

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of York for the year ended September 30, 2021, and have issued our report thereon dated January 12, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 11, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of York are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Ten audit adjustments increased the governmental fund balances by \$231,007. Thirteen audit adjustments decreased the net position of the business-type funds by \$2,633,379. Two audit adjustments increased the net position of the component unit by \$6,001. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Grants receivable and revenue were both increased \$47,274 on the CDBG Fund and were both increased \$45,000 on the Aviation Fund.
2. Grain inventory was increased \$85,913, revenue was increased \$47,914, and farm expenses decreased \$37,999 on the Water Fund.
3. Fuel inventory was increased and expenses decreased \$31,078 on the Aviation Fund.
4. Bonds payable were decreased \$146,862, grants receivable was decreased \$107,840, and revenue was increased \$39,022 on the Water Fund to adjust the DEQ loan advances.
5. Accrued interest payable and interest expense were decreased \$29,720 on the business-type funds and were decreased \$92,314 on the governmental funds.
6. Unbilled revenue and revenue were both increased \$40,514 on the business-type funds.
7. The liability for landfill closure/post-closure costs was increased \$817,140 with a corresponding increase to expense.
8. Hotel occupation tax receivable and revenue were both increased \$26,417 on the General Fund.

9. The liability for health insurance claims incurred but not paid was increased \$68,167 with a corresponding increase to expense on the internal service fund.
10. Capital assets were increased and expenses were decreased \$403,010 to capitalize assets on the utility funds.
11. Depreciation expense of \$2,359,739 was recorded on the utility funds.

#### *Disagreements with Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 12, 2022.

#### *Management Consultations with Other Independent Accountants*

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

#### *Other Audit Findings or Issues*

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

In connection with our audit of the financial statements of the City of York as of September 30, 2021, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. At September 30, 2021, bank balances at York State Bank exceeded FDIC coverage by \$12,734 for the Kilgore Library Foundation. We recommend requesting the bank to assign additional collateral or transferring excess cash to another financial institution.

2. During our authorized check signers test, we noted all checks were being signed by Jean Thiele and Jean was also stamping the Mayor's signature. This process eliminates the control of having dual signatures on checks. We recommend having the Mayor physically sign the checks to make the dual signature control effective.
3. During our audit, we noted that one check cleared the bank with only one signature. We recommend ensuring that all checks are signed by two parties.
4. We noted that there were numerous miscellaneous receivables with liens filed still showing up on receivables, however the liens have been released due to payment or late filing. We recommend verifying and cleaning up miscellaneous receivables in order to ensure accuracy and reporting in the future.
5. The City exceeded budgeted expenditures by \$1,623,679 due to short term borrowing on the Community Center not being budgeted. We recommend monitoring expenses closely in the future and ensuring all debt refinancing is accounted for.

#### Other Matters

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

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

#### Restriction on Use

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

AMGL, P.C.

Grand Island, Nebraska  
January 12, 2022

**CITY OF YORK, NEBRASKA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**September 30, 2021**

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Kyle R. Overturf  
Tracy A. Cannon

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities – modified accrual basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified accrual basis for the governmental funds of the City of York, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's 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 the modified accrual and accrual bases of accounting described in Note A; this includes determining that the modified accrual and accrual bases of accounting are acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**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 from 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 entity'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 entity'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 financial position of the governmental activities – modified accrual basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified accrual basis for the governmental funds of the City of York, Nebraska, as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of York, Nebraska's financial statements. The management's discussion and analysis and supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The nonmajor governmental funds combining statements and the statement of general fund departmental revenue and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

The management's discussion and analysis and budgetary comparison schedules, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022, on our consideration of the City of York, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of York, Nebraska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of York, Nebraska's internal control over financial reporting and compliance.

AMGL.PC.

Grand Island, Nebraska  
January 12, 2022

**CITY OF YORK, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2021**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of York, we offer readers of the City of York financial statements this narrative overview and analysis of the financial activities of the City of York for the fiscal year ended September 30, 2021.

**Financial Highlights**

- The assets of the City of York exceeded its liabilities at the close of the most recent fiscal year by \$68,607,011 (*net position*). Of this amount, \$22,689,088 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of York's governmental funds reported combined ending net position of \$33,805,049, with an unrestricted net position balance of \$10,392,386.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,005,071, 37.5 percent of total General Fund expenditures for the year ended September 30, 2021.

**Overview of the Financial Statements**

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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

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

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

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

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

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

The City of York maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, CDBG Fund, Debt Service Fund, and LB 357 Fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-62 of this report.

**Other information.** In addition to the financial statements and accompanying notes, this report also presents certain *supplementary and other information* concerning the City of York's budgetary comparison schedules, combining nonmajor statements, and general fund departmental revenue and expenditures. Supplementary and other information can be found on pages 63-71 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of York, assets exceeded liabilities by \$68,607,011 at the close of the most recent fiscal year.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

**Summary Statements of Net Position**

	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 35,831,079	\$ 30,603,986	\$ 5,227,093
Capital Assets	83,794,819	83,734,535	60,284
Total Assets	119,625,898	114,338,521	5,287,377
Long-term Liabilities	45,878,310	41,938,860	3,939,450
Other Liabilities	5,140,577	6,054,055	(913,478)
Total Liabilities	51,018,887	47,992,915	3,025,972
 Net Position:			
Net Investment in Capital Assets	39,117,065	41,957,167	(2,840,102)
Restricted	6,800,858	5,518,229	1,282,629
Unrestricted	22,689,088	18,870,210	3,818,878
Total Net Position	\$ 68,607,011	\$ 66,345,606	\$ 2,261,405

A large portion of the City of York's net position (57.0 percent) reflects its investment in capital assets (land, infrastructure, buildings, distribution systems, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of York uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of York's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of York's net position (9.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$22,689,088) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

**Expenses and Program Revenues – Governmental Activities**

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 65,428	\$ 961,037	\$ 54,826	\$ 833,386
Economic Development	471,826	783,545	1,129,491	1,264,896
Public Safety	1,093,338	3,817,626	937,617	3,784,910
Public Works	889,014	2,211,496	183,929	1,574,430
Environment and Leisure	857,983	2,452,267	771,792	2,194,218
Airport	381,830	357,573	281,403	316,712
Interest and fees	82,616	470,690	-	369,225
Depreciation	-	2,594,603	-	2,475,577
Total	<u>\$ 3,842,035</u>	<u>\$ 13,648,837</u>	<u>\$ 3,359,058</u>	<u>\$ 12,813,354</u>

**Revenues by Source – Governmental Activities**

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
Charges for Services	\$ 1,589,511	10.13 %	\$ 1,244,906	8.49 %
Operating Grants and Contributions	932,256	5.94	1,501,582	10.24
Capital Grants and Contributions	1,320,268	8.41	612,570	4.18
Property Taxes	2,080,999	13.26	1,962,886	13.39
Motor Vehicle Taxes	216,083	1.38	202,071	1.38
Occupation/Franchise	2,467,360	15.73	2,361,298	16.11
Sales Tax	5,521,106	35.19	5,195,695	35.45
Special Assessments	38,357	0.24	104,811	0.71
TIF Proceeds	176,842	1.13	257,878	1.76
State Allocation	1,245,376	7.94	1,067,778	7.28
Keno Proceeds	5,842	0.04	4,153	0.03
Gain (Loss) on Sale of Capital Assets	26,000	0.17	(14,601)	(0.10)
Miscellaneous	16,684	0.11	14,365	0.10
Interest	52,459	0.33	143,062	0.98
Total	<u>\$ 15,689,143</u>	<u>100.00 %</u>	<u>\$ 14,658,454</u>	<u>100.00 %</u>

Net position of the governmental funds increased \$2,040,306 during the year ended September 30, 2021.

**Business-type activities.** Business-type activities increased the City of York's net position by \$221,099. Key elements of this increase are as follows:

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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

<u>Function</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 2,308,231	\$ 1,781,751	\$ 2,580,966	\$ 1,718,296
Sewer	2,986,408	2,930,248	2,692,030	2,921,333
Landfill	1,564,309	2,008,345	1,464,115	1,186,560
Total	<u>\$ 6,858,948</u>	<u>\$ 6,720,344</u>	<u>\$ 6,737,111</u>	<u>\$ 5,826,189</u>

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

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2021</u>		<u>Year Ended September 30, 2020</u>	
	Charges for Services	\$ 6,819,926	98.25 %	\$ 6,629,271
Capital Contributions and Grants	39,022	0.56	107,840	1.55
Special Assessments	15,885	0.23	-	-
Gain on Sale of Assets	-	-	27,404	0.40
Interest	66,610	0.96	188,605	2.71
Total	<u>\$ 6,941,443</u>	<u>100.00 %</u>	<u>\$ 6,953,120</u>	<u>100.00 %</u>

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

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

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

As of the end of the current fiscal year, the City of York's governmental funds reported combined ending fund balances of \$15,508,971. The unassigned fund balance is \$6,005,071, indicating resources available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted for federal programs (\$1,012,615), 2) restricted for debt service (\$338,424), 3) restricted for economic development (\$475,853), 4) restricted for capital projects (\$2,812,857), 5) restricted



**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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for community betterment (\$43,544), 6) restricted for police (\$113,065), 7) restricted for street improvements (\$1,690,513), 8) restricted for fire (\$42,650), 9) restricted for recreation (\$4,837), 10) assigned for budgetary stabilization (\$905,385), 11) assigned for other purposes (\$1,898,002) or 12) put into a nonspendable prepaid asset (\$166,155).

The General Fund is the chief operating fund of the City of York. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,005,071, or 37.5 percent of annual expenditures. Total General Fund balance was \$7,840,524, or 49.0 percent of annual General Fund expenditures.

The fund balance of the City of York's General Fund increased by \$3,204,903 during the current fiscal year.

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

Unrestricted net position of the proprietary funds at the end of the year were as follows: Water Fund – \$7,826,697, Sewer Fund – \$3,439,954, and Landfill Fund – \$1,030,051. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$558,482, Sewer Fund – increase of \$83,413, and Landfill Fund – decrease of \$(420,796). Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of York's business-type activities.

### **General Fund Budgetary Highlights**

The City did not amend its budget during the year ended September 30, 2021.

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

**Capital Assets.** The City of York's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$83,794,819 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, vehicles and equipment, and streets.

Major capital asset events (individually greater than \$30,000) during the current fiscal year included the following:

- 2021 Jacobsen lawn mower - \$61,500
- 2021 Ford Explorer for police - \$50,371
- Ballpark infield championship renovations - \$34,945
- Construction costs on auditorium remodeling project - \$2,915,670
- Construction in progress on airport snow removal equipment - \$35,833
- Construction in progress on Community Center remodeling project - \$1,402,603

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

- Downpayment on sewer generator - \$62,182
- Water main extension - \$31,829
- Construction costs on Lincoln Avenue water main - \$246,033

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

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 1,918,694	\$ 632,667	\$ 2,551,361	\$ 1,918,694	\$ 632,667	\$ 2,551,361
Construction in Progress	1,563,741	62,182	1,625,923	928,995	3,768,368	4,697,363
Infrastructure	7,263,056	-	7,263,056	8,172,397	-	8,172,397
Buildings and Improvements	20,383,408	3,281,048	23,664,456	17,557,551	3,138,764	20,696,315
Distribution Systems	-	43,453,513	43,453,513	-	41,449,188	41,449,188
Equipment	1,331,525	2,637,276	3,968,801	1,524,477	2,965,983	4,490,460
Vehicles	920,477	347,232	1,267,709	1,261,774	415,677	1,677,451
<b>Total</b>	<u>\$ 33,380,901</u>	<u>\$ 50,413,918</u>	<u>\$ 83,794,819</u>	<u>\$ 31,363,888</u>	<u>\$ 52,370,647</u>	<u>\$ 83,734,535</u>

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

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

**City of York's Outstanding Debt**

	<u>Year Ended September 30, 2021</u>			<u>Year Ended September 30, 2020</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Bonds Payable	\$ 16,400,000	\$ 2,615,000	\$ 19,015,000	\$ 12,345,000	\$ 3,050,000	\$ 15,395,000
Capital Lease	-	273,108	273,108	-	399,869	399,869
Notes Payable	102,596	25,287,050	25,389,646	165,990	25,816,509	25,982,499
<b>Total</b>	<u>\$ 16,502,596</u>	<u>\$ 28,175,158</u>	<u>\$ 44,677,754</u>	<u>\$ 12,510,990</u>	<u>\$ 29,266,378</u>	<u>\$ 41,777,368</u>

The City of York's total debt increased by \$2,900,386 (6.9 percent) during the current fiscal year as the City issued \$5,380,000 of Series 2021B Limited Sales Tax Bonds for auditorium and Community Center improvements and advances of \$832,221 were drawn on the DEQ water note payable. Also, the City refunded six bond issues due to low interest rates.

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2021**

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The City of York does not have a bond rating.

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

The following selected financial information is presented:

Total 2021 Taxable Valuation	\$603,277,494
Total General Obligation and Limited Tax Obligation Debt	16,502,596
Total Revenue Debt	28,175,158
Total Sales Tax Revenues	5,521,106

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

- Property tax asking for the year ending September 30, 2022 of \$1,990,816 is \$72,483 (3.8 percent) higher than last year.
- The City is working on the design and implementation of landfill master planning phases 6 – 8 cells and a bond issue is expected for this project in January 2022.
- The City plans to conduct a rate study to determine increases to the landfill rates during the year ending September 30, 2022.
- Staffing in the police department continues to be a struggle. The City was short four police officers at September 30, 2021 with another officer expected to retire at the end of December 2021.
- The City will conduct a wage comparability study during the year ending September 30, 2022 for any necessary adjustments in the 2022-2023 budget.
- The City has remaining contractual commitments of \$689,210 on the Community Center remodeling project which is expected to be completed by February 2022.
- The City has remaining contractual commitments of \$62,182 on the sewer generator, which is expected to be received by December 2021.

**Request for Information**

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

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities (Modified Accrual Basis)	Business-type Activities (Accrual Basis)	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,772,434	\$ 4,146,937	\$ 6,919,371	\$ 103,494
Certificates of deposit	6,941,688	8,567,802	15,509,490	1,102,888
County treasurer cash	88,671	-	88,671	-
Accounts receivable	359,674	485,863	845,537	-
Unbilled revenue	-	537,114	537,114	-
Special assessments receivable	595,113	-	595,113	-
Due from other governments	1,177,981	-	1,177,981	-
Current portion of notes receivable	82,753	-	82,753	-
Accrued interest receivable	3,226	2,859	6,085	1,560
Prepaid expenses	166,155	39,331	205,486	-
Inventory	72,394	137,694	210,088	-
Total current assets	<u>12,260,089</u>	<u>13,917,600</u>	<u>26,177,689</u>	<u>1,207,942</u>
Noncurrent assets:				
Restricted cash and cash equivalents	2,723,544	100,810	2,824,354	-
Restricted certificates of deposit	3,790,077	2,906,976	6,697,053	-
Noncurrent portion of notes receivable	131,983	-	131,983	-
Capital assets:				
Land	1,918,694	632,667	2,551,361	35,840
Construction in progress	1,563,741	62,182	1,625,923	-
Other capital assets, net of depreciation	29,898,466	49,719,069	79,617,535	-
Net capital assets	<u>33,380,901</u>	<u>50,413,918</u>	<u>83,794,819</u>	<u>35,840</u>
Total noncurrent assets	<u>40,026,505</u>	<u>53,421,704</u>	<u>93,448,209</u>	<u>35,840</u>
<b>Total assets</b>	<u>52,286,594</u>	<u>67,339,304</u>	<u>119,625,898</u>	<u>1,243,782</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	821,099	351,673	1,172,772	-
Claims incurred but not paid	131,840	-	131,840	-
Accrued wages and vacation	222,997	42,176	265,173	-
Accrued interest	66,204	131,520	197,724	-
Sales tax payable	427	30,032	30,459	-
Customer deposits	750	100,810	101,560	-
Unavailable special assessments	576,218	-	576,218	-
Current portion of long-term obligations	836,047	1,828,784	2,664,831	-
Total current liabilities	<u>2,655,582</u>	<u>2,484,995</u>	<u>5,140,577</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent compensated absences	159,414	26,322	185,736	-
Accrued closure/post-closure costs	-	3,679,651	3,679,651	-
Noncurrent portion of long-term obligations	15,666,549	26,346,374	42,012,923	-
Total noncurrent liabilities	<u>15,825,963</u>	<u>30,052,347</u>	<u>45,878,310</u>	<u>-</u>
<b>Total liabilities</b>	<u>18,481,545</u>	<u>32,537,342</u>	<u>51,018,887</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	16,878,305	22,238,760	39,117,065	-
Restricted for:				
Street improvements	1,690,513	-	1,690,513	-
Debt service	338,424	266,500	604,924	-
Federal programs	1,012,615	-	1,012,615	-
Economic development	475,853	-	475,853	-
Capital projects	2,812,857	-	2,812,857	-
Community betterment	43,544	-	43,544	-
Public safety	155,715	-	155,715	-
Recreation	4,837	-	4,837	-
Unrestricted	<u>10,392,386</u>	<u>12,296,702</u>	<u>22,689,088</u>	<u>1,243,782</u>
<b>Total net position</b>	<u>\$ 33,805,049</u>	<u>\$ 34,801,962</u>	<u>\$ 68,607,011</u>	<u>\$ 1,243,782</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
<b>Primary government:</b>			
<b>Governmental activities</b>			
<b>(modified accrual basis):</b>			
General government	\$ 961,037	\$ 65,428	\$ -
Economic development	783,545	67,785	404,041
Public safety	3,817,626	617,080	415,462
Public works	2,211,496	6,108	12,387
Environment and leisure	2,452,267	529,613	17,750
Airport	357,573	303,497	-
Interest and fees on long-term debt	470,690	-	82,616
Depreciation - unallocated	2,594,603	-	-
Total governmental activities	13,648,837	1,589,511	932,256
<b>Business-type activities</b>			
<b>(accrual basis):</b>			
Water	1,781,751	2,269,209	-
Sewer	2,930,248	2,986,408	-
Landfill	2,008,345	1,564,309	-
Total business-type activities	6,720,344	6,819,926	-
<b>Total primary government</b>	\$ 20,369,181	\$ 8,409,437	\$ 932,256
<b>Component unit (accrual basis):</b>			
Kilgore Library Foundation	\$ 21,132	\$ -	\$ 24,500

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

Capital Grants and Contributions	Primary Government			Component Unit (Accrual Basis)
	Governmental Activities (Modified Accrual Basis)	Business-type Activities (Accrual Basis)	Total	
\$ -	\$ (895,609)		\$ (895,609)	
-	(311,719)		(311,719)	
60,796	(2,724,288)		(2,724,288)	
870,519	(1,322,482)		(1,322,482)	
310,620	(1,594,284)		(1,594,284)	
78,333	24,257		24,257	
-	(388,074)		(388,074)	
-	(2,594,603)		(2,594,603)	
<u>1,320,268</u>	<u>(9,806,802)</u>	<u>\$ -</u>	<u>(9,806,802)</u>	
39,022	-	526,480	526,480	
-	-	56,160	56,160	
-	-	(444,036)	(444,036)	
<u>39,022</u>	<u>-</u>	<u>138,604</u>	<u>138,604</u>	
<u>\$ 1,359,290</u>	<u>(9,806,802)</u>	<u>138,604</u>	<u>(9,668,198)</u>	
<u>\$ -</u>				\$ 3,368
General revenues:				
Taxes:				
Property	2,080,999	-	2,080,999	-
Motor vehicle	216,083	-	216,083	-
Occupation/franchise	2,467,360	-	2,467,360	-
Sales tax	5,521,106	-	5,521,106	-
Special assessments	38,357	15,885	54,242	-
TIF proceeds	176,842	-	176,842	-
State allocation	1,245,376	-	1,245,376	-
Keno proceeds	5,842	-	5,842	-
Gain (loss) on sale of capital assets	26,000	-	26,000	-
Miscellaneous	16,684	-	16,684	-
Interest income	52,459	66,610	119,069	13,558
Total general revenues	<u>11,847,108</u>	<u>82,495</u>	<u>11,929,603</u>	<u>13,558</u>
Change in net position	2,040,306	221,099	2,261,405	16,926
Net position - September 30, 2020	<u>31,764,743</u>	<u>34,580,863</u>	<u>66,345,606</u>	<u>1,226,856</u>
Net position - September 30, 2021	<u>\$ 33,805,049</u>	<u>\$ 34,801,962</u>	<u>\$ 68,607,011</u>	<u>\$ 1,243,782</u>

**CITY OF YORK, NEBRASKA**

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

**September 30, 2021**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,483,754	\$ 629,208	\$ 124,468	\$ 116,708
Certificates of deposit	4,722,713	1,275,911	129,382	236,660
County treasurer cash	88,671	-	-	-
Accounts receivable	342,611	9,416	-	-
Special assessments receivable	-	456,871	-	138,242
Due from other governments	720,887	49,731	72,157	-
Accrued interest receivable	1,424	385	39	71
Inventory	-	-	-	-
Prepaid insurance	136,242	22,586	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 8,496,302</b>	<b>\$ 2,444,108</b>	<b>\$ 326,046</b>	<b>\$ 491,681</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 470,542	\$ 255,320	\$ 7,754	\$ -
Accrued interest payable	-	927	-	15,015
Accrued wages and vacation	184,059	36,786	-	-
Customer deposits	750	-	-	-
Sales tax payable	427	-	-	-
Unavailable special assessments	-	437,976	-	138,242
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>655,778</b>	<b>731,009</b>	<b>7,754</b>	<b>153,257</b>
Fund balances:				
Nonspendable:				
Prepaid assets	136,242	22,586	-	-
Restricted for:				
Street improvements	-	1,690,513	-	-
Debt service	-	-	-	338,424
Federal programs	694,323	-	318,292	-
Economic development	-	-	-	-
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Police	52,016	-	-	-
Fire	42,650	-	-	-
Recreation	4,837	-	-	-
Assigned for:				
Budgetary stabilization	905,385	-	-	-
Other purposes	-	-	-	-
Unassigned	6,005,071	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b>7,840,524</b>	<b>1,713,099</b>	<b>318,292</b>	<b>338,424</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balances</b>	<b>\$ 8,496,302</b>	<b>\$ 2,444,108</b>	<b>\$ 326,046</b>	<b>\$ 491,681</b>
	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

<u>LB 357 Fund</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 559,096	\$ 1,089,267	\$ 5,002,501
1,133,736	2,232,690	9,731,092
-	-	88,671
-	7,647	359,674
-	-	595,113
256,873	78,333	1,177,981
342	664	2,925
-	72,394	72,394
-	7,327	166,155
<u>\$ 1,950,047</u>	<u>\$ 3,488,322</u>	<u>\$ 17,196,506</u>
\$ 10,919	\$ 76,404	\$ 820,939
50,262	-	66,204
-	2,152	222,997
-	-	750
-	-	427
-	-	576,218
<u>61,181</u>	<u>78,556</u>	<u>1,687,535</u>
-	7,327	166,155
-	-	1,690,513
-	-	338,424
-	-	1,012,615
-	475,853	475,853
1,888,866	923,991	2,812,857
-	43,544	43,544
-	61,049	113,065
-	-	42,650
-	-	4,837
-	-	905,385
-	1,898,002	1,898,002
-	-	6,005,071
<u>1,888,866</u>	<u>3,409,766</u>	<u>15,508,971</u>
<u>\$ 1,950,047</u>	<u>\$ 3,488,322</u>	<u>\$ 17,196,506</u>



**CITY OF YORK, NEBRASKA**

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

**September 30, 2021**

**Total fund balances - governmental funds** \$ 15,508,971

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

Notes receivable are not financial resources and therefore are not reported as assets in the governmental funds. Notes receivable are reported as assets in the statement of net position. 214,736

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$55,676,620 and the accumulated depreciation is \$22,295,719. 33,380,901

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,362,451

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

Bonds payable	\$ (16,400,000)	
Note payable	(102,596)	
Noncurrent compensated absences	(159,414)	(16,662,010)

**Total net position - governmental activities** \$ 33,805,049

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

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

**For the year ended September 30, 2021**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 2,080,999	\$ -	\$ -
Motor vehicle	216,083	-	-
Special assessments	-	37,601	-
Occupation/franchise	2,467,360	-	-
Sales tax	3,813,444	327,386	-
TIF proceeds	-	-	-
Intergovernmental	429,937	1,210,787	-
Charges for services	1,208,020	6,108	-
Grants	985,257	-	402,145
Keno proceeds	-	-	-
Loan collections	-	-	79,025
Contributions	130,456	-	-
Interest income	19,088	7,586	251
Loan/bond proceeds	9,480,000	-	-
Bond premiums	82,616	-	-
Sale of property	13,000	13,000	-
Insurance proceeds	8,210	-	-
Other	13,101	9,759	-
Total revenues	20,947,571	1,612,227	481,421
<b>EXPENDITURES</b>			
General government	974,758	-	-
Economic development	-	-	477,116
Public safety	3,982,069	-	-
Public works	-	2,210,193	-
Environment and leisure	2,373,319	-	-
Airport	-	-	-
Capital outlay	4,470,845	79,019	-
Principal payments on debt	4,100,000	42,837	-
Interest on long-term debt	41,102	5,175	-
Bond fees	58,585	-	-
Total expenditures	16,000,678	2,337,224	477,116
Excess (deficiency) of revenues over expenses before transfers	4,946,893	(724,997)	4,305
<b>INTERFUND TRANSFERS</b>			
Transfer from (to) other funds	(1,741,990)	1,479,261	-
<b>Net change in fund balances</b>	3,204,903	754,264	4,305
Fund balances - September 30, 2020	4,635,621	958,835	313,987
Fund balances - September 30, 2021	\$ 7,840,524	\$ 1,713,099	\$ 318,292

See notes to financial statements.

Debt Service <u>Fund</u>	LB 357 <u>Fund</u>	Other <u>Funds</u>	Total Governmental <u>Funds</u>
\$ -	\$ -	\$ -	\$ 2,080,999
-	-	-	216,083
755	-	-	38,356
-	-	-	2,467,360
-	1,380,277	-	5,521,107
-	-	197,399	197,399
-	-	-	1,640,724
-	-	347,410	1,561,538
-	-	246,595	1,633,997
-	-	5,842	5,842
-	-	78,510	157,535
-	-	26,112	156,568
830	5,919	12,950	46,624
2,655,000	7,700,000	-	19,835,000
-	-	-	82,616
-	-	-	26,000
-	-	-	8,210
-	-	-	22,860
<u>2,656,585</u>	<u>9,086,196</u>	<u>914,818</u>	<u>35,698,818</u>
-	-	6,667	981,425
-	-	306,429	783,545
-	-	-	3,982,069
-	-	7,176	2,217,369
-	85,124	-	2,458,443
-	-	357,573	357,573
-	25,919	35,833	4,611,616
3,430,000	8,250,000	20,557	15,843,394
75,375	166,751	2,380	290,783
31,022	90,300	-	179,907
<u>3,536,397</u>	<u>8,618,094</u>	<u>736,615</u>	<u>31,706,124</u>
(879,812)	468,102	178,203	3,992,694
<u>782,729</u>	<u>(520,000)</u>	<u>-</u>	<u>-</u>
(97,083)	(51,898)	178,203	3,992,694
<u>435,507</u>	<u>1,940,764</u>	<u>3,231,563</u>	<u>11,516,277</u>
<u>\$ 338,424</u>	<u>\$ 1,888,866</u>	<u>\$ 3,409,766</u>	<u>\$ 15,508,971</u>

**CITY OF YORK, NEBRASKA**

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

**For the year ended September 30, 2021**

<b>Total net change in fund balances - governmental funds</b>	\$ 3,992,694
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Loan collections on notes receivable are reported as revenue in the governmental funds. However, the collection of loan principal is reported as a reduction to notes receivable in the statement of activities.	(170,390)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$4,611,616) exceeded depreciation expense (\$2,594,603) in the period.	2,017,013
Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the statement of activities.	159,283
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	33,312
Issuance of long-term debt is reported as revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(19,835,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>15,843,394</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 2,040,306</u></u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

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

**September 30, 2021**

	Enterprise Funds				Internal
	Water Fund	Sewer Fund	Landfill Fund	Total	Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,426,105	\$ 1,006,788	\$ 714,044	\$ 4,146,937	\$ 493,477
Certificates of deposit	5,078,294	2,041,568	1,447,940	8,567,802	1,000,673
Accounts receivable	178,620	307,243	-	485,863	-
Unbilled revenue	272,426	264,688	-	537,114	-
Accrued interest receivable	1,559	615	685	2,859	301
Prepaid expenses	11,241	18,920	9,170	39,331	-
Inventory	137,694	-	-	137,694	-
Total current assets	8,105,939	3,639,822	2,171,839	13,917,600	1,494,451
Noncurrent assets:					
Restricted cash	100,810	-	-	100,810	-
Restricted certificates of deposit	266,500	-	2,640,476	2,906,976	-
Capital assets:					
Land	24,625	344,330	263,712	632,667	-
Construction in progress	-	62,182	-	62,182	-
Distribution systems	21,299,542	35,570,751	-	56,870,293	-
Buildings and improvements	206,867	-	5,394,625	5,601,492	-
Equipment	1,165,582	5,294,449	2,155,540	8,615,571	-
Vehicles	104,250	570,000	-	674,250	-
Less accumulated depreciation	(8,250,973)	(10,664,833)	(3,126,731)	(22,042,537)	-
Net capital assets	14,549,893	31,176,879	4,687,146	50,413,918	-
Total noncurrent assets	14,917,203	31,176,879	7,327,622	53,421,704	-
<b>Total assets</b>	23,023,142	34,816,701	9,499,461	67,339,304	1,494,451
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	194,284	71,957	85,432	351,673	160
Claims incurred but not paid	-	-	-	-	131,840
Accrued wages and vacation	19,722	11,897	10,557	42,176	-
Accrued interest payable	30,653	94,243	6,624	131,520	-
Sales tax payable	13,218	16,814	-	30,032	-
Customer deposits	100,810	-	-	100,810	-
Current portion of long-term obligations	599,222	1,097,279	132,283	1,828,784	-
Total current liabilities	957,909	1,292,190	234,896	2,484,995	132,000
Noncurrent liabilities:					
Noncurrent compensated absences	21,365	4,957	-	26,322	-
Accrued closure/post-closure costs	-	-	3,679,651	3,679,651	-
Noncurrent portion of long-term obligations	6,121,658	20,083,890	140,826	26,346,374	-
Total noncurrent liabilities	6,143,023	20,088,847	3,820,477	30,052,347	-
<b>Total liabilities</b>	7,100,932	21,381,037	4,055,373	32,537,342	132,000
<b>NET POSITION</b>					
Net investment in capital assets	7,829,013	9,995,710	4,414,037	22,238,760	-
Restricted for debt service	266,500	-	-	266,500	-
Unrestricted	7,826,697	3,439,954	1,030,051	12,296,702	1,362,451
<b>Total net position</b>	\$15,922,210	\$13,435,664	\$5,444,088	\$34,801,962	\$1,362,451

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

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

**For the year ended September 30, 2021**

	Enterprise Funds			Total	Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund		
<b>Operating revenues:</b>					
Sales	\$ 2,091,849	\$ 2,960,390	\$ 1,551,725	\$ 6,603,964	\$ -
Services charges	30,361	21,804	-	52,165	-
Tap fees	4,857	-	-	4,857	-
Rent income	109,999	-	12,584	122,583	-
Health insurance premiums	-	-	-	-	1,206,580
Other revenue	32,143	4,214	-	36,357	-
<b>Total operating revenues</b>	<b>2,269,209</b>	<b>2,986,408</b>	<b>1,564,309</b>	<b>6,819,926</b>	<b>1,206,580</b>
<b>Operating expenses:</b>					
Personnel	407,656	401,241	351,641	1,160,538	-
Insurance	24,525	37,014	18,650	80,189	-
Professional fees	24,357	49,652	140,288	214,297	-
Meetings, seminars, and dues	1,171	138	223	1,532	-
Repairs and maintenance	276,894	185,365	186,647	648,906	-
Contract services	17,864	18,466	56,605	92,935	-
Transportation	10,730	8,219	49,110	68,059	-
Utilities and telephone	99,626	182,722	18,724	301,072	-
Supplies	16,814	38,289	7,721	62,824	-
Closure/post-closure costs	-	-	817,140	817,140	-
Farm rental expenses	57,710	-	-	57,710	-
Other expenses	98,660	56,381	6,684	161,725	-
Depreciation	546,143	1,469,915	343,681	2,359,739	-
Insurance claims/health premiums	-	-	-	-	1,053,133
<b>Total operating expenses</b>	<b>1,582,150</b>	<b>2,447,402</b>	<b>1,997,114</b>	<b>6,026,666</b>	<b>1,053,133</b>
<b>Operating income (loss)</b>	<b>687,059</b>	<b>539,006</b>	<b>(432,805)</b>	<b>793,260</b>	<b>153,447</b>
<b>Nonoperating revenues (expenses):</b>					
Interest income	32,002	11,368	23,240	66,610	5,836
Grant income	39,022	-	-	39,022	-
Special assessments	-	15,885	-	15,885	-
Interest expense	(137,792)	(330,278)	(11,231)	(479,301)	-
Bond/DEQ loan fees	(61,809)	(152,568)	-	(214,377)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(128,577)</b>	<b>(455,593)</b>	<b>12,009</b>	<b>(572,161)</b>	<b>5,836</b>
<b>Change in net position</b>	<b>558,482</b>	<b>83,413</b>	<b>(420,796)</b>	<b>221,099</b>	<b>159,283</b>
Net position - September 30, 2020	15,363,728	13,352,251	5,864,884	34,580,863	1,203,168
Net position - September 30, 2021	<u>\$ 15,922,210</u>	<u>\$ 13,435,664</u>	<u>\$ 5,444,088</u>	<u>\$ 34,801,962</u>	<u>\$ 1,362,451</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

**For the year ended September 30, 2021**

	<u>Water</u> <u>Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 2,270,179
Receipts from employees and other funds	-
Payments to suppliers	(600,695)
Payments to employees	(403,057)
Net cash provided (used) by operating activities	<u>1,266,427</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of property and equipment	(519,593)
Increase in accrued closure/post-closure costs	-
Grant funds received	146,862
Special assessments collected	-
Payment of loan administration fees	(61,809)
Loan proceeds received on issuance of long-term debt	3,497,221
Principal payments on capital debt	(3,382,547)
Interest paid on capital debt	(158,921)
Net cash provided (used) by capital and related financing activities	<u>(478,787)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Increase in certificates of deposit	(531,600)
Decrease in restricted cash	135
(Increase) decrease in restricted certificates of deposit	201,500
Interest received	34,611
Net cash used by investing activities	<u>(295,354)</u>
Increase in cash and cash equivalents	492,286
Cash and cash equivalents - beginning of the year	<u>1,933,819</u>
Cash and cash equivalents - end of the year	<u>\$ 2,426,105</u>

Enterprise Funds			Internal Service Fund
Sewer Fund	Landfill Fund	Total	
\$ 2,895,543	\$ 1,564,309	\$ 6,730,031	\$ -
-	-	-	1,206,580
(574,485)	(1,270,701)	(2,445,881)	(988,043)
(398,311)	(348,737)	(1,150,105)	-
<u>1,922,747</u>	<u>(55,129)</u>	<u>3,134,045</u>	<u>218,537</u>
(95,852)	(29,295)	(644,740)	-
-	817,140	817,140	-
-	-	146,862	-
15,885	-	15,885	-
(152,568)	-	(214,377)	-
-	-	3,497,221	-
(1,079,134)	(126,761)	(4,588,442)	-
(335,746)	(14,354)	(509,021)	-
<u>(1,647,415)</u>	<u>646,730</u>	<u>(1,479,472)</u>	<u>-</u>
(107,854)	(287,600)	(927,054)	(111,562)
-	-	135	-
-	(110,110)	91,390	-
12,491	24,014	71,116	6,334
<u>(95,363)</u>	<u>(373,696)</u>	<u>(764,413)</u>	<u>(105,228)</u>
179,969	217,905	890,160	113,309
826,819	496,139	3,256,777	380,168
<u>\$ 1,006,788</u>	<u>\$ 714,044</u>	<u>\$ 4,146,937</u>	<u>\$ 493,477</u>



**CITY OF YORK, NEBRASKA**

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

**For the year ended September 30, 2021**

	<u>Water Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 687,059
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	546,143
Change in assets and liabilities:	
Accounts receivable and unbilled revenue	1,085
Prepaid expenses	2,015
Inventories	(96,817)
Accounts payable	122,458
Claims incurred but not paid	-
Accrued expenses	4,599
Sales tax payable	20
Customer deposits	(135)
Net cash provided (used) by operating activities	<u>\$ 1,266,427</u>

See notes to financial statements.

<u>Enterprise Funds</u>				<u>Internal Service Fund</u>
<u>Sewer Fund</u>	<u>Landfill Fund</u>		<u>Total</u>	
\$ 539,006	\$ (432,805)		\$ 793,260	\$ 153,447
1,469,915	343,681		2,359,739	-
(92,807)	-		(91,722)	-
(2,384)	(1,568)		(1,937)	-
-	-		(96,817)	-
4,145	32,659		159,262	(3,076)
-	-		-	68,166
2,930	2,904		10,433	-
1,942	-		1,962	-
-	-		(135)	-
<u>\$ 1,922,747</u>	<u>\$ (55,129)</u>		<u>\$ 3,134,045</u>	<u>\$ 218,537</u>

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

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

**September 30, 2021**

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

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

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

**1. Financial Reporting Entity**

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

The City’s financial reporting entity comprises the following:

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

**1. Financial Reporting Entity, continued**

**Blended Component Units**

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

**Discretely Presented Component Units**

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

Brief Description of Activities  
and Relationship to the City

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

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

**2. Basis of Presentation**

**Government-wide Financial Statements**

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**2. Basis of Presentation, continued**

**Fund Financial Statements**

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

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

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

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

*Special Revenue Funds*

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

*Debt Service Fund*

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

**2. Basis of Presentation, continued**

**Governmental Funds, continued**

*Capital Projects Fund*

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

**Proprietary Funds**

*Enterprise Funds*

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

*Internal Service Fund*

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

**Major and Nonmajor Funds**

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

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

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. **Basis of Presentation, continued**

Major and Nonmajor Funds, continued

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

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

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



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, except for property tax. Property tax revenue is recorded when the tax is received by the County Treasurer.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

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

**Basis of Accounting, continued**

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

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

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

**Estimates**

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

**Cash and Certificates of Deposit**

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

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

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

**Receivables**

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

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

**Receivables, continued**

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

**Due from Other Governments**

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

<u>Fund</u>	<u>Amount</u>	<u>Type of Revenue</u>
General	\$ 720,887	Sales Tax
Street	49,731	Sales Tax
CDBG	72,157	Federal Grant
LB357	256,873	Sales Tax
Aviation	78,333	Federal Grant
	<u>\$1,177,981</u>	

**Inventory**

Inventories of parts and supplies are valued at cost using the first-in/first-out (FIFO) method. Unharvested grain inventory is valued at the cost of inputs. Rehab houses held for resale are valued at cost plus the cost of major improvements.

**Restricted Assets**

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

**Capital Assets**

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

*Government-wide Statements*

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Capital Assets, continued**

*Government-wide Statements, continued*

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

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

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

*Fund Financial Statements*

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

**Compensated Absences**

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Long-term Debt**

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

*Government-wide Statements*

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

*Fund Financial Statements*

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

**Equity Classifications**

*Government-wide Statements*

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

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Equity Classifications, continued**

*Fund Financial Statements*

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

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

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

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

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

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

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

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

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

**Sales and Use Tax**

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

**Property Taxes**

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

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

Property taxes levied for 2020-2021 are recorded as revenue when received by the County.

**Operating Revenues and Expenses**

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

**Expenditures/Expenses**

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

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

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Interfund Transfers**

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

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

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

**1. Fund Accounting Requirements**

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

**2. Deposit Laws and Regulations**

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

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



**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

**3. Revenue Restrictions**

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

**4. Debt Restrictions and Covenants**

*Bonds Payable*

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

**5. Budgetary Data**

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

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

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

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**5. Budgetary Data, continued**

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

Expenditures for the year ended September 30, 2021 exceeded budgeted appropriations by \$1,623,679.

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

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

**1. Cash and Certificates of Deposit**

**Deposits**

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2021. The categories of collateral are defined as follows:

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Deposits, continued**

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

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

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

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and certificates of deposit	\$ 33,169,651	\$ 1,890,113	\$ 31,266,804	\$ 12,734	\$ <u>33,156,650</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 6,919,371
Unrestricted certificates of deposit	15,506,490
Restricted cash and cash equivalents	2,824,354
Restricted certificates of deposit	<u>6,700,053</u>
Total primary government	31,950,268

Component Unit –

Unrestricted cash and cash equivalents	103,494
Unrestricted certificates of deposit	<u>1,102,888</u>
Total component unit	<u>1,206,382</u>

Total	\$ <u>33,156,650</u>
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**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2021, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 2,723,544	\$ 100,810	\$ 2,824,354	\$ -
Certificates of deposit	<u>3,790,077</u>	<u>2,906,976</u>	<u>6,697,053</u>	<u>-</u>
	<u>\$ 6,513,621</u>	<u>\$ 3,007,786</u>	<u>\$ 9,521,407</u>	<u>\$ -</u>

The governmental restricted assets consist of the following: \$694,323 in the General Fund for Federal programs, \$94,666 in the General Fund for public safety, \$4,837 in the General Fund for recreation, \$1,905,119 in the Street Fund for street operations and improvements, \$253,850 in the CDBG Fund for federal programs, \$353,368 in the Debt Service Fund for debt service, \$1,692,832 in the LB 357 Fund for capital projects, \$49,334 in the Keno Fund for community betterment, \$61,036 in the E911 Fund for public safety, \$928,499 in the Capital Projects Fund for capital projects, and \$475,757 in the TIF Fund for economic development.

Restricted assets for business-type funds consist of \$100,810 restricted cash for customer deposits in the Water Fund, \$266,500 of Water Fund certificates of deposit restricted for debt service, and \$2,640,476 of Landfill Fund certificates of deposit restricted for closure and post-closure costs.

**3. Accounts and Other Receivables**

Governmental receivables detail at September 30, 2021, is as follows:

	<u>Governmental Activities</u>
Accounts receivable - ambulance	\$ 269,353
Hotel occupation tax receivable	57,645
Other governmental accounts receivable	<u>32,676</u>
 Total governmental accounts receivable	 <u>\$ 359,674</u>

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

**4. Notes Receivable**

Notes receivable at September 30, 2021, consist of the following:

CDBG notes:

Note for \$35,000 to York Place Crown, Ltd. dated December 13, 2005; due in monthly installments of \$177 through December 1, 2025; bearing interest of 2.0 percent.	\$ 8,813
Note for \$450,000 to Cyclonaire dated May 15, 2013; due in monthly installments of \$4,178 through June 15, 2023; bearing interest of 1.625 percent.	<u>98,639</u>
Total CDBG notes receivable	107,452

Economic Development notes:

Note for \$139,000 to York Urgent Care dated September 4, 2015; due in monthly installments of \$1,256 through September 1, 2025; bearing interest of 1.625 percent.	57,145
Note for \$62,400 to Cindy Weber dated December 2016; due in annual installments of \$6,848 through December 2026; bearing interest of 1.875 percent.	<u>38,834</u>
Total Economic Development notes receivable	95,979

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

**September 30, 2021**

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

**4. Notes Receivable, continued**

TIF notes:

See note described below.

	<u>11,305</u>
	\$ <u>214,736</u>
Current portion	\$ 82,753
Noncurrent portion	<u>131,983</u>
Total	\$ <u>214,736</u>

The City of York has undertaken a program for the redevelopment of blighted areas in the City. Under the program, various projects agree to create a minimum taxable valuation for real estate tax assessment purposes. The City receives the incremental real estate taxes paid by the projects. Estimated future receivables and payables under TIF agreements as of September 30, 2021, were as follows:

	<u>TIF</u> <u>Receivables</u>	<u>TIF</u> <u>Payables</u>
United Farmers Coop	<u>\$ 11,305</u>	<u>\$ 11,305</u> *

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**5. Capital Assets**

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance at October 1, <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2021</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 1,918,694	\$ -	\$ -	\$ -	\$ 1,918,694
Construction in progress	928,995	1,438,436	-	(803,690)	1,563,741
Total capital assets not being depreciated	2,847,689	1,438,436	-	(803,690)	3,482,435
Other capital assets being depreciated:					
Infrastructure	14,121,516	-	-	-	14,121,516
Buildings and improvements	26,321,178	2,973,487	(54,627)	803,690	30,043,728
Equipment	4,169,801	149,322	(108,275)	-	4,210,848
Vehicles	4,162,198	50,371	(394,476)	-	3,818,093
Total other capital assets at historical cost	48,774,693	3,173,180	(557,378)	803,690	52,194,185
Less accumulated depreciation for:					
Infrastructure	(5,949,119)	(909,341)	-	-	(6,858,460)
Buildings and improvements	(8,763,627)	(951,320)	54,627	-	(9,660,320)
Equipment	(2,645,324)	(342,274)	108,275	-	(2,879,323)
Vehicles	(2,900,424)	(391,668)	394,476	-	(2,897,616)
Total accumulated depreciation	(20,258,494)	(2,594,603) *	557,378	-	(22,295,719)
Other capital assets, net	28,516,199	578,577	-	803,690	29,898,466
Governmental activities capital assets, net	<u>\$ 31,363,888</u>	<u>\$ 2,017,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,380,901</u>

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

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

5. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government:

Administration \$ 11,797

Public safety:

Police 67,557

Fire/EMS 279,632

Total public safety 347,189

Environment and leisure:

Auditorium 10,809

Ball Field Complex 491,784

Community Center 17,395

Convention Center 251,957

Library 27,510

Park 106,149

Pool 145,580

Senior Center 11,337

Total environment and leisure 1,062,521

Total General Fund 1,421,507

Special Revenue Funds:

Airport 143,641

Street 1,029,455

Total Governmental Activities  
depreciation expense \$ 2,594,603

Construction in progress at September 30, 2021, consists of \$118,157 of engineering on the Blackburn Bridge project, \$1,409,751 of costs on the Community Center remodeling project, and \$35,833 of engineering on the airport snow removal equipment acquisition. See Note D3 for details of commitments in place on these projects as of September 30, 2021.



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**5. Capital Assets, continued**

	Balance at October 1, <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2021</u>
<b><u>Business-type Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 632,667	\$ -	\$ -	\$ -	\$ 632,667
Construction in progress	3,768,368	62,182	-	(3,768,368)	62,182
Total capital assets not being depreciated	4,401,035	62,182	-	(3,768,368)	694,849
Other capital assets being depreciated:					
Distribution systems	53,098,038	277,862	-	3,494,393	56,870,293
Buildings and improvements	5,327,517	-	-	273,975	5,601,492
Equipment	8,552,605	62,966	-	-	8,615,571
Vehicles	755,367	-	(81,117)	-	674,250
Total other capital assets at historical cost	67,733,527	340,828	(81,117)	3,768,368	71,761,606
Less accumulated depreciation for:					
Distribution systems	(11,648,850)	(1,767,930)	-	-	(13,416,780)
Buildings and improvements	(2,188,753)	(131,691)	-	-	(2,320,444)
Equipment	(5,586,622)	(391,673)	-	-	(5,978,295)
Vehicles	(339,690)	(68,445)	81,117	-	(327,018)
Total accumulated depreciation	(19,763,915)	(2,359,739) *	81,117	-	(22,042,537)
Other capital assets, net	47,969,612	(2,018,911)	-	3,768,368	49,719,069
Business-type capital assets, net	<u>\$ 52,370,647</u>	<u>\$ (1,956,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,413,918</u>

\*Depreciation expense was charged to functions as follows:

Water	\$ 546,143
Sewer	1,469,915
Landfill	<u>343,681</u>
Total Business-type Activities depreciation expense	<u>\$ 2,359,739</u>

Construction in progress at September 30, 2021, consists of a \$62,182 downpayment on the sewer generator project. See Note D3 for details of commitments in place on these projects as of September 30, 2021.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

**6. Long-term Debt**

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

**Changes in Long-term Debt**

<u>Type of Debt</u>	Balance October 1, 2020	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2021	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds payable	\$ 12,345,000	\$ 15,735,000	\$ (11,680,000)	\$ 16,400,000	\$ 780,000
Notes payable	165,990	4,100,000	(4,163,394)	102,596	56,047
Total	<u>\$ 12,510,990</u>	<u>\$ 19,835,000</u>	<u>\$ (15,843,394)</u>	<u>\$ 16,502,596</u>	<u>\$ 836,047</u>
<b>Business-type Activities:</b>					
Bonds payable	\$ 3,050,000	\$ 2,665,000	\$ (3,100,000)	\$ 2,615,000	\$ 300,000
Notes payable	25,816,509	832,221	(1,361,680)	25,287,050	1,396,501
Capital lease obligation	399,869	-	(126,761)	273,108	132,283
Total	<u>\$ 29,266,378</u>	<u>\$ 3,497,221</u>	<u>\$ (4,588,441)</u>	<u>\$ 28,175,158</u>	<u>\$ 1,828,784</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

**Governmental Activities**

As of September 30, 2021, the governmental long-term liabilities consisted of the following:

Bonds payable:

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

\$ 7,700,000

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Governmental Activities, continued**

Bonds payable, continued:

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

Series 2014 General Obligation Refunding Bonds for \$610,000 dated September 25, 2014 issued for refunding Series 2009 bonds. The bonds bear interest ranging from 0.35 to 2.15 percent with final maturity March 1, 2022. Payments are made by the Debt Service Fund. 80,000

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

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

**Governmental Activities, continued**

Bonds payable, continued:

Series 2010 General Obligation Refunding Bonds for \$4,250,000 dated October 15, 2010 issued for refunding 1999, 2003 and 2005 bonds. The bonds bear interest ranging from 0.70 to 3.40 percent with final maturity April 15, 2025. Payments are made by the Debt Service Fund. 585,000

Notes payable:

Note payable of \$214,847 issued through York State Bank to finance the purchase of a street sweeper, bearing interest of 4.08 percent and due in five annual principal and interest installments of \$48,450 commencing July 6, 2019 through July 6, 2023. 91,291

See description of TIF note payable at Note C4. 11,305

Total governmental activities long-term debt \$ 16,502,596

Current portion \$ 836,047

Noncurrent portion 15,666,549

Total governmental long-term debt \$ 16,502,596

**Business-type Activities**

As of September 30, 2021, the long-term debt payable from proprietary fund resources consisted of the following:

Capital lease obligation:

Capital lease obligation to finance a trash compacter dated December 29, 2017, with original issue amount of \$785,250, bearing interest of 3.25 percent, with final maturity on December 29, 2022. Payments are made by the Landfill Fund. \$ 273,109

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

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

**Business-type Activities, continued**

Notes payable:

Water note payable to the Nebraska Department of Environmental Quality, dated December 2009, with original issue amount of \$2,334,605, bearing interest of 2.0 percent. Semi-annual principal and interest payments of \$71,213 plus an administration fee of one percent are due commencing June 15, 2011 through December 15, 2030. 1,226,709

Water note payable to the Nebraska Department of Environmental Quality, dated December 2009, with maximum available amount of \$3,655,000, bearing interest of 2.0 percent. Principal of \$832,221 was drawn on this note during the year ended September 30, 2021. Semi-annual principal and interest payments of \$118,404 plus an administration fee of one percent are due commencing December 15, 2020 through June 15, 2035. 2,879,171

Sewer note payable to the Nebraska Department of Environmental Quality, dated December 2009, with original issue amount of \$23,043,162, bearing interest of 1.5 percent. Semi-annual principal and interest payments of \$668,947 plus an administration fee of 0.70 percent are due commencing June 15, 2020 through June 15, 2039. 21,036,233

Note payable of \$341,392 issued through York State Bank to finance the purchase of a sewer vac truck, bearing interest of 4.08 percent and due in five annual principal and interest installments of \$76,987 commencing May 18, 2019 through May 18, 2023. 144,936

Bonds payable:

Series 2021 Water System Revenue Refunding Bonds for \$2,665,000 dated April 12, 2021, issued for refunding Series 2014 Water System Revenue Refunding Bonds. The bonds bear interest ranging from 0.30 to 1.25 percent with final maturity June 1, 2029. 2,615,000

Total business-type activity lease, note and bonds payable \$ 28,175,158

Current portion \$ 1,828,784

Noncurrent portion 26,346,374

Total \$ 28,175,158

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

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

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

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2021, are as follows:

<u>September 30,</u>	Governmental Activities				
	Other Debt Issues		Direct Placement Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 780,000	\$ 170,753	\$ 56,047	\$ 4,190	
2023	1,410,000	190,708	46,549	1,882	
2024	1,250,000	178,591	-	-	
2025	1,165,000	171,280	-	-	
2026	1,100,000	162,820	-	-	
2027-2031	4,875,000	682,335	-	-	
2032-2036	4,240,000	400,442	-	-	
2037-2041	1,580,000	119,475	-	-	
	<u>\$ 16,400,000</u>	<u>\$ 2,076,404</u>	<u>\$ 102,596</u>	<u>\$ 6,072</u>	

  

<u>September 30,</u>	Business-type Activities				
	Other Debt Issues		Direct Placement Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>
2022	\$ 300,000	\$ 21,180	\$ 1,528,784	\$ 406,444	\$ 175,378
2023	305,000	20,130	1,560,916	378,400	166,013
2024	300,000	18,758	1,368,056	349,070	156,298
2025	300,000	16,957	1,390,221	326,906	146,424
2026	305,000	14,858	1,412,751	304,375	136,390
2027-2031	1,105,000	27,952	7,343,717	1,170,706	525,603
2032-2036	-	-	7,045,320	590,577	269,563
2037-2039	-	-	3,910,393	103,287	48,201
	<u>\$ 2,615,000</u>	<u>\$ 119,835</u>	<u>\$ 25,560,158</u>	<u>\$ 3,629,765</u>	<u>\$ 1,623,870</u>

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

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

**7. Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require the City of York to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities at the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount the landfill used during the year. The estimated liability for landfill closure is \$2,002,286, with postclosure care costs of \$1,346,738, for a total of \$3,349,024 as of September 30, 2021, which is based on 93.67 percent usage of Phases 1-5 of the landfill, with a remaining estimated life of 2.7 years for Phases 1-5 and 39.5 years for Phases 6-10. The estimated liability for construction and demolition landfill closure is \$195,456, with postclosure care costs of \$17,985 for a total of \$213,441 as of September 30, 2021. The estimated liability for the old landfill postclosure care costs is \$117,186 as of September 30, 2021.

It is estimated that an additional \$715,201 and \$144,343, respectively, will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care of \$4,539,195 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2021. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2021, restricted funds of \$2,640,476 are set aside to finance closure and postclosure care of the City's landfill. It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

8. Interfund Transactions and Balances

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
To Street	\$ -	\$ 959,261
To Debt Service	-	782,729
Total General Fund	<u>-</u>	<u>1,741,990</u>
Street Fund:		
From General	959,261	-
From LB357	520,000	-
Total Street Fund	<u>1,479,261</u>	<u>-</u>
LB357 Fund:		
To Street	-	520,000
Debt Service Fund:		
From General	782,729	-
	<u>\$ 2,261,990</u>	<u>\$ 2,261,990</u>



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**NOTE D – OTHER NOTES**

**1. Retirement Benefits**

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

**General City Employees** – General city employees are covered by a defined contribution plan. Under the terms of the plan, an employee must be age 21 or older. Participating employees are required to contribute 6.5 percent of their earnings, and may make additional voluntary contributions to the plan. The City is required to match the 6.5 percent contributions to the plan. Employees are 100 percent vested in the plan after they complete six years of service, reach normal retirement age (65), meet the requirements for early retirement date, become totally disabled, or die, whichever occurs first. The covered payroll was \$2,296,959, with the City contributing \$154,859 and the employees contributing \$171,977 for the year ended September 30, 2021.

**Firefighters** – Firefighters are covered by a defined contribution plan. Eligible employees are required to contribute 6.5 percent of their monthly salary to the plan, to which the City then contributes with 13 percent of the participant’s monthly salary. Employees are fully vested after seven years of service. Normal retirement benefit becomes nonforfeitable. A participant’s normal retirement age is the date he or she attains age 50 and completes 21 years of service. Nebraska state statutes govern the coverage afforded to participants under this plan. The covered payroll was \$1,044,337 with the City contributing \$108,173 and the employees contributing \$55,086 for the year ended September 30, 2021.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**1. Retirement Benefits, continued**

**Police Officers** - Under Nebraska statutes, the City is required to maintain a retirement plan for City policemen. The total contributions under this plan are deposited under a money purchase retirement plan. This plan requires that covered employees and the City contribute an amount equal to 7.0 percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. Total covered payroll was \$957,506. Both the City's contribution of \$69,448 and the employees' contributions of \$69,448 were made for the year ended September 30, 2021.

**City Administration** – The City clerk is covered by a defined contribution retirement plan. The employees' contribution to the plan is voluntary, with the City contributing 11 percent of covered payroll. The participants accounts are fully vested. Contributions totaled \$43,921 (\$13,341 employer and \$30,579 employee) on \$134,764 of covered payroll.

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

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

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

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

Based on the actuarial valuation, it is anticipated that the participant accounts and unallocated/forfeiture account are sufficient to provide the minimum defined benefits for the remaining pre-1984 hires. Therefore, it is anticipated that no additional contribution will be required.

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

1. Retirement Benefits, continued

*Funding Status of Defined Benefit Plan*

The projected retirement benefits at January 1, 2020, were determined through an actuarial valuation. The actuarial valuation was performed using the Aggregate Actuarial Cost Method, which determines the total cost of the projected pension benefits to all employees combined. This total cost is then spread over the average future remaining years to retirement for the employees. The cost is spread as a level percentage of compensation.

The pension benefit obligation, a standardized disclosure measure of the present value of pension benefits, intended to help assess the funding status of pensions, is as follows:

Fair value of plan assets at September 30, 2021	\$ 11,086
Benefit obligation estimated at January 1, 2020	<u>-</u>
Funded Status	\$ <u>11,086</u>

2. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2021, are held by banks in the name of the City. The City's investments consist of only certificates of deposit.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management, continued**

**Deposits and Investments, continued**

***Interest Rate Risk, continued***

<u>Maturities by Month</u>	<u>Amount</u>
October 2021	\$ 4,325,110
November 2021	493,237
December 2021	1,059,409
March 2022	4,480,724
April 2022	848,292
June 2022	3,592,632
July 2022	906,516
August 2022	957,342
September 2022	5,536,115
February 2023	<u>7,166</u>
	<b>\$ <u>22,206,543</u></b>

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

***Concentration of Credit Risk.*** The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2021, the City’s certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Cornerstone Bank	\$ 21,606,556
York State Bank	31,923
Henderson State Bank	<u>568,064</u>
	<b>\$ <u>22,206,543</u></b>

***Foreign Currency Risk.*** This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2021.

**3. Commitments and Contingencies**

**Lease Commitments**

The City had the following lease commitments at September 30, 2021:

<u>Leased Property</u>	<u>Term of Lease</u>	<u>Lease Payment/Period</u>
Copier	05/10/18 – 05/10/22	\$ 175/month
Copier	09/18/17 – 09/18/22	\$ 68/month
Copier	05/01/21 – 05/01/26	\$ 64/month

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**3. Commitments and Contingencies, continued**

**Lease Commitments, continued**

The lease expense for the year ended September 30, 2021, was \$3,237.

Remaining lease commitments as of September 30, 2021, were as follows:

<u>Year ending September 30,</u>	<u>Lease Amount</u>
2022	\$ 2,741
2023	766
2024	766
2025	766
2026	<u>447</u>
	<b>\$ <u>5,486</u></b>

**Contractual Commitments**

At September 30, 2021, the City had the following commitments for capital assets:

	<u>Contract Amount</u>	<u>Incurred as of September 30, 2021</u>	<u>Remaining Commitment</u>	<u>Expected Completion</u>
<u>Airport snow removal equipment:</u>				
Engineering	\$ 44,443	\$ 30,834	\$ 13,609	May 2022
<u>Community Center remodeling project:</u>				
HVAC	594,547	420,792	173,755	
Contractor	1,045,414	529,959	515,455	
Total	<u>1,639,961</u>	<u>950,751</u>	<u>689,210</u>	February 2022
<u>Flood mitigation evaluation</u>				
Engineering	70,000	44,275	25,725	February 2022
<u>Sewer generator</u>				
Engineering	124,364	62,182	62,182	December 2021
	<u>\$ 1,878,768</u>	<u>\$ 1,088,042</u>	<u>\$ 790,726</u>	

**Contingencies**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen worldwide. While the disruption this pandemic is causing is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the financial impact to the City that could occur as a result of this issue is unknown and cannot be reasonably estimated at this time.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements**

The City had the following interlocal agreements in effect as of September 30, 2021:

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

**5. CDBG Housing Loans**

At September 30, 2021, the City has 12 outstanding CDBG Downpayment Assistance (DPA) loans totaling \$156,498. The DPA loans are due when the related property sells. None of these loans are recorded as assets of the City.

**6. Tax Abatements**

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

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

NOTE D – OTHER NOTES, continued

6. Tax Abatements, continued

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

Information relevant to the abatements granted by the CDA for the year ended September 30, 2021 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2021 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2021</u>
Scannell/Pioneer	0	\$ -	\$ 88,781
United Farmers Coop	1	1,760,734	31,455
Levander	12	438,524	7,122
Beaver Creek	12	472,198	8,628
Nutrition Service	13	2,142,680	39,152
Creekside Apartments	14	4,008,337	15,511
Bukaska Builders	14	369,464	<u>6,751</u>
			\$ <u>197,400</u>

7. Subsequent Events

Management has evaluated subsequent events through January 12, 2022, the date on which the financial statements were available for issue.

On October 4, 2021, the City issued Series 2021B and 2021C Highway Allocation Pledge Bonds with principal totaling \$5,525,000.

On November 4, 2021, the City was awarded a \$435,000 Community Development Block Grant for downtown revitalization.

On November 18, 2021, Council approved a \$923,600 bid from Caterpillar Tractor for a model 27 627K wheel tractor scraper for the landfill. This purchase will be financed with part of the landfill bonds YASWA will be issuing in January 2022.

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

**September 30, 2021**

**NOTE D – OTHER NOTES, continued**

**7. Subsequent Events, continued**

On December 2, 2021, Council approved consulting agreements with Benesh for \$25,730 on curb ramps, \$50,610 on asphalt maintenance, and \$186,968 on concrete paving.

On December 16, 2021, Council approved a \$79,800 bid from Connor Roofing for replacement of the Kilgore Memorial Library roof.

On December 16, 2021, Council also approved a \$118,467 proposal from JLC Incorporated for Minck's Park restroom facility.



## **SUPPLEMENTARY AND OTHER INFORMATION**

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

**Year ended September 30, 2021**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,902,940	\$ 2,080,999	\$ 178,059
Motor vehicle	180,000	216,083	36,083
Occupation/franchise	2,382,500	2,467,360	84,860
Sales tax	3,375,000	3,813,444	438,444
Intergovernmental	491,301	429,937	(61,364)
Charges for services	1,240,550	1,131,673	(108,877)
Grants	915,000	1,462,556	547,556
Contributions	56,500	130,456	73,956
Interest income	42,000	20,301	(21,699)
Loan/bond proceeds	4,338,000	9,480,000	5,142,000
Bond premiums	-	82,616	82,616
Sale of property	-	13,000	13,000
Insurance proceeds	-	8,210	8,210
Other	31,600	13,101	(18,499)
	14,955,391	21,349,736	6,394,345
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Administrative	1,042,408	992,416	(49,992)
Public safety:			
Police	2,292,799	1,914,015	(378,784)
Fire/EMS	2,333,969	1,912,535	(421,434)
Police pension	71,557	64,320	(7,237)
Fire pension	197,846	159,611	(38,235)
Total public safety	4,896,171	4,050,481	(845,690)
Environment and leisure:			
Auditorium	3,726,914	6,077,150	2,350,236
Parks	538,666	423,809	(114,857)
Community center	2,049,554	3,459,734	1,410,180
Aquatic center	308,894	296,626	(12,268)
Ball park	437,006	381,029	(55,977)
Senior center	16,713	16,315	(398)
Convention center	519,237	422,142	(97,095)
Library	431,230	419,408	(11,822)
Total environment and leisure	8,028,214	11,496,213	3,467,999
Total charges to appropriations	13,966,793	16,539,110	2,572,317
Excess of revenues over charges to appropriations before transfers	988,598	4,810,626	3,822,028
<b>TRANSFERS TO OTHER FUNDS</b>	(1,616,991)	(1,741,990)	(124,999)
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS AND TRANSFERS</b>	\$ (628,393)	\$ 3,068,636	\$ 3,697,029

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Special assessments	\$ 27,667	\$ 37,601	\$ 9,934
Sales tax	250,000	330,985	80,985
Intergovernmental	1,142,498	1,210,787	68,289
Charges for services	22,000	6,108	(15,892)
Grants	4,500	-	(4,500)
Interest income	6,000	7,929	1,929
Sale of property	-	13,000	13,000
Other	10,000	9,759	(241)
	<hr/>	<hr/>	<hr/>
Total resources	1,462,665	1,616,169	153,504
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Street operations and maintenance	2,010,226	2,219,212	208,986
Capital outlay	1,651,950	79,019	(1,572,931)
Principal payments on debt	-	42,837	42,837
Interest expense	-	5,613	5,613
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	3,662,176	2,346,681	(1,315,495)
Revenues under charges to appropriations before transfers	(2,199,511)	(730,512)	1,468,999
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	1,479,261	1,479,261	-
<b>RESOURCES AND TRANSFERS OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ (720,250)	\$ 748,749	\$ 1,468,999

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Grants	\$ 350,000	\$ 354,871	\$ 4,871
Loan collections	50,136	79,025	28,889
Interest income	<u>500</u>	<u>284</u>	<u>(216)</u>
Total resources	400,636	434,180	33,544
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Economic development	<u>656,573</u>	<u>372,811</u>	<u>(283,762)</u>
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<u>\$ (255,937)</u>	<u>\$ 61,369</u>	<u>\$ 317,306</u>

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Special assessments	\$ -	\$ 3,365	\$ 3,365
Interest income	-	1,051	1,051
Bond proceeds	-	2,655,000	2,655,000
	<hr/>	<hr/>	<hr/>
Total resources	-	2,659,416	2,659,416
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Principal payments	375,000	3,430,000	3,055,000
Interest expense	105,229	97,306	(7,923)
Bond fees	2,500	31,022	28,522
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	482,729	3,558,328	3,075,599
Revenues under charges to appropriations before transfers	(482,729)	(898,912)	(416,183)
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	782,729	782,729	-
<b>RESOURCES AND TRANSFERS OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ 300,000	\$ (116,183)	\$ (416,183)

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Sales tax	\$ 1,150,000	\$ 1,350,334	\$ 200,334
Interest income	-	6,714	6,714
Bond proceeds	-	7,700,000	7,700,000
	<hr/>	<hr/>	<hr/>
Total resources	1,150,000	9,057,048	7,907,048
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Environment and leisure	90,000	74,205	(15,795)
Capital outlay	70,000	25,919	(44,081)
Principal payments	425,000	8,250,000	7,825,000
Interest expense	236,696	236,697	1
Bond fees	1,000	90,300	89,300
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	822,696	8,677,121	7,854,425
Revenues over charges to appropriations before transfers	327,304	379,927	52,623
<b>TRANSFERS TO OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	(645,000)	(520,000)	125,000
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS AND TRANSFERS</b>	<hr/>	<hr/>	<hr/>
	\$ (317,696)	\$ (140,073)	\$ 177,623
	<hr/>	<hr/>	<hr/>

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

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

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>	<u>Debt Service Fund</u>	<u>LB 357 Fund</u>
<b>Sources/inflows of resources:</b>					
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 21,349,736	\$ 1,616,169	\$ 434,180	\$ 2,659,416	\$ 9,057,048
Differences - budget to MAB:					
Cash to MAB adjustments	<u>(402,165)</u>	<u>(3,942)</u>	<u>47,241</u>	<u>(2,831)</u>	<u>29,148</u>
Total revenues as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u>\$ 20,947,571</u>	<u>\$ 1,612,227</u>	<u>\$ 481,421</u>	<u>\$ 2,656,585</u>	<u>\$ 9,086,196</u>
<b>Uses/outflows of resources:</b>					
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 16,539,110	\$ 2,346,681	\$ 372,811	\$ 3,558,328	\$ 8,677,121
Differences - budget to MAB:					
Cash to MAB adjustments	<u>(538,432)</u>	<u>(9,457)</u>	<u>104,305</u>	<u>(21,931)</u>	<u>(59,027)</u>
Total expenditures as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u>\$ 16,000,678</u>	<u>\$ 2,337,224</u>	<u>\$ 477,116</u>	<u>\$ 3,536,397</u>	<u>\$ 8,618,094</u>

**CITY OF YORK, NEBRASKA**

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

**September 30, 2021**

	Capital Projects Fund	Aviation Fund	Special Revenue Funds Keno Fund	Sinking Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 306,657	\$ 186,711	\$ 16,294	\$ 402,318
Certificates of deposit	621,842	378,614	33,040	839,688
Accounts receivable	-	7,647	-	-
Due from other governments	-	78,333	-	-
Inventory	-	52,276	-	20,118
Accrued interest receivable	188	114	10	243
Prepaid insurance	-	7,327	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u><u>\$ 928,687</u></u>	<u><u>\$ 711,022</u></u>	<u><u>\$ 49,344</u></u>	<u><u>\$ 1,262,367</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 4,696	\$ 65,908	\$ 5,800	\$ -
Accrued wages and vacation	-	2,152	-	-
	<u>4,696</u>	<u>68,060</u>	<u>5,800</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Prepaid assets	-	7,327	-	-
Restricted for:				
Economic development	-	-	-	-
Capital projects	923,991	-	-	-
Community betterment	-	-	43,544	-
Public safety	-	-	-	-
Assigned for:				
Industrial Park development	-	635,635	-	1,262,367
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u><u>923,991</u></u>	<u><u>642,962</u></u>	<u><u>43,544</u></u>	<u><u>1,262,367</u></u>
	<u><u>\$ 928,687</u></u>	<u><u>\$ 711,022</u></u>	<u><u>\$ 49,344</u></u>	<u><u>\$ 1,262,367</u></u>



Special Revenue Funds		Total Nonmajor Governmental Funds
E911 Fund	TIF Fund	
\$ 20,158	\$ 157,129	\$ 1,089,267
40,878	318,628	2,232,690
-	-	7,647
-	-	78,333
-	-	72,394
13	96	664
-	-	7,327
<u>\$ 61,049</u>	<u>\$ 475,853</u>	<u>\$ 3,488,322</u>
\$ -	\$ -	\$ 76,404
-	-	2,152
-	-	78,556
-	-	7,327
-	475,853	475,853
-	-	923,991
-	-	43,544
61,049	-	61,049
-	-	1,898,002
<u>61,049</u>	<u>475,853</u>	<u>3,409,766</u>
<u>\$ 61,049</u>	<u>\$ 475,853</u>	<u>\$ 3,488,322</u>

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2021**

	Capital Projects Fund	Aviation Fund	Special Revenue Funds Keno Fund	Sinking Fund
<b>REVENUES</b>				
TIF proceeds	\$ -	\$ -	\$ -	\$ -
Charges for services	-	303,497	-	35,867
Grants	168,262	78,333	-	-
Contributions	-	-	-	-
Keno proceeds	-	-	5,842	-
Loan collections	-	-	-	78,510
Interest income	2,695	2,380	194	4,975
<b>Total revenues</b>	<u>170,957</u>	<u>384,210</u>	<u>6,036</u>	<u>119,352</u>
<b>EXPENDITURES</b>				
General government	-	-	6,667	-
Economic development	-	-	-	13,380
Public works	7,176	-	-	-
Airport	-	357,573	-	-
Capital outlay	-	35,833	-	-
Principal payments on debt	-	-	-	-
Interest on long-term debt	-	-	-	-
<b>Total expenditures</b>	<u>7,176</u>	<u>393,406</u>	<u>6,667</u>	<u>13,380</u>
<b>Net change in fund balances</b>	163,781	(9,196)	(631)	105,972
Fund balances - September 30, 2020	<u>760,210</u>	<u>652,158</u>	<u>44,175</u>	<u>1,156,395</u>
Fund balances - September 30, 2021	<u>\$ 923,991</u>	<u>\$ 642,962</u>	<u>\$ 43,544</u>	<u>\$ 1,262,367</u>

Special Revenue Funds		Total Nonmajor Governmental Funds
E911 Fund	TIF Fund	
\$ -	\$ 197,399	\$ 197,399
8,046	-	347,410
-	-	246,595
-	26,112	26,112
-	-	5,842
-	-	78,510
240	2,466	12,950
<u>8,286</u>	<u>225,977</u>	<u>914,818</u>
-	-	6,667
-	293,049	306,429
-	-	7,176
-	-	357,573
-	-	35,833
-	20,557	20,557
-	2,380	2,380
<u>-</u>	<u>315,986</u>	<u>736,615</u>
8,286	(90,009)	178,203
<u>52,763</u>	<u>565,862</u>	<u>3,231,563</u>
<u>\$ 61,049</u>	<u>\$ 475,853</u>	<u>\$ 3,409,766</u>

**CITY OF YORK, NEBRASKA**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -  
MODIFIED ACCRUAL BASIS - GENERAL FUND DEPARTMENTS**

**Year ended September 30, 2021**

	General	Capital Projects	Auditorium	Parks	Police	Community Center
<b>REVENUES</b>						
Taxes:						
General property tax	\$ 2,080,999	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle tax	216,083	-	-	-	-	-
Sales tax	3,813,444	-	-	-	-	-
Occupation/franchise	2,467,360	-	-	-	-	-
Intergovernmental revenue:						
State assistance	46,975	-	-	-	-	-
County funding	-	-	-	-	-	-
Rural fire district	-	-	-	-	-	-
Charges for services	65,427	-	7,218	-	2,330	37,878
Grants	702,257	281,000	-	-	-	-
Contributions	-	-	3,568	7,882	50,000	4,683
Interest income	17,386	44	-	38	1	-
Loan/bond proceeds	-	9,480,000	-	-	-	-
Bond premiums	-	82,616	-	-	-	-
Insurance proceeds	-	-	-	-	8,210	-
Sale of property	-	-	-	13,000	-	-
Other revenues	7,852	-	-	-	2,090	-
Total revenues	<u>9,417,783</u>	<u>9,843,660</u>	<u>10,786</u>	<u>20,920</u>	<u>62,631</u>	<u>42,561</u>
<b>EXPENDITURES</b>						
Personnel services:						
Salaries and benefits	556,043	-	47,236	231,589	1,439,169	234,196
Operating expenses:						
Insurance	78,534	-	-	17,227	38,097	5,436
Advertising/publicity	49,300	-	-	-	-	2,694
Contract labor/outside services	43,020	-	2,461	-	32,087	10,814
Professional fees	61,743	-	-	-	-	-
Meetings, seminars, and dues	51,764	-	-	130	20,476	3,658
Repairs and maintenance	22,106	-	18,358	48,892	63,705	32,515
Printing and postage	9,824	-	-	-	-	-
Transportation	-	-	-	8,048	22,934	-
Utilities and telephone	32,027	-	26,761	32,174	206,994	29,188
Total operating expenses	<u>348,318</u>	<u>-</u>	<u>47,580</u>	<u>106,471</u>	<u>384,293</u>	<u>84,305</u>
Supplies	8,460	-	16,126	21,752	18,279	28,064
Other expenses	61,937	21,657	237	18,176	14,577	14,804
Capital outlay	11,271	4,318,273	-	45,821	50,371	-
Principal on long-term debt	-	4,100,000	-	-	-	-
Interest on long-term debt	-	41,102	-	-	-	-
Bond fees	-	58,585	-	-	-	-
Total expenditures	<u>986,029</u>	<u>8,539,617</u>	<u>111,179</u>	<u>423,809</u>	<u>1,906,689</u>	<u>361,369</u>
Excess (deficiency) of revenues over expenditures before transfers	8,431,754	1,304,043	(100,393)	(402,889)	(1,844,058)	(318,808)
<b>TRANSFERS (TO) FROM OTHER FUNDS</b>	<u>(7,268,362)</u>	<u>-</u>	<u>121,414</u>	<u>531,966</u>	<u>2,211,749</u>	<u>374,304</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AFTER TRANSFERS</b>	<u>\$ 1,163,392</u>	<u>\$ 1,304,043</u>	<u>\$ 21,021</u>	<u>\$ 129,077</u>	<u>\$ 367,691</u>	<u>\$ 55,496</u>

Aquatic Center	Ball Park	Senior Center	Convention Center	Fire/EMS	Library	Police Pension	Fire Pension	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,080,999
-	-	-	-	-	-	-	-	216,083
-	-	-	-	-	-	-	-	3,813,444
-	-	-	-	-	-	-	-	2,467,360
-	-	-	-	-	-	-	-	46,975
-	-	-	-	292,750	17,500	-	-	310,250
-	-	-	-	72,712	-	-	-	72,712
108,204	170,342	-	202,524	610,650	3,447	-	-	1,208,020
-	-	-	-	-	2,000	-	-	985,257
9,774	-	-	-	52,586	1,963	-	-	130,456
-	(5)	-	-	(178)	(25)	799	1,028	19,088
-	-	-	-	-	-	-	-	9,480,000
-	-	-	-	-	-	-	-	82,616
-	-	-	-	-	-	-	-	8,210
-	-	-	-	-	-	-	-	13,000
-	150	-	-	-	3,009	-	-	13,101
<u>117,978</u>	<u>170,487</u>	<u>-</u>	<u>202,524</u>	<u>1,028,520</u>	<u>27,894</u>	<u>799</u>	<u>1,028</u>	<u>20,947,571</u>
156,042	163,821	205	229,480	1,317,450	299,920	64,320	159,611	4,899,082
10,863	14,985	-	11,854	90,401	5,034	-	-	272,431
1,338	1,060	-	-	-	-	-	-	54,392
7,961	9,778	-	21,773	95,536	22,975	-	-	246,405
-	-	-	-	-	-	-	-	61,743
2,585	1,846	-	620	11,452	1,622	-	-	94,153
29,311	27,156	4,648	39,173	48,561	19,895	-	-	354,320
-	-	-	-	-	2,169	-	-	11,993
-	3,493	-	-	20,492	-	-	-	54,967
<u>49,555</u>	<u>42,038</u>	<u>11,462</u>	<u>72,080</u>	<u>221,388</u>	<u>15,270</u>	<u>-</u>	<u>-</u>	<u>738,937</u>
<u>101,613</u>	<u>100,356</u>	<u>16,110</u>	<u>145,500</u>	<u>487,830</u>	<u>66,965</u>	<u>-</u>	<u>-</u>	<u>1,889,341</u>
31,672	74,029	-	21,453	83,111	11,413	-	-	314,359
7,299	8,428	-	25,709	13,430	41,110	-	-	227,364
-	34,395	-	-	10,714	-	-	-	4,470,845
-	-	-	-	-	-	-	-	4,100,000
-	-	-	-	-	-	-	-	41,102
-	-	-	-	-	-	-	-	58,585
<u>296,626</u>	<u>381,029</u>	<u>16,315</u>	<u>422,142</u>	<u>1,912,535</u>	<u>419,408</u>	<u>64,320</u>	<u>159,611</u>	<u>16,000,678</u>
(178,648)	(210,542)	(16,315)	(219,618)	(884,015)	(391,514)	(63,521)	(158,583)	4,946,893
<u>201,394</u>	<u>240,908</u>	<u>16,713</u>	<u>231,087</u>	<u>1,190,107</u>	<u>406,730</u>	<u>-</u>	<u>-</u>	<u>(1,741,990)</u>
<u>\$ 22,746</u>	<u>\$ 30,366</u>	<u>\$ 398</u>	<u>\$ 11,469</u>	<u>\$ 306,092</u>	<u>\$ 15,216</u>	<u>\$ (63,521)</u>	<u>\$ (158,583)</u>	<u>\$ 3,204,903</u>

**ADDITIONAL INFORMATION REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities – modified accrual basis, the business-type activities – accrual basis, the aggregate discretely presented component unit – accrual basis, each major fund – modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information – modified accrual basis for the governmental funds of the City of York, Nebraska, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated January 12, 2022. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of York, Nebraska, prepares its financial statements for the governmental funds on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of York’s internal control over financial reporting (internal control) 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**SHAREHOLDERS:**

Robert D. Almquist  
Phillip D. Maltzahn  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described below that we consider to be significant deficiencies.

#### Segregation of Duties

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

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

As part of obtaining reasonable assurance about whether the City of York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

- At September 30, 2021, bank balances for the Kilgore Library Foundation exceeded FDIC coverage by \$12,734 at one financial institution.
- Actual expenditures exceeded budgeted appropriations by \$1,623,679 during the year ended September 30, 2021.

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

The City of York's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City will monitor FDIC and pledged security coverage for all bank deposits and request the financial institutions to assign additional collateral, if necessary. Also, the City will monitor actual disbursement levels compared to budgeted appropriations and will amend the budget, if necessary, in the future. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of



the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AMGL, PC.

Grand Island, Nebraska  
January 12, 2022