

**CITY OF YORK**  
York, Nebraska

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**  
September 30, 2013

**CITY OF YORK, NEBRASKA**

September 30, 2013

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**CITY OF YORK, NEBRASKA**

September 30, 2013

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# Mierau & Co., P.C.

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## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of York, Nebraska, (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note A. Also, in our opinion, the business-type activity financial statements referred to above present fairly, in all material respects, the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis of Accounting**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The non-major fund financial statements and the departmental proprietary statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Muirau & Co., P.C.*

York, Nebraska  
March 20, 2014

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2013

This discussion and analysis of the financial performance of the City of York (the City) provides an overview of the City's financial activities for the year ended September 30, 2013. It should be read in conjunction with the City's financial statements, which follow.

**Financial Highlights**

The City's net position on September 30, 2013 was \$40,452,529.91. Of this amount, \$13,036,023.35 is unrestricted and may be used to meet the City's ongoing obligations.

The net position of the City increased by \$1,829,035.09; up from \$38,623,494.82 in the prior fiscal year.

The Governmental Fund revenues were \$275,911.82 less than the prior year and expenses were \$994,436.94 more than the prior year.

The Proprietary Fund revenues were \$196,482.79 less than the prior year and expenses were \$39,149.86 less than the prior year.

**Overview of the Financial Statements**

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

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

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2013

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

Revenues for the City's activities were \$15,018,793.33, while expenses were \$13,189,758.24.

A portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The City's government-wide restricted net position is comprised of funds to be used for capital projects, economic development, the Community Development Block Grant, RAP program, 911 operations, police and fire employee pensions, keno, closure and post-closure landfill costs, water operations and debt repayment.

The following table summarizes the City's Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	14,058,094.09	13,019,341.04	8,841,895.04	8,991,661.09	22,899,989.13	22,011,002.13
Capital assets	14,395,031.34	13,990,693.38	24,755,547.41	24,322,592.39	39,150,578.75	38,313,285.77
<b>Total Assets</b>	<b>28,453,125.43</b>	<b>27,010,034.42</b>	<b>33,597,442.45</b>	<b>33,314,253.48</b>	<b>62,050,567.88</b>	<b>60,324,287.90</b>
Long term liabilities	8,400,316.52	6,293,340.91	9,838,257.42	10,420,159.77	18,238,573.94	16,713,500.68
Other liabilities	2,332,456.57	4,006,457.83	1,027,007.46	980,834.57	3,359,464.03	4,987,292.40
<b>Total Liabilities</b>	<b>10,732,773.09</b>	<b>10,299,798.74</b>	<b>10,865,264.88</b>	<b>11,400,994.34</b>	<b>21,598,037.97</b>	<b>21,700,793.08</b>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	5,209,514.50	7,066,875.89	16,171,285.72	15,054,278.96	21,380,800.22	22,121,154.85
Restricted	3,942,098.36	3,911,710.10	2,093,607.98	1,931,601.53	6,035,706.34	5,843,311.63
Unrestricted	8,568,739.48	5,731,649.69	4,467,283.87	4,927,378.65	13,036,023.35	10,659,028.34
<b>Total Net Position</b>	<b>\$ 17,720,352.34</b>	<b>\$ 16,710,235.68</b>	<b>\$ 22,732,177.57</b>	<b>\$ 21,913,259.14</b>	<b>\$ 40,452,529.91</b>	<b>\$ 38,623,494.82</b>

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2013

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

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program Revenues-						
Charges for services	\$ 1,162,000.83	\$ 1,580,189.89	\$ 4,012,000.38	\$ 4,126,484.38	\$ 5,174,001.21	\$ 5,706,674.27
Operating grants and contributions	247,337.73	862,825.79			247,337.73	862,825.79
Capital grants and contributions	179,704.66	30,904.00	-	28,923.00	179,704.66	59,827.00
Other Revenues-						
Property taxes	545,564.93	843,899.86			545,564.93	843,899.86
Sales taxes	3,351,688.14	3,284,998.17			3,351,688.14	3,284,998.17
Other taxes	2,175,040.63	2,040,267.47			2,175,040.63	2,040,267.47
Interest income	48,362.20	79,798.14	39,421.11	51,166.90	87,783.31	130,965.04
Intergovernmental revenues	1,131,618.28	1,125,470.01			1,131,618.28	1,125,470.01
Other receipts	2,126,054.44	1,394,930.33	-	41,330.00	2,126,054.44	1,436,260.33
<b>Total Revenues</b>	<b>10,967,371.84</b>	<b>11,243,283.66</b>	<b>4,051,421.49</b>	<b>4,247,904.28</b>	<b>15,018,793.33</b>	<b>15,491,187.94</b>
<b>Expenses:</b>						
General government	2,930,642.06	2,710,323.88			2,930,642.06	2,710,323.88
Public safety	2,693,145.39	2,725,554.30			2,693,145.39	2,725,554.30
Streets and public works	1,604,634.90	1,400,449.66			1,604,634.90	1,400,449.66
Culture and recreation	1,749,087.01	1,656,673.42			1,749,087.01	1,656,673.42
Economic development	531,296.35	139,683.63			531,296.35	139,683.63
Capital outlay	122,053.40	-			122,053.40	-
Debt service	326,396.07	330,133.35			326,396.07	330,133.35
Solid waste division			818,865.56	925,057.36	818,865.56	925,057.36
Water division			1,479,112.16	1,476,920.36	1,479,112.16	1,476,920.36
Wastewater division			934,525.34	869,675.20	934,525.34	869,675.20
<b>Total Expenses</b>	<b>9,957,255.18</b>	<b>8,962,818.24</b>	<b>3,232,503.06</b>	<b>3,271,652.92</b>	<b>13,189,758.24</b>	<b>12,234,471.16</b>
Change in net position	1,010,116.66	2,280,465.42	818,918.43	976,251.36	1,829,035.09	3,256,716.78
Beginning Net Position	16,710,235.68	14,429,770.26	21,913,259.14	23,969,102.78	38,623,494.82	38,398,873.04
Prior Period Adjustment	-	-		(3,032,095.00)	-	(3,032,095.00)
Net Position - Beginning of Year, as restated	16,710,235.68	14,429,770.26	21,913,259.14	20,937,007.78	38,623,494.82	35,366,778.04
<b>Ending Net Position</b>	<b>\$ 17,720,352.34</b>	<b>\$ 16,710,235.68</b>	<b>\$ 22,732,177.57</b>	<b>\$ 21,913,259.14</b>	<b>\$ 40,452,529.91</b>	<b>\$ 38,623,494.82</b>
Invested in capital assets, net of related debt	5,209,514.50	7,066,875.89	16,171,285.72	15,054,278.96	21,380,800.22	22,121,154.85
Restricted	3,942,098.36	3,911,710.10	2,093,607.98	1,931,601.53	6,035,706.34	5,843,311.63
Unrestricted	8,568,739.48	5,731,649.69	4,467,283.87	4,927,378.65	13,036,023.35	10,659,028.34
<b>Total Net Position</b>	<b>\$ 17,720,352.34</b>	<b>\$ 16,710,235.68</b>	<b>\$ 22,732,177.57</b>	<b>\$ 21,913,259.14</b>	<b>\$ 40,452,529.91</b>	<b>\$ 38,623,494.82</b>

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

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2013

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

A summary of the City's fund balances follows:

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
General Fund Balance	\$ 4,773,979.17	\$ 5,392,092.79	\$ (618,113.62)
Special Revenue Fund Balance	6,166,199.44	2,587,762.18	3,578,437.26
Debt Service Fund Balance	1,297,741.76	1,350,931.69	(53,189.93)
Proprietary Fund Balance	22,732,177.57	21,913,259.14	818,918.43
<b>Total Fund Balances</b>	<b><u>\$ 34,970,097.94</u></b>	<b><u>\$ 31,244,045.80</u></b>	<b><u>\$ 3,726,052.14</u></b>

**Economic Factors**

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

**General Fund Budget Analysis**

The City's general fund budget was not amended during the fiscal year and included \$9,833,141.00 in available resources and \$9,833,141.00 in disbursements. Actual receipts were \$736,572.29 more than budget. Actual disbursements were \$46,630.00 less than budget, due mainly to less than expected spending in multiple areas.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$39,150,578.75 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress. The summary of capital assets net of depreciation follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
Land	\$ 1,565,500.00	1,565,500.00	305,335.99	\$ 305,335.99	1,870,835.99	1,870,835.99
Buildings	4,522,592.62	4,695,255.80	5,758,859.31	5,548,231.89	10,281,451.93	10,243,487.69
Equipment	679,169.54	738,986.19	943,800.84	1,078,720.40	1,622,970.38	1,817,706.59
Vehicles	744,857.95	936,348.14	80,556.96	67,683.96	825,414.91	1,004,032.10
Infrastructure	6,431,302.02	6,237,274.23	14,065,259.12	16,872,685.09	20,496,561.14	23,109,959.32
Construction in Progress	47,271.25	221,666.98	3,168,780.17	882,890.08	3,216,051.42	1,104,557.06
<b>Total</b>	<b><u>\$ 13,990,693.38</u></b>	<b><u>\$ 14,395,031.34</u></b>	<b><u>\$ 24,322,592.39</u></b>	<b><u>\$ 24,755,547.41</u></b>	<b><u>\$ 38,313,285.77</u></b>	<b><u>\$ 39,150,578.75</u></b>

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2013

**Capital Assets (cont'd)**

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

Levitt Stadium Lighting	\$ 178,121.84
New Ambulance	186,458.98
Additional Nebraska Avenue Paving Costs	268,967.21
Track Loader	219,869.00
Chlorination Project	853,942.59

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

Water System Improvement #09W	\$3,158,506.67
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Additional information on the City's capital assets can be found in the Notes to the Financial Statements.

**Debt Administration**

As of September 30, 2013, the City had governmental activity outstanding bonded indebtedness of \$9,185,516.84 as compared to \$6,900,907.94 on September 30, 2012. The change in balance is a result of principal payments of \$740,391.10 along with bond proceeds of \$3,025,000.00. The City also had business-type activity outstanding bonded indebtedness of \$8,584,261.69 as compared to \$9,268,313.43 the prior fiscal year. The change in balance is a result of \$684,051.74 in principal payments.

**Contacting the City's Financial Management**

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

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

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
September 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,655,027.17	\$ 1,781,341.58	\$ 5,436,368.75
Certificates of deposit	8,225,976.26	5,385,597.89	13,611,574.15
Accounts receivable	1,553,476.50	384,475.51	1,937,952.01
Sales tax receivable	623,614.16		623,614.16
Inventories		40,275.19	40,275.19
Restricted assets:			
Cash and cash equivalents		1,250,204.87	1,250,204.87
Land	1,565,500.00	305,335.99	1,870,835.99
Construction in progress	221,666.98	882,890.08	1,104,557.06
Capital assets, net of accum. depreciation	12,607,864.36	23,567,321.34	36,175,185.70
Total Assets	<u>28,453,125.43</u>	<u>33,597,442.45</u>	<u>62,050,567.88</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	348,808.80	218,656.70	567,465.50
Accrued interest payable	79,035.79	89,359.79	168,395.58
Accrued wages, taxes and benefits	139,581.06	27,948.29	167,529.35
Accrued sales tax payable	959.95		959.95
Registered warrants	847,750.76		847,750.76
Due within one year:			
Revenue bonds payable		691,042.68	691,042.68
General obligation bonds	905,000.00		905,000.00
Various purpose bonds	11,320.21		11,320.21
Noncurrent liabilities:			
Due in more than one year:			
Revenue bonds payable		7,893,219.01	7,893,219.01
General obligation bonds	8,145,000.00		8,145,000.00
Various purpose bonds	124,196.63		124,196.63
Accrued closure/post closure costs		1,923,897.26	1,923,897.26
Compensated absences and benefits	131,119.89	21,141.15	152,261.04
Total Liabilities	<u>10,732,773.09</u>	<u>10,865,264.88</u>	<u>21,598,037.97</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	5,209,514.50	16,171,285.72	21,380,800.22
Restricted for:			
Aviation projects	8,175.60		8,175.60
Debt service	1,972,868.55	701,559.44	2,674,427.99
Economic development	1,618,101.78		1,618,101.78
Keno	14,039.85		14,039.85
Landfill closure & post-closure costs		1,250,204.87	1,250,204.87
Operations		141,843.67	141,843.67
Pensions	301,255.60		301,255.60
Public safety	27,656.98		27,656.98
Unrestricted	8,568,739.48	4,467,283.87	13,036,023.35
Total Net Position	<u>\$ 17,720,352.34</u>	<u>\$ 22,732,177.57</u>	<u>\$ 40,452,529.91</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2013

<b>Functions/Programs</b>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government -				
Government activities -				
General government	\$ 2,930,642.06	\$ 294,359.19	\$ 43,655.67	
Public safety	2,693,145.39	540,427.38	13,751.18	
Streets	1,604,634.90	9,033.50	18,295.60	
Culture and recreation	1,749,087.01	232,480.77	4,014.40	\$ 179,704.66
Economic development	531,296.35		167,620.88	
Capital outlay	122,053.40			
Debt service	326,396.07	85,699.99		
Total governmental activities	9,957,255.18	1,162,000.83	247,337.73	179,704.66
Business type activities -				
Solid Waste Fund	818,865.56	946,207.16		
Water Fund	1,479,112.16	1,949,201.18		
Wastewater Fund	934,525.34	1,116,592.04		
Total business-type activities	3,232,503.06	4,012,000.38	-	-
<b>Total Primary Government</b>	<b>\$ 13,189,758.24</b>	<b>\$ 5,174,001.21</b>	<b>\$ 247,337.73</b>	<b>\$ 179,704.66</b>

**General Revenues:**

Property taxes  
Sales taxes  
Other taxes  
Occupation and franchise fees  
Intergovernmental receipts  
Licenses and permits  
Interest income  
Other receipts

Total General Revenue

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Exhibit B

Net (Expense) Revenue  
and Changes in Net Position

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (2,592,627.20)		\$ (2,592,627.20)
(2,138,966.83)		(2,138,966.83)
(1,577,305.80)		(1,577,305.80)
(1,332,887.18)		(1,332,887.18)
(363,675.47)		(363,675.47)
(122,053.40)		(122,053.40)
(240,696.08)		(240,696.08)
<u>(8,368,211.96)</u>		<u>(8,368,211.96)</u>
	\$ 127,341.60	127,341.60
	470,089.02	470,089.02
	<u>182,066.70</u>	<u>182,066.70</u>
	<u>779,497.32</u>	<u>779,497.32</u>
<u>(8,368,211.96)</u>	<u>779,497.32</u>	<u>(7,588,714.64)</u>
545,564.93		545,564.93
3,351,688.14		3,351,688.14
225,348.94		225,348.94
1,949,691.69		1,949,691.69
1,131,618.28		1,131,618.28
90,450.70		90,450.70
48,362.20	39,421.11	87,783.31
<u>2,035,603.74</u>		<u>2,035,603.74</u>
<u>9,378,328.62</u>	<u>39,421.11</u>	<u>9,417,749.73</u>
1,010,116.66	818,918.43	1,829,035.09
<u>16,710,235.68</u>	<u>21,913,259.14</u>	<u>38,623,494.82</u>
<u>\$ 17,720,352.34</u>	<u>\$ 22,732,177.57</u>	<u>\$ 40,452,529.91</u>

**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2013

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 315,557.14	\$ 972,692.79	\$ 376,345.11
Investments	5,468,603.11	359,763.09	921,396.65
Accounts receivable	948.07	35,743.35	
Total Assets	<u>5,785,108.32</u>	<u>1,368,199.23</u>	<u>1,297,741.76</u>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts payable	163,378.39	37,486.64	
Registered warrants	847,750.76		
Total Liabilities	<u>1,011,129.15</u>	<u>37,486.64</u>	<u>-</u>
Fund Balances:			
Restricted for:			
Aviation projects			
Debt service			1,297,741.76
Economic development			
Keno			
Pension			
Street		1,330,712.59	
Public safety			
Assigned			
Unassigned	4,773,979.17		
Total Fund Balances	<u>4,773,979.17</u>	<u>1,330,712.59</u>	<u>1,297,741.76</u>
Total Liabilities and Fund Balances	<u>\$ 5,785,108.32</u>	<u>\$ 1,368,199.23</u>	<u>\$ 1,297,741.76</u>

See accompanying notes to the financial statements

Exhibit C

Other Governmental Funds	Total Governmental Funds
\$ 1,990,432.13	\$ 3,655,027.17
1,476,213.41	8,225,976.26
1,516,785.08	1,553,476.50
4,983,430.62	13,434,479.93
147,943.77	348,808.80
	847,750.76
147,943.77	1,196,559.56
8,175.60	8,175.60
1,607,444.14	1,297,741.76
14,467.85	1,607,444.14
301,255.60	14,467.85
	301,255.60
27,656.98	1,330,712.59
2,876,486.68	27,656.98
	2,876,486.68
	4,773,979.17
4,835,486.85	12,237,920.37
\$ 4,983,430.62	\$ 13,434,479.93

**CITY OF YORK, NEBRASKA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
September 30, 2013

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

Total Fund Balance - Governmental Funds	\$ 12,237,920.37
Revenues that provide current financial resources for governmental activities	623,614.16
Infrastructure, property and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	14,395,031.34
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(219,576.80)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(9,316,636.73)</u>
Total Net Position - Governmental Activities	<u><u>\$ 17,720,352.34</u></u>

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

For the Year Ended September 30, 2013

	Major Funds		
	General Fund	Street Fund	Debt Service Fund
<b><u>Revenues</u></b>			
Taxes	\$ 3,751,077.01	\$ 258,784.64	
Intergovernmental	67,592.40	809,625.88	
Assessments			\$ 85,699.99
Occupation and Franchise fees	1,949,691.69		
Licenses and permits	90,450.70		
Operational revenues	7,542.00	24,487.89	
Charges for services	216,771.56	9,033.50	
Grants and contributions	171,602.66	18,295.60	
Interest income	33,249.95	5,818.18	
Miscellaneous	38,558.82	46,393.02	
<b>Total Revenues</b>	<b>6,326,536.79</b>	<b>1,172,438.71</b>	<b>85,699.99</b>
<b><u>Expenditures</u></b>			
General government	1,408,449.81		
Public safety	1,397,077.76		
Streets		1,096,024.45	
Culture and recreation	1,120,818.93		
Economic development			
Capital projects	639,720.38	389,668.36	
Debt service		30,250.00	948,335.92
<b>Total Expenditures</b>	<b>4,566,066.88</b>	<b>1,515,942.81</b>	<b>948,335.92</b>
Excess (deficiency) of revenues over expenditures	1,760,469.91	(343,504.10)	(862,635.93)
<b><u>Other Financing Sources (Uses)</u></b>			
Proceeds from the sale of assets			
Proceeds from bond sales		3,025,000.00	
Transfers in (out)	(2,378,583.53)	207,141.96	809,446.00
<b>Total Other Financing Sources (Uses)</b>	<b>(2,378,583.53)</b>	<b>3,232,141.96</b>	<b>809,446.00</b>
<b>Net Change in Fund Balance</b>	<b>(618,113.62)</b>	<b>2,888,637.86</b>	<b>(53,189.93)</b>
<b>Fund Balance, Beginning</b>	<b>5,392,092.79</b>	<b>(1,557,925.27)</b>	<b>1,350,931.69</b>
<b>Fund Balance, Ending</b>	<b>\$ 4,773,979.17</b>	<b>\$ 1,330,712.59</b>	<b>\$ 1,297,741.76</b>

See accompanying notes to the financial statements

Exhibit E

Other Governmental Funds	Total Governmental Funds
\$ 71,100.78	\$ 4,080,962.43
254,400.00	1,131,618.28
	85,699.99
	1,949,691.69
	90,450.70
1,255,431.74	1,287,461.63
850,495.78	1,076,300.84
229,042.13	418,940.39
9,294.07	48,362.20
6,732.44	91,684.28
<u>2,676,496.94</u>	<u>10,261,172.43</u>
1,470,992.55	2,879,442.36
1,136,237.94	2,533,315.70
	1,096,024.45
346,814.34	1,467,633.27
541,953.99	541,953.99
486,215.18	1,515,603.92
22,936.94	1,001,522.86
<u>4,005,150.94</u>	<u>11,035,496.55</u>
(1,328,654.00)	(774,324.12)
656,457.83	656,457.83
	3,025,000.00
<u>1,361,995.57</u>	<u>-</u>
<u>2,018,453.40</u>	<u>3,681,457.83</u>
689,799.40	2,907,133.71
<u>4,145,687.45</u>	<u>9,330,786.66</u>
<u>\$ 4,835,486.85</u>	<u>\$ 12,237,920.37</u>

**CITY OF YORK, NEBRASKA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2013

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

Net Change in Fund Balance - Total Governmental Funds	\$ 2,907,133.71
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense was lower than capital outlays in the current year as follows:</p>	
Depreciation expense	\$ (997,314.56)
Expenditures for capital assets	<u>1,401,652.52</u>
	404,337.96
Revenues reported in the funds that are not available to provide current financial resources:	41,639.58
Accrued interest expense that does not require current financial resources:	(54,606.67)
Accrued sales tax expense that does not require current financial resources:	(439.82)
Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:	1,704.18
Long-term accrual of wages, taxes and benefits is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term accrual of wages, taxes and benefits for the year was:	(5,043.38)
The issuance of indebtedness provides current financial resources to the governmental funds without affecting net assets. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt for the year was:	(3,025,000.00)
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	740,391.10
Change in Net Position - Governmental Activities	<u><u>\$ 1,010,116.66</u></u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
September 30, 2013

	<u>Enterprise Funds</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash in bank	\$ 1,781,341.58
Certificate of deposit	5,385,597.89
Accounts receivable	384,475.51
Inventories	<u>40,275.19</u>
Total Current Assets	<u>7,591,690.17</u>
Non-Current Assets:	
Restricted assets:	
Restricted cash	1,250,204.87
Land	305,335.99
Construction in progress	882,890.08
Capital assets, net of accumulated depreciation	<u>23,567,321.34</u>
Total Non-Current Assets	<u>26,005,752.28</u>
Total Assets	<u>33,597,442.45</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts payable	218,656.70
Accrued interest expense	89,359.79
Accrued wages	27,948.29
Notes payable - current portion	<u>691,042.68</u>
Total Current Liabilities	<u>1,027,007.46</u>
Non-Current Liabilities:	
Accrued compensated absences	21,141.15
Accrued closure and post-closure costs	1,923,897.26
Notes payable - long-term portion	<u>7,893,219.01</u>
Total Non-Current Liabilities	<u>9,838,257.42</u>
Total Liabilities	<u>10,865,264.88</u>
<b><u>Net Position</u></b>	
Invested in capital assets, net of related debt	16,171,285.72
Restricted:	
Debt service	701,559.44
Landfill closure & post-closure costs	1,250,204.87
Operations	141,843.67
Unrestricted	<u>4,467,283.87</u>
Total Net Position	<u>\$ 22,732,177.57</u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION - PROPRIETARY FUND**  
For the Year Ended September 30, 2013

	<u>Enterprise Funds</u>
<b><u>Operating Revenues</u></b>	
Charges for services:	
Solid waste	\$ 946,207.16
Water	1,715,601.34
Wastewater	<u>1,116,592.04</u>
 Total Operating Revenues	 <u>3,778,400.54</u>
<b><u>Operating Expenses</u></b>	
Wages and benefits	874,132.91
Operating expenses	678,231.80
Repairs and maintenance	411,597.99
Depreciation	<u>735,549.14</u>
 Total Operating Expenses	 <u>2,699,511.84</u>
 Operating Income (Loss)	 <u>1,078,888.70</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Interest income	39,421.11
Well field farm income(expense)	132,809.87
Interest expense	(324,221.09)
Other expenses	<u>(107,980.16)</u>
 Total Non-Operating Revenue (Expenses)	 <u>(259,970.27)</u>
 Change in Net Position	 818,918.43
Total Net Position, Beginning	<u>21,913,259.14</u>
Total Net Position, Ending	<u><u>\$ 22,732,177.57</u></u>

See accompanying notes to the financial statements

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

For the Year Ended September 30, 2013

	<u>Enterprise Funds</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Cash received from customers for services	\$ 3,775,097.36
Payments to suppliers for goods and services	(1,068,600.67)
Payments to employees for services	<u>(874,117.23)</u>
Net Cash Provided by Operating Activities	<u>1,832,379.46</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on cash and investments	39,421.11
Gain (loss) on well field farm	<u>132,809.87</u>
Net Cash Provided by Investing Activities	<u>172,230.98</u>
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>	
Acquisition and construction of capital assets	(1,168,504.16)
Retirement of debt	(684,051.74)
Interest paid on bonds	<u>(309,845.97)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,162,401.87)</u>
Net Increase in Cash and Cash Equivalents	(157,791.43)
Balance, Beginning of Year	<u>8,574,935.77</u>
Balance, End of Year	<u><u>\$ 8,417,144.34</u></u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u></b>	
Operating income (loss)	\$ 1,078,888.70
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	735,549.14
(Increase) decrease in accounts receivable	(5,353.18)
(Increase) decrease in other receivables	2,050.00
(Increase) decrease in inventories	(4,722.20)
Increase (decrease) in other liabilities and accrued costs	<u>25,967.00</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,832,379.46</u></u>

See accompanying notes to the financial statements

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

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

**Reporting Entity** – The City of York's Council (Council) is the basic level of government, which has the financial accountability and control over all activities related to the City. The Council receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Council is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, as amended by Statements 34 and 61, which meet the criteria to be included in the City's reporting entity.

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

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

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

**Governmental Fund Types**

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

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The Special Revenue Fund is comprised of the following sub-funds:

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

Fire/EMS Fund – This fund accounts for the costs associated with the fire and emergency medical services for the City. For purposes of the Governmental Funds Balance Sheet, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

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

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

911 Surcharge Fund – This fund accounts for specific revenues and expenditures allocated for 911-service enhancement. For purposes of the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position, this balance is restricted.

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

Insurance Fund – This fund accounts for withholding and taxes restricted solely for the payment of employee insurance. For purposes of the Governmental Funds Balance Sheet, this balance is assigned and for the Government-Wide Statement of Net Position, this balance is unrestricted.

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

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

**Proprietary Fund Type**

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

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

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

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

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

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

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

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

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

**Equity Classifications**

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

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

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

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

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

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

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

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

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

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

**NOTE B – CASH AND INVESTMENTS**

The Statutes of the State of Nebraska authorize the City to invest in certificates of deposit and time deposits of banks or capital stock financial institutions, obligations of the United States government and agencies thereof and any securities as provided in the Public Funds Deposit Security Act. Nonnegotiable certificates of deposit with original maturity of more than three months are classified as cash equivalents within the governmental funds.

The City had cash balances at September 30, 2013 of the following amounts in the following banks:

	<u>Bank Balance</u>
Cornerstone Bank	\$20,231,064.62
York State Bank	2,014.59

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

Of the total bank balance, \$259,515.63 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$19,973,563.58 was collateralized with securities held by the financial institution but not in the City’s name.

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2013 was as follows:

	Balance 9/29/2012	Additions	Deletions	Balance 9/30/2013
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,565,500.00			\$ 1,565,500.00
Construction in progress	47,271.25	\$ 174,395.73		221,666.98
Total capital assets not being depreciated	<u>1,612,771.25</u>	<u>174,395.73</u>	<u>\$ -</u>	<u>1,787,166.98</u>
Capital assets being depreciated:				
Buildings	8,461,572.62	417,678.18		8,879,250.80
Equipment	1,887,765.04	216,870.22		2,104,635.26
Vehicles	2,826,758.92	323,741.18		3,150,500.10
Infrastructure	7,215,912.02	268,967.21		7,484,879.23
Total capital assets being depreciated	<u>20,392,008.60</u>	<u>1,227,256.79</u>	<u>-</u>	<u>21,619,265.39</u>
Less: Accumulated depreciation for:				
Buildings	3,938,980.00	245,015.00		4,183,995.00
Equipment	1,208,595.50	157,053.57		1,365,649.07
Vehicles	2,081,900.97	132,250.99		2,214,151.96
Infrastructure	784,610.00	462,995.00		1,247,605.00
Total accumulated depreciation	<u>8,014,086.47</u>	<u>997,314.56</u>	<u>-</u>	<u>9,011,401.03</u>
Total capital assets being depreciated, net	<u>12,377,922.13</u>	<u>229,942.23</u>	<u>-</u>	<u>12,607,864.36</u>
Governmental activities capital assets, net	<u>\$ 13,990,693.38</u>	<u>\$ 404,337.96</u>	<u>\$ -</u>	<u>\$ 14,395,031.34</u>
	Balance 9/29/2012	Additions	Deletions	Balance 9/30/2013
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 305,335.99			\$ 305,335.99
Construction in progress	3,168,780.17	\$ 872,616.58	\$ 3,158,506.67	882,890.08
Total capital assets not being depreciated	<u>3,474,116.16</u>	<u>872,616.58</u>	<u>3,158,506.67</u>	<u>1,188,226.07</u>
Capital assets being depreciated:				
Buildings	10,814,641.82			10,814,641.82
Equipment	2,106,735.49	240,367.28		2,347,102.77
Vehicles	429,006.29			429,006.29
Water pumping and distribution system	12,480,698.71	3,206,667.37		15,687,366.08
Wastewater collection system	7,759,341.41	7,359.60		7,766,701.01
Total capital assets being depreciated	<u>33,590,423.72</u>	<u>3,454,394.25</u>	<u>-</u>	<u>37,044,817.97</u>
Less: Accumulated depreciation for:				
Buildings	5,055,782.51	210,627.42		5,266,409.93
Equipment	1,162,934.65	105,447.72		1,268,382.37
Vehicles	348,449.33	12,873.00		361,322.33
Water pumping and distribution system	3,852,506.00	251,382.00		4,103,888.00
Wastewater collection system	2,322,275.00	155,219.00		2,477,494.00
Total accumulated depreciation	<u>12,741,947.49</u>	<u>735,549.14</u>	<u>-</u>	<u>13,477,496.63</u>
Total capital assets being depreciated, net	<u>20,848,476.23</u>	<u>2,718,845.11</u>	<u>-</u>	<u>23,567,321.34</u>
Business-type activities capital assets, net	<u>\$ 24,322,592.39</u>	<u>\$ 3,591,461.69</u>	<u>\$ 3,158,506.67</u>	<u>\$ 24,755,547.41</u>

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

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

September 30, 2013

**NOTE C – CAPITAL ASSETS (cont'd)**

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

**Governmental Activities:**

Culture and recreation	\$ 278,414.00
General government	47,780.07
Public safety	154,740.99
Streets	516,379.50
Total depreciation expense - governmental activities	\$ 997,314.56

**Business-Type Activities:**

Solid Waste	\$ 155,178.14
Water	313,356.00
Wastewater	267,015.00
Total depreciation expense - business-type activities	\$ 735,549.14

Reconciliation of Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 1,565,500.00	\$ 305,335.99
Construction in progress	221,666.98	882,890.08
Capital assets (Net of accumulated depreciation)	12,607,864.36	23,567,321.34
Less: General obligation bonds payable	9,000,000.00	
Various purpose bonds payable	135,516.84	
Public safety bonds payable	50,000.00	
Revenue bonds payable		8,584,261.69
Invested in capital assets, net of related debt	\$ 5,209,514.50	\$ 16,171,285.72

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

Changes in bonds payable and other long-term obligations for the period ended September 30, 2013 were as follows:

	Balance 9/30/2012	Additions	Reductions	Balance 9/30/2013	Due within one year
<b>Governmental Activities:</b>					
General obligation bond, matures 2029	\$ 1,430,000.00		85,000.00	\$ 1,345,000.00	\$ 85,000.00
Various purpose bonds, matures 2012 and 2022	145,907.94		10,391.10	135,516.84	11,320.21
Public safety bonds, matures 2014	100,000.00		50,000.00	50,000.00	50,000.00
Highway Allocation bonds, matures 2024	1,705,000.00		165,000.00	1,540,000.00	165,000.00
General obligation bonds, matures 2025	3,520,000.00		430,000.00	3,090,000.00	425,000.00
General obligation bonds, matures 2028	-	3,025,000.00		3,025,000.00	180,000.00
Registered warrants	2,735,210.52	847,750.76	2,735,210.52	847,750.76	
Total governmental activities	9,636,118.46	3,872,750.76	3,475,601.62	10,033,267.60	916,320.21
<b>Business-Type Activities:</b>					
Revenue bonds, various maturities through 2031	9,268,313.43		684,051.74	8,584,261.69	691,042.68
Total business-type activities	9,268,313.43	-	684,051.74	8,584,261.69	691,042.68
Total bonds payable	\$ 18,904,431.89	\$ 3,872,750.76	\$ 4,159,653.36	\$ 18,617,529.29	\$ 1,607,362.89

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

Annual debt service requirements as of September 30, 2013 for governmental and business-type activities are as follows:

Fiscal Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 916,320.21	\$ 238,740.48	\$ 691,042.68	\$ 294,895.04
2015	892,332.40	224,327.04	723,073.64	278,556.58
2016	788,409.85	208,124.59	615,145.42	259,899.79
2017	809,634.11	191,581.58	732,258.84	241,826.37
2018	810,942.61	172,906.83	659,414.75	220,262.97
2019	697,368.10	152,196.34	346,613.98	201,451.23
2020	603,911.17	134,527.02	358,857.42	190,042.79
2021	605,611.98	116,721.21	366,145.96	177,831.76
2022	610,986.41	97,518.22	383,480.49	164,997.22
2023	620,000.00	78,010.00	395,861.95	151,088.27
2024	455,000.00	57,387.50	408,291.27	136,283.95
2025	365,000.00	43,551.25	425,769.43	120,695.78
2026	305,000.00	31,066.25	443,297.40	102,867.82
2027	310,000.00	20,485.00	460,876.17	84,224.04
2028	315,000.00	9,585.00	483,506.79	64,763.43
2029	80,000.00	2,020.00	881,190.27	44,229.94
2030			138,927.70	3,497.52
2031			70,507.53	705.08
	<u>\$ 9,185,516.84</u>	<u>\$ 1,778,748.31</u>	<u>\$ 8,584,261.69</u>	<u>\$ 2,738,119.58</u>

**NOTE E – LEASES**

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

	Year Ended September 30,			Total Payments
	2014	2015	2016	
New Ambulance	\$ 60,175.59	\$ 60,210.65	\$ 60,207.45	\$ 180,593.69
Ambulance Remount	20,532.50	20,544.25	20,472.55	61,549.30
Baseball Park Lighting	35,080.71	35,095.80		70,176.51
Track Loader	49,704.69	49,633.00	49,618.20	148,955.89
	<u>\$ 165,493.49</u>	<u>\$ 165,483.70</u>	<u>\$ 130,298.20</u>	<u>\$ 461,275.39</u>

The City entered into a Distribution System Lease with Nebraska Public Power District for lease of the City owned electrical system on January 1, 1989. The City is to receive semi-annual payments based on the gross retail electrical revenues minus, 1) any bad debt charge-offs, 2) revenues from tax supported agencies receiving a discount, 3) any revenues associated with application of production costs, 4) an amount equal to 10% of the retail revenues as adjusted. The amount received under the lease for the year ended September 30, 2013 was \$1,614,836.33.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

**NOTE F – PENSION PLAN**

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

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

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

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

	<u>2013</u>	<u>2012</u>
General employees	\$ 130,417.67	\$ 120,332.40
Police Department	51,441.52	51,441.52
Fire Department	<u>91,505.24</u>	<u>86,717.74</u>
	<u>\$ 273,364.43</u>	<u>\$ 258,491.66</u>

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

State and federal laws and regulations require the City Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,923,897.26 reported as landfill closure and post-closure care liability at September 30, 2013 represents the cumulative amount reported to date based on the use of 58.10% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$1,387,457.74 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2013. The City expects to close the landfill in the year 2065. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

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

In accordance with the State of Nebraska Title 132 Solid Waste Regulations, the City must satisfy the requirements for a financial assurance mechanism (F.A.M). The City Council has passed resolution 96-24 to make annual contributions to a special fund to finance closure and post-closure care. The City landfill is in compliance with these requirements and, at September 30, 2013, separate bank accounts, the "Closure and Post-Closure" accounts and the "Construction and Demolition Site Closure and Post-Closure" accounts, in the amount of \$1,194,769.61 and \$44,245.25 respectively, were held for these purposes at Cornerstone Bank. It is reported as a restricted asset on the balance sheet. The City landfill expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users and from future tax revenues.

In addition, the City Council has passed resolution 96-25 establishing the "Old Landfill Post Closure Care Account" reserve for the specific purpose of assuring post-closure care of the old landfill. This account at Cornerstone Bank has a balance at September 30, 2013 of \$11,190.01 and is reported as a restricted asset on the balance sheet.

**NOTE H – BOND RESERVES**

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

Section 7

	<u>Water Fund</u>
Balances in accounts allocated by the City Treasurer at September 30, 2013:	
Debt service reserve fund	<u>\$ 536,000.00</u>
Funds available to meet these requirements at September 30, 2013:	
Certificates of deposit	<u>\$ 536,000.00</u>

Section 10

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

**NOTE I – RISK MANAGEMENT**

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2013

**NOTE J – COMMITMENTS**

The City has entered into an agreement with the Holthus Convention Center Foundation, Inc., for the purpose of creating a convention center that will be gifted to the City at completion. The City will be responsible for an allocated amount of construction costs prior to the gift and all costs associated with the center after the gift. Construction started during the fiscal year; however it will not be complete until the following fiscal year. The developer is responsible for the risk of loss and any liability claims prior to ownership transfer.

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

For the Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 1,426,400.00	\$ 5,579,607.20	\$ 4,153,207.20
<b>Receipts</b>			
Property tax	530,306.00	491,953.58	(38,352.42)
Sales tax	2,750,000.00	3,051,263.92	301,263.92
Motor vehicle tax	140,000.00	160,370.23	20,370.23
Carline		274.08	274.08
In lieu		47,215.20	47,215.20
Pro rate		1,587.70	1,587.70
Homestead exemption		19,507.33	19,507.33
Property tax credit		19,105.42	19,105.42
Municipal equalization	27,936.00	27,391.95	(544.05)
NPPD lease payments	1,400,000.00	1,614,836.33	214,836.33
Occupation tax	259,000.00	334,855.36	75,855.36
Contributions received	2,500.00	3,627.05	1,127.05
Grant revenue	13,000.00	167,975.61	154,975.61
Interest income	50,000.00	33,249.95	(16,750.05)
Licenses and permits	47,500.00	90,450.70	42,950.70
Operational revenue	192,220.00	196,648.56	4,428.56
Rent	29,000.00	27,665.00	(1,335.00)
Transfers from other funds	2,957,779.00	2,816,776.50	(141,002.50)
Miscellaneous	7,500.00	38,558.82	31,058.82
Total Receipts	8,406,741.00	9,143,313.29	736,572.29
Total Available Resources	9,833,141.00	14,722,920.49	4,889,779.49
<b>Disbursements</b>			
General Government:			
Personnel services	486,201.00	527,622.78	41,421.78
Materials and supplies	939,750.00	905,911.12	(33,838.88)
Capital outlay	43,000.00	39,719.17	(3,280.83)
	1,468,951.00	1,473,253.07	4,302.07
Auditorium:			
Personnel services	58,735.00	42,793.31	(15,941.69)
Materials and supplies	89,900.00	49,612.02	(40,287.98)
Other capital outlay		22,147.28	22,147.28
Capital outlay	108,650.00		(108,650.00)
	257,285.00	114,552.61	(142,732.39)

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance
Park:			
Personnel services	\$ 177,471.00	\$ 218,888.84	\$ 41,417.84
Materials and supplies	85,323.00	93,995.06	8,672.06
Other capital outlay		66,923.00	66,923.00
Capital outlay	267,000.00	286,045.18	19,045.18
	<u>529,794.00</u>	<u>665,852.08</u>	<u>136,058.08</u>
Police:			
Personnel services	1,290,453.00	1,267,731.30	(22,721.70)
Materials and supplies	159,600.00	129,346.46	(30,253.54)
Other capital outlay	40,000.00	36,683.00	(3,317.00)
	<u>1,490,053.00</u>	<u>1,433,760.76</u>	<u>(56,292.24)</u>
Community Center:			
Personnel services	288,506.00	294,321.79	5,815.79
Materials and supplies	161,252.00	189,804.06	28,552.06
Other capital outlay		13,397.66	13,397.66
Capital outlay	82,700.00	125,883.00	43,183.00
	<u>532,458.00</u>	<u>623,406.51</u>	<u>90,948.51</u>
Swimming Pool:			
Personnel services	134,039.00	115,876.09	(18,162.91)
Materials and supplies	133,370.00	103,996.52	(29,373.48)
Other capital outlay	101,000.00	48,922.09	(52,077.91)
	<u>368,409.00</u>	<u>268,794.70</u>	<u>(99,614.30)</u>
Senior Center:			
Personnel services		334.55	334.55
Materials and supplies	10,000.00	11,196.69	1,196.69
	<u>10,000.00</u>	<u>11,531.24</u>	<u>1,531.24</u>
Transfers to other funds	<u>5,176,191.00</u>	<u>5,195,360.03</u>	<u>19,169.03</u>
Total Disbursements	<u>9,833,141.00</u>	<u>9,786,511.00</u>	<u>(46,630.00)</u>
Ending Fund Balance	<u>\$ -</u>	4,936,409.49	<u>\$ 4,936,409.49</u>
<u>Adjustments to Generally Accepted Accounting Principles</u>			
Revenue accruals		948.07	
Expenditure accruals		<u>(163,378.39)</u>	
Ending Fund Balance (GAAP basis)		<u>\$ 4,773,979.17</u>	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 125,000.00	\$ (1,521,872.06)	\$ (1,646,872.06)
<b>Receipts</b>			
Sales tax	230,000.00	258,784.64	28,784.64
Intergovernmental revenues	716,000.00	809,625.88	93,625.88
Operational revenues	28,627.00	8,020.70	(20,606.30)
Interest income	6,000.00	5,818.18	(181.82)
Bond proceeds	166,020.00	3,025,000.00	2,858,980.00
Grants and contributions	663,280.00	18,295.60	(644,984.40)
Miscellaneous	10,000.00	46,393.02	36,393.02
Transfers	207,142.00	207,141.96	(0.04)
Total Receipts	2,027,069.00	4,379,079.98	2,352,010.98
Total Available Resources	2,152,069.00	2,857,207.92	705,138.92
<b>Disbursements</b>			
Personnel services	591,770.00	477,230.75	(114,539.25)
Materials and supplies	608,750.00	627,602.93	18,852.93
Other capital outlay		80,210.60	80,210.60
Capital outlay	951,549.00	309,457.76	(642,091.24)
Debt service		30,250.00	30,250.00
Total Disbursements	2,152,069.00	1,524,752.04	(627,316.96)
Ending Fund Balance	\$ -	\$ 1,332,455.88	\$ 1,332,455.88
<b>Adjustments to Generally Accepted Accounting Principles</b>			
Revenue accruals		35,743.35	
Expenditure accruals		(37,486.64)	
Ending Fund Balance (GAAP basis)		\$ 1,330,712.59	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 155,018.00	\$ 1,350,931.69	\$ 1,195,913.69
<b><u>Receipts</u></b>			
Assessments	36,404.00	85,699.99	49,295.99
Transfers	809,446.00	809,446.00	-
Total Receipts	845,850.00	895,145.99	49,295.99
Total Available Resources	1,000,868.00	2,246,077.68	1,245,209.68
<b><u>Disbursements</u></b>			
Principal paid	730,000.00	730,000.00	-
Interest paid	268,868.00	215,335.92	(53,532.08)
Other expenditures	2,000.00	3,000.00	1,000.00
Total Disbursements	1,000,868.00	948,335.92	(52,532.08)
Ending Fund Balance	\$ -	\$ 1,297,741.76	\$ 1,297,741.76
<b><u>Adjustments to Generally Accepted Accounting Principles</u></b>			
Revenue accruals		-	
Expenditure accruals		-	
Ending Fund Balance (GAAP basis)		\$ 1,297,741.76	

See accompanying notes to the required supplementary information

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

For the Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance
Beginning Fund Balance	\$ 323,582.00	\$ 8,574,935.77	\$ 8,251,353.77
<b>Receipts</b>			
Operational revenues	3,664,450.00	4,008,697.20	344,247.20
Interest income	29,100.00	39,421.11	10,321.11
Bond proceeds	1,300,000.00	-	(1,300,000.00)
Grants and contributions	10,000.00	-	(10,000.00)
Miscellaneous	1,000.00	-	(1,000.00)
Total Receipts	<u>5,004,550.00</u>	<u>4,048,118.31</u>	<u>(956,431.69)</u>
Total Available Resources	<u>5,328,132.00</u>	<u>12,623,054.08</u>	<u>7,294,922.08</u>
<b>Disbursements</b>			
Personnel services	1,046,938.00	874,117.23	(172,820.77)
Materials and supplies	1,378,877.00	1,169,390.64	(209,486.36)
Capital outlay	1,645,410.00	1,168,504.16	(476,905.84)
Debt service	998,886.00	993,897.71	(4,988.29)
Total Disbursements	<u>5,070,111.00</u>	<u>4,205,909.74</u>	<u>(864,201.26)</u>
Ending Fund Balance	<u>\$ 258,021.00</u>	\$ 8,417,144.34	<u>\$ 8,159,123.34</u>
<b>Adjustments to Generally Accepted Accounting Principles</b>			
Prior year ending non-cash assets		13,338,323.37	
Revenue accruals		3,303.18	
Changes for bond proceeds, payments, interest		669,676.62	
Expenditure accruals		(129,224.96)	
Removal of capitalized disbursements		1,168,504.16	
Depreciation expense		<u>(735,549.14)</u>	
Ending Net Assets (GAAP basis)		<u>\$ 22,732,177.57</u>	

See accompanying notes to the required supplementary information

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

September 30, 2013

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

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

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

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

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

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**CITY OF YORK, NEBRASKA**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
September 30, 2013

	Keno Fund	CDBG Fund	Sinking Fund	Aviation Fund	Fire/EMS Fund
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 14,467.85	\$ 480,937.32	\$ 353,965.02	\$ 156,916.23	\$ 10,372.45
Investments					
Accounts receivable			798,521.17	121,856.94	596,138.77
<b>Total Assets</b>	<b>14,467.85</b>	<b>480,937.32</b>	<b>1,152,486.19</b>	<b>278,773.17</b>	<b>606,511.22</b>
<b><u>Liabilities and Fund Balances</u></b>					
Liabilities:					
Accounts Payable			112,550.00	15,318.29	14,038.13
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>112,550.00</b>	<b>15,318.29</b>	<b>14,038.13</b>
Fund Balances:					
Restricted:					
Aviation projects				8,175.60	
Economic development		480,937.32			
Keno	14,467.85				
Pension					
Public safety					
Assigned			1,039,936.19	255,279.28	592,473.09
<b>Total Fund Balances</b>	<b>14,467.85</b>	<b>480,937.32</b>	<b>1,039,936.19</b>	<b>263,454.88</b>	<b>592,473.09</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,467.85</b>	<b>\$ 480,937.32</b>	<b>\$ 1,152,486.19</b>	<b>\$ 278,773.17</b>	<b>\$ 606,511.22</b>

Library Fund	RAP Fund	911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
\$ 3,391.83	\$ 7,501.04	\$ 27,656.98	\$ 337,952.05 788,554.77	\$ 296,283.96 687,658.64	\$ 300,987.40 268.20	\$ 1,990,432.13 1,476,213.41 1,516,785.08
<u>3,391.83</u>	<u>7,501.04</u>	<u>\$ 27,656.98</u>	<u>1,126,506.82</u>	<u>983,942.60</u>	<u>301,255.60</u>	<u>4,983,430.62</u>
3,387.88				2,649.47		147,943.77
<u>3,387.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,649.47</u>	<u>-</u>	<u>147,943.77</u>
			1,126,506.82			8,175.60 1,607,444.14 14,467.85
		27,656.98			301,255.60	301,255.60 27,656.98
3.95	7,501.04			981,293.13		2,876,486.68
<u>3.95</u>	<u>7,501.04</u>	<u>27,656.98</u>	<u>1,126,506.82</u>	<u>981,293.13</u>	<u>301,255.60</u>	<u>4,835,486.85</u>
<u>\$ 3,391.83</u>	<u>\$ 7,501.04</u>	<u>\$ 27,656.98</u>	<u>\$ 1,126,506.82</u>	<u>\$ 983,942.60</u>	<u>\$ 301,255.60</u>	<u>\$ 4,983,430.62</u>

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2013

	Keno Fund	CDBG Fund	Sinking Fund	Aviation Fund	Fire/EMS Fund
<b>Revenues</b>					
Taxes					
Intergovernmental					\$ 254,400.00
Operational revenues	\$ 17,603.00	\$ 299,511.59			
Charges for services				\$ 294,359.19	540,427.38
Grants and contributions		167,620.88		43,655.67	13,751.18
Interest income	33.05	423.02	\$ 2,288.26	660.62	
Miscellaneous			3,709.95		568.54
<b>Total Revenues</b>	<b>17,636.05</b>	<b>467,555.49</b>	<b>5,998.21</b>	<b>338,675.48</b>	<b>809,147.10</b>
<b>Expenditures</b>					
General government				388,725.15	
Public safety					1,066,524.47
Culture and recreation	3,578.10				
Economic development		55,454.40	240,022.83		
Capital outlay				62,594.64	348,796.88
Debt service					
<b>Total Expenditures</b>	<b>3,578.10</b>	<b>55,454.40</b>	<b>240,022.83</b>	<b>451,319.79</b>	<b>1,415,321.35</b>
Excess (deficiency) of revenues over expenditures	14,057.95	412,101.09	(234,024.62)	(112,644.31)	(606,174.25)
<b>Other Financing Sources (Uses)</b>					
Proceeds from the sale of assets			656,457.83		
Transfers in (out)			(112,550.00)	166,562.96	698,876.23
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>543,907.83</b>	<b>166,562.96</b>	<b>698,876.23</b>
<b>Net Change in Fund Balance</b>	<b>14,057.95</b>	<b>412,101.09</b>	<b>309,883.21</b>	<b>53,918.65</b>	<b>92,701.98</b>
Fund Balance, Beginning	409.90	68,836.23	730,052.98	209,536.23	499,771.11
<b>Fund Balance, Ending</b>	<b>\$ 14,467.85</b>	<b>\$ 480,937.32</b>	<b>\$ 1,039,936.19</b>	<b>\$ 263,454.88</b>	<b>\$ 592,473.09</b>

Library Fund	RAP Fund	911 Surcharge Fund	TIF Fund	Insurance Fund	Pension Fund	Total Non-Major Governmental Funds
		\$ 17,489.43	\$ 53,611.35			\$ 71,100.78
						254,400.00
	\$ 28,422.00			\$ 909,895.15		1,255,431.74
\$ 15,709.21						850,495.78
4,014.40						229,042.13
1.17		71.52		4,563.18	\$ 1,253.25	9,294.07
2,453.95						6,732.44
22,178.73	28,422.00	17,560.95	53,611.35	914,458.33	1,253.25	2,676,496.94
				900,581.20	181,686.20	1,470,992.55
	69,713.47					1,136,237.94
343,236.24						346,814.34
			246,476.76			541,953.99
74,823.66						486,215.18
			22,936.94			22,936.94
418,059.90	69,713.47	-	269,413.70	900,581.20	181,686.20	4,005,150.94
(395,881.17)	(41,291.47)	17,560.95	(215,802.35)	13,877.13	(180,432.95)	(1,328,654.00)
						656,457.83
395,882.34					213,224.04	1,361,995.57
395,882.34	-	-	-	-	213,224.04	2,018,453.40
1.17	(41,291.47)	17,560.95	(215,802.35)	13,877.13	32,791.09	689,799.40
2.78	48,792.51	10,096.03	1,342,309.17	967,416.00	268,464.51	4,145,687.45
\$ 3.95	\$ 7,501.04	\$ 27,656.98	\$ 1,126,506.82	\$ 981,293.13	\$ 301,255.60	\$ 4,835,486.85

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

September 30, 2013

With Comparative Figures For September 30, 2012

<u><b>Assets</b></u>	2013	2012
Current Assets:		
Cash in bank	\$ 92,247.60	\$ 366,720.63
Investments	656,127.91	652,472.39
Accounts receivable	6,107.00	8,157.00
Total Current Assets	754,482.51	1,027,350.02
Restricted Assets:		
Cash in bank - closure	395,248.01	275,428.39
Cash in bank - post closure	799,521.60	746,150.81
Cash in bank - closure of construction & demolition site	36,434.09	29,602.51
Cash in bank - post closure of construction & demolition site	7,811.16	6,190.61
Cash in bank - old landfill	11,190.01	11,127.67
Total Restricted Assets	1,250,204.87	1,068,499.99
Fixed Assets:		
Land	263,712.44	263,712.44
Landfill & buildings	5,120,649.76	5,120,649.76
Equipment	934,813.20	714,944.20
	6,319,175.40	6,099,306.40
Less: Accumulated depreciation	1,792,356.19	1,637,178.05
Total Fixed Assets	4,526,819.21	4,462,128.35
Total Assets	\$ 6,531,506.59	\$ 6,557,978.36
<u><b>Liabilities and Equity</b></u>		
Current Liabilities:		
Accounts payable	\$ 29,435.69	\$ 13,059.79
Accrued interest payable	1,189.23	1,316.41
Accrued wages	6,544.31	7,125.47
Other current liabilities	5,118.00	
Current maturities of long-term debt	295,000.00	295,000.00
Total Current Liabilities	337,287.23	316,501.67
Long-Term Liabilities:		
Accrued compensated absences	649.66	1,140.39
Accrued closure and post-closure costs	1,923,897.26	1,815,917.10
Bonds and notes payable net of current portion	1,145,000.00	1,440,000.00
Total Long-Term Liabilities	3,069,546.92	3,257,057.49
City of York Solid Waste Fund:		
Retained earnings	3,124,672.44	2,984,419.20
Total Liabilities and Equity	\$ 6,531,506.59	\$ 6,557,978.36

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Operating Revenues</u></b>		
Solid waste receipts	\$ 935,007.16	\$ 1,017,757.24
Land rent	11,200.00	2,000.00
Other income		6,533.96
	<hr/>	<hr/>
Total Operating Revenue	946,207.16	1,026,291.20
	<hr/>	<hr/>
<b><u>Operating Expenses</u></b>		
Wages	149,993.39	175,515.35
Payroll taxes	11,523.88	13,370.72
Pension plan	8,024.49	9,720.82
Employee insurance	32,915.88	34,788.12
Compensated absences	(490.73)	(505.05)
Dues and subscriptions	195.00	
Education	408.00	
Equipment purchases	4,076.56	
Fiscal fees	500.00	500.00
Fuel & oil	53,387.10	54,125.69
Insurance	14,622.00	14,927.00
Legal & accounting	2,400.00	2,400.00
Licensing fees	35,583.69	36,157.82
Maintenance	13,471.76	17,966.00
Miscellaneous expense	3,746.18	2,484.56
Planning & engineering	90,909.31	38,373.70
Power	16,658.36	13,732.87
Recycling costs	19,299.37	14,431.03
Repairs - labor	19,342.42	23,845.28
Repairs - parts	30,699.68	38,304.93
Supplies	1,999.64	4,102.26
Testing	13,134.00	14,563.88
Tire disposal	881.28	1,439.37
Utilities	608.18	642.30
Depreciation	155,178.14	143,102.88
	<hr/>	<hr/>
Total Operating Expenses	679,067.58	653,989.53
	<hr/>	<hr/>
Net Operating Income	267,139.58	372,301.67
	<hr/>	<hr/>
<b><u>Other Income</u></b>		
Interest income	12,911.64	19,134.64
	<hr/>	<hr/>
Total Other Income	12,911.64	19,134.64
	<hr/>	<hr/>

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Other Expenses</u></b>		
Landfill closure and post-closure costs	\$ 107,980.16	\$ 236,620.44
Interest expense	31,817.82	34,447.39
	139,797.98	271,067.83
Total Other Expenses		
Net Revenue	140,253.24	120,368.48
Retained Earnings, Beginning of Year	2,984,419.20	2,864,050.72
Retained Earnings, End of Year	\$ 3,124,672.44	\$ 2,984,419.20

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF CASH FLOWS - SOLID WASTE FUND**  
For the Year Ended September 30, 2013  
With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 948,257.16	\$ 1,025,532.20
Payments to suppliers for goods and services	(300,428.63)	(277,383.37)
Payments to employees for services	(203,038.80)	(233,803.37)
	444,789.73	514,345.46
Net Cash Provided (Used) by Operating Activities		
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	12,911.64	19,134.64
	12,911.64	19,134.64
Net Cash Provided (Used) by Investing Activities		
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(219,869.00)	(172,418.85)
Retirement of debt	(295,000.00)	(290,000.00)
Interest paid on bonds	(31,945.00)	(34,554.95)
	(546,814.00)	(496,973.80)
Net Cash Provided (Used) by Capital and Related Financing Activities		
Net Increase in Cash and Cash Equivalents	(89,112.63)	36,506.30
Balance, Beginning of Year	2,087,693.01	2,051,186.71
Balance, End of Year	\$ 1,998,580.38	\$ 2,087,693.01
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 267,139.58	\$ 372,301.67
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	155,178.14	143,102.88
(Increase) decrease in other receivables	2,050.00	(759.00)
Increase (decrease) in other liabilities	20,422.01	(300.09)
	177,650.15	142,043.79
Total Adjustments		
Net Cash Provided by Operating Activities	\$ 444,789.73	\$ 514,345.46

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

September 30, 2013

With Comparative Figures For September 30, 2012

<b><u>Assets</u></b>	2013	2012
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,275,201.21	\$ 1,243,775.94
Investments	3,074,426.56	2,717,558.78
Investments - debt service reserve	536,000.00	536,000.00
Accounts receivable	218,660.64	234,808.02
Inventory - materials and supplies	40,275.19	35,552.99
<b>Total Current Assets</b>	<b>5,144,563.60</b>	<b>4,767,695.73</b>
<b>Fixed Assets:</b>		
Land	24,625.00	24,625.00
Buildings	234,450.11	234,450.11
Pumping equipment	691,663.76	643,503.06
Distribution system	14,995,702.32	11,837,195.65
Consumers meter to keep	987,031.46	966,533.18
Office furniture	82,612.22	82,612.22
Trucks and automobiles	157,726.94	157,726.94
Tools	319,627.52	319,627.52
Construction in progress		3,158,506.67
	<b>17,493,439.33</b>	<b>17,424,780.35</b>
Less: Accumulated depreciation	5,168,325.90	4,854,969.90
<b>Total Fixed Assets</b>	<b>12,325,113.43</b>	<b>12,569,810.45</b>
<b>Total Assets</b>	<b>\$ 17,469,677.03</b>	<b>\$ 17,337,506.18</b>
<b><u>Liabilities and Equity</u></b>		
<b>Current Liabilities:</b>		
Customer deposits	\$ 80,941.52	\$ 79,266.52
Accounts payable	67,186.76	50,651.36
Accrued interest payable	88,170.56	73,668.26
Accrued wages	10,210.91	10,999.32
Other current liabilities	10,293.63	11,425.00
Current maturities of long-term debt	396,042.68	389,051.74
<b>Total Current Liabilities</b>	<b>652,846.06</b>	<b>615,062.20</b>
<b>Long-Term Liabilities:</b>		
Accrued compensated absences	15,272.41	13,024.55
Bonds and notes payable	6,748,219.01	7,144,261.69
<b>Total Long-Term Liabilities</b>	<b>6,763,491.42</b>	<b>7,157,286.24</b>
<b>City of York Water Fund:</b>		
Retained earnings	10,053,339.55	12,597,252.74
Adjustment to prior period retained earnings		(3,032,095.00)
<b>Total Liabilities and Equity</b>	<b>\$ 17,469,677.03</b>	<b>\$ 17,337,506.18</b>

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Operating Revenues</u></b>		
Sales of water	\$ 1,676,292.34	\$ 1,744,385.04
Sundry sales - materials	1,003.40	5,786.48
Wastewater collection cost	25,000.08	25,000.00
Other income	13,305.52	12,299.78
Total Operating Revenues	<u>1,715,601.34</u>	<u>1,787,471.30</u>
<b><u>Operating Expenses</u></b>		
Plant salaries	193,564.95	220,966.44
Supervision and office salaries	51,917.42	47,722.95
Payroll taxes	17,608.24	19,174.94
Pension plan	15,537.85	16,827.04
Employee insurance	48,484.13	49,016.15
Compensated absences	2,247.86	342.57
Accounting and legal	2,450.00	2,450.00
Data processing	3,621.57	
Dues and subscriptions	2,161.00	640.00
Education and training	1,234.50	3,056.07
Equipment purchases	1,230.33	
Fiscal fees	22,686.74	23,355.89
Fuel	9,855.63	12,738.49
Insurance	26,606.00	24,285.00
Inventory expense	(1,923.01)	5,149.38
Maintenance - building	1,090.96	5,500.09
Maintenance - distribution system	16,278.43	7,885.02
Maintenance - equipment	198,589.48	147,696.93
Maintenance - trucks	1,810.20	32.00
Miscellaneous expense	10,122.10	8,620.18
Office supplies	4,879.99	7,786.26
Postage	6,485.10	5,444.41
Power	113,349.55	128,754.32
Professional fees		319.78
Repairs - labor	1,866.82	2,439.96
Repairs - parts	5,659.95	7,096.92
Sales tax	1,563.30	1,235.87
Telephone	639.84	1,063.95
Testing	12,933.00	9,601.82
Tool expense	10.99	993.79
Depreciation	313,356.00	309,146.50
Total Operating Expenses	<u>1,085,918.92</u>	<u>1,069,342.72</u>
Net Operating Income	<u>629,682.42</u>	<u>718,128.58</u>

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

For the Year Ended September 30, 2013  
 With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Other Income</u></b>		
Federal grant income		\$ 28,923.00
Well field farm income	\$ 233,599.84	262,745.63
Interest income	18,092.79	19,937.39
	<u>251,692.63</u>	<u>311,606.02</u>
<b><u>Other Expenses</u></b>		
Well field farm expense	100,789.97	119,902.95
Interest expense	292,403.27	287,674.69
	<u>393,193.24</u>	<u>407,577.64</u>
Net Revenue	488,181.81	622,156.96
Retained Earnings, Beginning of Year	<u>9,565,157.74</u>	<u>8,943,000.78</u>
Retained Earnings, End of Year	<u>\$ 10,053,339.55</u>	<u>\$ 9,565,157.74</u>

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Cash Flows From Operating Activities</u></b>		
Cash received from customers for services	\$ 1,731,748.72	\$ 1,727,226.07
Payments to suppliers for goods and services	(430,845.64)	(405,831.28)
Payments to employees for services	(327,901.00)	(355,220.78)
Net Cash Provided (Used) by Operating Activities	973,002.08	966,174.01
<b><u>Cash Flows From Investing Activities</u></b>		
Interest on cash and investments	18,092.79	19,937.39
Gain (loss) on well field farm	132,809.87	142,842.68
Net Cash Provided (Used) by Investing Activities	150,902.66	162,780.07
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(68,658.98)	(38,878.67)
Proceeds from capital grant	-	28,923.00
Prior year grant income misclassified	-	(3,032,095.00)
Retirement of debt	(389,051.74)	(376,291.57)
Interest paid on bonds	(277,900.97)	(287,335.65)
Net Cash Provided (Used) by Capital and Related Financing Activities	(735,611.69)	(3,705,677.89)
Net Increase (Decrease) in Cash and Cash Equivalents	388,293.05	(2,576,723.81)
Balance, Beginning of Year	4,497,334.72	7,074,058.53
Balance, End of Year	\$ 4,885,627.77	\$ 4,497,334.72
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 629,682.42	\$ 718,128.58
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	313,356.00	309,146.50
(Increase) decrease in accounts receivable	16,147.38	(60,245.23)
(Increase) decrease in inventory	(4,722.20)	(1,418.85)
Increase (decrease) in customer deposits	1,675.00	3,265.00
Increase (decrease) in other liabilities	16,863.48	(2,701.99)
Total Adjustments	343,319.66	248,045.43
Net Cash Provided by Operating Activities	\$ 973,002.08	\$ 966,174.01

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

September 30, 2013

With Comparative Figures For September 30, 2012

<u><b>Assets</b></u>	2013	2012
Current Assets:		
Cash and cash equivalents	\$ 413,892.77	\$ 584,189.00
Investments	1,119,043.42	1,405,719.04
Accounts receivable	159,707.87	138,207.31
Total Current Assets	1,692,644.06	2,128,115.35
Fixed Assets:		
Land	16,998.55	16,998.55
Vehicles	271,279.35	271,279.35
Office equipment	23,018.37	23,018.37
Plant equipment	5,459,541.95	5,459,541.95
Collection system	7,766,701.01	7,759,341.41
Construction in progress	882,890.08	10,273.50
	14,420,429.31	13,540,453.13
Less: Accumulated depreciation	6,516,814.54	6,249,799.54
Total Fixed Assets	7,903,614.77	7,290,653.59
Total Assets	\$ 9,596,258.83	\$ 9,418,768.94
 <u><b>Liabilities and Equity</b></u>		
Current Liabilities:		
Accounts payable	\$ 18,694.55	\$ 32,168.96
Accrued wages	11,193.07	10,967.99
Other current liabilities	6,986.55	6,133.75
Total Current Liabilities	36,874.17	49,270.70
Long-Term Liabilities:		
Accrued compensated absences	5,219.08	5,816.04
Total Long-Term Liabilities	5,219.08	5,816.04
City of York Wastewater Fund:		
Retained earnings	5,647,502.48	5,457,019.10
Contributions	3,906,663.10	3,906,663.10
Total Equity	9,554,165.58	9,363,682.20
Total Liabilities and Equity	\$ 9,596,258.83	\$ 9,418,768.94

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Operating Revenues</u></b>		
Sales of service	\$ 913,356.46	\$ 868,135.08
Sales of service - industrial	201,794.80	180,879.89
Other income	1,440.78	961.28
Total Operating Revenues	<u>1,116,592.04</u>	<u>1,049,976.25</u>
<b><u>Operating Expenses</u></b>		
Wages	200,721.17	190,578.47
Supervision and office wages	51,917.16	47,722.97
Payroll taxes	17,910.49	16,684.75
Pension plan expense	16,283.51	14,487.08
Employee insurance	56,570.18	56,108.79
Compensated absences	(596.96)	(2,516.73)
Accounting and legal	2,400.00	2,400.00
Collection and billing	25,000.08	25,000.00
Data processing	3,621.56	
Dues and subscriptions	1,056.00	110.00
Education and training	1,173.69	1,635.63
Equipment purchases	4,110.54	
Gasoline	15,898.23	14,260.10
Insurance	27,065.00	24,515.00
Laboratory expense	4,744.46	2,120.31
Maintenance - building	15,608.53	14,270.32
Maintenance - collection system	6,203.94	14,866.29
Maintenance - equipment	57,372.26	48,134.86
Maintenance - vehicles	5,845.81	2,116.33
Miscellaneous expense	7,202.26	18,110.13
Office supplies	3,855.65	6,595.15
Planning and engineering	4,769.40	
Postage	6,535.54	6,355.64
Power	94,506.93	82,621.56
Repairs - labor	11,273.68	5,816.80
Repairs - parts	14,819.66	8,621.80
Telephone	672.20	751.45
Testing	2,894.82	5,792.71
Tool expense	1,686.86	2,052.22
Uniforms	699.72	
Water	5,687.97	5,135.57
Depreciation	267,015.00	255,328.00
Total Operating Expenses	<u>934,525.34</u>	<u>869,675.20</u>
Net Operating Income	<u>182,066.70</u>	<u>180,301.05</u>

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

For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Other Income</u></b>		
Insurance proceeds		\$ 41,330.00
Interest income	\$ 8,416.68	12,094.87
Total Other Income	8,416.68	53,424.87
Net Revenue	190,483.38	233,725.92
Retained Earnings, Beginning of Year	5,457,019.10	5,223,293.18
Retained Earnings, End of Year	\$ 5,647,502.48	\$ 5,457,019.10

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

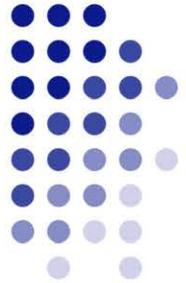
For the Year Ended September 30, 2013

With Comparative Figures For The Year Ended September 30, 2012

	2013	2012
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers for services	\$ 1,095,091.48	\$ 1,050,710.03
Payments to suppliers for goods and services	(337,326.40)	(274,672.97)
Payments to employees for services	(343,177.43)	(324,026.39)
Net Cash Provided (Used) by Operating Activities	414,587.65	452,010.67
<b><u>Cash Flows from Investing Activities</u></b>		
Interest on cash and investments	8,416.68	12,094.87
Net Cash Provided (Used) by Investing Activities	8,416.68	12,094.87
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(879,976.18)	(37,777.81)
Insurance proceeds	-	41,330.00
Net Cash Provided (Used) by Capital and Related Financing Activities	(879,976.18)	3,552.19
Net Increase (Decrease) in Cash and Cash Equivalents	(456,971.85)	467,657.73
Balance, Beginning of Year	1,989,908.04	1,522,250.31
Balance, End of Year	\$ 1,532,936.19	\$ 1,989,908.04
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>		
Net operating income	\$ 182,066.70	\$ 180,301.05
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	267,015.00	255,328.00
(Increase) decrease in accounts receivable	(21,500.56)	733.78
Increase (decrease) in other liabilities	(12,993.49)	15,647.84
Total Adjustments	232,520.95	271,709.62
Net Cash Provided by Operating Activities	\$ 414,587.65	\$ 452,010.67

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of York (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon, dated March 20, 2014. Our report disclosed that, as described in Note A to the financial statements, the City prepared its governmental financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Misaw & Co., A.C.*

York, Nebraska  
March 20, 2014

**CITY OF YORK, NEBRASKA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
September 30, 2013

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expressed an unqualified opinion on the financial statements of the City of York.
2. No significant deficiencies were disclosed during our audit of the financial statements of the City of York.
3. No instances of noncompliance material to the financial statements of the City of York were disclosed during the audit.

**B. FINDING**

None

**CITY OF YORK, NEBRASKA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

September 30, 2013

**2012-1 FINDING**

Internal Controls Over GASB 34 Model Financial Reporting

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

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

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

*Current Status:* This finding has been cleared.