685,332	\$ 911,056	\$ 1,068,601
Differences - budget to MAB:						
Cash to MAB adjustments	<u>60,370</u>	<u>24,541</u>	<u>-</u>	<u>7,575</u>	<u>290,702</u>	<u>55,158</u>
Total expenditures as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u><u>\$ 11,379,755</u></u>	<u><u>\$ 1,933,186</u></u>	<u><u>\$ 427,429</u></u>	<u><u>\$ 692,907</u></u>	<u><u>\$ 1,201,758</u></u>	<u><u>\$ 1,123,759</u></u>

**CITY OF YORK, NEBRASKA**

**COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS -  
NONMAJOR GOVERNMENTAL FUNDS**

**September 30, 2022**

	Special Revenue Funds		
	Aviation Fund	Keno Fund	Sinking Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 214,510	\$ 11,934	\$ 632,997
Certificates of deposit	351,292	19,544	1,036,628
Accounts receivable	2,384	-	-
Due from other governments	322,850	-	-
Inventory	20,459	-	-
Accrued interest receivable	215	12	634
Prepaid insurance	6,806	-	-
	<b>Total assets</b>	<b>Total assets</b>	<b>Total assets</b>
	<b>\$ 918,516</b>	<b>\$ 31,490</b>	<b>\$ 1,670,259</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 362,273	\$ -	\$ -
Accrued wages and vacation	4,879	-	-
	367,152	-	-
Fund balances:			
Nonspendable:			
Prepaid assets	6,806	-	-
Restricted for:			
Economic development	-	-	-
Capital projects	-	-	-
Community betterment	-	31,490	-
Public safety	-	-	-
Assigned for:			
Industrial Park development	544,558	-	1,670,259
	<b>Total fund balances</b>	<b>Total fund balances</b>	<b>Total fund balances</b>
	<b>\$ 918,516</b>	<b>\$ 31,490</b>	<b>\$ 1,670,259</b>



Special Revenue Funds		Total Nonmajor Governmental Funds
E911 Fund	TIF Fund	
\$ 26,507	\$ 150,952	\$ 1,036,900
43,409	247,205	1,698,078
-	-	2,384
-	-	322,850
-	-	20,459
27	151	1,039
-	-	6,806
<u>\$ 69,943</u>	<u>\$ 398,308</u>	<u>\$ 3,088,516</u>
\$ -	\$ -	\$ 362,273
-	-	4,879
-	-	367,152
-	-	6,806
-	398,308	398,308
-	-	-
-	-	31,490
69,943	-	69,943
-	-	2,214,817
<u>69,943</u>	<u>398,308</u>	<u>2,721,364</u>
<u>\$ 69,943</u>	<u>\$ 398,308</u>	<u>\$ 3,088,516</u>

**CITY OF YORK, NEBRASKA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS -  
NONMAJOR GOVERNMENTAL FUNDS**

**Year ended September 30, 2022**

	Special Revenue Funds		
	Aviation Fund	Keno Fund	Sinking Fund
<b>REVENUES</b>			
TIF proceeds	\$ -	\$ -	\$ -
Charges for services	372,907	-	1,756
Grants	329,680	-	-
Contributions	-	-	-
Keno proceeds	-	1,489	-
Interest income	1,753	108	4,673
Sale of property	-	-	498,039
Bond proceeds	-	-	-
Other	4,000	-	-
Total revenues	708,340	1,597	504,468
<b>EXPENDITURES</b>			
General government	-	13,651	-
Economic development	-	-	37,332
Public works	-	-	-
Airport	456,026	-	-
Capital outlay	397,212	-	-
Principal payments on debt	-	-	-
Interest on long-term debt	-	-	-
Total expenditures	853,238	13,651	37,332
Excess (deficiency) of revenues over expenditures before transfers	(144,898)	(12,054)	467,136
<b>INTERFUND TRANSFERS</b>			
Transfer to other funds	53,300	-	(59,244)
Net change in fund balances	(91,598)	(12,054)	407,892
Fund balances - September 30, 2021	642,962	43,544	1,262,367
Fund balances - September 30, 2022	\$ 551,364	\$ 31,490	\$ 1,670,259

Special Revenue Funds		Total Nonmajor Governmental Funds
E911 Fund	TIF Fund	
\$ -	\$ 166,323	\$ 166,323
8,684	-	383,347
-	-	329,680
-	75,583	75,583
-	-	1,489
210	1,281	8,025
-	-	498,039
-	-	-
-	-	4,000
<u>8,894</u>	<u>243,187</u>	<u>1,466,486</u>
-	-	13,651
-	291,590	328,922
-	-	-
-	-	456,026
-	-	397,212
-	11,305	11,305
-	511	511
<u>-</u>	<u>303,406</u>	<u>1,207,627</u>
8,894	(60,219)	258,859
<u>-</u>	<u>(17,326)</u>	<u>(23,270)</u>
8,894	(77,545)	235,589
<u>61,049</u>	<u>475,853</u>	<u>2,485,775</u>
<u>\$ 69,943</u>	<u>\$ 398,308</u>	<u>\$ 2,721,364</u>

**CITY OF YORK, NEBRASKA**  
**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -**  
**MODIFIED ACCRUAL BASIS - GENERAL FUND DEPARTMENTS**

**Year ended September 30, 2022**

	General	Capital Projects	Auditorium	Parks	Police	Community Center
<b>REVENUES</b>						
Taxes:						
General property tax	\$ 2,153,712	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle tax	210,870	-	-	-	-	-
Sales tax	4,293,609	-	-	-	-	-
Occupation/franchise	2,634,669	-	-	-	-	-
Intergovernmental revenue:						
State assistance	117,243	-	-	-	-	-
County funding	-	-	-	-	-	-
Rural fire district	-	-	-	-	-	-
Charges for services	137,411	-	16,981	-	3,346	138,893
Grants	698,823	-	-	-	5,500	-
Contributions	-	-	-	3,140	16,549	4,313
Interest income	20,198	(209)	-	26	(83)	-
Insurance proceeds	2,000,000	-	-	-	-	-
Other revenues	2,967	-	-	-	2,375	299
Total revenues	<u>12,269,502</u>	<u>(209)</u>	<u>16,981</u>	<u>3,166</u>	<u>27,687</u>	<u>143,505</u>
<b>EXPENDITURES</b>						
Personnel services:						
Salaries and benefits	645,589	-	50,303	283,211	1,644,303	286,312
Operating expenses:						
Insurance	82,295	-	-	15,700	37,645	5,083
Advertising/publicity	65,118	-	-	-	-	2,733
Contract labor/outside services	59,144	4,125	6,863	-	30,976	23,641
Professional fees	37,494	-	-	-	-	-
Meetings, seminars, and dues	46,963	-	-	130	35,977	2,075
Repairs and maintenance	15,636	-	11,667	54,391	62,147	39,182
Printing and postage	13,349	-	-	-	-	-
Transportation	-	-	-	11,378	38,118	-
Utilities and telephone	36,148	-	36,315	33,819	161,288	40,495
Total operating expenses	<u>356,147</u>	<u>4,125</u>	<u>54,845</u>	<u>115,418</u>	<u>366,151</u>	<u>113,209</u>
Supplies	14,720	-	15,723	21,297	17,403	62,204
Other expenses	127,839	12,121	77	19,366	8,160	20,717
Capital outlay	1,887,879	882,454	-	38,423	95,170	-
Total expenditures	<u>3,032,174</u>	<u>898,700</u>	<u>120,948</u>	<u>477,715</u>	<u>2,131,187</u>	<u>482,442</u>
Excess (deficiency) of revenues over expenditures before transfers						
	9,237,328	(898,909)	(103,967)	(474,549)	(2,103,500)	(338,937)
<b>TRANSFERS (TO) FROM OTHER FUNDS</b>						
	<u>(8,798,168)</u>	<u>124,539</u>	<u>127,216</u>	<u>560,154</u>	<u>2,254,882</u>	<u>414,115</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AFTER TRANSFERS</b>						
	<u>\$ 439,160</u>	<u>\$ (774,370)</u>	<u>\$ 23,249</u>	<u>\$ 85,605</u>	<u>\$ 151,382</u>	<u>\$ 75,178</u>

Aquatic Center	Ball Park	Senior Center	Convention Center	Fire/EMS	Library	Police Pension	Fire Pension	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,153,712
-	-	-	-	-	-	-	-	210,870
-	-	-	-	-	-	-	-	4,293,609
-	-	-	-	-	-	-	-	2,634,669
-	-	-	-	-	-	-	-	117,243
-	-	-	-	323,574	17,500	-	-	341,074
-	-	-	-	72,712	-	-	-	72,712
81,453	172,745	-	311,900	612,789	5,165	-	-	1,480,683
-	-	-	8,712	-	8,908	-	-	721,943
-	-	-	-	3,950	3,708	-	-	31,660
-	4	-	-	745	8	494	598	21,781
-	-	-	-	10,501	-	-	-	2,010,501
-	20	-	-	33	2,422	-	-	8,116
<u>81,453</u>	<u>172,769</u>	<u>-</u>	<u>320,612</u>	<u>1,024,304</u>	<u>37,711</u>	<u>494</u>	<u>598</u>	<u>14,098,573</u>
162,275	185,079	547	251,228	1,414,819	347,997	74,778	160,876	5,507,317
9,961	13,991	-	12,389	83,106	4,724	-	-	264,894
1,807	454	-	-	-	-	-	-	70,112
13,410	12,555	-	25,166	98,804	31,795	-	-	306,479
-	-	-	-	-	-	-	-	37,494
3,145	257	-	258	16,647	2,503	-	-	107,955
21,768	28,955	8,356	52,691	86,714	30,954	-	-	412,461
-	-	-	-	-	3,083	-	-	16,432
-	5,836	-	-	30,735	-	-	-	86,067
55,422	43,332	12,927	82,292	179,420	20,643	-	-	702,101
<u>105,513</u>	<u>105,380</u>	<u>21,283</u>	<u>172,796</u>	<u>495,426</u>	<u>93,702</u>	<u>-</u>	<u>-</u>	<u>2,003,995</u>
43,163	73,109	-	30,826	92,760	4,839	-	-	376,044
4,746	7,236	-	27,774	24,857	60,962	440	-	314,295
-	52,134	-	75,364	57,617	89,063	-	-	3,178,104
<u>315,697</u>	<u>422,938</u>	<u>21,830</u>	<u>557,988</u>	<u>2,085,479</u>	<u>596,563</u>	<u>75,218</u>	<u>160,876</u>	<u>11,379,755</u>
(234,244)	(250,169)	(21,830)	(237,376)	(1,061,175)	(558,852)	(74,724)	(160,278)	2,718,818
<u>233,869</u>	<u>169,348</u>	<u>17,741</u>	<u>394,420</u>	<u>1,478,744</u>	<u>556,039</u>	<u>72,797</u>	<u>200,349</u>	<u>(2,193,955)</u>
<u>\$ (375)</u>	<u>\$ (80,821)</u>	<u>\$ (4,089)</u>	<u>\$ 157,044</u>	<u>\$ 417,569</u>	<u>\$ (2,813)</u>	<u>\$ (1,927)</u>	<u>\$ 40,071</u>	<u>\$ 524,863</u>

**ADDITIONAL INFORMATION REQUIRED BY  
*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**

To the Honorable Mayor and City Council  
City of 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 – modified accrual basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified accrual basis for the governmental funds of the City of York, Nebraska, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated January 6, 2023. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of York, Nebraska, prepares its financial statements for the governmental funds on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of York’s internal control over financial reporting (internal control) as a basis for designing 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 a 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.

Wealth Management, LLC Registered Investment Advisor, is affiliated with AMGL, P.C.  
and offers wealth management and investment advisory services.

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A PROFESSIONAL  
CORPORATION

Our consideration of internal control over financial reporting 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. We identified a certain deficiency in internal control described below that we consider to be a significant deficiency.

#### Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

#### **Report on Compliance and Other Matters**

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

#### **City of York's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of York's response to the findings identified in our audit and described above. The City of York's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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.

AMGL, P.C.

Grand Island, Nebraska  
January 6, 2023